

**Joint Regional Economic Development
Committee**

Friday 11 March 2022 at 10.00am

AGENDA

Joint Regional Economic Development Committee Agenda

Meeting to be held remotely
on Friday 11 March 2022, 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

Chairperson, Councillor Justin Blaikie

Councillor Terry Archer

Councillor Anna Curnow

Councillor David Clendon

Councillor John Vujcich

Councillor Peter Wethey

RĪMITI (Item)	Page
1.0 NGĀ MAHI WHAKAPAI/HOUSEKEEPING	
2.0 NGĀ WHAKAPAHĀ/APOLOGIES	
3.0 NGĀ WHAKAPUAKANGA/DECLARATIONS OF CONFLICTS OF INTEREST	
4.0 NGĀ WHAKAAE MINITI (CONFIRMATION OF MINUTES)	
4.1 Confirmation of Minutes - 10 December 2021	4
5.0 RECEIPT OF ACTION SHEET	
5.1 Receipt of Action Sheet	9
6.0 REPORTS	
6.1 Northland Inc Limited Reporting Against Statement of Intent 2021-2024: Second Quarter 2021/2022	11
6.2 Northland Inc Limited Statement of Intent 2022-2025: Draft received from Northland Inc	17
6.3 Annual Work Plan 2022/23	44

Opening Karakia – Whakataka te hau

Whakataka te hau ki te uru
Whakataka te hau ki te tonga
Kia mākinakīna ki uta
Kia mātaratara ki tai
E hī ake ana te atakura
He tīo, he huka, he hau hū
Tihei mauri ora!

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 tanagata
Koia rā e Rongo, whakairia ake ki runga
Kia tina! TINA! Hui e! TĀIKI E!

TITLE: Confirmation of Minutes - 10 December 2021

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

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 04 March 2022

Ngā mahi tūtohutia / Recommendation

That the minutes of the Joint Regional Economic Development Committee meeting held on 10 December 2021 be confirmed as a true and correct record.

Attachments/Ngā tapirihanga

Attachment 1: Joint Regional Economic Development Committee Minutes 10 December 2021 [↓](#) 

Joint Regional Economic Development Committee
10 December 2021

Joint Regional Economic Development Committee Minutes

Meeting held remotely via Zoom
on Friday 10 December 2021, commencing at 10.00am

Tuhinga/Present:

Full Meeting

Councillor Justin Blaikie (NRC) - Chair
Councillor Anna Curnow (KDC) – Deputy Chair
Councillor Terry Archer (NRC)
Councillor David Clendon (FNDC)
Councillor John Vujcich (FNDC)
Councillor Peter Wethey (KDC)
Kris McDonald (NINC)
Liz Oliver (NINC)
Geoff Chopstick (NINC)
Vaughan Cooper (NINC)
Tammy Fromont (NINC)
Nicole Anderson (NINC) - Chair
Bill Lee (FNDC)
Darryl Jones (NRC)
Emmanouela Galanou (NRC)

I Tae Mai/In Attendance:

Part Meeting

Malcolm Nicolson (NRC) - CEO
Jason Marris (KDC)

The Chair declared the meeting open at 10.00am.

Secretarial Note: Due to the current Covid-19 restrictions and the meeting being conducted fully remotely, proceedings were livestreamed in order to be open to the public.

Karakia Timatanga Justin Blaikie

- Justin Blaikie acknowledged the retirement of Bill Lee.
- Introductions of all members attending today's meeting.

Ngā Mahi Whakapai/Housekeeping (Item 1.0) Nil

Ngā whakapahā/Apologies (Item 2.0)

Nil

Joint Regional Economic Development Committee
10 December 2021

Confirmation of Minutes - 30 September 2021 (Item 4.1)

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

Moved (Justin Blaikie/Peter Wethey)

Ngā mahi tūtohutia / Recommendation

That the minutes of the Joint Regional Economic Development Committee meeting held on 30 September 2021 be confirmed as a true and correct record.

Carried

Receipt of Action Sheet (Item 5.1)

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

Moved (Anna Curnow/Terry Archer)

Nga mahi tutohutia / Recommendation

That the action sheet be received.

Carried

Secretarial Note:

- *The Joint Committee would like a discussion on "Regional Reach" to be prioritised for its meeting on 11 March 2022.*

Northland Inc Limited: Annual Report for the Year Ending 30 June 2021 (Item 6.1)

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

Moved (Peter Wethey/John Vujcich)

Ngā mahi tūtohutia / Recommendation

That the report 'Northland Inc Limited: Annual Report for the Year Ending 30 June 2021' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 17 November 2021, be received.

Carried

Secretarial Note:

- *The Joint Committee would like explanations to be provided going forward for all significant variations from budget in Northland Inc's financial statements (10% or greater was suggested).*

Joint Regional Economic Development Committee
10 December 2021

Northland Inc Limited: First Quarter 2021/22 reporting against Statement of Intent 2021-2024 (Item 6.2)

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

Moved (Anna Curnow/Justin Blaikie)

Ngā mahi tūtohutia / Recommendation

That the report 'Northland Inc Limited: First Quarter 2021/22 reporting against Statement of Intent 2021-2024' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 17 November 2021, be received.

Carried

Secretarial Note:

- *Northland Inc will provide a district breakdown, where available, in future KPI reporting to show regional dispersal.*
- *Joint Committee members have extensive networks which can be used to both promote Northland Inc and to bring potential investment to the attention of Northland Inc.*
- *Northland Inc are working on a communication strategy to increase the visibility of their activities within the region, and will provide the Joint Committee with an update in 2022.*

Northland Inc Limited: Draft Letter of Expectations to SOI 2022-25 (Item 6.3)

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

Moved (Justin Blaikie/John Vujcich)

Recommendation(s)

1. That the report 'Northland Inc Limited: Draft Letter of Expectations to SOI 2022-25' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 18 November 2021, be received.
2. That the Letter of Expectations on the Statement of Intent 2022-25 as set out in **Attachment 1** be provided to Northland Inc Limited.
3. That the Chair be delegated authority to make minor amendments to the letter of expectations to Northland Inc Limited on its Statement of Intent 2022-2025 in line with comments received on this report, and any amendments be circulated to members of the Joint Regional Economic Development Committee prior to the letter been released to Northland Inc Limited.

Carried

Secretarial Note:

- *11am Malcolm Nicolson left meeting.*
- *Minor grammar changes suggested. Letter to be sent to Northland Inc.*

Northland Inc Limited Directors: Review of remuneration (Item 6.4)

Report from Darryl Jones, Economist

Ngā mahi tūtohutia / Recommendation

Joint Regional Economic Development Committee
10 December 2021

That the report 'Northland Inc Limited Directors: Review of remuneration' by Darryl Jones, Economist and dated 2 December 2021, be received.

Northland Inc Limited Directors: Appointment of director (Item 6.5)

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

Moved (Justin Blaikie/Terry Archer)

Recommendation(s)

1. That the report 'Northland Inc Limited Directors: Appointment of director' by Darryl Jones, Economist and Emmanouela Galanou, Economic Policy Advisor and dated 30 November 2021, be received.
2. That Kris McDonald be reappointed to the Board of Northland Inc Limited for a term of three years beginning 1 July 2022.

Secretarial Note:

- 11.06am Kris McDonald left the meeting whilst the Joint Committee discuss his reappointment.

Regional Economic Development Strategy (Item 6.6)

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

Moved (Anna Curnow/Terry Archer)

Ngā mahi tūtohutia / Recommendation

That the report 'Regional Economic Development Strategy' by Darryl Jones, Economist and Emmanouela Galanou, Economic Policy Advisor and dated 22 November 2021, be received.

Carried

Secretarial Note:

- 11.22am Jason Marris left meeting.
- The Joint Committee request that Northland Inc set target dates for project milestones.
- Although it is important that the strategy has a targeted date, time is required in order to fully engage and achieve effective collaboration with Māori, iwi and hapu.

Karakia Whakamutunga Justin Blaikie

Whakamutunga (Conclusion)

The meeting concluded at 11:50am.

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: 04 March 2022

Whakarāpopototanga / Executive summary

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

Nga mahi tutohutia / Recommendation

That the action sheet be received.

Attachments/Ngā tapirihanga

Attachment 1: Joint Regional Economic Development Committee Action Sheet 2021/22 [!\[\]\(cf531ed27e91483460120fcc057b3901_img.jpg\)](#) 

Joint Regional Economic Development Committee - schedule of actions

Meeting date	Item	JREDC Action	Responsible staff	Status	Notes
8-May-21 (meeting held as Working Party)	Northland Inc Limited: Extending Regional Reach	Discussion on this item was postponed due to tsunami alert. Bring item for workshop discussion at a later date.	Darryl Jones, Emmanouela Galanou, Vaughan Cooper	In progress	Item to be discussed at the JREDC workshop on 11 March. Paper is outdated so we suggest it is discussed as part of the workshop rather than the JREDC meeting.
30-Jul-21	Investment and Growth Reserve: Funding available for 2021/22	Future workshop discussion on how funding can be increased, including investigation to what other regions are doing in this space, i.e. loans, collaboration with banks, bonds etc.	Darryl Jones, Emmanouela Galanou	In progress	Workshop to be held following 11 March JREDC meeting.
30-Sep-21	Investment and Growth Reserve: Allocation of funding for Regional Economic Development Strategy	Prepare an information paper on the progress of the Economic Development Strategy to share with all council elected members twice a year.	Darryl Jones, Vaughan Cooper, Emmanouela Galanou	In progress	Initial information update will be prepared for 11 March JREDC meeting.
10-Dec-21	Northland Inc Limited Statement of Intent 2022-2025: Letter of Expectations	Send final version to Northland Inc.	Justin Blaikie	Complete	Letter sent on 14 December 2021.

Notes

Use the words "In progress" and "Complete" for the status column of the Action Sheet

*Once items are secured in the agenda, mark as "Complete", provide this as Action Sheet to Meeting and then delete.

TITLE: Northland Inc Limited Reporting Against Statement of Intent 2021-2024: Second Quarter 2021/2022

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 04 March 2022

Whakarāpopototanga / Executive summary

The Joint Regional Economic Development Committee (Joint Committee) has received the second quarter report for the 2021/2022 financial year from Northland Inc Limited (Northland Inc) against the Key Performance Indicators (KPIs) in its Statement of Intent 2021-2024 (**Attachment 1**).

Staff have assessed the information provided for the 16 KPIs. Most indicators are on track and progressing well except for two indicators under the Regional Investment work area. The KPI report indicates that the target number of inward delegations hosted is unlikely to be achieved primarily due to Covid-19. The impact of the pandemic and subsequent alert level policies has also impacted the progress of the indicator 'Number of high impact projects that are implemented'. A change in focus by Kānoa – MBIE's Regional Economic Development & Investment Unit – may also impact Northland Inc's ability to achieve this KPI. Northland Inc have exceeded their target in terms of number of unique businesses assisted and number of destination promotion campaign initiatives to generate national exposure to the region. Pie graphs are provided to give additional information for some measures, e.g., the district distribution of businesses assisted in 2021/22.

The Northland Inc financial performance for the six months to 31 December 2021 is tracking ahead of budget, with the net income result being better than budgeted by \$120,576. This positive variance is due to the delayed payment of budgeted project direct costs. The anticipated full year result is a net income of \$1,223 which is \$608 ahead of the corresponding budgeted result of \$615. With \$1.9M of cash on hand at the end of December 2021 it appears Northland Inc will not have any issues with operating cashflows through to the end of this financial year.

Representatives from Northland Inc will attend the Joint Committee meeting.

Ngā mahi tūtohutia / Recommendation

That the report 'Northland Inc Limited Reporting Against Statement of Intent 2021-2024: Second Quarter 2021/2022' by Emmanouela Galanou, Economic Policy Advisor; Darryl Jones, Economist and Simon Crabb, Finance Manager and dated 22 February 2022, be received.

Background/Tuhinga

Not applicable.

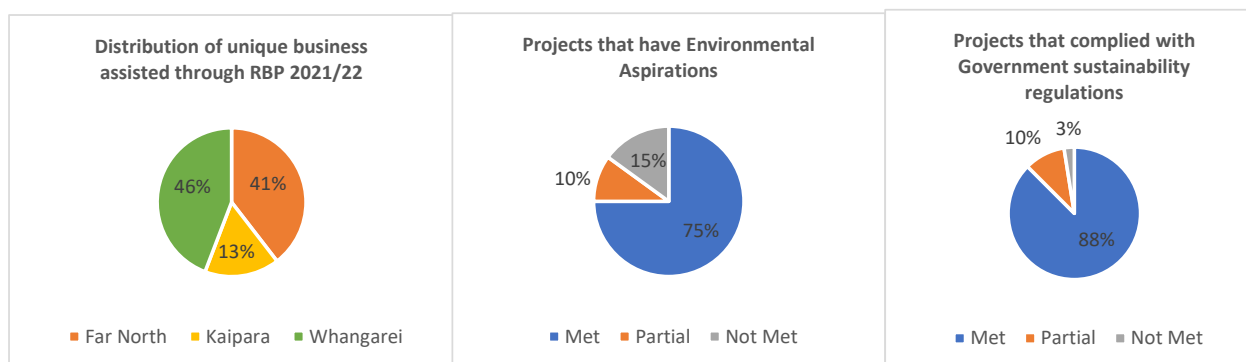
Attachments/Ngā tapirihanga

Attachment 1: Northland Inc Limited Second Quarter reporting 2021/22 against SOI [↓](#) 

NINC KPI report December 2021 – 2nd Quarterly Report

Hoaketanga – Objective	How we will measure		Targets	Actual	Comment	
	Type	Measure	2021/22	2021/22		
Māori Economic Development	Output	Number of engagements or established relationships with iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. that have led to a positive outcome	10	6	Many engagements across the organisation currently providing a strong pipeline.	
	Outcome	Proportion of Māori organisations that are satisfied with Northland Inc support	>50%		Survey will be undertaken closer to end of year to ensure large enough sample size. Focus group feedback will be captured in Q3	
Environmental Sustainability	Output	Number of workshops / events that help promote or support environmental sustainability values and culture in Te Tai Tokerau	4	1	1 st workshop completed more scheduled	
	Outcome	Proportion of businesses / projects that Northland Inc are supporting that have identified their environmental aspirations and complied with governmental regulations	80%	81%	Represents projects only - Preparing the reporting structure across the organisation See charts below.	
		Change in carbon footprint of Northland Inc	Initial carbon footprint audit completed		Using a Northland company, draft report in Q4	
Regional Investment	Output	Number of unique businesses assisted (reporting by TA and industry)	230	320	Target exceeded	
		Proportion of those businesses assisted that are Māori (by TA and industry)	20%	22%	3% increase from last reported	
		Number of inward delegations hosted	3	0	Unlikely to be achieved primarily due to Covid	
	Outcome	Client satisfaction with businesses assistance provided by Northland Inc as measured by Net Promotor Score	NPS >50	NPS = 100	On track	
		Value of grant funding and investment facilitated for Māori businesses	\$110k	\$60.2K	On track to achieve target	
		Number of high impact projects that are implemented (reporting by regional strategic sectors)	4	1	Due to covid delays and change in focus from KANOA this KPI may not be achieved.	
Destination Management and Marketing	Output	Number of destination promotion campaign initiatives to generate national exposure to the region (reporting will include number of businesses that are engaged in the campaign)	1 campaign per year	2	Spring school holiday campaign complete. Summer Journeys campaign complete. Autumn campaign planning in progress. (25 businesses featured in content for 2 campaigns) Limited opportunity for famil/media visits due to regional border closures.	
		Number of workshops / events to promote product development and position Te Tai Tokerau Northland as a green tourism destination	Establish baseline	Baseline of 3 established	Achieved	

Hoaketanga – Objective	How we will measure		Targets	Actual	Comment	
	Type	Measure	2021/22	2021/22		
Profile and Advocacy of Economic Development	Output	Number of regional economic development updates or reports released	4	0	On track to achieve target. Two items complete in Jan/Feb, due for release in Feb. One item had been delayed due to COVID activity in 2021.	
	Outcome	Number of media features that profile the region	12	14	Achieved	
		Number of media activity that references Northland Inc	24	35	Achieved	



	31 December 21			Year End			Notes
	YTD Actuals	YTD Budget	Variance	Forecast Est	Annual Budget	Variance	
Ordinary Income/Expense							
Grants Income	904,672	874,672	30,000	2,079,344	2,074,344	5,000	1
NIF	75,000	66,000	9,000	75,000	66,000	9,000	2
Project Income	1,424,885	1,595,009	-170,124	2,939,714	3,012,636	-72,922	3
Total Income	2,404,557	2,535,681	-131,124	5,094,058	5,152,980	-58,922	
Expense							
Depreciation	28,529	27,998	-531	56,000	56,000	0	
Provision for doubtful debts	315	0	-315	315	0	-315	
Wages	1,265,318	1,125,364	-139,953	2,374,672	2,250,734	-123,938	4
Overheads	279,765	272,970	-6,795	586,098	576,588	-9,510	5
Director Expenses	60,937	78,000	17,063	156,000	156,000	0	6
Project Direct Costs	899,205	1,151,156	251,951	2,096,676	2,113,043	16,367	7
Total Expense	2,534,068	2,655,488	121,421	5,269,762	5,152,365	-117,397	
Net Ordinary Income	-129,511	-119,807	-9,703	-175,703	615	-176,318	
Total Other Income	521,736	0	521,736	1,767,354	0	1,767,354	8
Total Other Expenses	391,457	0	391,457	1,590,427	0	-1,590,427	8
Net Income	768	-119,807	120,576	1,223	615	608	

Notes

- 1 Slightly below budget due to timing
- 2 Increase in NIF contribution offset against expenses
- 3 Slightly below budget due to timing
- 4 Higher than budget due to new projects offset in other income total
- 5 Tracking overall to budget
- 6 Currently under budget
- 7 Under budget - timing
- 8 Mostly made up of reserves and new project income offset against in Other Expense and wage areas

Northland Inc Ltd
Draft Balance Sheet
As of December 31, 2021

	as at 31 December 21	Closing Balance Jun 30, 21	Movement	Notes
ASSETS				
Current Assets				
Chequing/Savings				
Total Chequing/Savings	530,327	2,714,583	-2,184,256	
Total Accounts Receivable	1,773,681	647,064	1,126,616	
Total Other Current Assets	1,538,468	103,719	1,434,748	1
Total Current Assets	3,842,476	3,465,367	377,109	
Fixed Assets				
Total Office Equipment	115,601	118,782	-3,180	
Total Vehicles	101,220	119,083	-119,083	
Total Fixed Assets	216,821	237,865	-122,263	
TOTAL ASSETS	4,059,297	3,703,231	254,846	
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Total Accounts Payable	379,812	378,044	1,767	2
Income in Advance	3,119,241	2,910,135	209,105	3
Accruals	99,940	57,857	42,083	4
GST	192,187	123,317	68,871	
Holiday Pay Accrued	105,858	72,387	33,471	
Total Liabilities	3,897,038	3,541,740	355,298	
Equity				
Contributed Capital	100	100	0	
Equity	161,391	150,803	10,588	
Net Income	768	10,588	-9,820	
Total Equity	162,260	161,491	768	
TOTAL LIABILITIES & EQUITY	4,059,297	3,703,231	356,066	

Notes

- 1 Project income received ahead of expenditure ie STAPP, REF, Action Plan, SFFF
- 2 Payables reflect normal monthly totals
- 3 Reflects project funding reserves
- 4 Admin accruals

Northland INC	November		December		January		February					Cashflow Budget
Cash Flow 2021/22	Forecast	actual	Forecast	Actual	Forecast	Actual	Forecast	Actual	Actual YTD	Forecast YTD	Variance YTD	
INCOME												
NRC Grants	9,373	9,373	556,814	470,564	0	0	9,373	0	965,624	1,046,124	(80,500)	2,264,746
Project Income	134,659	123,466	182,074	63,516	58,798	0	81,873	0	433,147	580,802	(147,655)	1,811,614
NIF Income	0	11,500	0	5,750	0	0	0	0	17,250	0	17,250	75,900
Total Income	144,032	144,339	738,888	539,830	58,798	0	91,246	0	1,416,021	1,626,926	(210,905)	4,152,260
EXPENSES												
Salaries	173,133	186,285	259,700	289,167	173,133	0	204,118	0	1,228,207	1,125,365	102,842	2,250,734
Destinational Management & Marketing	234,091	6,107	234,091	2,542	5,270	0	5,270	0	236,477	587,586	(351,109)	1,379,433
NIF	6,325	13,197	6,325	6,748	6,325	0	6,325	0	32,546	37,950	(5,404)	75,900
Co Sharing Space	670	671	670	0	670	0	670	0	2,275	4,020	(1,745)	8,050
Business Dev	4,600	90	4,600	470	4,600	0	3,450	0	8,686	27,600	(18,914)	49,450
Investment	0	0	86,250	5,750	0	0	0	0	5,750	86,250	(80,500)	345,000
Action Plan	15,513	0	15,513	0	15,513	0	15,513	0	35,997	93,078	(57,081)	186,157
Extension 350	11,544	11,917	11,544	24,434	11,544		11,544		95,166	69,264	25,902	138,529
SFFF	20,623	0	20,623	0	0	0	0	0	0	123,738	(123,738)	247,480
Overheads	61,634	62,250	73,645	92,658	62,784	0	62,784	0	367,649	391,995	(24,346)	821,064
Total Expenses	507,510	280,517	692,338	421,769	279,839	0	309,674	0	2,012,753	2,546,846	(534,093)	5,501,797
GST estimate	(35,980)	(6,624)			192,178		0	0	156,426	194,781	(38,355)	
SUB TOTAL OPERATING CASHFLOWS	(327,498)	(129,554)	46,550	118,061	(413,219)	0	(218,428)	0	(753,158)	(1,114,701)	361,543	(1,349,537)
Sub total Other Income & Expenses	(147,137)	(133,517)	(147,137)	42,458	(147,137)	0	(527,137)	0				
TOTAL OPERATING CASHFLOWS	(474,635)	(263,071)	(100,587)	75,603	(560,356)	0	(745,565)	0				
OPENING BALANCE	2,117,796	2,117,796	1,854,725	1,854,725	1,930,328	1,930,328	1,930,328	1,930,328				
Operating surplus/(deficit)	(474,635)	(263,071)	(100,587)	75,603	(560,356)	0	(745,565)	0				
Non operating surplus/(deficit)												
CLOSING BALANCE	1,643,161	1,854,725	1,754,138	1,930,328	1,369,972	1,930,328	1,184,763	1,930,328				
This cash flow includes GST on all expenses (except salaries, kiwisaver, bank fees & operating leases) although some like Directors fees or director travel may not have GST attached. As these are minor they do not have an impact on the result but this has been done in favour of presenting a												

TITLE: Northland Inc Limited Statement of Intent 2022-2025:
Draft received from Northland Inc

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

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 04 March 2022

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) 2022-2025 received on 1 March 2022 (**Attachment 1**) so that at its meeting on Friday 11 March, members of the Joint Committee can have an initial discussion on the content of the draft SOI. Along with the draft SOI, Northland Inc provided a cover letter highlighting several key points in the draft (**Attachment 2**). A letter of expectations in relation to this SOI from the Joint Committee was sent to Northland Inc on 14 December 2021 (**Attachment 3**).

At the meeting of the Joint Committee on Friday 11 March, staff will provide an assessment as to how the issues raised in the letter of expectations have been addressed by Northland Inc in the draft received. Following the meeting, the Joint Committee will have the opportunity to ask questions or seek clarification from Northland Inc on the draft SOI at quarterly workshop with Northland Inc that will take place in the afternoon of 11 March 2022. The Joint Committee will have the opportunity to further discuss the context of Northland Inc's draft SOI and preparation of the shareholder comment to the SOI at their meeting in April 2022.

An initial assessment of the draft SOI indicates that all the necessary statutory requirements as per Schedule 8(9)(1) of the Local Government Act 2002 have been met including the time requirement (on or before 1 March). The Joint Committee has until 1 May 2022 to provide comments back to Northland Inc on the draft SOI.

Northland Inc's draft SOI 2022-2025 reflects changes suggested by the Joint Committee through the letter of expectation. Firstly, Northland Inc have attempted to correct spelling and grammar errors. Reference to Northland Inc's Covid-19 response has been made within the "Context" section of the draft SOI. Finally, although Northland Inc have not modified the Doughnut Economic model, have improved the explanation that accompanies it. Careful consideration was put to align the language and pathways of the model with the rest of the document.

Northland Inc's cover letter to their SOI 2022-2025 draws attention to issues the organisation would like to raise in relation to its funding arrangements with its shareholders. Northland Inc highlight the potential risk of not being able to cope with the increasing inflation and express an interest in an increase in funding of economic development activities as they are currently underfunded compared to national and international best practice. Northland Inc welcomes the opportunity to discuss these at its quarterly workshop on 11 March 2022.


Ngā mahi tūtohutia / Recommendation


That the report 'Northland Inc Limited Statement of Intent 2022-2025: Draft received from Northland Inc' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 3 March 2022, be received.


Background/Tuhinga

Not relevant.

Attachments/Ngā tapirihanga

Attachment 1: Northland Inc Draft Statement of Intent 2022-2025 [↓](#) 

Attachment 2: Northland Inc Draft SOI 2022-2025 Cover Letter to Justin Blaikie [↓](#) 

Attachment 3: Letter of Expectations to Northland Inc on SOI 2022-2025 [↓](#) 

DRAFT

NorthlandInc

Growing Northland's Economy

Kia tupu ai te ōhanga o Te Tai Tokerau

Tauākī Whāinga Statement of Intent

2022/23 - 2024/25

DRAFT

Ngā rāranga - Table of Contents

1	Kupu Whakataki - Introduction	4
2	Tūāhua - Context.....	4
3	He Pou Mahi - Objectives	8
4	Āhua me te Whānuitanga a te Mahi - Nature and Scope of Activities	9
5	He Tohu Eke Pānuku - Key Performance Indicators.....	11
6	Ngā hua mō ngā Kaipūpuri - Shareholders' funds, distributions and the value of shareholders' investment	13
7	Kaiwhakaruruhau - Governance	13
8	Ngā kaupapa here kaute - Accounting policies	14
9	Ngā kōrero hei tuku ki ngā Kaipūpuri - Information to be provided to the Shareholders	14
10	Ngā urunga, ngā whiwhinga me ngā hokonga hou - New entries, acquisitions and sales.....	15
11	Kia rapu pūtea nō ngā Kaunihera mō wēnei take - Activities for which local authority funding is sought	15
12	Wētahi atu take - Any other matters	15
13	Whakamaramatanga-a-pūtea - Financial information	16
	Appendix A: Ngā Kaupapa Here Kaute - Accounting Policies	17
	Appendix B: Supporting Information for Northland Inc Statement of Intent.....	18

1 Kupu Whakataki - Introduction

The Board of Directors of Northland Inc Ltd (Northland Inc) present this Statement of Intent (SOI) as a public declaration of the activities and intentions of Northland Inc Ltd in accordance with the requirements of Clause 9 of Schedule 8 of the Local Government Act 2002 (the Act).

Northland Inc is a Company registered under the Companies Act 1993, a reporting entity for the purposes of the Financial Reporting Act 1993. It is owned by Northland Regional Council (NRC), the Far North District Council (FNDC) and Kaipara District Council (KDC), herein referred to as the 'Shareholders'. By virtue of the Shareholders right to appoint directors, Northland Inc is a council-controlled organisation (CCO) as defined under Section 6 of the Local Government Act 2002.

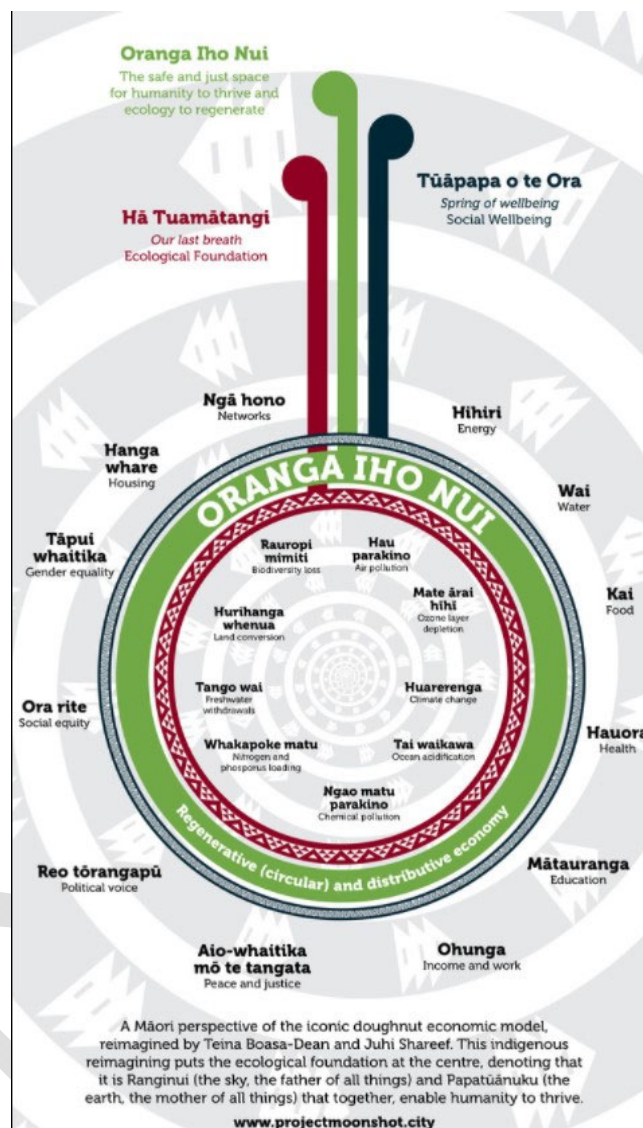
Northland Inc is partially funded by operational contributions from shareholders and is project funded through other public and private agencies, with central government being the next largest contributor. Northland Inc believes that despite overall strong regional economic performance many sectors and communities in Northland deserve further support and is committed to identifying partnerships and collaborations that help to increase funding and resources to enable equitable economic growth. Notwithstanding our intention to raise additional funding, our budget as presented reflects highly likely funding sources only. As such, for the sake of conservatism, the activities, workstreams and KPIs included in this document assume no aspirational funding objectives.

The organisation is governed by a board of six directors appointed for three years (or as otherwise specified from time to time by the Shareholders). The Board Chair is elected by the Directors. Operational activity is led by the Chief Executive Officer.

This SOI is the guiding governance tool and terms of reference for Northland Inc and defines the key performance indicators (KPIs) as agreed by Shareholders. It outlines the Directors' accountabilities to Shareholders for performance of the business.

2 Tūāhua - Context

Northland Inc works with organisations and institutions in Te Tai Tokerau Northland and public and private sectors with a common purpose to identify and focus on those activities and relationships that will strengthen, diversify, and grow Te Tai Tokerau Northland's economy to help support strong communities and environmental sustainability. The figure below is a visual representation of how we approach our work as the Economic Development Agency and Regional Tourism Organisation and requires focus on regenerative and distributive dynamics.



Central Government has agreed a framework for the whole of Government, which will drive climate change policy towards low greenhouse gas emissions and climate resilience in New Zealand. The framework includes a focus on a productive, sustainable and climate-resilient economy and a just and inclusive society. This is consistent with previous guidance from NRC focused on environmental sustainability, and this has been embedded within Northland Inc, our workstreams, and organisational activities.

Northland Inc will continue to evolve and support economic development strategies and actions that incorporate the principles of Inclusive Growth and look to provide alignment with the living standards framework. We strive to ensure fair and equitable outcomes that balance economic development with

environmental management and will prioritise economic opportunities which employ best practice environmental management, sustainability and regenerative activities.

The core principles of the Doughnut Economics model will be embedded in the organisation and refined over time. Our Strategic Pou are designed to reflect this journey while identifying pathways to implement this approach. The model we have adopted has been prepared and adopted by Iwi leaders at a national level. We see the engagement process of creating a new Regional Economic Development Strategy as the appropriate time to consider whether changes are necessary to the Doughnut Model to ensure its relevance to our Te Tai Tokerau region and its people.

Looking forward we see the connection and whanaungatanga in Te Tai Tokerau being galvanised through the strategic thinking and aspirational vision-setting required as we develop the Regional Economic Development Strategy.

Northland Inc has developed its pathway towards improved cultural understanding, *He Korowai Manawanui*, a two-year programme working on our organisational culture towards elevating the importance of Māori economic development and becoming a better partner for Māori with a genuine understanding of tikanga and Te Ao Māori. This is of critical significance for Te Tai Tokerau given almost one-third of the region's population identify as Māori, and regional aspirations of a thriving Māori economy.

Focus will also be on developing relationships to help guide Northland Inc in the use of current delivery platforms for Māori economic development. Medium to long-term we will focus on enhancing relationships and evolving current delivery while identifying new opportunities as appropriate.

In March 2020 the government closed the borders and since then has sent Te Tai Tokerau into a series of lockdowns that at times have meant life virtually comes to a halt. Amid this disruption, economists rapidly slashed their forecasts for GDP and employment.

Whilst parts of the economy have bounced back from lockdown largely unscathed, other parts have been hard hit, particularly our Tourism industry.

Many businesses have shown an impressive ability to pivot their operations to fit with the changed economic environment. Vaccine passports and Covid-19 testing have become somewhat normal parts of doing business. However, we must acknowledge that the environment within which Northland Inc operates over the next few years will still be quite challenging.

Northland Inc has responded internally through ensuring our own team is supported with flexible working arrangements, working from home, remotely or in the office as appropriate. This has ensured we remain available to customers and clients across the region through whichever form of interaction suits the client best.

Looking forward, we will continue to champion the provision of clear and consistent messaging in all communications within our rohe and actively support businesses and clients to adapt, both in terms of how they do business and creating new business opportunities.

Once we get through the current Covid-19 issues we foresee significant challenges in our economy. The need to address climate change is growing in urgency and the volume and pace of legislative change (including the RMA and Three Waters) will be significant and the aftereffects of Covid-19 on social cohesion, workforce and the health sector are unknown.

Northland Inc has given priority to supporting the key sectors within our economy, particularly the primary sector and tourism, as well as encouraging the development of new and innovative economic development ideas by reinvigorating the pipeline through activities such as The Pick, the Regional Business Partnership services and funding project development work.

DRAFT

3 He Pou Mahi - Objectives

Whakatauāki

"He pukepuke moana, e ekengia e te waka"
A choppy sea can be navigated.

The coast is synonymous with Te Tai Tokerau and suggests that although there are challenges, we can overcome them with intent.

Tirohanga ki Mua - Vision

An economy that supports a prosperous and thriving Te Tai Tokerau Northland that respects all people, past, present and future, and cares for the environment we all share.

Te Aronui - Mission

To identify and focus on those activities and relationships that will strengthen, diversify, and grow Te Tai Tokerau Northland economy to help achieve equity and environmental sustainability.

Rautaki - Strategy

Effective partnership through a limited number of impactful activities to achieve economic development that supports wellbeing and equity and sustains and improves the environment.

Northland Inc has developed six key Pou as the organisational objectives:

Pou Tahi: Māori Economic Development- "Āe Mārika"!

To respect and implement the principals of Te Tiriti O Waitangi, which support meaningful partnership with Māori. Working with strategic partners in the Māori Economic Development space to drive delivery on high impact Māori economic development projects across all levels, with a specific focus on improving capacity and capability of those who we partner with for delivery. Implementation of our pathway – He Korowai Manawanui – a two-year programme working on our organisational culture towards elevating the importance of Māori Economic Development and becoming a better partner for Māori with a genuine understanding of Tikanga and Te Ao Māori.

Pou Rua: Environmental Sustainability

Help prepare for Te Tai Tokerau Northland's transition to a zero carbon and low emission economy by partnering to provide support and embedding environmental sustainability criteria within all active projects. Northland Inc will work to embed Te Ao Māori/Mātauranga Māori in environment/sustainability Kaupapa.

Pou Toru: Regional Investment

Grow investment and business support services such that regional economic activity improves consistently year on year. Following assessment and review we will prioritise activities and ideas, with a view to applying our resources to engage in focused impactful projects reflecting the organisational capacity at this time.

Pou Whā: Destination Management

To lead the implementation of a regional Destination Management Plan in partnership with relevant stakeholders, industry, iwi and hapū. Through a programme of investment and development, we will deliver destination management and marketing activity to position Northland within target markets as a desirable place to visit and support a visitor economy that aims to enhance the distribution of benefits across the region, environmental sustainability, heritage, and culture.

Pou Rima: Profile and Advocacy of Economic Development

To develop and improve the profile of economic development and Northland Inc to ensure that Te Tai Tokerau Northland understands and values the efforts of Northland Inc and advocate for Te Tai Tokerau Northland to improve the economic well-being of the region to help support strong communities and environmental sustainability.

Pou Ono: Organisational Culture

At its core, regional economic development is about improving the livelihoods of the Te Tai Tokerau Northland's people. As an economic development agency, our culture should therefore be focused on supporting our people and their livelihoods. Therefore, Northland inc actively upholds a culture where team are respectful and supportive of one another; our histories, our whānau, and our aspirations.

4 Ahua me te Whānuitanga a te Mahi - Nature and Scope of Activities

The nature and scope of activities for these Pou are detailed further below. It is important to note that the Māori Economic Development, Environmental Sustainability and Organisational Culture Pou are embedded across the work programs. More detailed descriptions of work activities are outlined within Northland Inc's Annual Business Plan.

1. Regional Investment

- Actively supporting and facilitating investment in strategic sectors (Aquaculture, Agriculture and Horticulture, Digital, Tourism, Ship and Boat Building and Repair Services) in the Te Tai Tokerau Northland economy
- Leveraging the Investment and Growth Reserve to increase investment into the Te Tai Tokerau economy
- Supporting and facilitating the development of new and enabling infrastructure such as UFB, roads, rail, and water
- Deliver the Ngawha Innovation and Enterprise Centre
- Delivering business advice effectively across the region to support innovation, capacity and capability development through incubation services and the Regional Business Partnership, New Zealand Trade & Enterprise, Callaghan Innovation and Business Mentors New Zealand
- Developing clusters, business networks or associations to take advantage of market development opportunities that leverage Te Tai Tokerau's key sectors and comparative advantages
- Building and sharing specialist knowledge through a business events programme and provide opportunities to access a range of capital support mechanisms for Te Tai Tokerau businesses

- Engage and partner with iwi, hapū, marae and the Māori community, central government agencies and other entities supporting Māori Economic Development to advance their aspirations in economic development and enable investment, business growth and completion of economic development projects

2. Advocacy and Profile for Te Tai Tokerau Economic Development

- Lead the development of a long-term Economic Development Strategy for Te Tai Tokerau
- Provide economic development intelligence and insights
- Assist with project management and delivery of economic response activities (including PGF funded projects)
- Maintain a delivery structure for the region (Action Plan)
- Work with, advocate for and support Māori businesses, trusts and entities with their aspirations for growth
- Delivering a promotional programme to encourage investment and market development of Te Tai Tokerau's strategic growth sectors
- Assess the environmental aspirations of businesses and projects

3. Destination Management and Marketing

- Implement the Destination Management Plan
- Facilitate the regions access to the Regional Event Fund
- Identifying, and where appropriate, assisting with the development of infrastructure, products, services, and sub-regional destinations aiding the sector to respond to the industry changes imposed by COVID-19 and to coordinate the recovery effort
- Improving regional dispersal, length of stay, expenditure, and the appeal of off-peak travel particularly through leverage of the Twin Coast Discovery programme as a region wide development framework for tourism
- Co-ordinate, and where appropriate, lead the implementation of an Annual Tactical Marketing Plan for destination marketing, in alignment with the direction of national tourism organisations (including potential travel bubbles) and in partnership with the Te Tai Tokerau tourism sector

5 He Tohu Eke Pānuku - Key Performance Indicators

Key performance indicators (KPI's) for the organisation are identified within the tables below. Additional 'Regional Outcomes' related to the contribution of the work programmes to Te Tai Tokerau are included for information but are **not** key performance indicators:

Hoaketanga – Objective	How we will measure		Targets			Additional Regional Outcomes
	Type	Measure	2022/23	2023/24	2024/25	
Māori Economic Development	Output	Number of engagements or established relationships with iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. that have led to a positive outcome	15	20	25	<ul style="list-style-type: none"> Reduction in Māori unemployment rate in Northland. Increase in average weekly income for Māori.
	Outcome	Proportion of Māori organisations that are satisfied with Northland Inc support	>50%	>50%	>50%	
Environmental Sustainability	Output	Number of workshops / events that help promote or support environmental sustainability values and culture in Te Tai Tokerau	5	6	7	<ul style="list-style-type: none"> Reduction of total greenhouse gas emissions per unit of GDP in Northland.
	Outcome	Proportion of businesses / projects that Northland Inc are supporting that have identified their environmental aspirations and complied with governmental regulations	90%	100%	100%	
		Change in carbon footprint of Northland Inc ²	5% Net reduction in footprint	10% Net reduction in footprint	10% Net reduction in footprint	
Regional Investment	Output	Number of unique businesses assisted (reporting by TA and industry)	240	250	250	<ul style="list-style-type: none"> Positive change in regional economic profile (living standards, productivity, structure of economy) Increase in level of government investment into the region (where possible breakdown by co investment, sector and research / tertiary activity). Increase in the number of jobs in the region Sustaining the number of business units in the region
		Proportion of those businesses assisted that are Māori (by TA and industry)	30%	40%	50%	
		Number of inward delegations hosted	3	3	3	
	Outcome	Client satisfaction with businesses assistance provided by Northland Inc as measured by Net Promotor Score	NPS >50	NPS >50	NPS >50	
		Value of grant funding and investment facilitated for Māori businesses	\$120k	\$130k	\$140k	
		Number of high impact projects that are implemented (reporting by regional strategic sectors)	4	4	4	
	Output	Number of destination promotion campaign initiatives to generate national exposure to the region (reporting will include number of businesses that are engaged in the campaign)	1 campaign per year	1 campaign per year	1 campaign per year	

Destination Management and Marketing		Number of workshops / events to promote product development and position Te Tai Tokerau as a green tourism destination	4	5	6	<ul style="list-style-type: none"> • Dispersal of tourism activity into the region measured through the accommodation data programme • Tourism activity in the region measured through TECT (electronic transactions indicating tourism spend)
Profile and Advocacy of Economic Development	Output	Number of regional economic development updates or reports released	6	6	6	
	Outcome	Number of media features that profile the region	24	24	24	
		Number of media activity that references Northland Inc	52	52	52	

Notes:

1. Appendix B explains the rationale and recording methodology behind each of the Key Performance Indicators.
2. The net carbon reduction target will be reviewed following the completion of the initial audit with any changes incorporated into following years SOIs.

6 Ngā hua mō ngā Kaipūpuri - Shareholders' funds, distributions and the value of shareholders' investment

Shareholders' funds (being retained surpluses plus share capital) at June 2021 was as follows:

	June 2021
Total Assets \$	\$3,703,231
Total Liabilities \$	\$3,541,740
Shareholders' Funds \$	\$160,391
Shareholders' Funds as % of Total Assets	4%

Northland Inc forecasts small surpluses year-on-year. Accordingly, Shareholders' Funds as % of Total Assets will remain approximately at this level.

Northland Inc is not required to make any distributions to its Shareholders as the shareholder.

The value of the shareholders' investment in Northland Inc is estimated by directors to be equal to current shareholders' funds being \$TBC.

7 Kaiwhakaruruhau - Governance

The Board will effectively represent and promote the interests of its Shareholders by seeking to fulfil its mandate as described above. The Board will discharge their duties in accordance with Northland Inc's Board Charter.

In undertaking its activities, Northland Inc will to:

- Achieve the objectives of its Shareholders, both commercial and non-commercial as specified in this Statement of Intent;
- Demonstrate ethical and good behaviour in dealing with all parties;
- Achieve active partnerships with Māori, and other key stakeholders within the region, promoting effective communication where appropriate;
- Comply with all relevant legislative requirements, including those relating to the principles of the Treaty of Waitangi;
- Maintain an open and transparent approach to decision-making with its Shareholders while respecting the need for commercially sensitive information to be protected;
- Be a good employer; and
- Hold itself to the highest standards of social and environmental responsibility.

The Board will adopt the following approach to its fiduciary responsibilities to ensure good governance:

- Prepare a 3-year SOI setting out its strategic goals for agreement with its Shareholders, as shareholder;

- Establish a clear business plan which reflects the agreed SOI;
- Establish a clear performance framework and job description for the Chief Executive Officer;
- Approval of detailed operating, capital and cashflow budgets;
- Attend regular meetings to review performance and progress towards set objectives and budgets; and
- Operation of appropriate Board subcommittees to appropriately manage Risk, Compliance, Remuneration and Board performance.

The Board believes regular communication with its Shareholders is important to ensure good governance. The Board and Chief Executive will use their best endeavours to communicate in a regular and timely manner and ensure that matters are raised so there will be 'no surprises'. Established processes will be maintained to ensure regular contact between the Board, management and its Shareholders, and informal meetings will be encouraged to ensure regular communication flows regarding matters of mutual interest.

8 Ngā kaupapa here kaute - Accounting policies

The accounting policies that have been adopted are detailed in the company's latest audited financial statements. A copy is included as **Appendix A**.

9 Ngā kōrero hei tuku ki ngā Kaipūpuri - Information to be provided to the Shareholders

Directors will formally report progress against the SOI to its Shareholders quarterly via a written report submitted within six weeks of the end of the 1st and 3rd quarters, and attendance at Council meetings thereafter as scheduled by Shareholders.

In compliance with Clause 66 of Part 5 of the Act the Directors will, within two months after the end of the first half of each financial year, deliver to its Shareholders an unaudited half year report containing:

- a Statement of financial Performance, Position and Cash flow as at the half year balance date
- financial forecasts for the full year and comparison to approved budgets
- commentary on progress to meeting performance targets and the expected year end position.

In accordance with Section 2 of Schedule 8 of the Act the Directors will deliver a draft SOI to its Shareholders as the shareholder by 1st March of each year for the subsequent three-year period.

In accordance with Section 3 of Schedule 8 of the Act the Directors will deliver a Board approved SOI to its Shareholders as the shareholder on or before the 30th June of each year.

In compliance with Clause 67 of Part 5 of the Act the Directors will, within three months of the end of the financial year, deliver to its Shareholders an audited Annual Report which meets the requirements

of Section 68 and Section 69 of Part 5 of the Act. In addition, the Annual Report is to contain a declaration by the Board as to the compliance with the Act and specifically that the requirements of Schedule 8 have been met.

10 Ngā urunga, ngā whiwhinga me ngā hokonga hou - New entries, acquisitions and sales

Directors may not create any new legal entity, acquire shares or any equity interest in any existing legal entity or sell any interest held by Northland Inc without the specific approval of the Shareholders as the shareholder.

11 Kia rapu pūtea nō ngā Kaunihera mō wēnei take - Activities for which local authority funding is sought

Northland Inc reserves the right to seek compensation from time to time for the necessity to provide any service required by its Shareholders where funding has not been previously agreed.

12 Wētahi atu take - Any other matters

Northland Inc can request Shareholders hold a confidential Council meeting for discussion about commercially sensitive matters, subject to this request meeting the requirements of section 7(2) of the Local Government Official Information and Meetings Act 1987. Any report submitted by Northland Inc for formal consideration by Shareholders should be accompanied by advice from their management.

13 Whakamaramatanga-a-pūtea - Financial information

A prospective statement of financial performance is included below.

NORTHLAND INC Forecast Prospective Statement of Financial Performance			
Income	Forecast 22/23	Forecast 23/24	Forecast 24/25
CCO Opex	\$ 1,823,552	1,972,104	2,139,595
NRC Feasibility	\$ 300,000	300,000	300,000
WDC	\$ 105,000	105,000	105,000
Website Income	\$ 15,000	15,000	15,000
Orchard Income	\$ 164,420	164,420	164,420
NIF	\$ 66,000	66,000	66,000
MBIE Action Plan	\$ 50,000	-	-
MSD Ngawha	\$ 124,664	-	-
MSD SFFF Peanuts	\$ 24,200	-	-
KDC Water	\$ 115,000	-	-
MPI Peanuts	\$ 390,532	-	-
Picots Peanuts	\$ 8,000	-	-
Reserves			
MBIE Stapp	\$ 400,000	-	-
MBIE REF	\$ 400,000	-	-
MPI Inshore	\$ 150,000	-	-
MSD Ngawha	\$ 65,000	-	-
MBIE Action Plan	\$ 260,000	-	-
Peanuts	\$ 64,250	-	-
Unconfirmed			
MBIE RBP	\$ 339,531	339,531	339,531
NEIP tenant income	\$ 187,300	310,000	310,000
Total Income	\$ 5,052,449	3,272,055	3,439,546
Project Expenditure			
Sectors/NIF	\$ 66,000	66,000	66,000
Investment	\$ 315,000	300,000	315,000
STAPP	\$ 322,750	-	-
Inshore Fishing	\$ 150,000	-	-
REF	\$ 400,000	-	-
SFFF Peanuts	\$ 24,200	-	-
Action Plan less salary	\$ 234,810	-	-
Water	\$ 73,800	-	-
Northland Kai/Peanuts	\$ 410,252	30,000	142,000
Project Expenditure Total	\$ 1,996,812	\$ 396,000	\$ 523,000
Activity Expenditure			
Business Grow - awards	\$ 15,000	15,000	15,000
NEIP	\$ 156,500	318,000	318,000
Ngawha	\$ 38,413	-	-
The Orchard	\$ 10,000	10,000	10,000
Destinational Management	\$ 150,000	170,000	200,000
Activity Expenditure Total	\$ 369,913	\$ 513,000	\$ 543,000
Salaries & Overheads total			
Salaries	\$ 1,940,918	1,630,764	1,630,764
Overheads	\$ 743,732	731,000	740,000
Salaries & Overheads total	\$ 2,684,650	\$ 2,361,764	\$ 2,370,764
Total Expenditure	\$ 5,051,375	\$ 3,270,764	\$ 3,436,764
Total Net Surplus	\$ 1,074	\$ 1,291	\$ 2,782

Appendix A: Ngā Kaupapa Here Kaute - Accounting Policies

1. Statement of Accounting Policies

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Financial Reporting Standards as issued by the New Zealand External Reporting Board (XRB). They comply with New Zealand equivalents to International Public Sector Accounting Standards Reduced Disclosure Regime (NZ PBE IPSAS with RDR) and other applicable Public Benefit Entity Financial Reporting Standards as appropriate to Public Benefit Entities.

The entity is eligible to report in accordance with Tier 2 PBE Accounting Standards on the basis that it does not have public accountability and is not large. The entity transitioned to PBE Standard Tier 2 from 1st July 2016.

The financial statements have been prepared accordance with the Local Government Act 2002, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP"). [LGA. 111].

The entity is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and has been established with a view to supporting that primary objective rather than a financial return.

CHANGES IN ACCOUNTING POLICIES

Previously adopted Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit). The impact of new and amended standards and interpretations applied in the year was limited to additional note disclosures.

Appendix B: Supporting Information for Northland Inc Statement of Intent

Introduction

The Statement of Intent for Northland Inc contains Key Performance Indicators (KPI's). The rationale for choosing the KPI's and the method in which these indicators are reported on is not always clear, and therefore this document provides more detail around the KPI and the method of reporting.

The KPI table also includes Regional Outcomes which do not form part of the formal Sol but are an important source of information and coloration of Northland Inc's performance against macro trends occurring within Te Tai Tokerau. The intention is to report on the regional outcomes at the same time as reporting on the KPI's.

Rationale

KPI's need to have a solid rationale, clear line of site back to the activities of Northland Inc, be simple to understand and be measurable. It is important to have a least one indicator for each Pou and where possible a mixture of the different type of indicators. A brief explanation of the rationale for each KPI is provided below. The internal culture Pou does not have KPI's.

KPI's

The KPI's are as follows:

(Note these have been numbered for ease of reference within this appendix)

Pou: Māori Economic Development

1. Number of engagements or established relationships with iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. that have led to a positive outcome.
2. Māori business satisfaction with Northland Inc support (measured our own feedback/review process with our Māori clients including face to face interviews or focus groups to capture feedback)

Pou: Environmental Sustainability

3. Number of workshops and events that help promote or support environmental sustainability values and culture in Te Tai Tokerau
4. Portion of businesses / projects that Northland Inc are supporting have identified their environmental aspirations and complied with governmental regulations
5. Change in carbon footprint of Northland Inc

Pou: Regional Investment

6. Number of unique businesses assisted
7. Portion of those businesses assisted that are Māori
8. Number of inward delegations hosted
9. Client satisfaction with businesses assisted
10. Value of grant funding and Investment facilitated for Māori businesses
11. Number of high impact projects that are implemented

Pou: Destination Management and Marketing

12. Destination promotion campaign initiatives to generate national exposure to the region (including number of businesses that are engaged in the campaign)

13. Number of workshops, events to promote product development and position Te Tai Tokerau as a green tourism destination

Pou: Profile and Advocacy and of Economic Development

14. Number of regional economic development updates or reports released
15. Number of Media features that profile the region
16. Number of Media activity that references Northland Inc

Rationale and Methodology for Individual KPI's

1. Rationale: measures the volume of work being directed specifically at Iwi/hapu and Māori organisations.

Methodology: Evidence for KPI is the number of meetings held and details of attendees

2. Rationale: indicates that our engagement with Māori businesses is adding value to the businesses themselves

Methodology: Evidence for KPI will be sought through our own feedback/review process with our Māori clients including face to face interviews or focus groups to capture feedback.

3. Rationale: measures the level of pro-active activity Northland Inc undertakes that has an environmental focus.

Methodology: Evidence for KPI is the number of meetings/events held and details of attendees.

4. Rationale: measures the number of business / projects that have an active environmental aspiration reflecting Northland Inc's view that this is an important aspect of any project we are supporting

Methodology: Evidence for this KPI recorded within Project Assessment documentation.

5. Rationale: measures the organisations contribution to climate change, reflecting Northland Inc's view that this is an important aspect of its operational activity.

Methodology: Evidence for KPI is completion of a carbon footprint audit then annual assessment of reduction in the level of carbon footprint.

6. Rationale: measures the volume of work being generated and processed

Methodology: Evidence for KPI is recorded in Northland Inc's CRM database. Breakdown of data is presented by TLA and industry.

7. Rationale: measures the volume of work being generated and processed that is specifically targeted at Māori businesses, given Northland Inc's view of the importance of Māori Economic Development. The increase in target over three years is to align the target with percentage of population.

Methodology: Evidence for KPI is recorded in Northland Inc's CRM database. Breakdown of data is presented by TLA and industry.

8. Rationale: indicates that the region is attractive for inward investment. Suggests that the Landing Pad and regional promotion activity are functioning.

Methodology: Evidence for KPI is the number of meetings held and details of attendees.

Inward delegation is a reference to an expression of interest from a reputable company (national or international) who is interesting in investing in the region. The KPI is achieved when Northland Inc participates in the hosting (meeting) of the company's representatives (delegates). Note that often Chinese delegates are hosted jointly with Councils as this is the preferred way to establish a relationship with Chinese culture.

9. Rationale: Independent verification that the services within this work programme are of success.

Methodology: Evidence for KPI is recorded in Northland Inc's CRM database. Breakdown of data is presented by TLA and industry. NPS is a widely used customer loyalty or satisfaction metric used to measure success across NZTE services. It is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others.

10. Rationale: measures the value of investment that is specifically targeted to support Māori businesses aligns with previous KPI and Northland Inc's view of the importance of Māori Economic Development.

Methodology: Evidence for KPI is recorded within Northland Inc's CRM database.

11. Rationale: ensures the work area is aligned with the vision and mission.

Methodology: High Impact projects are projects that are likely to make a significant contribution to their sector in one or more of the following areas: employment, training, GDP, household income, sector strength diversity, research and development. All projects are assessed using standardised internal processes to understand the potential impact/contribution.

12. Rationale: indicates the level of activity being undertaken to promote the region and the level of support from businesses for this activity

Methodology: Evidence for KPI recorded within National publications or regional publications in regions other than Te Tai Tokerau.

13. Rationale: indicates the level of activity being undertaken to support the development of environmentally beneficial tourism products within Te Tai Tokerau.

Methodology: Evidence for KPI is the number of meetings held and details of attendees

14. Rationale: indicates the level of activity being undertaken to promote regional economic development

Methodology: Evidence for KPI recorded within external publications

15. Rationale: indicates the level of media awareness and support for the Te Tai Tokerau

Methodology: Evidence for KPI recorded within external publications.

16. Rationale: indicates the level of media activity being generated by Northland Inc.

Methodology: Evidence for KPI recorded within external media pickup.



Growing Northland's Economy
Kia tupu ai te ōhanga o Te Tai Tokerau

1 March 2022

Justin Blaikie
Chair of Joint Regional Economic Development Committee
Northland Regional Council
Private Bag 9021
Whangarei 0148

Sent by email: justinb@nrc.govt.nz

Tēnā koe Justin

Northland Inc Limited: Draft Statement of Intent 2022-2025

E mihi ana ki ngā tini āhuetanga o te wā, otirā ki ngā taimahatanga e pēhi nei i a tātou i ēnei wā o te mate korona.

Ko te whakaaronui ki a koe kia hāpai ai, kia tautoko tonu i te rahi o te mahi. No reira, nei ra te mihi nui ki a koe.

Thank you for your letter of expectation dated 14 December 2021 which provided guidance on your expectations for our Statement of Intent for 2022-2025.

In accordance with statutory obligations, please find attached the draft Statement of Intent 2022-2025 (Sol).

We agree with you that the previous year (and in fact two years) have been unprecedented, and we face a somewhat uncertain future, certainly for parts of our economy. As such, having a stable and supportive relationship with our shareholders is essential and appreciated immensely.

Amendments and Updates

As reflected in your letter of expectation, there has not been any considerable changes within the Sol in terms of the structure, content and text within the document. We have attempted to correct the spelling and grammar and have made changes in two key areas:

1. Context – included forward looking discussion on the future within the context section including reference to our covid response.
2. Doughnut Economics model – we have not looked to change the model, as we believe the better forum for considering this is through the development of the Economic Development Strategy. We have however improved the explanation and taken opportunities to align the rest of the document with the language and pathways within the doughnut diagram.

Funding

While we understand and acknowledge the shareholders' rationale for the suggestion that Northland Inc to cut its overheads, we cannot do so without compromising our objectives. We are taking on two significant new initiatives — leading the Regional Economic Development Strategy process and expanding our regional presence and efforts in the new Ngāwhā development. Equally, we are concerned that we do not have any ability to keep up with inflation (which is forecast to be 6% in the coming year).



NorthlandInc

Growing Northland's Economy

Kia tupu ai te ōhanga o Te Tai Tokerau

We would also like to call your attention to the return on shareholders' investment that Northland achieves with its funding. Northland Inc has been very successful at leveraging shareholder funding to generate additional funding from central government and other sources – any reduction in shareholder funding would put this leveraged funding at risk. We are happy to present the details at our next workshop but the key metrics show we leverage investment funding at a ratio of 1: 9.8 and project funding 1:15 (to be clear that means for every dollar the shareholder contributes we leverage that with another 15 dollars). A further example of this is the tourism STAPP funding whereby we contribute \$350k and central government contributed \$7M resulting in a multiplier of 1:20.

We acknowledge your desire to invest in projects and we wish to work with our shareholders in regard to building the capacity of the Investment and Growth Reserve to fund projects into the future. In our view, economic development activities (both investments and operations) are underfunded in comparison to national and international best practice. A collective approach is required to address this.

Moving Forward

We value the open, collaborative and positive relationship with our shareholders and look forward to continuing to deepen this relationship over time within the new shareholding structure. Accordingly, we welcome the opportunity to discuss the draft SOI and proposed KPI measures at our workshop on 11 March.

While Northland's economy has shown resilience post COVID, there continues to be many opportunities to improve economic performance and equity across Tai Tokerau, and we are excited about the possibilities ahead to further improve for regional collaboration and leadership within the new Joint CCO model. We are firm believers in a regional approach for economic development, and we thank all Councils for their commitment and support.

We look forward to finalising our SOI together.

Heoi anō, ngā manaakitanga o te Runga Rawa ki a koe,



Nicole Anderson
Chair



Vaughan Cooper
Acting Chief Executive Officer





14 December 2021

Nicole Anderson and Murray Reade
Chair and Chief Executive Officer
Northland Inc. Limited
PO Box 1762
Whangārei 0140

Sent by email: nicole@andersoninc.nz and murray.ream@northlandnz.com

Dear Nicole and Murray

NORTHLAND INC LTD STATEMENT OF INTENT 2022–2025: LETTER OF EXPECTATIONS

The purpose of this letter is, as the Joint Regional Economic Development Committee (Joint Committee) and therefore representing the shareholders of Northland Inc, to provide you with guidance on the Joint Committee's expectations regarding the development of Northland Inc's forthcoming Statement of Intent (SOI) 2022–2025.

In terms of timing for the SOI development, the statutory deadline requires Northland Inc to deliver a draft SOI on or before 1 March 2022. We have a quarterly Joint Committee/Northland Inc workshop scheduled for 11 March 2022 at which we will be able to discuss the draft SOI. The Joint Committee will provide its written comments back on the draft SOI by 1 May 2022. Northland Inc is required to deliver a completed SOI on or before 30 June 2022.

The expectations of the Joint Committee are made in recognition of: (a) the significant revision to Northland Inc's SOI made for 2021-2024, (b) the alignment of the current SOI with councils' Long Term Plans 2021-2031, (c) the need to allow time for Northland Inc to operate under the significantly revised SOI and the new ownership structure, and (d) the forthcoming development of a regional economic development strategy. Therefore, in preparing the draft SOI, the Joint Committee would like Northland Inc to consider the following comments:

- Rectify the small grammatical inconsistencies, for example in the use of the phrase "Te Tai Tokerau".
- Reflect on the economic development lessons from the latest COVID-19 lockdown and how these may alter the way in which Northland Inc operates and the relative priorities of the various objectives and activities.
- Consider the development of a Te Tai Tokerau specific doughnut economic diagram. While the Joint Committee appreciates the need to recognise intellectual property rights, the doughnut model has been adapted reflect specific circumstances. In particular, it will be



Private Bag 9021, Whangārei 0148



useful to reflect on what Northland Inc consider to be the environmental ceilings and the social foundations in the Northland context.

- Consider including appropriate and specific high-level regional outcomes that Northland Inc's work should be contributing to (this would be useful for the preparation of the regional economic development strategy).
- Explore whether supporting other organisations to obtain as much external funding as achievable could be included within an existing Northland Inc work activity.
- There is limited funding available in the Investment and Growth Reserve (IGR) to make any further operational funding increases. In fact, the Joint Committee asks Northland Inc to review their operational funding requirements to potentially reduce the current operational funding provided and therefore allow for more funding to be available for Enabling Investment allocation.

At the next quarterly workshop scheduled for 11 March 2022, the Joint Committee would be very interested in hearing about the progress on the development of the Regional Economic Development Strategy by Northland Inc.

2021 was an extraordinary year by any measure. It was a global pandemic that saw regional economic fluctuations and the introduction of measures that fundamentally altered our realities. Through the challenges we have continued to hold an open, collaborative and productive relationship. You have our sincere appreciation, and we look forward to continuing working with you in a positive and fruitful manner.

Yours sincerely

Cr Justin Blaikie

Chair of Joint Regional Economic Development Committee

CC: Cr Anna Curnow, Cr David Clendon, Cr John Vujcich, Cr Peter Wetthey, Cr Terry Archer

TITLE: Annual Work Plan 2022/23

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

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: 04 March 2022

Executive summary/Whakarāpopototanga

The purpose of this report is to seek agreement on the annual work plan for 2022/23 for the Joint Regional Economic Development Committee (Joint Committee). It is being brought for decision by the Joint Committee at this time because of the triennial local government elections set to take place in early October 2022. Staff also seek agreement to shift the Joint Committee meeting scheduled for 22 April 2022 back by one week to 29 April 2022.

Recommendation(s)

1. That the report 'Annual Work Plan 2022/23' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 28 February 2022, be received.
2. That the Joint Regional Economic Development Committee agrees to the Annual Work Plan as set out in **Attachment 1** 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. Also allows for necessary discussion in preparation of the EDS.	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 including the EDS.

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. Significance and engagement

An agreement to an annual work plan provides security and support for the Joint Committee plans for year 2022/23.

2. 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

Staff propose that the Joint Committee agree to the annual work plan for 2022/23 as set out in **Attachment 1**. The annual work plan proposes six Joint Committee Meetings, each of which to be held on a Friday. 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.

Staff recognise the challenge that local council elections in early October 2022 impose in preparation of the Joint Committee meeting plan for the last quarter of 2022. There is a need for the Joint Committee to meet in September 2022 to progress the discussion on the regional economic development strategy provide guidance to Northland Inc as they move forward preparing the strategy.

Staff also recommend a Joint Committee meeting take place on 9 December 2022. This meeting will only occur if all three councils have appointed members to the Joint Committee following the local council elections. Depending on who is appointed to the Joint Committee from each of the three councils, it may be necessary to undertake induction sessions in addition to the formal meeting sessions.

Attachments/Ngā tapirihanga

Attachment 1: Annual Work Plan 2022/23 [↓](#) 

Annual Work Plan for Joint Regional Economic Development Committee

Discussion items	Meeting dates			
	Friday - 29/04/2022	Friday - 17/06/2022	Friday - 22/07/2022	Friday - 23/09/2022
Formal Meeting				
Development of Northland Inc.'s Statement of Intent	Agree to Shareholders' Comments on Northland Inc's draft SOI 2022-2025		Agree to Northland Inc's SOI 2022-2025.	Initial discussion on letter of expectations regarding SOI 2023-2026
NINC KPI Reporting		Northland Inc's KPI reporting Third Quarter.		
IGR Enabling Investment: funding decision	As required	As required	As required	As required
Directors	Decision on director's remuneration			
Chair and Deputy Chair				
Annual Work Plan 2022/23				
Joint Committee Workshop				
Regional Reach				
Economic Development Strategy	Ongoing discussion on Northland's Economic Development Strategy	Ongoing discussion on Northland's Economic Development Strategy	Ongoing discussion on Northland's Economic Development Strategy	Ongoing discussion on Northland's Economic Development Strategy
Directors				Discussion re three directors' terms ending in June 2023 (Denis Callesen, Geoff Copstick and Jim Makoweo)
IGR Enabling Investment				
Quarterly Workshop				
Economic Development Strategy		Ongoing discussion on Northland's Economic Development Strategy		Ongoing discussion on Northland's Economic Development Strategy
IGR Enabling Investment: investment pipeline		As required		As required
Northland Inc Quarterly workshop		<ul style="list-style-type: none"> • SOI - opportunity to provide comments before delivering final SOI at end of June • KPI reporting - third quarter results 		<ul style="list-style-type: none"> • Annual reporting - KPIs and financial results • Focus area - tourism data and Northland Inc Destination Management and Marketing programme
Local government updates				As required

Discussion items	Meeting dates			
	Friday - 09/12/2022	Friday - 24/03/2023	Friday - 21/04/2023	Friday - 23/06/2023
Formal Meeting				
Development of Northland Inc.'s Statement of Intent	Agree to letter of expectations to Northland Inc	Receive draft SOI 2022-2025 provided by Northland Inc and initial discussion	Agree to Shareholders' Comments on Northland Inc's draft SOI 2022-2025	
NINC KPI Reporting	Northland Inc's Annual reporting and First Quarter reporting.	Northland Inc's 6-month KPI reporting.		Northland Inc's KPI reporting Third Quarter.
IGR Enabling Investment: funding decision	As required	As required	As required	As required
Directors	Decision re three directors' terms ending in June 2023 (Denis Callesen, Geoff Copstick and Jim Makoweo)		Decision on filling director positions (if required)	
Chair and Deputy Chair	Appointment of Chair and Deputy Chair			
Annual Work Plan 2022/23				
Joint Committee Workshop				
Regional Reach				
Economic Development Strategy	Ongoing discussion on Northland's Economic Development Strategy			
Directors				
IGR Enabling Investment				
Quarterly Workshop				
Economic Development Strategy	Ongoing discussion on Northland's Economic Development Strategy			
IGR Enabling Investment: investment pipeline	As required			
Northland Inc Quarterly workshop	<ul style="list-style-type: none"> • SOI - Northland Inc.'s reflection on SOI for next year • KPI reporting - first quarter results • Economic presentation from Infometrics as part of annual service 	<ul style="list-style-type: none"> • SOI - discussion on draft received • KPI reporting - half year results and six-month financial reporting • Annual Economic Profile - update on Infometrics latest release 		<ul style="list-style-type: none"> • SOI - opportunity to provide comments before delivering final SOI at end of June • KPI reporting - third quarter results
Local government updates				