

AGENDA

Council

Tuesday 24 May 2022 at 10.30am

Northland Regional Council Agenda

Meeting to be held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 24 May 2022, commencing at 10.30am

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

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1.0 NGĀ MAHI WHAKAPAI (HOUSEKEEPING)	
<i>Key Health and Safety points to note:</i>	
<ul style="list-style-type: none">• If the fire alarm goes off – exit down the stairwell to the assembly point which is the visitor carpark.• Earthquakes – drop, cover and hold• Visitors please make sure you have signed in at reception, and that you sign out when you leave. Please wear your name sticker.• The toilets are on the opposite side of the stairwell.• Please adhere to the recommended Covid alert guidance that applies.	
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<p>ACC - Accident Compensation Corporation</p> <p>ALGIM - Association of Local Government Information Management</p> <p>AMA - Aquaculture Management Area</p> <p>AMP - Asset Management Plan/Activity Management Plan</p> <p>AP - Annual Plan</p> <p>BOI - Bay of Islands</p> <p>BOPRC - Bay of Plenty Regional Council</p> <p>CAPEX - Capital Expenditure (budget to purchase assets)</p> <p>CBEC - Community, Business and Environment Centre</p> <p>CCO - Council Controlled Organisation</p> <p>CCTO - Council Controlled Trading Organisation</p> <p>CDEM - Civil Defence Emergency Management</p> <p>CEEF - Chief Executives Environment Forum</p> <p>CEG - Co-ordinating Executive Group</p> <p>CEO - Chief Executive Officer</p> <p>CIMS - Co-ordinated Incident Management System (emergency management structure)</p> <p>CMA - Coastal Marine Area</p> <p>CPCA - Community Pest Control Areas</p> <p>CRI - Crown Research Institute</p> <p>DHB - District Health Board</p> <p>DOC - Department of Conservation</p> <p>DP - District Plan</p> <p>E350 - Extension 350 programme</p> <p>ECA - Environmental Curriculum Award</p> <p>ECAN - Environment Canterbury</p> <p>EECA - Energy Efficiency Conservation Authority</p> <p>EF - Environment Fund</p> <p>EMA - Employers and Manufacturers Association</p> <p>EOC - Emergency Operations Centre</p> <p>EPA - Environmental Protection Authority</p> <p>ETS - Emissions Trading Scheme</p> <p>FDE - Farm Dairy Effluent</p> <p>FNDC - Far North District Council</p> <p>FNHL - Far North Holdings Limited</p> <p>FPP - First Past the Post</p> <p>GE - Genetic Engineering</p> <p>GIS - Geographic Information System</p> <p>GMO - Genetically Modified Organism</p> <p>HBRC - Hawke's Bay Regional Council</p> <p>HEMP - Hapū Environmental Management Plan</p> <p>Horizons - Brand name of Manawatu-Wanganui Regional Council</p> <p>HR - Human Resources</p> <p>HSNO - Hazardous Substances & New Organisms Act</p> <p>HSWA - Health and Safety at Work Act 2015</p> <p>IEMP - Iwi Environmental Management Plan</p> <p>ILGACE - Iwi and Local Government Chief Executives Forum</p> <p>IPPC - Invited Private Plan Change</p> <p>IRIS - Integrated Regional Information System</p> <p>KDC - Kaipara District Council</p> <p>KPI - Key Performance Indicator</p> <p>LAWA - Land, Air, Water Aotearoa</p> <p>LEA - Local Electoral Act 2001</p> <p>LGA - Local Government Act 2002</p> <p>LGNZ - Local Government New Zealand</p> <p>LGOIMA - Local Government Official Information & Meetings Act 1987</p> <p>LIDAR - Light detection and ranging</p> <p>LTI - Long time injury</p> <p>LTP - Long Term Plan</p> <p>MBIE - Ministry of Business, Innovation & Employment</p> <p>MFE - Ministry for the Environment</p> <p>MFL - Māori Freehold Land</p> <p>MHWS - Mean High Water Springs</p> <p>MMH - Marsden Maritime Holdings Limited</p> <p>MNZ - Maritime New Zealand</p> <p>MOH - Ministry of Health</p> <p>MOT - Ministry of Transport</p>	<p>MPI - Ministry for Primary Industries</p> <p>MSD - Ministry of Social Development</p> <p>NCMC - National Crisis Management Centre</p> <p>NDHB - Northland District Health Board</p> <p>NEMA - National Emergency Management Agency</p> <p>NES - National Environmental Standards</p> <p>NFT - Northland Forward Together</p> <p>NGO - Non-Governmental Organisation</p> <p>NIF - Northland Intersectoral Forum</p> <p>NINC - Northland Inc. Limited</p> <p>NIWA - National Institute of Water and Atmosphere</p> <p>NORTEG - Northland Technical Advisory Group</p> <p>NPS - National Policy Statement</p> <p>NZCPS - New Zealand Coastal Policy Statement</p> <p>NZRC - New Zealand Refining Company (Marsden Point)</p> <p>NZTA - Waka Kotahi New Zealand Transport Agency</p> <p>NZTE - New Zealand Trade and Enterprise</p> <p>NZWWA - New Zealand Water and Wastes Association</p> <p>OFI - Opportunity for Improvement\</p> <p>OPEX - Operating Expenditures</p> <p>OSH - Occupational Safety & Health</p> <p>OTS - Office of Treaty Settlements</p> <p>PCBU - Person Conducting Business or Undertaking</p> <p>PGF - Provincial Growth Fund</p> <p>PPE - Personal Protective Equipment</p> <p>RAP - Response Action Plan</p> <p>RBI - Regional Broadband Initiative</p> <p>RCP - Regional Coastal Plan</p> <p>RFI - Request for Information</p> <p>RFP - Request for Proposal</p> <p>RLTP - Regional Land Transport Plan</p> <p>RMA - Resource Management Act 1991</p> <p>RMG - Resource Managers Group (Regional Councils)</p> <p>RMZ - Riparian Management Zone</p> <p>ROI - Return on Investment</p> <p>RP - Regional Plan</p> <p>RPMP - Regional Pest Management Plan</p> <p>RPMS - Regional Pest Management Strategy</p> <p>RPS - Regional Policy Statement</p> <p>RPTP - Regional Public Transport Plan</p> <p>RRSAP - Regional Road Safety Action Plan</p> <p>RSG - Regional Sector Group</p> <p>RSHL - Regional Software Holdings Ltd</p> <p>RTC - Regional Transport Committee</p> <p>RTO - Regional Tourism Organisation</p> <p>SIG - Special Interest Group</p> <p>SIPO - Statement of Investment Policy and Objectives</p> <p>SITREP - Situation Report</p> <p>SOE - State of Environment (or) State Owned Enterprise</p> <p>SOI - Statement of Intent</p> <p>SOLGM - Society of Local Government Managers</p> <p>STV - Single Transferable Vote</p> <p>TAG - Technical Advisory Group</p> <p>Tier 1 - Site level plan or response for an oil spill</p> <p>Tier 2 - Regional level plan or response to an oil spill</p> <p>Tier 3 - National level plan or response to an oil spill</p> <p>TLA - Territorial Local Authority – City & District Councils</p> <p>TON - Top of the North (regions)</p> <p>TTMAC - Te Taitokerau Māori and Council Working Party</p> <p>TTNEAP - Tai Tokerau Northland Economic Action Plan</p> <p>TMP - Treasury Management Plan</p> <p>TOR - Terms of Reference</p> <p>TPK - Te Puni Kōkiri (Ministry of Maori Development)</p> <p>TUANZ - Telecommunications Users Association of NZ</p> <p>UNISA - Upper North Island Strategic Alliance</p> <p>WDC - Whangarei District Council</p> <p>WHHIF - Whangarei Harbour Health Improvement Fund</p> <p>WRC - Waikato Regional Council</p> <p>WSMP - Workplace Safety Management Practices</p>
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Tauāki ā roto

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

Haumie hui e
TĀIKI E!

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

Bring forth unity
Tis Done!



TITLE: Confirmation of Minutes - Council Meeting 26 April 2022


From: Chris Taylor, Governance Specialist

Authorised by: Chris Taylor, Governance Specialist, on 17 May 2022

Ngā mahi tūtohutia / Recommendation

That the minutes of the council meeting held on 26 April 2022 be confirmed as a true and correct record.

Attachments/Ngā tapirihanga

Attachment 1: Minutes of the council meeting - 26 April 2022 [↓](#) 

Council Meeting
26 April 2022

Northland Regional Council Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 26 April 2022, commencing at 10.30am

Tuhinga/Present:

Chairperson, Penny Smart

Councillors:

Terry Archer
Justin Blaikie
Colin Kitchen
Marty Robinson
Rick Stolwerk
Joce Yeoman
Amy Macdonald

I Tae Mai/In Attendance:

Full or Part Meeting

Individual Financial Advisor
Tumuaki - Chief Executive Officer (*via audio-visual link*)
Pou Taumatua - GM Corporate Services
Pou Tiaki Taiao - GM Environmental Services
Pou Whakaritenga - GM Regulatory Services
Pou Tiaki Hapori - GM Community Resilience
Pou Tiaki Pūtaiao – GM Biosecurity
Pou Manawhakahaere – GM Governance & Engagement
Land Programme Manager
Climate Change Manager
Governance Specialist

Secretarial Note:

- *Due to the current Covid restrictions, proceedings were livestreamed in order to be open to the public.*
- *The Chair declared the meeting open at 10.30am and proceedings commenced with the Tauāki ā roto by full council. The Chair extended appreciation to both councillors and staff for their ability to adapt while working remotely.*
- *The current GM Environmental Services, Jonathan Gibbard, was acknowledged for his appointment as the next Chief Executive Officer; the role commencing 1 October 2022.*

Ngā whakapahā/Apologies (Item 1.0)

Moved (Stolwerk/Archer)

That the apologies from Councillor Craw for non-attendance and Councillor Macdonald for early departure be received.

Carried

Council Meeting
26 April 2022

Nga whakapuakanga/Declarations of Conflicts of Interest (Item 2.0)

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

Confirmation of Minutes - Council Meeting 23 March 2022 and Extraordinary Council Meeting 12 April 2022 (Item 5.1)

Report from Chris Taylor, Governance Specialist

Moved (Yeoman/Stolwerk)

That the minutes of the council meeting held on 23 March 2022 and the extraordinary council meeting held on 12 April 2022 be confirmed as a true and correct record.

Carried

Receipt of Action Sheet (Item 5.2)

Report from Chris Taylor, Governance Specialist

Moved (Stolwerk/Macdonald)

That the action sheet be received.

Carried

Financial Report to 31 March 2022 (Item 6.1)

Report from Vincent McColl, Financial Accountant

Moved (Blaikie/Yeoman)

That the report 'Financial Report to 31 March 2022' by Vincent McColl, Financial Accountant and dated 11 April 2022, be received.

Carried

Secretarial Note: The EriksensGlobal monthly report for March had not been received at the time of the meeting. Therefore there was no up to date information available regarding the performance of council's Long Term Fund.

Continuity over council recess (Item 7.1)

Report from Chris Taylor, Governance Specialist

Moved (Kitchen/Macdonald)

1. That the report 'Continuity over council recess' by Chris Taylor, Governance Specialist and dated 13 April 2022, be received.

Carried

It was further moved (Stolwerk/Yeoman)

2. That in the period between the day following the Electoral Officer's declaration until the new council is sworn in for the 2022-2025 triennium, the council delegates to the Chief Executive Officer the authority to make decisions over and above the Chief Executive's normal delegations in respect of urgent matters, except those responsibilities, duties

Council Meeting
26 April 2022

and powers specifically excluded in terms of clause 32(1)(a)-(h) of Schedule 7 of the Local Government Act 2002.

3. That any instances where the Chief Executive Officer exercises powers, in accordance with 2 above, shall be presented to the first ordinary meeting of the incoming council for ratification.

Carried

It was further moved (Robinson/Macdonald)

4. That, for the avoidance of doubt the following subordinate bodies be deemed not to be discharged on the coming into office of the council elected at the October 2022 triennial elections;
 - i. The Civil Defence Emergency Management Group (in accordance with section 12(2) of the Civil Defence Emergency Management Act 2002);
 - ii. Te Oneroa-a-Tōhē Beach Board (in accordance with section 62(2)(b) of the Te Hiku Claims Settlement Bill); and
 - iii. The Kaipara Harbour Remediation Committee, the Joint Regional Economic Development Committee and the Joint Climate Change Adaptation Committee (in accordance with their Terms of Reference adopted by all founding members).
5. That the Te Taitokerau Māori and Council Working Party (TTMAC) be deemed not to be discharged on the coming into the office of the council elected at the October 2022 triennial elections.
6. That the Māori Technical Advisory Group (MTAG) and its members be deemed not to be discharged on the coming into office of the council elected at the October 2022 triennial elections; subject to endorsement by TTMAC at its 12 May 2022 meeting.
7. That the Tangata Whenua Water Advisory Group (TWWAG) and its members (including the three TTMAC representatives) be deemed not to be discharged on the coming into office of the council elected at the October 2022 triennial elections; subject to endorsement by TTMAC at its 12 May 2022 meeting .

Carried

2022 Local Body Triennial Elections (Item 7.2)

Report from Chris Taylor, Governance Specialist

Moved (Blaikie/Yeoman)

1. That the report '2022 Local Body Triennial Elections' by Chris Taylor, Governance Specialist and dated 30 March 2022, be received.
2. That the report '2022 Triennial Election' by Dale Ofoske, NRC Electoral Officer, and dated 10 March 2022, be received.
3. That the 'Local Authority Elections 2022 – Election Protocols for Elected Members' be noted.

Carried

Council Meeting
26 April 2022

It was further moved (Yeoman/Blaikie)

4. That council resolves for the 2022 triennial election to adopt the alphabetical order of candidate names on voting documents (*in accordance with Regulation 31 of the Local Electoral Regulations 2001*).

Carried

Audit Fee Proposal For Year Ending 30 June 2022 and 30 June 2023 (Item 7.3)

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

Moved (Kitchen/Macdonald)

1. That the report 'Audit Fee Proposal For Year Ending 30 June 2022 and 30 June 2023' by Bruce Howse, Pou Taumatua – Group Manager Corporate Services and dated 5 April 2022, be received.
2. That council approve the **base** audit fees of \$156,300 for FY22 and a further \$15k in audit fees for the Enterprise Project implementation workstream.
3. That council approve the **base** audit fees of \$178,800 for FY23 and a further \$25k in audit fees for the Enterprise Project implementation workstream.
4. That council agree in principle to the approach outlined in the Deloitte proposal for the setting of audit fees for FY24 and FY25 (*included as Attachment 1 pertaining to Item 7.3 of the 26 April 2022 council agenda*).
5. That council approve the NRC Chair to sign the audit engagement letter with Deloitte on behalf of council for the FY22 audit.

Carried

Secretarial Note:

- *Appreciation was extended to all involved in negotiating the fee structure with Deloitte.*
- *Attention was drawn to the fact that council was approving the base audit fees and there would be further charges for any additional work or professional disbursements.*

Future Harbour Remediation Business Case (Item 7.4)

Report from Ruben Wylie, Land Management Programme Manager

Moved (Blaikie/Stolwerk)

1. That the report 'Future Harbour Remediation Business Case' by Ruben Wylie, Land Management Programme Manager and dated 11 April 2022, be received.
2. That council approve the allocation of \$300,000 from the Equalisation Reserve to fund the development of a Harbour Remediation Business Case, to be commenced during the 2023/2024 financial year.
3. That, prior to undertaking the Harbour Remediation Business Case, staff present an options assessment to council in order to gain council approval to confirm which harbour(s) will be subject to the business case and the scope and purpose.

Carried

Council Meeting
26 April 2022

New Land Management Approach (Item 7.5)

Report from Ruben Wylie, Land Management Programme Manager

Moved (Macdonald/Yeoman)

1. That the report 'New Land Management Approach' by Ruben Wylie, Land Management Programme Manager and dated 12 April 2022, be received.
2. That council approve revisions to the Environment Fund criteria set out in this report by:
 - a. ceasing to support stock exclusion activities as and when they become statutory requirements, with the exception of fencing wetlands and where mitigation measures exceed what is required by regulation;
 - b. adopting revised mitigation treatments as set out in Table 1 in Item 7.5 of the 26 April 2022 council agenda.
3. That council approve the new Catchment Funding to be included in the general Environment Fund and that the additional funding is made available for:
 - a. general Environment Fund grants;
 - b. supporting tangata whenua and catchment groups for those activities set out in Table 2 in Item 7.5 of the 26 April 2022 council agenda.
4. That council acknowledges that there are no additional staff resources to deliver the new Catchment Funding and that this will therefore be advanced as resources become available.
5. That council approve the co-funding of 70% of the total project value for approved Environment Fund grant applications on Māori freehold land (as defined in Te Ture Whenua Māori Act 1993).
6. That council approve that, provided council's overall year end budget is in surplus, all unallocated Environment Fund budget, including new Catchment Funding, is to be retained within the Land Management Reserve.
7. That council approve the funding of multi-year Environment Fund projects with approval for any associated budget carry-forwards to be delegated to the Chair and that any multi-year projects are capped at a maximum term of three years.
8. That council approve the following Environment Fund financial delegations to the Chair, with allocation above those thresholds requiring a council decision:
 - a. \$40,000 maximum for any single year allocation.
 - b. \$20,000 maximum per year for any multi- year allocation.
9. That council approve transitional arrangement for all Northland Regional Council priority catchment groups by:
 - a. Continuing to support Priority Catchment Groups over the 2022/2023 financial year with a focus to enable them to become self-governing;
 - b. Discontinuing on-going funding support at the conclusion of the 2021/2022 financial year.
10. That properties located in the area administered by the Kaipara Moana Remediation Programme will not be eligible for grant funding or land management services that duplicate the functions of the Kaipara Moana Remediation Programme.

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26 April 2022

11. That staff review the new Land Management Approach and report to council by December 2023, with the opportunity to make any adjustments and refinements.

Carried

Request to Carry Forward Operating Expenditure Budget for S-Map (Item 7.6)

Report from Ruben Wylie, Land Management Programme Manager and Lester Bridson, Far North Land Manager

Moved (Kitchen/Macdonald)

1. That the report 'Request to Carry Forward Operating Expenditure Budget for S-Map' by Ruben Wylie, Land Management Programme Manager and Lester Bridson, Far North Land Manager and dated 12 April 2022, be received.
2. That council approve the transfer of LTP Year 1 and 2 budget allocations for S-Map to the Land Management Reserve, provided council's year end budget is in surplus.

Carried

Council submission on ETS changes - retrospective approval (Item 7.7)

Report from Justin Murfitt, Strategic Policy Specialist

Moved (Yeoman/Stolwerk)

1. That the report 'Council submission on ETS changes - retrospective approval' by Justin Murfitt, Strategic Policy Specialist and dated 12 April 2022, be received.
2. That council retrospectively approve the attached submission on the discussion document: Managing exotic afforestation incentives.

Carried

Secretarial Note: Appreciation was extended to staff and councillors for the 'huge amount of work' required to prepare submissions in response to central government proposals.

Adoption of Te Tai Tokerau Climate Adaptation Strategy (Item 7.8)

Report from Tom Fitzgerald, Climate Change Manager

Moved (Macdonald/Yeoman)

1. That the report 'Adoption of Te Tai Tokerau Climate Adaptation Strategy' by Tom Fitzgerald, Climate Change Manager and dated 13 April 2022, be received.
2. That council adopt the attached Te Tai Tokerau Climate Adaptation Strategy, and Appendices.

Carried

Secretarial Note: Appreciation was extended to all involved in getting the Te Tai Tokerau Climate Adaptation Strategy to the point of adoption by the four Northland councils, whilst acknowledging the 'work is just beginning'.

Council Meeting
26 April 2022

Health and Safety Report (Item 8.1)

Report from Beryl Steele, Human Resources Manager

Moved (Kitchen/Stolwerk)

That the report 'Health and Safety Report' by Beryl Steele, Human Resources Manager and dated 21 April 2022, be received.

Carried

Secretarial Note: An audit was currently being undertaken on NRC's work with contractors given this was one of the top risks to the organisation.

Chair's Report to Council (Item 8.2)

Report from Penny Smart, Chair

Moved (Smart/Yeoman)

That the report 'Chair's Report to Council' by Penny Smart, Chair and dated 12 April 2022, be received.

Carried

Secretarial Note: Appreciation was extended to the Chair for her work on behalf of council.

Chief Executive's Report to Council (Item 8.3)

Report from Malcolm Nicolson, Tumuaki - Chief Executive Officer

Moved (Blaikie/Macdonald)

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Tumuaki - Chief Executive Officer and dated 1 April 2022, be received.

Carried

Secretarial Note:

- *The rivers team were acknowledged for their work to resolve the flooding issues in Taumārere.*
- *An invitation had been extended for council to visit the NIWA Kingfish site works.*
- *The new Kaipara Service Centre was highlighted as a successful collaborative project with Kaipara District Council.*
- *Concerns regarding FENZ's 'holistic' approach of setting fire bans across all of Northland to be relayed back through the Civil Defence Emergency Management Group.*
- *Attention was drawn to significant progress being made by the Piroa Brynderwyns Landcare Group.*

Council Meeting
26 April 2022

Receipt of Committee Minutes (Item 9.1)

Report from Chris Taylor, Governance Specialist

Moved (Stolwerk/Robinson)

That the unconfirmed minutes of the:

- Te Oneroa-A-Tōhē Board - 18 February 2022
- Civil Defence Emergency Management Group Meeting Minutes - 1 March 2022
- Joint Climate Change Adaptation Committee - 7 March 2022
- Joint Regional Economic Development Committee - 11 March 2022
- Audit and Risk Subcommittee – 30 March 2022
- Investment and Property Subcommittee – 30 March 2022
- Regional Transport Committee - 5 April 2022

be received.

Carried

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

Moved (Smart/Robinson)

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reasons/Grounds
10.1	Confirmation of confidential minutes - Council Meeting 23 March 2022 and Extraordinary Council Meeting 12 April 2022	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting.
10.2	Receipt of confidential Committee Minutes	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting.
10.3	Human Resources Report - March 2022	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).
10.4	Summary Report on the Kensington Crossing Redevelopment Project	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(b)(ii) and the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).

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26 April 2022

10.5	Private Equity Consideration	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h).
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3. That the Independent Financial Advisor be permitted to stay during business with the public excluded.

Carried

Secretarial Note: The meeting adjourned at 11.28am and reconvened at 11.33am to address business with the public excluded.

Whakamutunga (Conclusion)

The meeting concluded at 12.03pm.

TITLE: Financial Report to 30 April 2022

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

Authorised by Group Manager/s: Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 18 May 2022

Whakarāpopototanga / Executive summary

This report is to inform council of the year to date (YTD) financial result to April 2022. Council has achieved a YTD surplus after transfers to and from reserves of \$6.9M, which is \$1.5M favourable to budget (March YTD per agenda \$1.3M). No gains have been accrued for April as it is expected to have little movement in either gains or losses for the majority of fund managers. An update on fund performance to the end of April will be provided to the May council meeting if available.

Ngā mahi tūtohutia / Recommendation

That the report 'Financial Report to 30 April 2022' by Vincent McColl, Financial Accountant and Taka Skipworth, Financial Accountant and dated 9 May 2022, be received.

Background/Tuhinga

SUMMARY OPERATING RESULTS			
	000's ACTUAL YTD	000's BUDGET YTD	000's VARIANCE YTD
Revenue (including other gains)	\$56,722	\$57,306	(\$584)
Expenditure	\$44,328	\$48,090	\$3,762
NET (COST)/SURPLUS BEFORE TRANSFERS FROM/(TO) RESERVES	\$12,393	\$9,216	\$3,177
Transfer From (To) Special Reserves	(\$5,429)	(\$3,733)	(\$1,696)
NET (COST)/SURPLUS AFTER TRANSFERS FROM/(TO) RESERVES	\$6,964	\$5,483	\$1,481

Revenue

Year to date revenue is \$56.7M, which is (\$584K) or (1%) below budget.

YTD REVENUE VARIANCE INDICATORS BY REVENUE TYPE			
	FAV / (UNFAV)		Commentary
	\$	%	
Rates	\$75,530	0.2%	
User Fees and Sundry	\$403,558	10.5%	<ul style="list-style-type: none"> Higher than budgeted monitoring fees of \$296K Higher than budgeted mooring fees of \$88K Higher than budgeted tenant recoveries relating to Kensington Crossing of \$160K offset with higher than budgeted tenant costs Higher than budgeted recoveries on removing navigational hazards of \$87K Offset by: <ul style="list-style-type: none"> Lower than budgeted bus fare box income of \$316K
Grants and Subsidies	\$1,310,302	10.2%	<ul style="list-style-type: none"> Higher than budgeted subsidies on flood infrastructure work of \$1.68M offset with higher than budgeted transfers to special reserves Higher than budgeted subsidies for NTA costs of \$143K Offset by: <ul style="list-style-type: none"> Lower than budgeted subsidies on the SHARP project of \$262K offset with lower than budgeted expenditure. Lower than budgeted subsidies on FIF projects of \$190K partially offset with lower than budgeted expenditure. Lower than budgeted biosecurity project subsidies offset by lower than budgeted expenditure of \$75K
Investment Interest Income	\$142,377	97.7%	<ul style="list-style-type: none"> Unbudgeted interest on Kensington Crossing fitout payments of \$10K Unbudgeted interest on the REL loan of \$40K offset with a impairment provision Higher than budgeted internal interest of \$66K due to not yet having completed enough floodworks to establish another tranche of external borrowing.
Investment Property Income	\$139,592	5.7%	<ul style="list-style-type: none"> Higher than budgeted rent income on Kensington Crossing properties due to the sale of these properties occurring later than budgeted. Higher than budgeted rent income on Council's properties due to favourable rent reviews and some now tenanted properties that were budgeted as untenanted.
Dividend Income	\$719,644	23.2%	<ul style="list-style-type: none"> Actual dividends of 17.25 cents per share are higher than the budgeted 14 cents per share
Long Term Fund Gains	(\$2,753,900)	(90.6%)	<ul style="list-style-type: none"> Actual March YTD returns of 1.3% are lower than the budgeted 4.67% (6.22% annualised).
Short Term Fund Gains	(\$621,567)	(150.8%)	<ul style="list-style-type: none"> Actual February YTD returns of (0.6%) are lower than the budgeted 2.84% (3.78% annualised).
Total	(\$584,462)	(1.0%)	

Expenditure

Year to date expenditure is \$44.33M, which is \$3.76M or 7.8% below budget.

YTD EXPENDITURE VARIANCE INDICATORS BY COUNCIL ACTIVITY						
	FAV / (UNFAV)		Commentary	Offset by:		Not offset
	\$	%		Subsidies	Reserves	FAV /
Regulatory Services	\$64,271	2.0%	<ul style="list-style-type: none">• Lower than budgeted salaries due to recruitment issues• Higher than budgeted expenditure relating to to consent applications and monitoring• Lower than budgeted lab testing costs• Other small accumulated variances within this group	(\$212K)		\$200K
Environmental Services	\$1,895,764	19.8%	<ul style="list-style-type: none">• Lower than budgeted salaries due to recruitment issues• Lower than budgeted expenditure of the SHARP project• Lower than budgeted expenditure on FIF projects• Lower than budgeted expenditure on KMR operating grants• Lower than budgeted environment fund grants due to timing of funded works being completed• Lower than budgeted natural resources consults and contracts costs• Other small accumulated variances within this group	\$35K \$241K \$187K	\$702K	\$325K
Biosecurity	\$565,400	7.4%	<ul style="list-style-type: none">• Lower than budgeted salaries due to recruitment issues• Lower than budgeted PF works• Other small accumulated variances within this group	\$98K		\$134K
Governance and Engagement	\$387,312	6.1%	<ul style="list-style-type: none">• Lower than budgeted salaries due to recruitment issues• Lower than budgeted council meeting costs predominantly relating to not having in person meetings• Other small accumulated variances within this group			\$127K
Community Resilience	\$616,483	6.4%	<ul style="list-style-type: none">• Lower than budgeted salaries due to recruitment issues• Lower than budgeted flood scheme maintenance and river clearance works due to weather related delays. This is expected to catch up by year end.• Lower than budgeted interest on flood schemes due to the timing of capital works• Lower than budgeted NTA costs• Lower than budgeted Tsunami siren operational costs• Lower than budgeted advertising, promotional, and printing• Lower than budgeted climate change grant costs. This is expected to be caught up later in the year.• Other small accumulated variances within this group	\$61K \$52K	\$115K \$81K	\$145K
Corporate Services	\$474,494	4.8%	<ul style="list-style-type: none">• Lower than budgeted salaries due to recruitment issues• Lower than budgeted enterprise system costs• Higher than budgeted internal interest expenses relating to higher special reserve balances than budgeted• Lower than budgeted sporting facilities rate grants• Other small accumulated variances within this group		\$305K	\$432K
CEO Office	(\$241,146)	(13.5%)	<ul style="list-style-type: none">• Higher than budgeted tenant costs relating to Kensington• Other small accumulated variances within this group	(\$160K)	(\$70K)	\$123K
Total	\$3,762,578	7.8%		\$302K	\$1,333K	(\$88K)
						\$252K
						\$97K
						\$38K
						\$219K
						\$50K
						\$58K
						\$61K
						(\$81K)
						\$122K
						(\$60K)
						(\$93K)
						(\$11K)

Salary Variances

Across council there is a \$1.19M (March YTD: \$1.19M) favourable salaries variance predominantly due to the time to complete recruitment of positions identified in the LTP (Long Term Plan) and some vacancies already present at the end of 2020/21. Of this \$133K (March YTD: \$117K) is related to subsidised work programmes and \$441K (March YTD: \$361K) relates to unbudgeted KMR staff salaries offset by budgeted grant expenditure. The total salaries variance is partially offset by \$218K (March YTD: \$294K) of annual leave earned not taken.

Transfers to reserves

For the year to date there has been a net transfer to reserves of \$5.4M compared to a budgeted net transfer to reserves of \$3.8M. This is predominantly due to:

- \$1.68M more than budgeted transfers to flood infrastructure river reserves due to higher than budgeted subsidies for capital flood works.
- \$121K more than budgeted transfers to river reserves due to lower than budgeted YTD expenditure relating to maintenance and river clearance works not occurring when budgeted.
- \$989K lower than budgeted transfers to externally managed funds due to lower than budgeted gains.
- \$54K more than budgeted transfers from transport reserves due to lower than budgeted YTD expenditure. Consisting of \$84K for Far North transport reserve offset by (\$138K) for the Whangarei transport reserve.
- \$728K more than budgeted transfers to the Kaipara Moana Remediation reserve due to the Kaipara Maurikura not yet requiring funding this financial year.
- \$303K lower than budgeted transfers from the enterprise system reserve representing lower costs than budgeted at this point in the project.

Capital Expenditure

Capital expenditure of \$4.56M is lower than the budget of \$4.98M due to the timing of expenditure on flood works and numerous other capital works programmes.

Attachments/Ngā tapirihanga

Nil

TITLE: Regional Rates Collection - update to 31 March 2022

From: Vincent McColl, Financial Accountant

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 18
Group Manager/s: May 2022

Whakarāpopototanga / Executive summary

The three district councils administer the collection of the regional council rates on our behalf. The purpose of this report is to provide an update on the collection of this year's current rates and the rate arrears owing to the regional council by each district council.

Table One below summarises the level of rates collected in the first three quarters of the 2021/22 financial year and the total outstanding rate balances at 31 March 2022.

Overall, the three district councils collected a total of 74.8% of our annual rate strike in the nine months to 31 March 2022. (As a comparative, 74.4% was collected for the same period in the last financial year).

Table One. Summary Q3, 31 March:	WDC		KDC		FNDC		TOTAL	
	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21
Amount of Current Year Rates Collected	\$17.0M	\$14.2M	\$5.2M	\$4.2M	\$10.7M	\$8.3M	\$32.9M	\$26.8M
Percentage of Current Year Rates Collected	78.5%	79.7%	75.4%	75.5%	69.5%	66.3%	74.8%	74.4%
Amount of Rate Arrears Collected	\$209K	\$278K	\$230K	\$245K	\$422K	\$558K	\$861K	\$1,081K
Percentage of Rate Arrears Collected	39.0%	44.7%	25.9%	26.1%	17.1%	13.8%	22.1%	19.3%
Total Current Rates outstanding at end of quarter	\$4.7M	\$3.6M	\$1.7M	\$1.4M	\$4.7M	\$4.2M	\$11.1M	\$9.2M
Total Rate Arrears outstanding at end of quarter	\$328K	\$344K	\$656K	\$694K	\$2.0M	\$3.5M	\$3.0M	\$4.5M
Total Overall Rates outstanding at end of quarter	\$5.0M	\$4.0M	\$2.3M	\$2.1M	\$6.8M	\$7.7M	\$14.1M	\$13.8M

Table One. FNDC Māori Freehold Land Q3, 31 March	FNDC- MFL only			
	21-22	20-21		
Amount of Current Year Rates Collected	\$269K	\$238K		
Percentage of Current Year Rates Collected	33.3%	22.6%		
Amount of Rate Arrears Collected	\$34K	\$38K		
Percentage of Rate Arrears Collected	3.0%	1.4%		
Total Current Rates outstanding at end of quarter	\$539K	\$816K		
Total Rate Arrears outstanding at end of quarter	\$1.1M	\$2.7M		
Total Overall Rates outstanding at end of quarter	\$1.7M	\$3.5M		

Ngā mahi tūtohutia / Recommendation

That the report 'Regional Rates Collection - update to 31 March 2022' by Vincent McColl, Financial Accountant and dated 5 May 2022, be received.

Background/Tuhinga

Whangārei District Council (WDC)

The Whangārei District Council collected 78.5% of our annual rate strike to the end of March 2022 (Last financial year comparison (LY) 79.7%). WDC advised that their collection team continues to work

with debtors to find appropriate payment solutions however progress is slow on the project to address rates arrears on whenua Māori.

39.0% (\$209k) of the WDC outstanding rate arrears balance (LY: 44.7%; \$278k) was also collected in the first nine months of this financial year resulting in a closing rate arrears balance of \$328k. WDC advises that there was little movement in prior years arrears from January to March. There are almost 40 customers' arrears been referred to our debt collection agency and there are a number of properties that have reached the next step of rating sale.

Kaipara District Council (KDC)

The Kaipara District Council collected 75.4% of our annual rate strike to the end of March 2022 (LY: 75.5%).

25.9% (\$230k) of the KDC outstanding rate arrears balance (LY: 26.1%; \$245k) has also been collected in the first nine months of this financial year resulting in a closing total rate arrears balance of \$656k.

Far North District Council (FNDC)

The Far North District Council has collected 69.5% of our annual rate strike to the end of March 2022, (LY: 66.3%).

17.1% (\$422k) of the FNDC outstanding rate arrears balance has also been collected in the first nine months of this financial year, (LY: 13.8%; \$558k), resulting in a closing rate arrears balance (excluding current year rates) still to be collected of \$2.0m. Māori freehold land (MFL) accounts for \$1.1m of the total rate arrears balance.

Attachment 1 is the revenue and collections report provided by FNDC outlining the actions they have in place to collect outstanding rate arrears.

Attachments/Ngā tapirihanga

Attachment 1: FNDC Q3 written report on rates arrears collection [!\[\]\(9c2e8d1b5bd77cb5c9f83b7a9cff79fd_img.jpg\) !\[\]\(f822cba4d3f2ea10b4ad95c475f0f631_img.jpg\)](#)

MEETING: FINANCE COMMITTEE – NORTHLAND REGIONAL COUNCIL

Name of item: REVENUE AND COLLECTIONS QUARTERLY REPORT as at 10 March 2022

Author: Margriet Veenstra, Manager - Transaction Services

Date of report: 6th of April 2022

Executive Summary

This is the third report for the financial year 2021-22 and provides information on action take to collect the Northland Regional Council's current rates and rates arrears

1) Background:

This document has been prepared to outline current and arrears balances for rates as at the 10th of March 2022 for Northland Regional Council, and actions taken by Far North District Council's debt management team for the collection of the monies outstanding.

2) Discussion and options

The data provided is for General Title and Maori Freehold Land rates accounts.

General Title rates and water debt

Key actions since the last report:

- Mortgage demand was issued against 152 accounts.
- These accounts were selected for the following reasons:
 - Mortgage Demand(s) has been issued previously which was paid by the bank
 - Have been contacted as part of pre-demand calling but have not made payments.
 - No contact details on the account and owners have not responded to letters
 - New owners (2019+), no payments since purchase, no response to letters or calls
- A review of all 70 ASB account, where first mortgage demand was issued the day before the August 2021 lockdown has been completed. We will request ASB to contact all customers, requesting full payment of arrears within 4 weeks, otherwise final demand will be issued and paid.

Next actions:

- Continue mortgage demand pre-calling for the smaller financial institutions and water accounts.
- Review properties without a mortgage and high arrears and commence demand process in collaboration with Council's Legal Services team.
- Contact owners of local businesses to offer a seasonal payment plan, providing reduced rates payments during the winter months to provide relief as tourism picks up when the borders open from May 1st. An increase in payments during the summer months will bring their rates up to date by the end of the rating year.
- Complete in-depth investigations for the first tranche of abandoned land sales and commence with the process.
- Post instalment due date calling of owners whose rates had been current but missed payment of the 4th instalment to offer support, payment plans and remittance of penalties.

Page 1 of 2

For the total number of General Title rates accounts marked as 'Debt recovery action to commence':

- These are properties where there is no mortgage, and we do not have a payment arrangement or direct debit set up on the account.
- 36% of properties only have last year's rates in arrears and 12% have 2 years of arrears. Debt management will be contacting these owners by phone, email, or letter. Any water arrears will be picked up at the same time.
- 52% of these accounts have arrears of 3 or more rating years. Debt management will start the final demand process for these which can result in referral to Council's legal services team to commence legal proceedings.

Maori Freehold Land rates

The debt for Maori Freehold land has reduced since the write-offs were completed in June as per the Local Government (Rating of Whenua Maori) Amendment Act 2021.

Collection Data

An analysis of the arrears, by collection status, is included in the following table. Arrears are the debt outstanding at the beginning of the 2021/22 financial year.

Arrears Collection Type Analysis Q3 2021-22						
Collection Type	Arrears \$			% of collection type to Total debt to be collected		
	General Title	Maori Freehold Land	Total	General Title	Maori Freehold Land	Total
Direct Debits	24,357	27,957	52,314	3%	2%	3%
Other Payment Arrangements	6,450	1,763	8,214	1%	0%	0%
Abandoned Land	55,723	2,145	57,867	6%	0%	3%
Legal Action Commenced (external)	73,514	0	73,514	8%	0%	4%
Legal Action Commenced (FNDC)	12,681	0	12,681	1%	0%	1%
Deceased	56,136	10,872	67,008	6%	1%	4%
Liquidation	1,491	0	1,491	0%	0%	0%
Mortgage	132,260	0	132,260	14%	0%	7%
Total under above arrangements	362,612	42,737	405,349	39%	4%	22%
Debt recovery action to commence	561,305	1,081,668	1,642,973	61%	96%	78%
Total Debt to be collected	923,917	1,124,405	2,048,323	100%	100%	100%

Council's remission policies

Council's remission policies are designed to recognise the unique nature of the Far North with its significant areas of unoccupied Maori freehold land. Overall, the policies address issues of financial hardship and the protection of areas of land with particular conservation or community values. The following table shows the instance of remissions for each policy and the financial impact of these remissions.

Policy Name	Number Remissions as at 10 March 2022		Remissions to 30 June 2021	
	2022		2020	
	Qty	\$value	Qty	\$value
Maori Freehold Land Remissions	396	\$ 124,374.38	707	\$ 220,619.75
Charitable or Community Organisations	63	\$ 24,023.39	62	\$ 20,589.09
Remission of Postponements	0	\$ -	41	\$ 53,653.09
Contiguous Properties	480	\$ 143,028.22	495	\$ 119,579.57
Properties partly in District	1	\$ 196.61	1	\$ 156.03
Conservation Property	248	\$ 44,745.74	231	\$ 71,889.00
School Sewerage Remission	0	\$ -		
Excess Water Remissions	0	\$ -		
Total	1,188	336,368	1,537	\$ 486,486.53

TITLE: Regional Projects Reserve: Criteria and procedures for the allocation of funding

From: Darryl Jones, Economist and Simon Crabb, Finance Manager

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 18
Group Manager/s: May 2022

Executive summary/Whakarāpopototanga

In its Long Term Plan 2021-2031 (LTP), council renamed the Infrastructure Investment Fund (IIF) Reserve as the Regional Projects Reserve (RPR) and broadened its purpose. In the LTP deliberation report considered by council on 19 May 2021, it was recommended that criteria be developed for the RPR before any funding is allocated from it. The balance of the RPR was \$14.7 million at the end of January 2022. This balance is invested in council's long-term investment fund, providing a budget contribution of \$723,546 to council's bottom line in 2021/22.

This item provides a criteria and procedures for the allocation of funding (the Criteria) from the RPR for adoption by council (**Attachment One**). Draft Criteria were discussed by the Audit and Risk Subcommittee at their meeting on 24 November 2021 and by council at a workshop session on 16 March 2022. Important aspects of the Criteria include: the requirement for capital repayment; for the proposal to be revenue neutral for council; a limit on the proportion of the RPR that can be allocated to any one project; and that a business case be provided as part of a funding allocation decision. Staff recommend that council adopt the proposed Criteria.

Recommendation(s)

1. That the report 'Regional Projects Reserve: Criteria and procedures for the allocation of funding' by Economist and Finance Manager and dated 7 April 2022, be received.
2. That council agrees to adopt the Criteria and procedures for the allocation of funding from the Regional Projects Reserve contained in **Attachment One** of this agenda item to the council meeting on 24 May 2022.

Options

No.	Option	Advantages	Disadvantages
1	Adopt the Criteria and procedures for the allocation of funding from the RPR.	Ensures that the RPR is used for its intended purpose. Provides direction on the information required to make a funding allocation.	Sets a hurdle that Projects must met to be funded from the RPR.
2	Don't adopt the Criteria and procedures for the allocation of funding from the RPR.	Allows council to consider projects on a case-by-case basis.	Increases the risk that inappropriate projects be funded from the RPR.

The staff's recommended option is Option 1, to adopt the Criteria and procedures for the allocation of funding from the Regional Projects Reserve. The adoption of the Criteria will ensure that the RPR is utilised for the purpose intended and assist decision-makers in making funding decisions. It is modelled on the criteria and procedures used for allocation of funding from the Investment and Growth Reserve (IGR) to provide a degree of consistency in criteria used to allocate reserve funding.

Considerations

1. Environmental Impact

There are no environmental risks or negative impacts associated with this decision. The Criteria being adopted contains several clauses which require an assessment of the environmental impact of a project being considered for funding from the RPR.

2. Community views

There are no community views on this issue that need to be considered. Changing the name and purpose of the reserve was part of the LTP Consultation Document. Ninety-one of 171 submitters responded to this question, with 46 agreeing with the proposal, 23 disagreeing, 22 neutral. Eighty did not select an option. Northland Inc in their submission noted the similarities between the purpose of the proposed regional project reserve and the purpose of the existing Enabling Investment funding category of the IGR. The proposed Criteria being adopted seeks to make this distinction clear.

3. Māori impact statement

Māori have not been specifically engaged over the criteria and Māori views are unknown. However, clause 8.c.ii. of the proposed Criteria requires the business case for any project to consider environmental, social and governance (ESG) factors which would include consideration of the impacts on Māori.

4. Financial implications

There are no financial implications associated with this decision. However, a future decision to allocate funding from the RPR under the Criteria has financial implications for council. This is the reason why certain requirements, such as the need for repayment of the principal and council revenue neutrality, have been written into the Criteria.

5. Implementation issues

The Criteria will require the development of a business case and consultation with Northland Inc and the Joint Regional Economic Development Committee when relevant. However, such actions are considered necessary to make a robust decision to allocate funds from the RPR.

6. Significance and engagement

This matter does not trigger council's Significance and Engagement Policy, and no public consultation is required for council to make the decisions detailed in this report.

7. Policy, risk management and legislative compliance

This decision is consistent with policy and legislative requirements. Adopting the Criteria reduces the risk that money will be inappropriately allocated from the RPR.

Attachments/Ngā tapirihanga

Attachment 1: Criteria and procedures for the allocation of funding from the Regional Projects

Reserve [↓](#) 

Regional Projects Reserve

Criteria and procedures for the allocation of funding

24 May 2022

Objective of the Regional Projects Reserve

1. The objective of the Regional Projects Reserve (RPR) is to have a source of funding available to Northland Regional Council (council) to manage the cost of infrastructure and economic development investment projects (Projects) with a view to stabilising the impact on council's income and capital requirements.
2. The RPR is held in council's long-term investment fund unless it is allocated to Projects.
3. Financial returns earned on the RPR, including returns from Projects, are available for operational spending on all council activities in accordance with budget.

Criteria for the allocation of funding to Projects

4. Projects that are allocated funding from the RPR must:
 - a. Ideally be located in Northland but if not, must deliver clearly identifiable benefits to Northland;
 - b. Be for either
 - a. the construction of infrastructure or
 - b. the implementation of an economic development investment project; and
 - c. Clearly identify when the principal (capital) will be repaid to council. The repayment period should be set in consideration of the life of the asset, the risk profile of the Project and other financial commitments. The repayment period must be no more than 15 years.
5. The Project should be cost neutral for council, ensuring that the net revenue earned is at least equal to the investment income budgeted to be received off the RPR in the Long Term Plan.
6. For clarity, the RPR cannot be used to fund:
 - a. Any costs associated with assessing the feasibility of a Project, such as, but not limited to, business cases, research and consenting, or the evaluation of a Project¹; or
 - b. A Project that is determined to potentially have significant adverse impacts on environmental, social, and/or cultural well-being, regardless of the positive economic impacts; or
 - c. The purchase of land.
7. At the time of making an allocation under the criteria, no more than 50% of the RPR can be allocated to a single Project (the cumulative value of all Project investments made from the RPR is included in the value of the RPR for the purpose of estimating this threshold value).

¹ Funding for these costs may be available through the Project Development funding category of the Investment and Growth Reserve.

Procedures for the allocation of funding to Projects

8. Decisions on funding can only be made by resolution of council based on the following guidelines:
 - a. All Project funding decisions are accompanied by a recommendation from the Investment and Property Subcommittee.
 - b. Economic development investment projects, i.e. those that meet criteria 4.b.b., must also have been considered and evaluated for funding by the Northland Inc Limited Board and be accompanied by a recommendation from the Joint Regional Economic Development Committee.
 - c. A robust Project business case, that has been prepared at a level commensurate with the quantum of funding being requested, must be provided with the council decision paper. The business case must include the following elements:
 - i. Description of the Project – e.g., what is the proposal?
 - ii. Strategic case / alignment – e.g., why should council make the investment? How does it align with strategic infrastructure and economic priorities for the region? What are the risks, constraints, and dependencies? What are the environmental, social and governance (ESG) impacts and issues associated with the project, including its contributing to climate change mitigation or adaption?
 - iii. Economic case – e.g., what are the costs and benefits of the Project? What other options were considered? Why was this option preferred?
 - iv. Financial case – e.g., how will the Project be funded, both in the build and long-term operation? When will the funding allocated from the RPP be repaid? What is the return on investment being provided? What other council funding sources, including borrowing, been considered? What other parties are making an investment into the Project?
 - v. Management case – e.g., how will the Project be undertaken and over what time frame? Is there the competence, experience and capacity to deliver the Project? What statutory approvals are required, e.g., resource consents?
9. If the Project is being delivered by a party external to council, a formal offer of funding will be issued to that party, setting out the terms and conditions for funding. This offer will include milestones, key performance indicators and regular reporting requirements.

TITLE: Fund Manager Withdrawal

From: Bruce Howse, Pou Taumatua – Group Manager Corporate Services

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 06
Group Manager/s: May 2022

Executive summary/Whakarāpopototanga

EriksensGlobal, councils investment advisor, recommend withdrawing \$1 million from the Harbour T.Rowe Price Global Equity fund and investing this in self-managed cash (Term Deposits) maturing in September 2022. The self-managed cash would remain in the Long-Term Fund. The purpose of this withdrawal is to *'reduce the exposure to global equities at this stage in the economic cycle as a part of the ongoing de-risking strategy'*. Refer to **attachments** for EriksensGlobal advice.

The withdrawal to self-managed cash is in accordance with the SIPO LTF range for self-managed cash of 0-20%, noting that self-managed cash in the LTF was sitting at \$1.999M or 3.2% of the LTF as reported in the 28 April 2022 Externally Managed Investment Funds report.

Recommendation(s)

1. That the report 'Fund Manager Withdrawal' by Bruce Howse, Pou Taumatua – Group Manager Corporate Services and dated 6 May 2022, be received.
2. That council approves withdrawing \$1 million from the Harbour T.Rowe Price Global Equity fund and investing in self-managed cash (Term Deposits) to be held in the Long Term Fund maturing in September 2022.

Options

No.	Option	Advantages	Disadvantages
1	Withdraw \$1 million from the Harbour T.Rowe Price Global Equity fund and invest in self-managed cash in the LTF.	Reduce the exposure to global equities at this stage in the economic cycle as a part of the ongoing de-risking strategy.	The potential yield from self-managed cash is less than the potential yield from global equities, however the risk with global equities is higher particularly at this stage in the economic cycle.
2	Maintain the current investment holdings of \$3.16M in the Harbour T.Rowe Price Global Equity fund	The potential yield from global equities, however the risk with global equities is higher particularly at this stage in the economic cycle.	Greater risk exposure at this stage in the economic cycle.

Options 1 is recommended.

Considerations

1. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against council's Significance and Engagement Policy because it is part of council's day to day activities. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement.

Background/Tuhinga

Nil.

Attachments/Ngā tapirihanga

Attachment 1: EricksensGlobal Advice [!\[\]\(3e2231b1ad3ca8da8658228c00dd08e0_img.jpg\) !\[\]\(96a82dd1250f57fd139c5f3b80c9d977_img.jpg\)](#)

ERIKSENSGLOBAL

Actuaries & Investment Strategists

5 May 2022

Mr Rick Stolwerk
Chair of Investment and Property Subcommittee
Northland Regional Council

Cc: Malcolm Nicholson, Bruce Howse, Simon Crabb

Rick

NORTHLAND REGIONAL COUNCIL INVESTMENTS REVIEW

Eriksens were requested at the Chairs Investment update meeting held on 2 May 2022 to provide a paper of investment review and de-risking strategy. This request was due to the concerns of financial markets performance.

We started de-risking the portfolio in December 2021 by investing gained profit in term deposits (TD) maturing in July 2022. In addition, cash distributions from private equity funds were invested in TDs also maturing in July. This allowed to minimize exposure to listed markets and increase the allocation to cash assets within portfolio. The Long Term fund had 3.2% in cash assets as at 31 March 2022.

The underlying multi asset product managers are increasing their cash assets allocation too. Total cash allocation within the Long Term Fund increased from 10.6% to 12.5% in the March quarter. That constitutes \$7.8 million.

The current SIPO is well constructed and has wide ranges for asset allocation within the portfolio. Hence it does not require any changes to the broad policy settings at this time.

We recommend withdrawing \$1 million from Harbour T.Rowe Price Global Equity fund to reduce the exposure to global equities at this stage in the economic cycle as a part of the ongoing de-risking strategy.

Yours sincerely



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TITLE: Regional Software Holdings Limited - Reporting and 2023-2025 Statement of Intent

From: Carol Cottam, Information Services and Technology Manager

Authorised by Group Manager/s: Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 13 May 2022

Executive summary/Whakarāpopototanga

Regional Software Holdings Limited (RSHL) is a council controlled organisation. Council has a 16.75% shareholding in RSHL, and Council's Chief Executive is one of the six RSHL directors.

RSHL provides a framework for collaboration between its shareholders and across the sector. It supports the procurement or development of shared solutions in a manner that provides greater consistency in how we operate our core processes. RSHL provides a more cost effective alternative than individual councils can achieve on their own.

This report presents the RSHL:

- Half Yearly Report on the RSHL's operations for the first six months of the current year ending 31 December 2021, attached as **Attachment 1**, for council information.
- Draft Statement of Intent (SOI) for 2022-2024 and associated Management Report as **Attachment 2 and 3**. The RSHL SOI is presented for council review and sets out RSHL's planned activities, objectives and performance targets for the next three years.

Recommendation(s)

1. That the 'Regional Software Holding Limited – Reporting and 2023-2025 Statement of Intent' by Carol Cottam, Information Services and Technology Manager and dated 13 May 2022, be received.
2. That council receive the Regional Software Holdings Limited's Statement of Intent 2023-2025.

Options

No.	Option	Advantages	Disadvantages
1	Receive the Statement of Intent for RSHL	Compliant with legislative requirements. The RSHL SOI is received by council. Council's investment is managed appropriately.	No material disadvantage.
2	Do not receive the Statement of Intent for RSHL	No advantage through not receiving the SOI.	Not compliant with legislative requirements. Potentially destroys council's value in our CCO and council's

No.	Option	Advantages	Disadvantages
			shareholding may not be managed appropriately.

The staff's recommended option is 1.

Considerations

1. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is considered to be of low significance when assessed against the council's Significant and Engagement Policy because it is part of council's day to day business.

2. Policy, risk management and legislative compliance

This decision is consistent with council's policy as a shareholder if RSHL.

Being a purely administrative matter, community views, Māori impact statement, financial implications and implementation issues are not applicable. The regional sector collaborative programmes, including the IRIS Next Gen Programme, are budgeted within Council's Long Term Plan.

Background/Tuhinga

RSHL is a council controlled organisation owned by Waikato Regional Council (32.75%), Northland Regional Council (16.75%), Horizons Regional Council (15.50%), Taranaki Regional Council (15.50%), Southland Regional Council (15.50%), and West Coast Regional Council (4.00%).

Half Yearly Report to shareholders for the 6 months ending 31 December 2021 (Attachment 1)

RSHL is on track to achieve its 2020/21 non-financial performance measures.

It is expected that the income and expenditure for RSHL activities will be close to budget.

The Regional Sector Shared Services revenue (within the Regional Council Collaboration (ReCoCo) Activity) far exceeds its budget because of the unbudgeted revenue from the Sector Financial Management System. This revenue is treated as revenue in advance that RSHL holds on behalf of the regional sector. The corresponding Regional Sector Shared Services expenditure is also significantly more than budget due to the increased activity from the Sector Financial Management System.

Attachment 1 Item 7 Six Month Report to Shareholders 31 December 2021.

Draft Statement of Intent (SOI) for 2023/2024/2025 (Attachment 2 and 3)

RSHL submitted their draft SOI to council for review.


The important changes to this SOI set out the changes to implement the regional sector shared services organisation. The key features are:


- The company will be restructured to form a regional sector shared services organisation; and
- The IRIS Next Gen Programme will be confirmed; and
- Existing sector functions run individually by councils will become part of RSHL.


Attachment 2 Item 6b Management Report 2022 to 2025 Draft Statement of Intent.

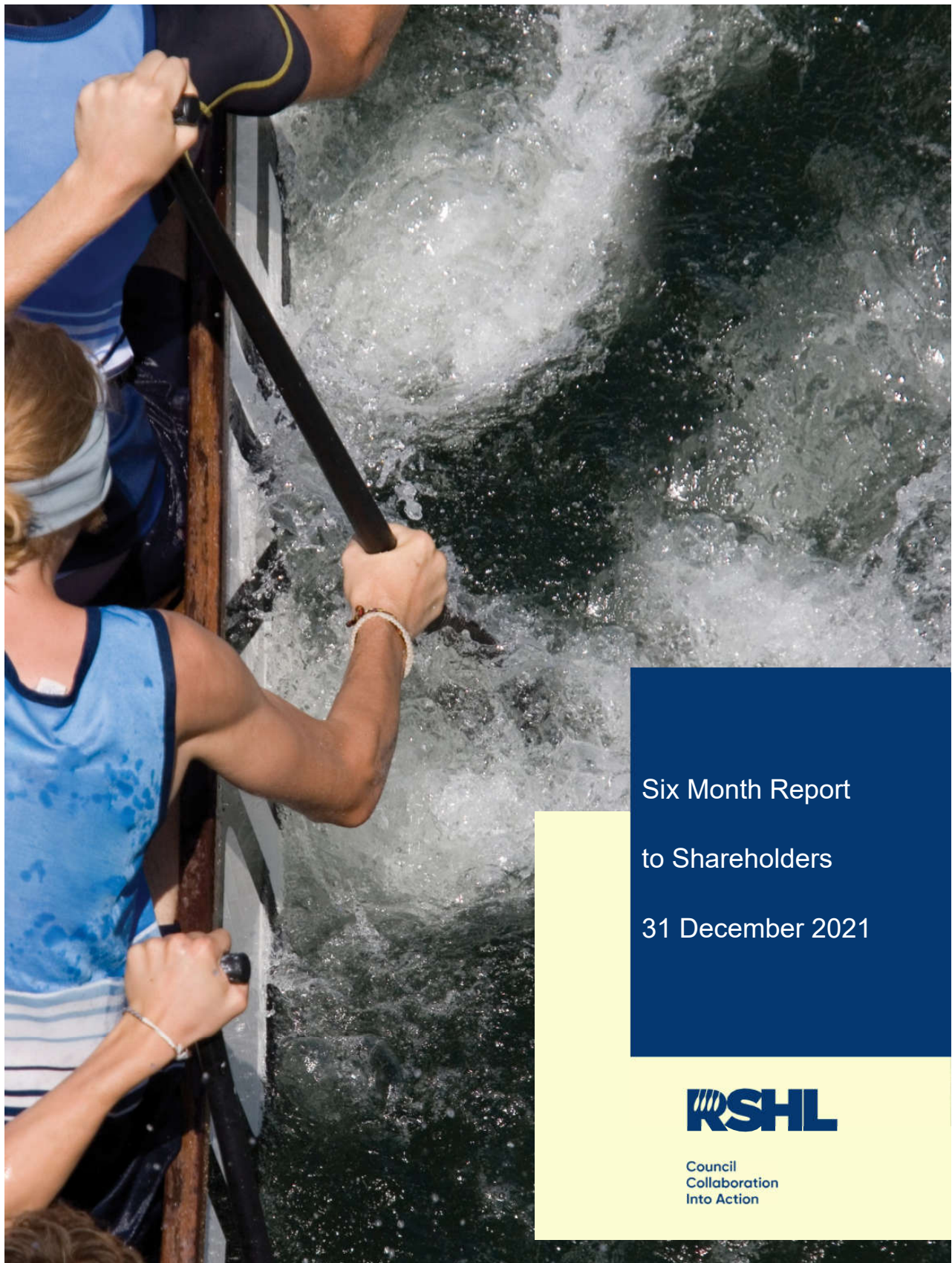
Attachment 3 Item 6a Draft Statement of Intent 2023 to 2025

Attachments/Ngā tapirihanga

Attachment 1: Regional Software Holding Limited - 7 Six Month Report to Shareholders 31 December 2021 [↓](#) 

Attachment 2: Regional Software Holding Limited - Item 6b Management Report 2022 to 2025 Draft Statement of Intent [↓](#) 

Attachment 3: Regional Software Holdings Limited - Item 6a Draft Statement of Intent 2023 to 2025 [↓](#) 





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Entity Information

Regional Software Holdings Limited For the 6 months ended 31 December 2021

Regional Software Holdings Limited (RSHL) was incorporated in October 2012. This report covers the 6 months from 1 July 2021 to 31 December 2021 as required by Section 66 of the Local Government Act 2002. RSHL has no subsidiaries or joint ventures.

Entity Type and Legal Basis

RSHL is a Public Limited Liability Company incorporated and registered under the Companies Act 1993 and is a council-controlled organisation as defined in Section 6 of Local Government Act 2002

Entity Structure

The Company comprises of a Board of seven Directors. The Board oversee the governance of RSHL. In addition there is a General Manager who is responsible for the day-to-day operations of RSHL and reporting to the Board. Each of the six shareholder entities are entitled to separately appoint one director each, with one independent director appointed by the Board.

Main Sources of Entity's Cash and Resources

Funds for IRIS development and operation of the company are received by way of levies from each member and customer Council. These levies are set annually in the Statement of Intent. Additional funding for Sector projects and ReCoCo is collected from all 16 regional and unitary councils.

Nature and Scope of Activities to be Undertaken

RSHL provides a framework for collaboration between shareholders, customers, and across the wider regional council sector. It supports the procurement or development of shared solutions and products in a manner that provides greater consistency in how we operate our core processes. RSHL provides a more cost effective alternative than individual councils can achieve on their own.

The company operates by facilitating collaborative initiatives between councils and through managed contractual arrangements. Some councils are both customers of RSHL and providers of service to RSHL.

RSHL activities are currently grouped into two key programmes of work:

IRIS	<p>The IRIS Programme delivers the IRIS software platform to shareholder and customer councils. The IRIS software has been in use for 8 years and is currently in use at 7 councils. The 7 councils actively collaborate on the use of IRIS and the future development roadmap.</p> <p>IRIS Next Generation</p> <p>RSHL and the member councils have determined that the IRIS software platform will need to be replaced within the next 2-4 years.</p> <p>IRIS Next Generation (NextGen) will be cloud based with enhanced online and mobile features. IRIS NextGen will be more efficient for staff and customers.</p> <p>IRIS NextGen is built on the basis of standard best practice as defined by the regional sector. Along with the software solution, we will implement consistent “good practice” processes for the sector.</p> <p>Over the next two years, RSHL will identify:</p> <ul style="list-style-type: none">• The IRIS NextGen solution.• A transition plan for existing users.• A growth plan to attract new councils to the program.
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Entity Information



	<p>The IRIS NextGen program will require changes to the shareholding and membership arrangements of RSHL. RSHL will implement these changes over the next two years.</p> <p>The budget for 2021/22 and indicative budget for subsequent years reflect the use of debt to fund the development of IRIS NextGen. This approach is seen as the best way to smooth the costs of the new solution over a longer term than would otherwise be the case.</p>
Sector Shared Services	<p>In 2020 the ReCoCo Programme was superseded by the Sector Financial Management System (SFMS).</p> <p>As part of the SFMS, RSHL is responsible for the management of the funding for regional sector collaborative programmes;</p> <ul style="list-style-type: none"> • Regional Sector Office • Sector Business Plan • River Managers Programme • ReCoCo Technology Projects • EMaR Programme • Bio Managers Programme • Bio Control Programme <p>The sector has a budget of over \$2.5M for these initiatives. RSHL collects this funding from councils and engages suppliers to deliver services to achieve the outcomes from each of the programmes.</p> <p>ReCoCo is one of the programmes within the SFMS. Under the ReCoCo banner RSHL delivers collaborative technology projects for groups of regional councils. The ReCoCo programme is led by the Corporate and Finance Special Interest Group.</p>

Vision

To provide a high-quality shared service for the regional council sector (and associated agencies) that delivers value to customers, shareholders and the sector.

Mission

Deliver shared solutions to the regional council sector along with collaborative outcomes through sector special interest groups to achieve:

- Consistent, good-practice regional council specific processes and functions
- Value through economies of scale
- Greater influence for the sector with central government through cohesion and collaboration
- Reduced risk through ensuring continuity of supply and control of the destiny of regional council sector specific software.

Values

In all RSHL decisions and interactions the Board and staff together with council participants who may be working within the RSHL framework will observe the following values and ethos:

- We are forward thinking and innovative
- We are responsive and deliver value
- We are professional and accountable
- We are flexible and open.



Guiding Principles

- The best decision is that which provides the best end result, primarily for participating councils and indirectly the communities they serve
- Our solutions will be practical, appropriate to the scale of the problem and affordable
- Where appropriate we will utilise codes of practice and standards produced by industry groups
- All parties to any decision or interaction will be treated with respect, dignity, integrity and honesty.

Objectives

The principal objective of RSHL is to deliver on the vision, mission and values.

The secondary objective of RSHL is to:

- Achieve the objective of its shareholders, both commercial and non-commercial as specified in the Statement of Intent
- Be a good employer
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when able to do so.



Statement of Service Performance

Regional Software Holdings Limited For the 6 months ended 31 December 2021

Progress against the Statement of Intent (SOI) performance measures is reported in the following section.

Items of significance during the six months include:

IRIS	<p>As the focus shifts to the future and IRIS NextGen, we have reduced the frequency of IRIS releases. The next release (4.05) is scheduled for February 2022.</p> <p>In this period we rolled out a BI Reporting module for IRIS that will enable easier reporting and analysis on consenting activity.</p> <p>The tools will also support councils' data cleansing, an important activity to be completed prior to migration to IRIS NextGen.</p>
IRIS Next Generation	<p>In this period the IRIS NextGen Programme continued to build momentum.</p> <p>We positively concluded our Due Diligence activities on the proposal from Datacom and, have commenced the Discovery phase of the programme. The Discovery Phase will help RSHL and Datacom to establish a solid basis for the remainder of the programme, to reduce risk and prepare for the work to come.</p> <p>We are pleased that 5 additional councils are working with us on IRIS NextGen. We have established a new Advisory Group to oversee the programme.</p>
Sector Shared Services	<p>In August 2021 the RCEOs forum approved the business case for the creation of a Regional Sector Shared Services organization based on RSHL.</p> <p>The intention is to have the new organisation in place by July 2022.</p> <p>In this period, we have confirmed that 10 councils (4 new) intend to take a shareholding in the new organization, with remaining councils requiring more information, or more time to make a commitment.</p> <p>We have commenced the legal work on the new structure of the company.</p> <p>The FY2023 DRAFT Statement of Intent for RSHL will be provided to councils for feedback by 1 March. This SOI will reflect the changes to the operation of the company.</p>
Sector Financial Management System	<p>In 2020 the ReCoCo Programme was superseded by the Sector Financial Management System (SFMS).</p> <p>As part of the SFMS, RSHL is responsible for the management of the funding for regional sector collaborative programmes;</p> <ul style="list-style-type: none"> • Regional Sector Office • Sector Business Plan • River Managers Programme • ReCoCo Technology Projects • EMaR Programme • Bio Managers Programme • Bio Control Programme. <p>This programme is now operating as a BAU activity. Along with managing funding, RSHL also provides practical assistance for sector projects – for example managing the new sector web presence (teurukahika.govt.nz) and related accounts.</p> <p>The ReCoCo Technology Programme currently has 3 significant projects in flight.</p>



Performance Measures

The following performance measures were incorporated into the Statement of Intent for the 2021-2022 financial year.

	Performance Measures	For the period ending 31 December 2021
Non Financial	Undertake an annual survey of IRIS users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.	Complete. The IRIS user survey was completed in November 2021. Results were reported to the board in February 2022 and reflected overall improvement in the performance of RSHL, Datacom and the IRIS Product.
Non Financial	Develop, approve, communicate and refine the product strategy for IRIS NG.	In Progress. The IRIS NextGen product strategy will be delivered by the IRIS NextGen Programme Discovery Phase.
Non Financial	Prepare and adopt the annual IRIS major enhancement roadmap by 30 June for delivery in the subsequent year.	Complete. The IRIS Development roadmap extends for 3 years. It is refined by the Advisory Group as required. The roadmap was presented to the board in November 2021.
Non Financial	Major Enhancement projects are completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	In Progress. Business Intelligence Implementation - is on track and on budget and has been delivered. MAJ057 IRIS Advanced Search Enhancement is on track and on budget for delivery in the IRIS v4.05 release in February.
Non Financial	Budgets for support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisory Group and the General Manager.	In Progress. Expenditure on support and minor enhancements are in line with budget.
Financial	RSHL will operate within approved budget, with any material variations approved by the Board.	In Progress. Expenditure in FY2022 has been in line with budget.
Financial	Annual charges for shareholders and customers to be at the level approved by the Board and Shareholder Councils based upon the approved operating budget and budgets for major and minor enhancements.	In Progress. There is no expectation we will seek additional contributions from members.
Growth	Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholders base of RSHL.	In Progress. This is being achieved through IRIS NextGen, the Sector Financial Management System and the Shared Services Implementation.
Growth	Engage with councils in the sector to evaluate options for the eventual replacement of the current IRIS software package. The objective is to identify a solution that can be adopted by an increasing number of councils in the sector.	In Progress. The objective will be achieved through the IRIS NextGen Programme.

Statement of Service Performance



Growth	Be a service delivery vehicle for wider regional council sector shared programmes under the Sector Financial Management System (or similar).	In Progress. SFMS is in place for 2021/22. RSHL has collected \$1.5M of funding on behalf of the regional sector and paid \$1.2M in expenses.
Growth	Be a service delivery vehicle for wider regional council sector and related council sector and related bodies information management projects (ReCoCo) and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the ReCoCo Advisory Group.	In Progress. There are several projects in flight under the ReCoCo framework. All projects are managed using appropriate project management controls.
Growth	Work with the RCEOs Group to develop a business case for the Regional Sector Services Organisation. Business case to be considered by December 2021 to allow for the development of a new Statement of Intent in early 2022.	Complete. The business case for the Regional Sector Shared Services organisation was approved on 3 August 2021.



Directors Report

Regional Software Holdings Limited For the 6 months ended 31 December 2021

Financial Position

Member Contributions and Other Revenue are tracking to budget for the year.

Regional Sector Shared Services Revenue is slightly more than budget, as work programme budgets were amended in July 2021. NB There is no impact on RSHL's final results because this is revenue in advance that RSHL holds on behalf of the regional sector.

Operating expenditure for RSHL activities is tracking to budget. Personnel costs will be more than budget because of the recruitment of a Product Manager. This will be offset by a reduction in Management Fees and additional revenue.

The company is running at a loss. This reflects the depreciating value of the investment in the IRIS product.

Expenditure on the IRIS solution is no longer being treated as a capital investment. As a result, the book value of the asset is depreciating rapidly. This is appropriate as the product nears the end of its life and the company looks to reinvest in IRIS NextGen. Cash balances remain healthy as the losses are resulting from depreciation rather than trading activities.

Expenditure for shared services is in line with expectations.

The cash position is very favourable to budget due to the Sector Financial Management Funds which are held on behalf of the regional sector.

It is expected that the income and expenditure for RSHL activities will be close to budget.

Financial Statements

The financial statements required by section 66 of the Local Government Act 2002 are attached.

Registered Office

C/- O'Fee Next Level Accounting

PO Box 1007

Palmerston North

Auditors

Audit New Zealand on behalf of the Controller and Auditor-General.

Directors

The directors appointed for the period that this six monthly report covers were:

Mike Nield (Chairperson)	Taranaki Regional Council
John Crane	Waikato Regional Council
Malcolm Nicolson	Northland Regional Council
Ged Shirley	Horizons Regional Council
Jane Carroll	Southland Regional Council
Heather Mabin	West Coast Regional Council
A Aakjaer (Independent Director)	

Directors Report



Interest Register

All directors listed their interests in the register on being appointed to the company and interest are reviewed at each board meeting. The following interests are registered:

Director	Organisation	Interest
MJ Nield	Taranaki Stadium Trust	Trustee
J Crane	-	-
MC Nicolson	Hawk Hill Estates Limited The Masters Group Holdings Limited	Director Director
G Shirley	-	-
J Carroll	JCom Limited JC's Properties Limited Voicecom Technologies Limited	Director & Shareholder Director & Shareholder Shareholder
A Aakjaer	Negotiate Limited Aakjar Trustee Company Limited Ice Bear Holdings Limited One Sheep at a Time Limited Note: Negotiate Consulting may from time to time provide advisory services to Northland Regional Council and Waikato Regional Council	Director & Shareholder
H Mabin	-	-

Additional Disclosure

The Companies Act 1993 requires disclosure of the amount of donations, audit fees, fees for other services from the auditor, and the number of employees of the company who receives remuneration and other benefits above \$100,000 per annum, in brackets of \$10,000. For this financial year, two employees were employed by RSHL and their remunerations are both over \$140,000. The audit fee for the period is unconfirmed at the time of writing, paid to Audit New Zealand.

Statement of Compliance and Responsibility

In terms of the Local Government Act 2002, the Board of Directors is responsible for the preparation of RSHL financial statements and to assist the company to meet its objectives and any other requirements in its Statement of Intent (SOI).

The Board of Directors of RSHL has the responsibility for establishing, and has established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board of Director's opinion, these financial statements fairly reflect the financial position and operations of RSHL for the six months ended 31 December 2021.

Signed on behalf of the Board of Directors:

MJ Nield - Chairperson

JE Crane - Director

Date: 28 February 2022



Statement of Comprehensive Revenue and Expense

Regional Software Holdings Limited For the 6 months ended 31 December 2021

	NOTES	31 DEC 2021 6 MONTHS (UNAUDITED)	31 DEC 2020 6 MONTHS (UNAUDITED)	30 JUNE 2022 12 MONTHS SOI	30 JUNE 2021 12 MONTHS UNAUDITED
Revenue					
Interest		645	287	600	631
Regional Sector Shared Services		1,485,475	1,367,914	2,551,392	2,132,784
Member Contributions		667,576	953,193	1,340,947	1,317,976
Other revenue	1	143,325	115,959	231,931	154,612
Total Revenue		2,297,021	2,437,352	4,124,870	3,606,002
Expenses					
Administration Costs	2	40,998	29,572	61,865	55,746
Audit and Legal Fees		-	-	86,534	32,765
Datacom Support Services		139,020	97,713	260,000	210,427
Environmental Charges		9,674	10,366	22,444	20,455
External Contractors		164,577	156,515	300,040	268,074
External Directors Fees		16,500	19,179	33,000	14,804
Management Fees		78,216	94,728	145,000	180,416
Other Direct Software Expenses		227,592	171,160	472,066	610,372
Personnel costs		136,167	73,802	176,610	144,601
Promotional costs		50	2,080	8,000	7,836
Regional Sector Shared Services		1,230,661	556,351	2,551,392	2,132,784
Travel and Meeting Costs		5,619	6,939	18,750	7,061
Depreciation	5	471,445	472,075	920,438	943,520
Total Expenses		2,520,519	1,690,480	5,056,139	4,628,860
Surplus/(deficit) before tax		(223,498)	746,872	(931,269)	(1,022,858)
Surplus/(deficit) after tax		(223,498)	746,872	(931,269)	(1,022,858)
Surplus/(deficit) attributable to RSH Ltd		(223,498)	746,872	(931,269)	(1,022,858)
Total comprehensive revenue and expense		(223,498)	746,872	(931,269)	(1,022,858)

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

Explanations of major variances against budget are provided in the notes.



Statement of Comprehensive Revenue and Expense - RSHL Activity

Regional Software Holdings Limited
For the 6 months ended 31 December 2021

NOTES	31 DEC 2021 6 MONTHS UNAUDITED	31 DEC 2020 6 MONTHS UNAUDITED	30 JUNE 2022 12 MONTHS SOI	30 JUNE 2021 12 MONTHS UNAUDITED
Revenue				
Interest	645	287	600	631
Members Contribution	667,576	953,193	1,340,947	1,317,976
Other revenue	143,325	115,959	231,931	154,612
Total Revenue	811,546	1,069,439	1,573,478	1,473,218
Expenses				
Administration Costs	40,998	29,572	61,865	55,746
Audit and Legal Fees	-	-	86,534	32,765
Datacom Support Contract	139,020	97,713	260,000	210,427
Environment Charges	9,674	10,366	22,444	20,455
External Contractors	164,577	156,515	300,040	268,074
External Directors Fees	16,500	19,179	33,000	14,804
Management Fees	78,216	94,728	145,000	180,416
Other Direct Software Expenses	227,592	171,160	472,066	610,372
Personnel Costs	136,167	73,802	176,610	144,601
Promotional costs	50	2,080	8,000	7,836
Travel, Accommodation & Meeting costs	5,619	6,939	18,750	7,061
Depreciation	471,445	472,075	920,438	943,520
Total Expenses	1,289,858	1,134,129	2,504,747	2,496,077
Surplus/(deficit) before tax	(478,311)	(64,691)	(931,269)	(1,022,858)
Surplus/(deficit) after tax of RSHL Activity	(478,311)	(64,691)	(931,269)	(1,022,858)

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

Explanations of major variances against budget are provided in the notes.



Statement of Comprehensive Revenue and Expense - ReCoCo Activity

Regional Software Holdings Limited
For the 6 months ended 31 December 2021

NOTES	31 DEC 2021 6 MONTHS UNAUDITED	31 DEC 2020 6 MONTHS UNAUDITED	30 JUNE 2022 12 MONTHS SOI	30 JUNE 2021 12 MONTHS UNAUDITED
Revenue				
Regional Sector Share Services	1,485,475	1,367,914	2,551,392	2,132,784
Total Revenue	1,485,475	1,367,914	2,551,392	2,132,784
Expenses				
Regional Sector Share Services	1,230,661	556,351	2,551,392	2,132,784
Total Expenses	1,230,661	556,351	2,551,392	2,132,784
Surplus/(deficit) before tax	254,814	811,563	-	-
Surplus/(deficit) ReCoCo Activity	254,814	811,563	-	-

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

Explanations of major variances against budget are provided in the notes.



Statement of Financial Position

Regional Software Holdings Limited As at 31 December 2021

	NOTES	31 DEC 2021 6 MONTHS UNAUDITED	31 DEC 2020 6 MONTHS UNAUDITED	30 JUNE 2022 12 MONTHS SOI	30 JUNE 2021 12 MONTHS UNAUDITED
Assets					
Current Assets					
Cash and cash equivalents	3	2,495,267	1,336,016	2,495,267	685,927
Accounts Receivable and Accruals	4	90,540	589,389	90,540	2,321,647
Income Tax Receivable		525	261	525	351
Total Current Assets		2,586,332	1,925,667	2,586,332	3,007,926
Non-Current Assets					
Property, Plant & Equipment (PPE)	5	3,014,430	4,081,178	3,014,430	3,485,875
Total Non-Current Assets		3,014,430	4,081,178	3,014,430	3,485,875
Total Assets		5,600,763	6,006,844	5,600,763	6,493,801
Liabilities					
Current Liabilities					
Payables and Accruals	6	298,766	154,977	298,766	881,228
Income Received in Advance		29,886	29,886	29,886	19,924
Revenue in Advance - ReCoCo		1,653,590	172,274	1,653,590	1,653,590
Goods and services tax		27,737	65,696	27,737	124,778
Total Current Liabilities		2,009,979	422,832	2,009,979	2,679,520
Total Liabilities		2,009,979	422,832	2,009,979	2,679,520
Net Assets		3,590,784	5,584,012	3,590,784	3,814,281
Equity					
Contributed Capital	7	5,149,150	5,149,150	5,149,150	5,149,150
Accumulated Funds	7	(1,558,366)	434,862	(1,558,366)	(1,334,869)
Total Equity		3,590,784	5,584,012	3,590,784	3,814,281

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated



Statement of Changes in Equity/Net Assets

Regional Software Holdings Limited For the 6 months ended 31 December 2021

	31 DEC 2021 6 MONTHS UNAUDITED	31 DEC 2020 6 MONTHS UNAUDITED	30 JUNE 2022 12 MONTHS SOI	30 JUNE 2021 12 MONTHS UNAUDITED
Equity				
Opening Balance	3,814,281	4,837,140	3,814,281	4,837,140
Total Comprehensive Revenue and Expense for the year	(223,498)	746,872	35,519	(1,022,858)
Balance at 30 June	3,590,784	5,584,012	3,849,800	3,814,281
Total Comprehensive Revenue and Expense Attributable to				
Regional Software Holdings Ltd	(223,498)	746,872	35,519	(1,022,858)



Statement of Cash Flows

Regional Software Holdings Limited For the 6 months ended 31 December 2021

	31 DEC 2021 12 MONTHS UNAUDITED	31 DEC 2020 6 MONTHS UNAUDITED	30 JUNE 2022 12 MONTHS SOI	30 JUNE 2021 12 MONTHS UNAUDITED
Cash Flows from Operating Activities				
Receipts from Members	775,548	907,866	775,548	1,534,935
Interest Received	645	287	645	631
ReCoCo Income	3,381,657	1,177,860	3,381,657	1,710,126
Other Income	38,667	-	38,667	-
Income tax received/(paid)	(174)	(74)	(174)	(163)
Payments to suppliers and employees	(2,511,782)	(1,205,408)	(2,511,782)	(2,908,251)
GST	124,779	2,575	124,779	(77,617)
Total Cash Flows from Operating Activities	1,809,340	883,106	1,809,340	259,660
Cash Flows from Investing and Financing Activities				
Payments to acquire property, plant and equipment	-	(149,056)	-	(175,698)
Total Cash Flows from Investing and Financing Activities	-	(149,056)	-	(175,698)
Net Increase/ (Decrease) in Cash	1,809,340	734,051	1,809,340	83,962
Cash Balances				
Cash and cash equivalents at beginning of period	685,927	601,965	685,927	601,965
Cash and cash equivalents at end of period	2,495,267	1,336,016	2,495,267	685,927
Net change in cash for period	1,809,340	734,051	1,809,340	83,962

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated



Statement of Accounting Policies

Regional Software Holdings Limited For the 6 months ended 31 December 2021

Regional Software Holdings Limited (RSHL) is a Council Controlled Organisation (CCO), owned by:

Council	Ownership
Waikato Regional Council	32.75%
Northland Regional Council	16.75%
Horizons Regional Council	15.50%
Taranaki Regional Council	15.50%
Southland Regional Council	15.50%
West Coast Regional Council	4.00%

RSHL was incorporated in October 2012. RSHL was primarily incorporated for the purposes of providing a framework for the collaboration between the shareholders and across the wider regional council sector. RSHL has designated itself a Public Benefit Entity (PBE) for the purposes of complying with generally accepted accounting practices.

The financial statements are those of RSHL, for the six months ended 31 December 2021, and were authorised for issue by the Board of Directors on 28 February 2022.

Public Benefit Entity Simple Format Reporting

The financial statements of RSHL have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP).

The financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 2 entity. RSHL is not publicly accountable and expenditure is not higher than \$30 million. These financial statements comply with PBE standard.

Basis of Preparation of the Financial Statements

The Financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. The financial statements have been prepared on a historical costs basis. All transactions are reported using the accrual basis of accounting.

Statement of Compliance

The financial statements of RSHL have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP).

The financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 2 entity. RSHL is not publicly accountable and expenditure is not higher than \$30 million. These financial statements comply with PBE standards.



Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Changes in Accounting Policies

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

Summary of Significant Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

- a) Members Contributions and other forms of revenue (excluding investment revenue), including fees, charges, and other revenues are recognised on an accrual basis.
- b) Interest revenue is recorded as it is earned.

Expenditure

Expenditure is recognised on an accrual basis when the service was provided, or the goods received. Costs associated with maintaining the IRIS software suite are recognised as an expense when incurred.

Bank Accounts and Cash

Cash and cash equivalents includes cash on hand, on demand or call deposits, other short-term deposits with original maturities of three months or less, and bank overdrafts. Bank overdrafts are presented as a current liability in the Statement of Financial Position.

Receivables

Short-term receivables are recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recognised as a bad debt expense.

Inventories

Inventory is initially recorded at cost. Goods held for sale are subsequently measured at the lower of cost and their selling process. Goods for use or distribution are subsequently measured at cost and written down if they become obsolete.

Goods and Services Tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables and payables which are presented on a GST-inclusive basis. Where GST paid is not recoverable as input tax, it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.



Income Tax

Income tax expenses calculated using the axes payable method. As a result no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

Payables

Short term creditors and other payables are recorded at the amount owed.

Property, Plant and Equipment

Software acquisition and development

Costs that are directly associated with the development of the IRIS software suite are recognised as property, plant and equipment.

Depreciation

Depreciation begins when the asset is available for use and ceases at the date that the asset is derecognised. The depreciation charge for each period is recognised through the Statement of Financial Performance.

The carrying value is depreciated on a straight-line basis over its useful life. The useful life and associated depreciation rate for the IRIS software suite is 10 years and 10%.

Where software in this category is replaced, upgraded or determined by RSHL to be of no further operational benefit, a change in value will be recognised through the Statement of Financial Performance. This change in value will be the difference between the carrying value of the original item and its fair value.

Critical Accounting Estimates and Assumptions

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

Additional Disclosure

The companies Act 1993 requires disclosure of the amount of the donations, audit fees, fees for other services from the auditor, and the number of employees of the company who received remuneration and other benefits above \$100,000 per annum, in brackets of \$10,000.

For this financial year two staff members are employed by RSHL.

Remuneration Bracket	Staff
100,000 - 110,000	0
110,000 - 120,000	0
120,000 - 130,000	0
130,000 - 140,000	0
140,000 -150,000	1
150,000 - 160,000	0
160,000 - 170,000	0
170,000 +	1

The audit fee for the six month period is expected to be \$nil (GST Exclusive) paid to Audit New Zealand.



Notes to the Performance Report

Regional Software Holdings Limited For the 6 months ended 31 December 2021

	31 DEC 21 6 MONTHS UNAUDITED	31 DEC 20 6 MONTHS UNAUDITED	30 JUNE 2022 12 MONTHS SOI	30 JUNE 2021 12 MONTHS UNAUDITED
1. Other Income				
User Funding - Hawkes Bay Regional Council	78,466	115,959	156,931	154,612
ReCoCo Expense Recovery	24,573	-	75,000	-
Other Revenue	40,287	-	-	-
Total Other Income	143,325	115,959	231,931	154,612
	31 DEC 21 6 MONTHS UNAUDITED	31 DEC 20 6 MONTHS UNAUDITED	30 JUNE 2022 12 MONTHS SOI	30 JUNE 2021 12 MONTHS UNAUDITED
2. Administration Expenses				
Accounting & Technical Support	36,260	25,137	32,343	51,210
Administration Costs	2,204	2,060	27,222	3,435
Bank Fees	184	134	-	138
Insurance	2,350	2,240	2,300	963
Total Administration Expenses	40,998	29,572	61,865	55,746
	31 DEC 21 6 MONTHS UNAUDITED	31 DEC 20 6 MONTHS UNAUDITED	30 JUNE 2022 12 MONTHS SOI	30 JUNE 2021 12 MONTHS UNAUDITED
3. Cash and cash equivalents				
Business Online Saver	280,331	580,172	-	280,271
Credit Card - Mark Donnelly	(1,108)	(496)	-	(222)
Current Account	2,216,044	756,340	-	405,878
Total Cash and cash equivalents	2,495,267	1,336,016	-	685,927
	31 DEC 21 6 MONTHS UNAUDITED	31 DEC 20 6 MONTHS UNAUDITED	30 JUNE 2022 12 MONTHS SOI	30 JUNE 2021 12 MONTHS UNAUDITED
4. Receivables and accruals				
Accounts Receivable	60,654	559,504	-	2,261,876
Prepayments	29,886	29,886	-	59,771
Total Receivables and accruals	90,540	589,389	-	2,321,647

Notes to the Performance Report



5. Property, Plant and Equipment

	E-Learning Software	IRIS Software Intellectual Property	Computer Hardware	Total
Carrying amounts as at 1 July 2020	31,186	4,421,265	631	4,453,052
Additions	-	117,394	-	117,394
Disposals (net accumulated depreciation)	-	-	-	-
Depreciation Expense	(4,253)	(938,637)	(631)	(943,520)
Work in Progress written off/impaired	-	(141,050)	-	(141,050)
Carrying amount as at 30 June 2021	26,933	3,458,942	-	3,485,875
Carrying amounts as at 1 July 2021	26,933	3,458,942	-	3,485,875
Additions	-	-	-	-
Disposals (net of accumulated depreciation)	-	-	-	-
Depreciation Expense	(2,126)	(469,318)	-	(471,445)
Work in Progress written off/impaired	-	-	-	-
Carrying amount as at 31 December 2021	24,806	2,989,624	-	3,014,430

At 31 December 2021 the working progress value of the IRIS Asset is \$Nil (31 December 2020: \$100,200).

	31 DEC 21 6 MONTHS UNAUDITED	31 DEC 20 6 MONTHS UNAUDITED	30 JUNE 2022 12 MONTHS SOI	30 JUNE 2021 12 MONTHS UNAUDITED
6. Payables and accruals				
Accounts Payable	260,268	124,836	-	763,691
PAYE Payable	8,527	7,082	-	7,082
Employee Entitlements	18,971	9,947	-	10,596
Accrued Expenses	11,000	13,113	-	99,859
Total Payables and accruals	298,766	154,977	-	881,228

Notes to the Performance Report



	31 DEC 21 6 MONTHS UNAUDITED	31 DEC 20 6 MONTHS UNAUDITED	30 JUNE 2022 12 MONTHS SOI	30 JUNE 2021 12 MONTHS UNAUDITED
7. Equity				
Contributed Capital				
Balance at 1 July	5,149,150	5,149,150	5,149,150	5,149,150
Capital Contribution	-	-	-	-
Balance at end of period	5,149,150	5,149,150	5,149,150	5,149,150
Accumulated Surplus				
Balance at 1 July	(1,334,869)	(312,010)	(999,610)	(312,011)
Surplus/(deficit) for the year	(220,214)	746,872	(931,269)	(1,022,858)
Balance at end of period	(1,555,083)	434,862	(1,930,879)	(1,334,869)
Total Equity	3,594,067	5,584,012	3,218,271	3,814,281

8. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 December 2021 (Last year - nil).

9. Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect RSHL would have adopted in dealing with the party at arm's length in the same circumstances.

Related Party Transactions Significant to RSHL Requiring Disclosure:

RSHL purchased management services from Waikato Regional Council (WRC) (32.75% shareholder) to the value of \$97,752 (including GST) (Dec 2020: \$85,551 (incl. GST)).

RSHL purchased management services from Taranaki District Council (TRC) (15.50% shareholder) to the value of \$13,878 (including GST) (Dec 2020 : \$Nil)

RSHL purchases administrative services from West Coast Regional Council (WCRC) (4.0% shareholder) to the value of \$Nil (including GST) (Dec 2020: \$7,101 (incl. GST)).



Council
Collaboration
Into Action

PO Box 1007, Palmerston North



DATE: 24 February 2022

TO: RSHL Board

FROM: Mark Donnelly (General Manager)

SUBJECT: 2022-25 RSHL Statement of Intent

PURPOSE

The purpose of this paper is to give an overview of the DRAFT 2022-25 Statement of Intent for RSHL.

BACKGROUND

The 2023 financial year will be a period of significant change for RSHL.

- The company will be restructured to form the Regional Sectors shared services organisation. This will include the addition of new shareholders. As signalled in the notes for the 21/22 SOI this change has forced a restructuring of the accounts.
- The IRIS NextGen Programme will reach a new milestone as the implementation project gets under way.
- Sector functions such as EMAR and the Regional Sector Office will become part of RSHL.

These changes will occur while ensuring ongoing high-quality delivery of the IRIS, ReCoCo and Sector Financial Management System.

Where applicable, this Statement of Intent describes the current state, and the future state – after the restructure is complete.

Structure

The Nature and Scope of RSHL activities section has been fleshed out to reflect the distinct focus areas of the company.

- IRIS
- IRIS Next Generation
- Environmental Monitoring and Reporting (EMAR)
- Regional Sector Office
- Sector Financial Management System

Performance Targets and Other Measures

These have been revised to reflect the broader activities of the new organisation.

Shareholding

The shareholding section has been reworked to set out the intended future structure of the organisation. The detail in this section is high level at this stage, as details are still to be worked out.

BUDGET NOTES

Allocation Model

Previously the cost allocation model used in the RSHL in the budget allocated costs into three activities.

- Management and Admin,
- IRIS,
- ReCoCo.

From FY2023 onwards, allocation will be more granular to support the activities of the new RSHL.

- Management and Admin,
- RSHL Based Sector Programmes (i.e EMAR and Sector Office),
- IRIS Software,
- IRIS NextGen,
- Sector Financial Management System (Including ReCoCo).

This allocation allows us to appropriately allocate costs to the four funding streams. Each of these funding streams has defined cost allocation rules.

Programme	Funding Model
IRIS Programme	Current IRIS Councils via agreed contributions.
IRIS NextGen Programme	To be negotiated with participating councils in FY2023.
Sector Work Programmes	Uses the SFMS funding models.
Central Government Funding	As required.

This change in the allocation model is necessary for the future effective operation of RSHL. However it does make it difficult for councils to do a before/after comparison of costs.

Budgeting Assumptions

Administration costs

Administration costs are based on 21/22 budgeted costs, with the following exceptions:

- A provision of 30K for a review of finance processes to ensure they are fit for purpose.
- Increases in account, audit, payroll and tax advice costs to reflect the increased size of the organisation, continued in 23/24 and 24/25
- Addition of PR and Admin costs for EMAR.

Resourcing Expenditure

Resourcing Expenditure Includes the addition of the following sector roles:

Cost	Amount	Comments
RCEOs Principal Advisor, SIG Network Administrator EMAR Programme Manager	\$289K	These roles will be funded from the Sector Work Programmes funding stream.
Waikato - Programme Manager IRIS Product Manager	\$275K	This reflects the ongoing possibility of the PMO role moving from Waikato to RSHL, and the continuation of the Product Manager role. The costs for these roles will be allocated between the IRIS and IRIS NextGen funding streams.
IRIS NG Project Team - Secondments	\$60K	These roles will be funded from the IRIS NextGen Stream.

Remuneration costs have been increased at CPI for budgeting purposes only. More work will be required on a remuneration approach for the next 3 years as inflationary pressure increases.

Direct Costs

Direct Costs include the following new items:

Cost	Amount	Comments
IRIS NG Business Analyst IRIS NG PMO Resource IRIS NG Vendor Costs	\$160K \$185K \$2.4M	These costs would be funded by the IRIS NextGen Programme Stream, and potentially funded via the LGFA. Most of the expenditure would only occur once the IRIS NextGen implementation gets underway.
EMAR - LAWA IT EMAR - Annual Topic Refresh EMAR – Projects Cawthron Independent validation	\$257K	These costs will be funded from the Sector Work Programmes.
Consultants	\$1.9M	This is a catch-all for the consultants engaged in various roles within the SFMS.

Other direct costs are as in previous years, with a CPI adjustment where appropriate.

IRIS Costs

IRIS Budgeted costs over the 3 years are adjusted for inflation and tailored to maintain the minimum viable team at Datacom. \$852K is the minimum viable budget. RSHL and Datacom are actively engaging on strategies to minimise this cost, including transitioning the team to Datascape.

IRIS	22/23	23/24	24/25
IRIS Datacom Support	\$274,392	\$289,224	\$305,910
IRIS MINs	\$249,528	\$263,016	\$278,190
IRIS Environment Charges	\$22,838	\$23,180	\$23,528
IRIS Projects			
MAJs (OPEX)	-	\$150,000	\$129,581
IRIS BI (OPEX)	\$50,000	-	-
Data Migration (CAPEX)	\$328,560	\$200,536	-

Depreciation has been recalculated to match the approach outlined in the impairment paper provided in August 2021.

Assumptions:

- Opening costs and values are based on actuals at 30 June 2021 (unaudited)
- Projected purchases in each year are capitalised as at last day of year (depreciation starts in following year)
- New purchases in 2022 onwards are depreciated on straight line basis to result in nil balance at 30 June 2028
- Continued same straight line basis for existing assets (some accelerated) as in 2021 per impairment notes (note that before taking account of purchases in 2022, the closing book value of assets equals the IRIS Assets total per those impairment notes)

Year ended 30 June	Opening Cost	Opening BV	Purchases	Depreciation	Closing BV
2022	9,227,552	3,485,875	220,000	942,889	2,762,986
2023	9,447,552	2,762,986	328,000	979,556	2,111,430
2024	9,775,552	2,111,430	330,000	550,559	1,890,870
2025	10,105,552	1,890,870	200,000	546,570	1,544,300

IRIS NextGen Costs.

IRIS NextGen Costs in the budget are based on the cost models previously presented to the board and councils. The budget is based on commencing the implementation phase of the project before Christmas, subject to completing negotiations with Datacom and councils.

The budget also allows for \$10M in borrowing over 3 years to finance IRIS NextGen and spread the programme costs. As most of the expenditure is OPEX this has quite an unfavourable effect on the balance sheet.

IRIS Next Generation Costs			
IRIS NG Implementation planning & Product Preparation (RSHL Resource - PMO)	\$485,000	\$282,500	-
IRIS NG Implementation Support (RSHL Resource - PMO)	-	\$282,500	\$565,000
IRIS NG Process Management and Vendor Relations (RSHL Resource -PMO)	-	-	-
IRIS NG Product Preparation (Vendor Costs)	\$1,650,000	\$2,250,000	-
IRIS NG Ongoing Product Development (Vendor Costs)	\$24,000	\$24,000	\$495,000
IRIS NG Programme Management (Vendor costs)	\$720,000	\$735,000	\$630,000

Balance Sheet

Treating most IRIS development as an OPEX cost, in tandem with ongoing depreciation of IRIS assets has a significant effect on the value of the asset. This is in line with the board agreed strategy to no longer capitalise IRIS product development.

We have budgeted for borrowing of \$10M to fund IRIS NextGen.

At the end of FY2021 most of the cash reserves from IRIS councils will be expended, going forward programmes will need to balance funding and expenditure more carefully.

Regional Software Holdings Limited

DRAFT Statement of Intent 2023/2024/2025

February 2022
Version: DRAFT

1 Introduction

This Statement of Intent is a declaration of the activities and intentions of Regional Software Holdings Limited (RSHL). The statement outlines the Directors' accountabilities to the shareholders for corporate performance, as is intended by Schedule 8 of the Local Government Act 2002.

1.1 Transition to Regional Sector Shared Services Organisation

The regional sector (Te Uru Kahika) intends to implement a regional sector shared services organisation. This will be a Council Controlled Organisation, created by restructuring RSHL. The sector will consolidate existing collaboration and resource sharing activities under RSHL.

The transition to the new structure is planned to occur in July 2022 but may be delayed by legal and statutory processes.

Where applicable, this Statement of Intent describes the current state, and the future state – after the restructure is complete.

Subsidiaries

Current State: RSHL has no subsidiaries or joint ventures.

Future State: RSHL has two trustee companies:

- "IRIS Holdings", owned by the 6 councils who own the existing IRISⁱⁱ software asset.
- "IRIS NextGen Holdings" owned by the councils participating in the IRIS NextGen Programme.

1.2 Vision

To provide high-quality shared services for Te Uru Kahika (and associated agencies) that delivers value to customers, shareholders and the sector.

1.3 Mission

Deliver shared solutions to Te Uru Kahika along with collaborative outcomes through sector special interest groups to achieve:

- Consistent, good-practice regional sector specific processes and functions
- Value through economies of scale
- Greater influence for Te Uru Kahika with central government through cohesion and collaboration.
- Reduced risk through ensuring continuity of supply and control of the destiny of regional sector specific software.

1.4 Nature and Scope of Activities to be Undertaken

RSHL provides a framework for collaboration between the shareholders and across the regional sector. It supports the procurement or development of shared solutions in a manner that provides greater consistency in how we operate. RSHL provides a more cost effective alternative than individual councils can achieve on their own.

The company operates by facilitating collaborative initiatives between councils and through managed contractual arrangements. Some councils are both customers of RSHL and providers of service to RSHL.

RSHL activities are currently grouped as follows:

IRIS	<p>The IRIS Programme delivers the IRIS software platform to shareholder and customer councils. The IRIS software has been in use for 8 years and is currently in use at 7 councils.</p> <p>The 7 councils actively collaborate on the use of IRIS and the future development roadmap.</p> <p>RSHL and the member councils have determined that the IRIS software platform will need to be replaced within the next 2-4 years.</p> <p>Future State: The IRIS Programme is operated by “IRIS Holdings”, a subsidiary trustee company of RSHL owned by the 6 original RSHL shareholders.</p>
IRIS Next Generation	<p>RSHL and the member councils have determined that the IRIS software platform will need to be replaced within the next 2-4 years.</p> <p>IRIS Next Generation (IRIS NextGen) will be a cloud-based Software as a Service solution (SaaS) with better online and mobile features. IRIS NextGen will be more efficient for staff and customers.</p> <p>Along with the SaaS, we will implement consistent “good practice” processes for the sector.</p> <p>Over the next two years, RSHL will confirm:</p> <ul style="list-style-type: none"> • The IRIS NextGen solution • A transition plan for existing users • A growth plan to attract new councils to the programme. <p>The budget for 2022/23 and indicative budget for subsequent years reflect the use of debt to fund the development of IRIS NextGen. This approach is seen as the best way to smooth the costs of the new solution over a longer term than would otherwise be the case.</p> <p>Future State: The IRIS NextGen Programme is operated by “IRIS NextGen Holdings” a subsidiary trustee company of RSHL owned by the councils participating in the programme.</p>
Environmental Monitoring	<p>Environmental Monitoring and Reporting Programme</p> <p>The objective of EMAR is to improve the collection, accessibility and presentation of environmental data in New Zealand.</p>

and Reporting (EMAR)	<p>The EMAR Programme has three projects.</p> <ul style="list-style-type: none"> • National Environmental Monitoring Standards (NEMS) – Aims to ensure consistency in the way environmental monitoring data is collected and handled throughout New Zealand. • Environmental Data Management System (EDMS) – Aims to provide a single access point to environmental data from multiple sources in a consistent format. • Land, Air Water Aotearoa (LAWA) – Shares data and information to tell the story of our environment. <p>EMAR is an all-of-sector programme, and includes partner agencies from central government: MfE, StatsNZ and DOC (and others).</p> <p>The EMAR programme is managed by RSHL and governed by the EMAR Steering Group. Each project has it's own Steering Group who oversee operational activities.</p> <p>Current State : The EMAR Programme Manager is employed by Otago Regional Council.</p> <p>Future State: The EMAR/LAWA Programme Manager is employed by RSHL and is part of the Regional Sector Programme office. The LAWA project administration (financial and contractual) is managed by RSHL.</p>
Regional Sector Office	<p>The Regional Sector Office supports the activities of Te Uru Kahika and the Regional Sector Special Interest Groups (SIG) network.</p> <p>The Sector Office is made up of three roles:</p> <ul style="list-style-type: none"> • Executive Policy Adviser – Regional CEOs (RCEOs) Group • Chief Science Advisor • Regional Sector SIG Network Administrator <p>Current State: Sector Office staff are employed by Horizons Regional Council.</p> <p>Future State: Sector Office staff are employed by RSHL.</p> <p>The sector office is an all-of-sector programme.</p>
Sector Financial Management System	<p>In 2020 the Regional Council Collaboration (ReCoCo) Programme was superseded by the Sector Financial Management System (SFMS). As part of the SFMS RSHL is responsible for the management of the funding for regional sector collaborative programmes.</p> <ul style="list-style-type: none"> • Sector Business Plan • River Managers Programme • ReCoCo Technology Projects • Bio Managers Programme • Bio Control Programme <p>The sector has a budget of over \$2M for these initiatives. RSHL collects this funding from councils and engages suppliers to deliver services to achieve the outcomes from each of the programmes.</p>

	<p>ReCoCo is one of the programmes within the SFMS. Under the ReCoCo banner RSHL delivers collaborative technology projects for groups of regional councils under the ReCoCo Programme. The ReCoCo programme is led by the Corporate and Finance Special Interest Group.</p> <p>The SFMS is an all-of-sector programme.</p>
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1.5 Values

In all RSHL decisions and interactions the Board and staff, together with sector participants who may be working within the RSHL framework, will observe the following values and ethos:

- We are forward thinking and innovative
- We are responsive and deliver value
- We are professional and accountable
- We are flexible and open

1.6 Guiding Principles

- The best decision is that which provides the best end result, primarily for regional sector councils and indirectly the communities they serve.
- Our solutions will be practical, appropriate to the scale of the problem and affordable.
- Where appropriate we will utilise codes of practice and standards produced by industry groups.
- All parties to any decision or interaction will be treated with respect, dignity, integrity, and honesty.

1.7 Possible Opportunities for Growth

RSHL seeks to increase the value delivered to customers, shareholders and the sector.

Over the next year RSHL expects to restructure to become the regional shared services organisation for Te Uru Kahika, with a shareholding including most regional councils and unitary authorities.

Once this restructure is complete it is expected that new shared services opportunities will emerge.

New opportunities will be identified, and priorities set in the Business Plan. Other opportunities may arise and be investigated on a case-by-case basis. New activities will require explicit Board approval.

The potential market for RSHL to offer products and services is New Zealand Regional Councils and Unitary Authorities.

2 Objectives

The principal objective of RSHL is to deliver on the vision, mission and values.

The secondary objective of RSHL is to:¹

- a) achieve the objectives of its Shareholders, both commercial and non-commercial as specified in this Statement of Intent;
- b) be a good employer;

¹ From: Constitution of Regional Software Holdings Ltd, Section 1.1

- c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when able to do so.

3 Board's Approach to Governance

Members of RSHL's Board of Directors are appointed by the shareholders to govern and direct RSHL's activities.

Current State: The Shareholders Agreement states that each shareholder has the right to appoint one Director, and that person will be the CEO, or a person nominated by the CEO.² The Constitution allows each Director to appoint an alternative director.³

Future State: The new constitution will outline the appointment process for directors, including independents.

The Constitution requires that the Board collectively must have relevant knowledge and experience of finance, public bodies, management, governance, and IT management.⁴

The Board is the overall final body responsible for all decision-making within the company. The Board is accountable to its shareholders for the financial and non-financial performance of the company.

Directors' behaviour is to comply with Institute of Directors' standards for Code of Conduct. The purpose of the code is to clarify how the Board of Directors shall define and deal with:

- The role and fundamental obligations of the Board
- Independence and conflict of interest, including conflict with management
- Board procedures, including the role of the Chairman and interaction with the General Manager
- Reliance on information and independent advice
- Confidentiality of company information
- Board and Director performance review and development

RSHL will conduct itself in accordance with its Constitution, its annual Statement of Intent agreed with shareholders, the provisions of the Local Government Act 2002 and the Companies Act 1993.

~~4 Ratio of Consolidated Shareholder's Funds to Total Assets~~

~~It is intended that the proportion of equity to total assets be in excess of 60%.~~

5 Accounting Policies

The financial statements of RSHL have been prepared in accordance with the requirements of the Local Government Act 2002 and the Companies Act 1993, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP), the Financial Reporting Act 1993 and the NZ PBE's Tier 2.

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Standards. RSHL is not publicly accountable and expenditure is not higher than \$30 million.

²RSHL Shareholders Agreement clause 4.1

³ RSHL Constitution clause 8.3

⁴ RSHL Constitution clause 8.6

Appendix 1 includes RSHL's Accounting Policies.

6 Performance Targets and Other Measures

Performance targets by which the success of the company may be judged in relation to its objectives are:

		2022/23	2023/24	2024/25
Non Financial	With participating councils, define and agree milestones for the IRIS NextGen Programme.	Applies in the 2022/2023 year only.		
	Undertake an annual survey of IRIS users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.	Applies each year		
	Prepare and adopt the annual IRIS development roadmap by 30 June for delivery in the subsequent year.	Applies each year		
	Major IRIS Enhancement projects are completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	Applies each year		
	Budgets for IRIS support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisory Group and the General Manager.	Applies each year		
	Be an effective service delivery vehicle for regional council sector shared programmes under the Sector Financial Management System.	Applies every year.		
	Effectively support the activities of the Regional Sector through the Regional Sector Office	Applies every year.		
	Budgets for EMAR are approved by the EMAR Steering Group by 30 June each year, and delivery within these budgets is effectively managed by the EMAR Project Manager	Applies every year.		
Financial	Be a service delivery vehicle for wider regional council sector and related bodies information management programmes and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the relevant regional sector group.	Applies each year		
	RSHL will operate within approved budget, with any material variations approved by the Board.	Applies each year		
	Annual charges for shareholders and customers to be at the level approved by the Board and councils based upon the approved operating budget and budgets	Applies each year		

Growth	Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.	Applies each year
	Work with the Regional Sector SIG Network to develop shared service opportunities.	Applies each year
	Engage with councils in the regional sector to increase the scope of the usage of IRIS NextGen. The objective is to increase the number of councils using the solution, and the breadth of the solution in use.	Applies each year

7 Distribution of Profits to Shareholders

RSHL does not have an objective to make a profit. It seeks to provide products and services at lower costs, and / or higher levels of service than shareholder councils can achieve on their own.

In order for RSHL to be subject to tax, generally it must meet the business test. Fundamental to this is a profit motive. Given the basis under which this CCO operates is to minimise the costs and generally operate on a cost recovery basis and that a pecuniary profit is not intended and highly unlikely, the lack of a profit motive is real.

The RSHL Shareholders Agreement states “If Operating Expenses for a fiscal year are less than the budgeted amount for such year, the Company will retain the funds for application to Operating Expenses for the subsequent fiscal year”⁵. Therefore there will not be a profit available for distribution.

8 Information to Be Provided to the Shareholders

The company will deliver the following Statements to shareholders:

- Within two months of the end of the first half of the financial year the following unaudited statements: Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and Service Performance.
- Within two months of the end of the financial year the following audited⁶ statements: Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows, Service Performance plus a summary of how the company has fared against its objectives and prospects for the next financial year, and a report on the company's medium to long-term plans.
- The Directors shall approve by 1 March of each year a Draft Statement of Intent for the consideration of shareholders. The Directors must then consider any comments on the Draft Statement of Intent that are made by the shareholders and deliver the completed Statement of Intent to the shareholders by 30 June each year.
- Preparation of a draft Business Plan will begin each November, for the financial year that commences on the following June. This early preparation is to allow Shareholder Councils the ability to include any changes in Annual Fees, or any other form of financial impact, in their budget processes. The Board are to approve the business plan by the end of June prior to the commencement of the new financial year.
- Any new developments which have not been covered in the statement of corporate intent for the year. Including, but not limited to, an update on any outcomes arising from any changes in shareholding, including the effect on individual Council's shareholdings and apportionment of costs.

⁵ Shareholders Agreement, clause 7.4

⁶ Delivery of audited statements is subject to availability of suitably qualified auditors from AuditNZ.

- Details of possible scenarios that might be foreseen that could result in annual fees increasing above approved budgets.
- Any other information which would normally be available to a shareholder, thereby enabling the shareholder to assess the value of its investment in the company.

9 Procedures for Major Transactions and Other Acquisitions and Disposals

The Company will not enter into major transactions as defined in Section 129(2) of the Companies Act 1993 without the consent of the shareholders.

10 Procedures for Issue of Shares

The RSHL shareholder agreement requires the approval of the Shareholders holding at least of 75% of the shares for “the issuing or acquisition of any Shares or any change to the rights attaching to any Shares”⁷.

11 Activities for Which Compensation Is Sought

Payment of annual fees will be sought for the following activities:

Sector Financial Management System Programmes	Payment of annual contributions will be sought from all regional sector councils for the operation of the Programmes in the Sector Financial Management System. Contributions will be according to the agreed model.
Regional Sector Office	Payment of annual contributions will be sought from all regional sector councils for the operation of the Sector Office, contributions will be according to the agreed model.
IRIS	Payment of an Annual Fee for IRIS will be sought from all councils that use the IRIS Software for annual support and development fees, as set out in the License Agreement.
IRIS Next Generation	Contributions to the costs of the IRIS NextGen Programme will be sought from councils that participate. Payment of an Annual Fee for IRIS NextGen will be sought from all councils that participate in the IRIS NextGen Programme for annual support and development fees, as set out in the License Agreement.
RSHL Overhead Costs	All work programmes will make a contribution to the operation of RSHL, with the proportion of the contribution based on financial activity.

It is noted that other products or services may be delivered by RSHL. Any such services will only be delivered after the Directors have considered each individual business case including the proposed budget and agreed that the proposed service meets the objectives of RSHL.

Any ongoing activities to identify, develop or procure additional products or services will be budgeted for in advance, subject to the business case. The subsequent recovery from one or more shareholder or customer councils will be agreed by the Directors on a case-by-case basis in accordance with the RSHL Constitution.

⁷ RSHL Subscription & Shareholders Agreement Section 5.1 (b)

12 Estimate of Commercial Value of The Shareholder's Investment

The Directors' estimate of the commercial value of the Shareholders' investment in RSHL and any subsidiary companies is equal to the Shareholders' equity in the Company. Reassessment of the value of this shareholding shall be undertaken on or about 30 June each year.

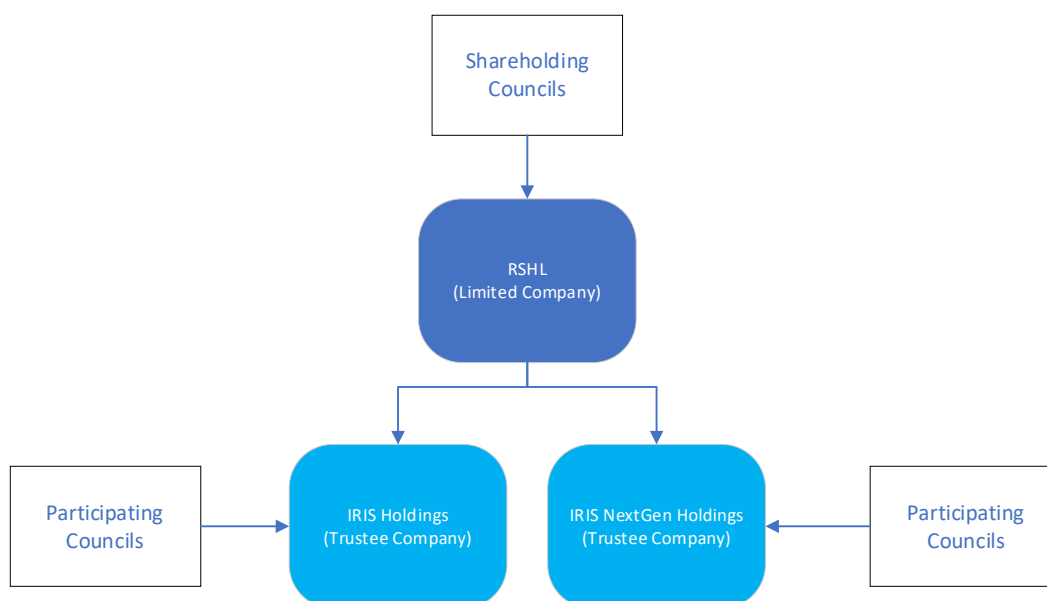
13 Shareholding

Current State: Regional Software Holdings Limited (RSHL) was formed on 17 October 2012. At the time of formation, the company issued 10,000 shares to its shareholders based on a previously agreed sizing formula. The following shareholding was agreed:

Shareholder	Percentage	# of shares
Waikato Regional Council	32.75%	3,275
Northland Regional Council	16.75%	1,675
Horizons Regional Council	15.50%	1,550
Taranaki Regional Council	15.50%	1,550
Southland Regional Council	15.50%	1,550
West Coast Regional Council	4.00%	400

Future State:

RSHL will be restructured so that there are two subsidiary trustee companies operated by the holding company.



RSHL (Parent Company)

Councils that take a shareholding in the parent company will retain a nominal shareholding proportionate to their size.

IRIS Holdings (Trustee Company)

Councils that participate in the IRIS Programme will retain a shareholding in the same proportion as their current holding in RSHL.

Shareholder	Percentage	# of shares
Waikato Regional Council	32.75%	3,275
Northland Regional Council	16.75%	1,675
Horizons Regional Council	15.50%	1,550
Taranaki Regional Council	15.50%	1,550
Southland Regional Council	15.50%	1,550
West Coast Regional Council	4.00%	400

IRIS NextGen Holdings (Trustee Company)

Councils that participate in the IRIS NextGen Programme will retain a proportionate shareholding based on the agreed formula, to be determined.

Statement of Intent 2022-2023
Regional Software Holdings Limited
Statement of Financial Performance
For the 12 Months to 30 June

2021/22 Budget		Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
1,214,881	Income				
	IRIS Programme		1,199,091	1,236,076	1,271,748
	IRIS NextGen Programme		174,162	319,800	379,066
2,551,392	Sector Work Programmes		2,556,691	2,569,427	2,614,597
	Central Government Funding		129,000	129,000	129,000
3,766,273			4,058,945	4,254,303	4,394,411
				-	-
231,931	<u>Other Income</u>				
600	Interest Received		600	600	600
126,066	Council Specific Software Funding		128,715	136,309	143,125
358,597			129,315	136,909	143,725
4,124,870	Total Income		4,188,260	4,391,212	4,538,135
	Expenditure				
9,522	Administration costs		35,600	37,293	38,826
32,343	Accounting & Technical Support		66,370	38,245	40,119
86,534	Audit & Legal fees		85,000	52,000	54,550
260,000	Datacom Support Services (IRIS)		275,340	291,585	308,789
646,040	Technology Services		3,108,966	3,788,714	1,900,333
22,444	IT Hosting Charges		63,768	65,171	66,429
20,000	Finance Costs		70,000	210,000	300,000
145,000	Secondments		60,000	120,000	120,000
176,610	Personnel Costs		738,000	783,000	822,400
8,000	Promotional Costs		84,000	88,012	78,613
33,000	Independent Director's Fees		37,000	39,183	41,142
18,750	Travel & Meeting Costs		34,500	34,500	34,500
126,066	Council Specific Software Purchases		128,715	136,309	143,125
	Other Direct Software		2,000	2,200	2,310
2,551,392	Consultants		2,098,000	2,098,000	2,098,000
4,135,701			6,887,260	7,784,212	6,049,135
	<u>Other Expenditure</u>				
920,438	Depreciation		979,556	550,559	546,570
5,056,139	Total Expenditure		7,866,816	8,334,771	6,595,705
(931,269)	Surplus/ (Deficit) before tax		(3,678,556)	(3,943,559)	(2,057,570)
	Income Tax Expense				
(931,269)	Surplus/(Deficit) after Tax		(3,678,556)	(3,943,559)	(2,057,570)

Regional Software Holdings Limited
Statement of Financial Position
As at 30 June

<u>Statement of Financial Position</u>					
2021/22 Budget		Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
	ASSETS				
	Current assets				
899,799	Bank Accounts and Cash		1,872,799	1,149,799	2,438,799
	Debtors and Prepayments				
-	Accrued Revenues		-		
-	GST receivable		-	-	-
-	Tax receivable (payable)		-	-	-
	Non Current Assets				
3,318,471	Property, Plant & Equipment		2,111,430	1,890,871	1,544,300
4,218,270	Total Assets		3,984,229	3,040,670	3,983,099
	LIABILITIES				
	Current liabilities				
-	Creditors and Accrued Expenses		-	-	-
-	Income Received in Advance		-	-	-
	GST payable				
	Non Current Liabilities				
1,000,000	Borrowings		4,000,000	7,000,000	10,000,000
1,000,000	Total Liabilities		4,000,000	7,000,000	10,000,000
3,218,270	NET ASSETS		(15,771)	(3,959,331)	(6,016,901)

REPRESENTED BY:

2021/22 Budget		2022/23 SOI	2023/24 Indicative	2024/25 Indicative
	Equity			
5,149,150	Equity	5,149,150	5,149,150	5,149,150
(931,269)	Current Year Earnings	(3,678,556)	(3,943,559)	(2,057,570)
(999,611)	Retained Earnings	(1,486,366)	(5,164,922)	(9,108,481)
3,218,270	Total Equity	(15,771)	(3,959,330)	(6,016,901)

(0) **Statement of Movement in Equity**

	Opening Equity	3,662,784	(15,771)	(3,959,329)
	Comprehensive income for the year	(3,678,556)	(3,943,559)	(2,057,570)
-	Total Equity	(15,771)	(3,959,329)	(6,016,900)

Regional Software Holdings Limited
Statement of Cash Flows
For the 12 Months to 30 June

2021/22 Budget	Notes	2022/23 SOI	2023/24 Indicative	2024/25 Indicative
Cashflows from Operating Activities				
<u>Cash received from:</u>				
2,783,323		4,187,660	4,390,612	4,537,535
1,340,948		-	-	-
600		600	600	600
		-	-	-
4,124,871		4,188,260	4,391,212	4,538,135
<u>Cash applied to:</u>				
4,135,702		6,817,260	7,574,212	5,749,135
		-	-	-
		-	-	-
4,135,702		6,817,260	7,574,212	5,749,135
(10,831)		(2,629,000)	(3,183,000)	(1,211,000)
Cashflow from Investing Activities				
<u>Cash received from:</u>				
-		-	-	-
-		-	-	-
-		-	-	-
<u>Cash applied to:</u>				
720,000		328,000	330,000	200,000
		-	-	-
720,000		328,000	330,000	200,000
(720,000)		(328,000)	(330,000)	(200,000)
Cashflow from Financing Activities				
<u>Cash received from:</u>				
0		-	-	-
1,000,000		4,000,000	3,000,000	3,000,000
1,000,000		4,000,000	3,000,000	3,000,000
<u>Cash applied to:</u>				
		70,000	210,000	300,000
0		70,000	210,000	300,000
0		3,930,000	2,790,000	2,700,000
269,169		973,000	(723,000)	1,289,000
630,630		899,799	1,872,799	1,149,799
899,799		1,872,799	1,149,799	2,438,799
Made up of:				
25,000		25,000	25,000	25,000
874,799		1,847,799	1,124,799	2,413,799
899,799		1,872,799	1,149,799	2,438,799

Appendix 1: Accounting Policies

1 General Information

Reporting Entity

Regional Software Holdings Limited (RSHL) is a Council Controlled Organisation (CCO). Owned as follows:

Shareholder	Percentage	# of shares
Waikato Regional Council	32.75%	3,275
Northland Regional Council	16.75%	1,675
Horizons Regional Council	15.50%	1,550
Taranaki Regional Council	15.50%	1,550
Southland Regional Council	15.50%	1,550
West Coast Regional Council	4.00%	400

RSHL was incorporated on 17 October 2012.

RSHL was originally incorporated for the purposes of managing the investment and development of IRIS Software. RSHL now exists for the purpose of supporting collaborative and shared services projects for Te Uru Kahika. RSHL has designated itself a Public Benefit Entity (PBE), in keeping with the designation of the shareholders.

Public Benefit Entity Simple Format Reporting

The financial statements of RSHL have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP).

The financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 2 entity. RSHL is not publicly accountable and expenditure is not higher than \$30 million. These financial statements comply with PBE standard.

Basis of Preparation of the Financial Statements

The prospective financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. The financial statements will be prepared on a historical cost basis.

Statement of Compliance

The financial statements of RSHL have been prepared in accordance with the requirements of the Local Government Act 2002 and the Companies Act 1993, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP).

The financial statements have been prepared to comply with Tier 2 Public Benefit Entity (PBE) Standards. RSHL is not publicly accountable and expenditure is not higher than \$30 million.

These financial statements comply with PBE Standards.

Presentation Currency and Rounding

The prospective financial statements have been prepared in New Zealand dollars and there will be rounding in the numbers in the financial statements, as the financial model used calculates to the cent but the annual report is rounded to the nearest dollar.

The functional currency of RSHL is New Zealand dollars.

The reporting period for these prospective financial statements is the year ending 30 June.

2 Summary of Significant Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Members Contributions and Other forms of Revenue (excluding investment revenue), including fees, charges, and other revenues are recognised on an accrual basis.

Interest revenue is recorded as it is earned.

Expenditure

Expenditure is recognised on an accrual basis when the service was provided, or the goods received.

Costs associated with maintaining the IRIS software suite are recognised as an expense when incurred.

Bank Accounts and Cash

Cash and cash equivalents include cash on hand, on demand or call deposits, other short-term deposits with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are presented as a current liability in the Statement of Financial Position.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Inventories

Inventory is initially recorded at cost. Goods held for sale are subsequently measured at the lower of cost and their selling process. Goods for use or distribution are subsequently measured at cost and written down if they become obsolete.

Goods and Services Tax (GST)

RSHL is registered for GST; these financial statements are presented net of GST, except for receivables and payables which are inclusive of GST. Where GST paid is not recoverable, due to it relating to exempt items, the GST inclusive amount is recognised as part of the related asset or expense including the GST relating to investing and financing activities.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or recovered from, the Inland Revenue Department is recognised as an item in operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

Income tax expenses calculated using the taxes payable method. As a result no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

Property, Plant and Equipment*Software acquisition and development*

Costs that are directly associated with the development of software owned by RSHL or its subsidiaries are recognised as property, plant and equipment.

Depreciation

Depreciation begins when the asset is available for use and ceases at the date that the asset is derecognised. The depreciation charge for each period is recognised through the Statement of Financial Performance.

The carrying value is depreciated on a straight-line basis over its useful life. The default useful life and associated depreciation rate for the developed software is 10 years and 10%. If an alternative rate is used this will be noted in the financial statements.

Where software in this category is replaced, upgraded or determined by RSHL to be of no further operational benefit, a change in value will be recognised through the Statement of Financial Performance. This change in value will be the difference between the carrying value of the original item and its fair value.

Critical Accounting Estimates and Assumptions

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

Additional Disclosure

The Companies Act 1993 requires disclosure of the amount of donations, audit fees, fees for other services from the auditor, and the number of employees of the company who received remuneration and other benefits above \$100,000 per annum, in brackets of \$10,000.

3 Proportion of Contributions to the IRIS Programme

Member contributions for IRIS and the operation of RSHL will be collected in the following proportions.

Shareholder	Percentage
Waikato Regional Council	36.78%
Northland Regional Council	13.55%
Horizons Regional Council	18.17%
Taranaki Regional Council	13.55%
Southland Regional Council	13.55%
West Coast Regional Council	4.4%
Total	100%

4 Proportion of Contributions to the IRIS NextGen Programme

Member contributions for IRIS NextGen Programme will be agreed with participating councils.

5 Proportion of Contributions to the Regional Sector Office, EMAR and Sector Financial Management System

The funding contributions for the Sector Office, EMAR and the most of the SFMS programmes is based on the size of the Council. The total amounts to be collected vary year to year based on the work programmes.

Tier 1 – 9.4% each	Tier 2 – 6.2% each	Tier 3 – 3.2% each
Auckland Council	Horizons RC	Tasman DC
Environment Canterbury	Otago RC	Nelson City Council
Greater Wellington RC	Hawkes Bay RC	Gisborne DC
Waikato RC	Northland RC	Marlborough DC
Bay of Plenty RC	Taranaki RC	West Coast RC
	Environment Southland	
Total 47%	Total 37%	Total 16%

BioControl and the Science Programme have custom funding models based on the value of the programmes to the region.

Note For Information: Requirements for Statement of Intent
Source: Office of the Auditor General
<http://www.oag.govt.nz/2007/corporate-intent/appendix2.htm>

Item	Section
Statement of intent	This document
Coverage over three financial years and updated annually	1 & 8 & 6
Objectives of the group	2
A statement of the board's approach to governance	3
Nature and scope of the activities to be undertaken	1
Ratio of consolidated shareholders' funds to total assets, and the definitions of those terms	4
Accounting policies	5
Performance targets and other measures by which the performance of the group may be judged in relation to its objectives	6
An estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders	7
The kind of information to be provided to the shareholders/ shareholding Ministers by the organisation during the course of the next three financial years	8 (Shareholders)
Procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation	9
Any activities for which the board seeks compensation from any local authority, Harbour Board, or the Crown (whether or not the relevant entity has agreed to provide the compensation)	11 (Local authority)
The board's estimate of the commercial value of the Crown/shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed	12 (Shareholders)
Other matters that are agreed by the shareholders/ shareholding Ministers and the board	none (Shareholders)
Annual report should contain information that is necessary to enable an informed assessment of the operations of the parent entity and its subsidiaries, including a comparison of performance with the relevant statement of intent or statement of corporate intent	8 (Plus explanation of material variances)

ⁱ Te Uru Kahika is the collective of the 16 regional councils and unitary authorities that make up the regional sector.

ⁱⁱ Integrated Regional Information System – A software platform developed by RSHL to support regional council regulatory processes.

TITLE: Poplar and Willow Nursery Expansion

From: Ruben Wylie, Land Management Programme Manager

Authorised by Jonathan Gibbard, Pou Tiaki Taiao – Group Manager Environmental
Group Manager/s: Services, on 18 May 2022

Executive summary/Whakarāpopototanga

Council established a poplar and willow nursery in 2013 to supply poplar and willow poles to landowners with erosion prone land. This initiative is a key component of council's long-term soil conservation programme. As part of the 2021-2031 Long Term Plan, council budgeted \$1,270,000 to invest in the expansion of the nursery, split at \$790,000 over 2021/22 and \$480,000 spread over the two following years. Following a detailed analysis of investment options, staff recommend investing a portion of the available budget into the existing site, and retaining the remainder of the budget to expand the nursery once land becomes available nearby.

Recommendation(s)

1. That the report 'Poplar and Willow Nursery Expansion' by Ruben Wylie, Land Management Programme Manager and dated 4 May 2022, be received.
 2. That the capital budgets for the nursery expansion are retimed by:
 - a. allocating \$200,000 in the 2022-2023 financial year to develop the existing poplar and willow nursery;
 - b. allocating the remainder of the capital budget to the 2023-2024 financial year to enable expansion of the existing nursery through the purchase of nearby land and associated site development.
 3. That council acknowledges the poplar pole production targets:
 - a) contained within the 2021-2031 Long Term Plan will not be achieved;
 - b) for the current site will be 7000 poles per annum (following further site optimisation investment); and
 - c) need to be reassessed following the purchase of additional land to support nursery expansion.
 4. That staff report back to council by March 2023 to provide an update on capital progress with nursery upgrades and further enquiries into potential land acquisition.
-

Options

No.	Option	Advantages	Disadvantages
1	Invest in existing site and retain funds to purchase nearby land.	Provides for a financially prudent approach for expansion that manages investment risk whilst optimising production at the existing nursery.	Dependant on land becoming available for expansion and recuses the amount of poplars able to be produced until additional land is able to be acquired.

No.	Option	Advantages	Disadvantages
2	Invest in a new site	A new site provides certainty that council will meet its poplar pole delivery targets.	Council does not have budget for this option and the availability of land is a substantial unknown.
3	Upgrade the existing site with no expansion.	This option is the least costly.	This option will limit poplar production to approximately 7000 poles per annum.

The staff's recommended option is Option1

Considerations

1. Environmental Impact

The recommended decision will limit the amount of poplar and willow material available for soil conservation treatment until such time as new land is developed to expand the nursery. Although this outcome may limit the area of land under active soil conservation management in the short-term, it is considered that the long term environmental impact will not be significant given the multi-generational nature of soil conservation treatments.

2. Community views

Community views are not known. However, staff consider that the recommended option represents the best balance between financial prudence and environmental outcomes and it is expected that the community would generally be supportive of the recommendation.

3. Māori impact statement

It is recognised that Māori are likely to prefer the provision of native plant species above those of exotic species. At this stage however there are no known native species that have the same soil conservation properties while also enabling landowners to maintain their farming operations. It should be noted that the decision to expand the poplar and willow nursery was consulted on and a decision to expand the nursery was made as part of the 2021-2031 Long Term Plan process.

4. Financial implications

The recommendation will result in the deferring of capital expenditure that is already set down in the Long Term Plan 2021-2031. The key financial implication is therefore deferring of expenditure. Capital expenditure is funded from councils retained earnings. The majority of the capital expenditure will be applied to land purchase and therefore will not impact rates. The smaller proportion of expenditure will be on asset development and will have an impact on rates as these assets are capitalised (this was taken into account during LTP deliberations). The deferring of investment is therefore not going to result in any material rating impacts other than a small delay in when the rating impact occurs as it relates to asset depreciation.

5. Implementation issues

The key implementation issue relates to availability of land for expansion. It is assumed land will become available as a result of the land acquisition by KiwiRail associated with the Marsden Point spur line. Council has first right of refusal for any land disposal associated with

the acquisition process. Delays in the aquation process by Kiwirail will limit council's options for future land purchase.

Deferring the expansion of the nursery, and subsequent increase in production of poplar poles, will have an impact on Council's ability to achieve its Long Term Plan KPI's associated with poplar pool production. It is estimated that our current site, once optimised, will be able to produce 7000 poles.

6. Significance and engagement

In relation to section 79 of the Local Government Act 2002, this decision is of low significance when assessed against council's significance and engagement policy because it is part of council's day to day activities. This does not mean that this matter is not of significance to tangata whenua and/or individual communities, but that council is able to make decisions relating to this matter without undertaking further consultation or engagement. Policy, risk management and legislative compliance

There are no known policy or legislative compliance issues associated with this decision. The main risks of this decision are outlined in the Implementation Issues and Financial Implications sections of this report.

Background/Tuhinga

NRC established the poplar and willow nursery in 2013 to supply poplar and willow poles to land owners with erosion prone land. The Nursery is spread across 16 hectares of land at 185 Flyger Road in Mata. Average annual production from the nursery since 2018 is approximately 6000 poles per year

The nursery is a key asset of council's long-term soil conservation programme. In recognition of the role poplar and willows contribute towards council's soil conservation programme, the 2021-2022 Long Term Plan budgeted to invest \$1.270,000 towards the expansion of the nursery. The phasing of that budget is \$790,000 in 2021/22, with the remainder spread over the two following years. The purpose of the expansion was to increase production to 25,000 poles per year by 2031. That target is a key performance indicator within the 2021-2022 long term plan.

Implications of the Kiwirail Marden Spur

Kiwirail is planning to develop a new rail corridor to connect Marsden Point to the main rail line at Oakleigh, south of Whangarei. Kiwirail is currently in the land acquisition phase of the development. Approximately 4ha of the nursey site is designated for the rail corridor. The rail development will therefore result in a reduction in productive capacity of the current nursey area.

The rail development will also increase council's options for land purchase for nursery expansion. As Kiwirail acquires land, it will dispose of land in excess of the requirements for the corridor. Council has an agreement with Kiwirail, that, amongst other things, gives first right of refusal for any land disposal associated with the rail development process.

Investment options

Staff commissioned a business case to identify investment options, and analyse these in the context of strategic, financial and economic drivers. Expansion options were developed and costed with a view to achieving the 2021-2022 long term plan production KPI of 25,000 poles per year.

Four options were considered and these are summarised below.

Scenario 1: Expand the current site

Under this scenario, the current footprint of the nursery would be expanded through purchasing approximately 15ha of land from neighbouring land parcels, bring the total area of the nursery to 22ha.

A critical constraint for this option is the availability of land surrounding the current nursery. Currently there appears to be no land available to purchase. Enquiries to date have confirmed that neighbouring landowners are currently not interested in selling.

Land suitable for expansion of the nursery is expected to become available as part of the acquisition and associated disposal process for the Marsden Spur. However, the acquisition process may be several years away from completion.

This scenario has an estimated capital cost of \$1,500,000.

Scenario 2: upgrade and improve the existing site

This scenario envisages no expansion to the existing footprint but operational improvements to optimise the productive capacity of the existing nursery. The nursery is currently not fully optimised in terms of productive capacity due to a lack of infrastructure investment. By investing in improved irrigation, additional water sources and improved drainage, it is expected production could be increased to approximately 7000 poles per year, taking into account the land removed for the rail corridor.

This scenario has a total capital cost of \$320,000, but will limit pole production to approximately 7000 poles per year, falling well short of the Long Term Plan target of 25,000 per year.

Scenario 3: Purchase a new site and sell the current site

Under this scenario, NRC would eventually withdraw from the current site and establish a new nursery at a new site with the appropriate size and conditions.

This scenario is the recommended option set down in the business case. The business case recommended this scenario because it is likely to provide the greatest certainty that council will be able to deliver on its pole production targets within the timeframes set down in the LTP. However, the capital expenditure associated with this option is \$2,040,000, and so is substantially in excess of the LTP budget.

Scenario 4: Retain the existing site and purchase a new site

This scenario is premised on NRC retaining the current nursery site and purchasing a new land parcel to establish a second nursery, replicating production processes across both sites.

This option would result in operational inefficiencies resulting from the need for staff to move between nurseries and either share equipment or duplicate assets to manage both sites. For these reasons, this option was identified as having the highest operational cost. Capital costs associated with this option were estimated to be \$1,500,000M.

Discussion

Council does not have sufficient budget for any of the options required to meet the 25,000 pole target. Moreover, due to staff resourcing constraints, even with sufficient budget, delivering \$790,000 of capex this year to invest in the nursery would have been a major practical challenge. Although the business case recommend scenario 3 (develop a new site and sell the old site) as the

best option, that recommendation was on the basis of solely meeting the 25,000 pole target within the timeframes specified within the LTP.

The LTP pole KPI assumed substantial demand from the Kaipara Moana Remediation (KMR) programme. That demand has not eventuated to date because at present KMR is focused on delivering riparian fencing and native riparian planting, and it is yet to decide on whether the programme will fund exotic trees as an erosion treatment. With the above taken into account, poplar pole demand is likely to lag behind the targets set down in the LTP. However, the pole target remains relevant. It is expected that implementation of Freshwater Farm Plan regulations, and as landowners become more accustomed to the multiple benefits associated with establishing poplars on highly erodible land, that demand will continue to increase. For this reason, it is considered appropriate to invest in the nursery to meet demand in a manner that is generally aligned with the the 2021-2031 LTP, but that the investment should be deferred to ensure the investment is financially prudent, takes into account staff and land availability constraints and matches the demand generated by future legislative and strategic initiatives.

With the above factors taken into account, it is recommended council defer the capital expenditure for the nursery expansion to enable the existing nursery to be upgraded over the 2022-2023 financial year, and reprofile the remaining budgets to allow for land purchase and development at an adjoining (or nearby) site over years 3 and 4 of the LTP. This timing will enable staff to significantly improve the productive capacity of the existing site, and will enable sufficient time to investigate land acquisition options, including those presented by the Kiwirail Marsden Spur development. Retiming the investment will also allow time for the statutory changes that are likely to affect pole demand to come into effect, in addition to council having greater certainty as to the role poplars and willows will play in respect of delivering the KMR programme.

Investment required at the existing nursery includes:

- Additional groundwater source;
- Additional irrigation and associated electrical work;
- Earthworks and drainage works to improve site conditions;
- Plant and equipment to improve operational efficiency.
- Improved site storage.

The total cost of these improvements is estimated to be \$200,000, and staff recommend that this quantum of the budget is deferred to the 2022/2023 financial year to enable the productive capacity of the nursery to be improved through capital investment in assets and infrastructure. It is proposed that the remaining budget (\$1,070,000) is deferred to 2023/2024 to provide budget for land purchase and site development in year 3 of the LTP.

Finally, it is recommended that the poplar pole production target is capped at 7,000 poles per annum with a review of appropriate production targets as part of the 2024-2034 Long Term Plan process. This review will enable staff to determine appropriate poplar pole targets and the associated land requirements for budgeting purposes for the 2024-2034 Long Term Plan process.

Attachments/Ngā tapirihanga

Nil

TITLE: Chair's Report to Council

From: Penny Smart, Chair

**Authorised by
Group Manager/s:** Penny Smart, Chair, on

Purpose of Report

This report is to receive information from the Chair on meetings/events attended, and correspondence sent for the month of April 2022

Ngā mahi tūtohutia / Recommendation

That the report 'Chair's Report to Council' by Penny Smart, Chair and dated 11 May 2022, be received.

Meetings/events attended

During this period, I attended the following meetings/events/functions:

- Future for Local Government Panel
- Chair North Chamber
- Enviroschools Silver Certificate celebration, Tangiteroria School
- Air NZ Board
- Reforms update - Mayors, Chairs and Chief Executives
- TTNEAP Advisory Group
- Dargaville Grey power
- Face masks in the environment
- Regional Sector

Correspondence

During April I sent out the following correspondence:

Date	Addressed To	Subject
05.04.22	Te Matakirea o Ngunguru Working Group	Response letter to Te Waiariki re Ngunguru Sandspit
07.04.22	Chairman, Te Runanga o Te Rarawa	Wairoa stream water quality concerns by Te Rarawa
29.04.22	GM Environmental Services, Northland Regional Council	Position Offer: Chief Executive Officer

Attachments/Ngā tapirihanga

Nil

TITLE: Chief Executive's Report to Council

From: Malcolm Nicolson, Tumuaki - Chief Executive Officer

Authorised by Malcolm Nicolson, Tumuaki - Chief Executive Officer, on
Group Manager/s:

Ngā mahi tūtohutia / Recommendation

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Tumuaki - Chief Executive Officer and dated 2 May 2022, be received.

8.2.1 HIGHLIGHTS

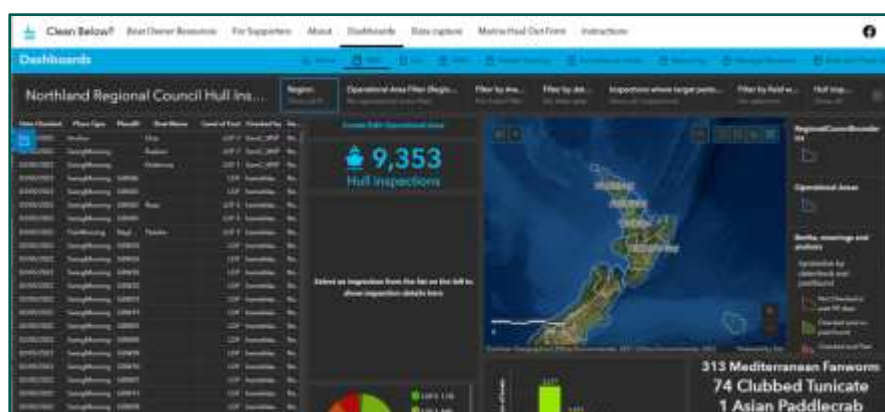
Tutukaka Annual Structure Surveys

Surveys of all structures and the seafloor were completed in Tutukaka by contractor divers. This survey has been completed annually since 2015 where fifteen Mediterranean fanworm (*Sabella spallanzanii*) were discovered on vessels and the seafloor after a heavily infested vessel was found in the harbour. Although our hull surveillance does detect fanworm occasionally on newly arrived vessels, there has been no new recruitment on structures since 2017 and this species is now considered to be eliminated in the harbour. This successful eradication highlights the importance of early detection and a rapid response, while also illustrating the success of council's vector control programme.

Marine Vessel Portal

Marine biosecurity staff continue to collaborate with regional Top of the North partners and central government (Auckland Council, Waikato Regional Council, Bay of Plenty Regional Council, Ministry for Primary Industries, and the Department of Conservation) to develop and populate a marine vessel portal. The portal will facilitate data collection by users, stakeholders and partner councils, including marinas, haul out facilities, and eventually individual vessel owners empowering them to manage their biofouling and hull cleaning records more easily.

The Marine Vessel Portal is a centralised vessel database that will be crucial to the implementation of the Clean Hull Plan by mapping and recording vessels moving between regional boundaries and allowing members of the public and marinas to access certain information about their vessel or vessels entering their facilities. There are an estimated 20,000 vessels on moorings and marina berths in the Top of the North area (equating to approximately 90% of all New Zealand's vessels). Since the start of this financial year, the Top of the North collaboration has captured vessel information for over 9,000 of these vessels. In the absence of vessel registration this represents a very valuable tool for the marine biosecurity team as well as other departments in Council.



A screenshot of the Marine Vessel Portal.

2022 Whakamānawa ā Taiao Environmental Awards

Entries to the fourth annual Whakamānawa ā Taiao Environmental Awards closed on 20 April and judging of applications is now underway. A total of 52 entries were received across the 9 categories, including to the new Youth environmental leader category introduced this year. This new category has been included to celebrate and recognise the many young people who are making a positive difference to the environment now and for the benefit of future generations.

Also new in 2022 is the Kiwi Coast Outstanding group or project award, recognising high achieving Northland groups and projects who have proven their commitment to restoring the health of their local native forests and wildlife, including kiwi. This special award has been introduced to broaden the reach of the awards and to support NRC partners to celebrate and recognise mahi specific to their core focus. There are 10 applications being considered for this award.

The winners of the fourth annual Whakamānawa ā Taiao - Environmental Awards be revealed at an awards celebration in Dargaville on Thursday 26 May.

This year 22 finalists have been announced. The full list of [finalists](#) can be found on the awards.nrc.govt.nz website.

8.2.2 CEO'S OFFICE

Current Legal Proceedings

Department	Description	Status
Consent decision appeal	Two separate consent applications for replacement and new consents relating to a proposed expansion of, Doug's Opua Boat Yard in Walls Bay, Ōpua	No further update. Awaiting direction from the Environment Court.
Consent decision appeal	Irrigation of avocado orchards and horticulture crops	Court Hearing to commence Monday 9 May 2022.

8.2.3 CORPORATE SERVICES

Enterprise System Update

	Status	Notes
Timeline		Tracking according to plan
Budget		Tracking according to plan
Quality		Tracking according to plan
Key:		
		Tracking according to plan
		There are challenges, but they can be addressed at project level
		There are issues that cannot be resolved at project level, need help from the project governance group

Fraud Declaration

I am not aware of any fraud nor am I investigating any incidence or suspected incidence of fraud at this time.

8.2.4 REGULATORY SERVICES

Consents in Process

During April 2022, a total of 203 Decisions were issued. These decisions comprised:

- Moorings 1
- Coastal Permits 26
- Air Discharge Permits 2

- Land Discharge Permits 4
- Land Use Consents 140
- Water Permits 25
- Bore Consents 5

The processing timeframes for the April 2022 consents ranged from:

- 188 to 1 calendar days, with the median time being 43 days;
- 79 to 1 working days, with the median time being 27 days.

Thirty-eight applications were received in April 2022.

Of the 176 applications in progress at the end of April 2022:

- 29 were received more than 12 months ago;
Reasons for being more than 12 months old:
 - Awaiting additional information (including CIAs) 12
 - Consultation with affected parties/stakeholders 4
 - On-hold pending new rules becoming operative 6
 - Other 7
- 16 were received between 6 and 12 months ago (most awaiting further information from the applicant);
- 131 less than 6 months.

Appointment of Hearing Commissioners

No commissioners were appointed in April 2022.

Consents Decisions and Progress on Notified Applications in Process, Objections and Appeals

The current level of notified application processing activities at the end of April 2022 is (*by number*):

- Applications Publicly/Limited Notified During Previous Month 0
- Progress on Applications Previously Notified 4
- Hearings and Decisions 0
- Appeals/Objections 2

COMPLIANCE MONITORING

The results of compliance monitoring for the period 1 – 30 April 2022 (and year-to-date figures) are summarised in the following table and discussed below.

Classification	Total	Full compliance	Low risk non-compliance	Moderate non-compliance	Significant non-compliance	Not exercised during period
Air Discharge	14	11	0	0	0	3
Bore Consent	15	15	0	0	0	0
Coastal Air Discharge	4	4	0	0	0	0
Coastal Discharge	12	9	1	1	0	1
Coastal Permit	196	134	30	25	6	1
FDE – Discharge permit	4	0	0	2	0	2
FDE – Permitted activity	1	0	0	1	0	0
Land Discharge	94	59	7	0	1	27

Classification	Total	Full compliance	Low risk non-compliance	Moderate non-compliance	Significant non-compliance	Not exercised during period
Land Use Consent	136	51	4	0	0	81
Water Discharge	69	35	9	2	2	21
Water Permit	76	32	3	0	0	41
Water Take	144	83	16	16	0	29
Total	765	433	70	47	9	206
Percentage		56.6%	9.2%	6.1%	1.2%	26.9%
Year to date	5500	3921	662	367	67	483
Percentage		71.3%	12.0%	6.7%	1.2%	8.8%

Coastal

All Hokianga and Whangaroa Harbour-based coastal permit field inspections have been completed.

Compliance monitoring inspections have been completed for all marine farms, with compliance letters being prepared for consent holders. Follow up of non-compliance and enforcement action has commenced.

Several incidents and requests were received regarding asbestos containing materials in the coastal marine area, use of unconsented grids and discharges from vessel dry sanding and hull cleaning.

Water, Waste, Air and Land Use (WWALU) Compliance Monitoring

- Contaminated Land Management*

Six incidents involving the discharge of hazardous substances and 13 enquiries regarding contaminated land were received and responded to. 380kg of hazardous waste was disposed of at the amnesty day, and two sites were added to the Selected Land-Use Register.

- Municipal Wastewater Treatment Plants*

WWTP/Consent Status	Issues (May 2022)	Enforcement Action/Response
Far North District		
Ahipara Expires 2033	Ongoing non-compliance with bacteriological consent limits	<u>Under AN</u> FNDC investigating land disposal options; UV system to be installed in 2022/2023 to reduce bacteriological concentrations
Hihi Expires 2022	No recent issues; replacement consent application yet to be received	None currently
Kāeo Expires 2022	No recent issues; replacement consent application yet to be received	None currently
Kaikohe Expires 30 November 2021	Intermittent non-compliances with ADW flow, ammonia & bacteriological consent limits. System overdue for de-sludging	None currently Issues will be addressed in replacement consent
Kaitaia	No recent issues; FNDC discussing with iwi/hapū potential consent conditions	<u>Under AN</u> (reticulation overflows)

Expires 30 November 2021		Issues will be addressed in replacement consent
Kawakawa Expires 2036	No recent issues	None currently
Kerikeri Expires 2036	No obvious issues from new plant (commissioned in December 2020)	<u>Under AN</u>
Kohukohu Expired 2016 (replacement consent application on hold)	Occasional issues with bacteriological conditions of consent; CIA still awaited before public notification occurs	None currently
Opononi & Ōmāpere Expired 2019	Non-compliances with bacteriological consent limits; desludging overdue; still intended to jointly process with Kohukohu replacement consent application	<u>Under AN</u> Issues will be addressed in replacement consent; desludging to be undertaken
Paihia Expires 2034	Plant upgraded 2019; alkalinity issues preventing optimal ammonia treatment	None currently Alkalinity improvement project still in progress
Rangiputa Expires 2032	No recent issues	None currently
Rāwene Expires 2023	System overdue for de-sludging	Infringement notices issued in February 2022 in relation to a discharge from the reticulation
Russell Expires 2024	Occasional non-compliances with E. coli consent limit post UV	<u>Under AN</u> Infringement notices issued January 2022
Taipā Expires 2029	No recent issues	None currently
Whatuwhiwhi Expires 2025	Elevated TSS levels (consent limit may be unnecessarily restrictive)	FNDC to seek consent variation to address TSS levels – however this is not a priority
Whangarei District		
Hikurangi Expires 2025	Intermittent issues with plant performance	None currently Plant performance being reviewed to identify improvements
Ngunguru Expires 2035	No recent issues	None currently
Ōākura Expires 2025	Occasional spikes in E. coli	None currently

Portland Expires 2024	No recent issues	None currently
Ruakākā Expires 2046	No recent issues	None currently
Tutukaka Expires 2024	No recent issues	None currently
Waiōtira Expires 2030	No recent issues	None currently
Waipū Expires 2030	No recent issues	None currently
Whāngārei City Expires 2022	Odour issues; replacement consent application received and will be publicly notified shortly	Abatement notice issued requiring actions to be implemented to mitigate the odour emanating from the treatment plant
Kaipara District		
Dargaville Expires 2022	Non-compliances with WQ discharge volume consent limits, replacement consent application received	<u>Under AN</u>
Glinks Gully Expires 2024	No recent issues	None currently
Kaiwaka Expires 2022	No recent issues; replacement consent application yet to be received	None currently
Mangawhai Expires 2042	Odour complaints and occasional exceedances of TDS consent limit	<u>Under AN</u>
Maungaturoto Expires 2032	Intermittent non-compliances, generally due to high rainfall	<u>Under AN</u>
Te Kopuru Expires 2044	Intermittent minor non-compliances	Second aerator installed 2020

Environmental Incidents

There were no environmental incidents reported in April which resulted in a significant environmental impact.

ENFORCEMENT

Abatement Notices, Infringement Notices and Formal Warnings

The following is a summary of the abatement and infringement notices issued:

Action Type	Number
Abatement Notice	4
Infringement Notice	1

Other Enforcement

- *Open burning on industrial/trade property – Whangārei*

Charges were laid in the Whangārei District Court on 27 November 2020 against an individual for open burning on industrial/trade premises; the burnt items also included prohibited items. There are two charges against the individual who pleaded not guilty on 30 April 2021. The Court has allocated new hearing dates to 25 – 27 May 2022. Witnesses have confirmed their availability.

- *Farm dairy effluent – Parapara*

Charges were laid in the Kaitia District Court on 6 May 2021 against a farm owner for offences which occurred in August 2020. There are four charges against the farm owner. Following reports that were received confirming that the farm owner was not able to enter plea and provide instructions, the judge has made the following two decisions:

1. The farm owner is unfit to stand trial.
2. Based on the NRC's summary of facts, the farm owner caused acts that formed the basis of all four offences. Those offences are very serious. The psychologist will provide a final report by 16 May 2022.

The Court adjourned the case to 2 June 2022 with the farm owner to attend.

- *Vessel occupying CMA & removal of asbestos from CMA – Town Basin, Whangārei*

An enforcement order was applied for on 23 November 2021 against an individual for occupying the coastal marine with a boat without consent, and for reimbursement of costs associated with work to remove and dispose of cladding material containing asbestos that had been deposited within the coastal marine area. Following a joint memorandum filed in February 2022, the individual has arranged a place to legally moor the boat. Environment Court also issued enforcement orders against the individual requiring compliance with permitted activity rule C.1.2.1. of Proposed Regional Plan for Northland.

A proposal has been made to the individual for settlement of judicial review proceedings and costs.

- *Earthworks & vegetation clearance within a wetland – Teal Bay*

Charges were laid in the Whangārei District Court on 7 December 2021 against four parties for offences that occurred in December 2020. During a court appearance via Teams in March 2022, the defendants' lawyers have requested more time to consider disclosure, provide advice, get instructions and discuss with NRC. Court has adjourned the case to 2 June 2022 with pleas having to be entered on that day.

8.2.5 ENVIRONMENTAL SERVICES

LAND MANAGEMENT

Sustainable Hill Country and Regional Priorities

Milestones	Status
Farm Environment Plans (FEPs)	To date, 53 (39%) of 136 soil conservation plans have been completed in 2021-2022. Eight are in progress. We will not meet our soil conservation plan KPI's for the SHaRP programme and are engaging with MPI around the reasons for this and seeking agreement on a way forward.

Poplar and Willow nursery

Objective	Status
Harvest	Currently processing orders with harvest starting later this month. For the first time the nursery is supplying 1 year old material as 1m wands in addition to traditional 3m poles that take three years to produce. This is in response to variable survival rates of poles in recent years and a likely loss of productive land at the nursery due to the rail corridor. We expect wands to be more resilient to drought compared to poles and we can produce significantly more 1 year wand material compared to poles that should help compensate for the loss of nursery area. Furthermore, wands will be cheaper to produce so can be planted at higher stocking rates to control erosion sooner.

Environment fund progress

The Environment fund grants for 2021/22 are nearing completion. Across the region (excluding the Kaipara catchment) there are 50 projects, totaling just under \$500,000, that are still to be finished and reviewed before the end of the financial year. Land Management Advisors are busy in the field doing sign-off visits.

Whangārei urban awa project

The project is continuing at a slower pace than the first year. Year 2 Q3 reporting has been submitted to MfE on schedule. Key points:

- 2.9 kms of fencing completed across 5 properties (total of 5.5kms completed so far this year towards the target of 5.8kms).
- Most fencing projects now very small, so not particularly efficient.
- Million Meters funding project was closed at \$13,302. This funding will go towards planting projects.
- Landowner engagement/interest has diminished relative to Y1. We are well on track to meet our fencing requirements for the year. However, demand for planting is still light.
- On track against the Y2 fencing budget but a carryover of planting budget to Year 3 is expected. In line with the reduced interest in the project shown over the past months, we are also working with MfE to extend the scope of the project slightly.
- We expect a deed variation to be approved soon to extend the timeframe for the project from June 2023 to January 2024. This will provide a full planting season next winter, as well as time for release spraying for the new plants.
- We've also requested that the project be extended to include the Otaika catchment. This will allow us to more efficiently reach our fencing and planting KPIs, by working with larger land holdings in the new catchment.

BIODIVERSITY

FIF Dune Lakes Project

Objective	Status
Aquatic weed and pest fish control	A report on the vegetation damage at Lake Tutaki was sent to Iwi partners, EPA, MfE and NRC compliance. Vegetation plots were established at Lake Tutaki to monitor the effect of aquathol on the wetland vegetation. Further application of aquathol to control hornwort has been postponed till spring 2022 and summer 2023 as lakes have poor water visibility, meaning post-application LakeSPI monitoring has not been possible. The EPA will be undertaking an investigation,

	including against consents issues by NRC, into the unintended vegetation damage and whether formal compliance action is warranted.
Sediment and nutrient mitigation	A planning assessment confirmed resource consent is required for the constructed wetlands at Black Lake, Kai Iwi Lakes. A contract for this work and engineering plans and project management is out for tender and closes first week of May.
Partnerships	Ngā Roto Tapokapoka Tūhono Wānanga is being hosted by Te Roroa and the FIF programme and will take place on 16-18 May at Kai Iwi Lakes.

CoastCare

A hui was held with NRC Biodiversity and Natural Resources staff and Patuhareke Te Taiao Environment Unit to debrief on the pilot Bream Bay dune monitoring programme run over the summer and to discuss longer term goals and visions. In this pilot, which also involved collaboration with Northtec, various methods were used to monitor dune health, with a focus on the animals (fauna) that live in the dunes. This was aligned with vegetation monitoring to get a fuller understanding of dune health, and the relationships between flora and fauna in the dunes. Patuhareke are keen to continue the monitoring and intend to use the information about the dune fauna to support their advocacy work around vehicle use and human behaviour in our precious dune systems. As well as continuing monitoring at Bream Bay, we plan to use learnings from this study to incorporate fauna surveys into our dune monitoring programme at other Northland sites to get a fuller understanding of dune health and how our restoration work can enhance the ecology of these environments.



An endangered native katipō spider with egg sacs found in a shelter on Ruakākā dunes

Wetlands

The Envirolink project for the design of a Northland wetland SOE monitoring programme has been progressed with a workshop with NRC, Manaaki Whenua Landcare Research (MWLR), NIWA and DOC specialists held late April to compile a draft list of wetlands to monitor. Further mapping and analysis are to be carried out and a final report from MWLR is due at the end of June.

The wetland condition index monitoring programme has continued this month with a further three site visits carried out and remaining sites, out of more than 30 wetlands monitored, planned for May.

NATURAL RESOURCES

Coastal/Water Quality Operations

- A new quarterly Litter Intelligence monitoring site at Pah Road in Onerahi, (a Significant Ecological Area) was surveyed in early February 2022. Plastic accounted for the most common item found. An article summarising our collaboration with various organisations is in the NZ Coastal Society March 2022 Newsletter.

<https://www.coastalsociety.org.nz/assets/Uploads/files/CN-77-2022-3.pdf>

- Shellfish surveys have concluded for 2022. Surveys were conducted at Houhora Heads, Taipā, Kelly's Bay and Hokianga (Koutu and Pakanae) with the help of whanau, hapū and local schools.
- Work has progressed for the implementation of water quality modelling for our popular recreational bathing swimming locations, through Auckland Council's Safeswim platform, safeswim.org.nz. Following the successful trial of seven sites over the past summer, key contracts have been signed for delivery of all sites next summer. Discussions are continuing on a service level agreement with Auckland Council for ongoing 'access' to Safeswim.

Natural Resources Science

Air quality and carbon emission

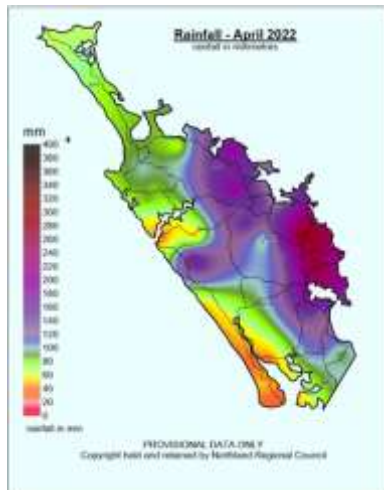
- Natural Resource Science air quality is in the process of implementing the outcome of the environmental monitoring network review and searching for new air monitoring sites in the Kaitia and Whangārei airsheds.

Coastal

- The final audit of the stormwater litter project has been completed. In total 20,450 items were captured by the 51 littatrap over the twelve-month study period. The worst sites were a transport and logistics site in Whangārei, which captured a total of 2,416 items, and a city center car park which captured 2,172 items. In contrast, a residential street in Dargaville captured just 24 items over the twelve-month period. The next stage of the project is to analyse and understand the large differences in the quantity of litter and plastic captured at different sites and to estimate the total quantity of plastic entering our coastal marine area each year.

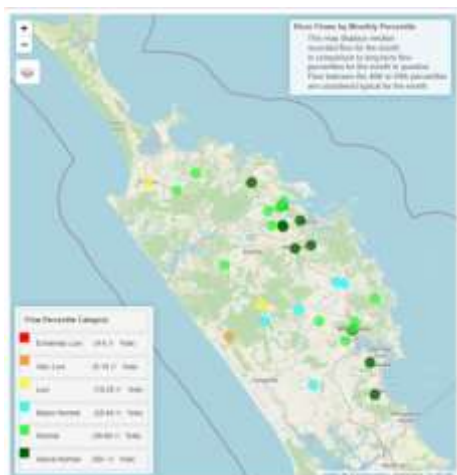
Hydrology

Rainfall



- April rainfall was above average in Eastern and Central areas of Northland, and below average in the West.
- The Eastern Hills (North-East of Whangārei) received the most rain with the Hatea at Glenbervie Forest HQ recording 285mm for the month, which is 252% of expected.
- Western areas were much drier with the Hokianga at Opononi recording 38.5mm for 62% of expected, and Pouto Point recording 33.5mm for 61% of expected.

Rivers



River flows for the month followed the general pattern of rainfall with primarily normal to above normal flows in Northland's Eastern and Central catchments, ranging down to low, to very low, flows in some Western catchments.

Groundwater



Groundwater levels continue to re-charge and all aquifers are in the normal to above normal range for April 2022.

Climate Outlook

Regional predictions for Northland in NIWA's climate outlook for May to July 2022 can be summarised as follows:

- Temperatures are very likely to be above average (70% chance).
- Rainfall totals are equally likely to be near normal (40% chance) or above normal (35% chance).
- Soil moisture levels and river flows are about equally likely to be near normal (40% chance) or below normal (40% chance).

POLICY AND PLANNING

Freshwater Plan Change

The Primary Sector Liaison Group were given an update on the role of the Land Management Team and NRC's Freshwater Plan Change communication plan. Currently setting up confidentiality agreements so that the water quality scenario modelling and costing can be released to the group.

The Tangata Whenua Water Advisory Group completed its Stage 1 Report and will present this to TTMAC in May for endorsement before presenting it to council. Work is now progressing on their Stage 2 work which includes their recommendations for the plan change and advice to council on how council can best engage with mana whenua. This advice is anticipated in July.

Proposed Regional Plan Appeals

- Topic 1 (coastal activities) council staff circulated a suite of 22 rules, six policies, one objective, six definitions and maps to the appellants and Section 274 parties with a view of filing consent documents with the Environment Court by the end of May 2022. The provisions relate to the management of coastal structures and how vessels use Northlands coastal marine area.

- Topic 1 (coastal activities) council staff continue to work towards agreement on how and when rules refer to mapped significant ecological and significant bird areas.
- Topic 14 (Marine protected areas/fishing controls). The results of a tikanga led process, including hui and wānanga in March and another planned in April are due to be reported 6 May. The court decision is still awaited, in the absence of any all-party agreements.
- Topic 15 (Mangroves) The court hearing that opened two years ago finally closed 5 May after legal submissions. The court has indicated that an interim decision is likely to direct text refinements, before the final decision is made. All parties agree it will then be the role of council to deal with the interplay between these rules and natural wetland regulations in the National Environmental Standards for Freshwater.
- We reported progress on appeals to the Court on 29 April. We have requested a further reporting date of 30 June on topics 1 (Coastal activities), 6 (Damming and diverting water and land drainage), 10 (Infrastructure, energy and natural hazards) and 1A (Vehicles on beaches). If appeals remain unresolved after 30 June, council staff will confer with parties and request that these matters be set down for a hearing.

8.2.6 BIOSECURITY

INCURSION RESPONSE

Suspected wallaby sighting

A suspected sighting of a wallaby was recently reported just North of Dargaville. A field investigation was conducted, and no further evidence was found. It is thought the member of the public who reported it could have instead seen a large hare which are common in the area. Further enquiries are continuing as an incursion of wallabies into Northland would place the regions forests at serious risk.

WILD ANIMAL CONTROL

Feral deer

- Russell goat cull: Contractors carried more goat control work at Russell using indicator dogs and preferred habit to target areas ending up with a tally of 17 goats, 15 pigs, and one sika deer. The sika DNA has been sent to see if it matches the early DNA samples.
- Kaimahi training: A kaimahi training wānanga being organized for young hunters in May. This is a three day course will be held at the Rāwhiti marae.
- Fallow deer release: A release of 20 fallow deer in the Tangihua Ranges was reported. The reported release site has been identified and the investigation is continuing with a high priority.
- Deer farm escape: A deer farm awaiting full Department of Conservation approval has reported sign of a deer on the outside of the wire. The farmer has been proactive and is working with council staff to trap this animal or destroy it.

Feral pigs

- *Feral pig report:* A large number of feral pigs were reported being seen in public areas around the Kohumaru area and staff are assisting landowners with requests for pig control.



A large number of feral pigs have been reported in the Kohumaru area.

FRESHWATER

- *Lake Taharoa drone surveillance:* A contractor completed drone surveillance work at Lake Taharoa and did not detect any koi carp. The drone method has a lot of potential for detecting larger koi carp in the lake with the right weather conditions and some fine tuning and calibration of the drone and operator observations.
- *Koi carp river surveillance work (outside the containment zone):* Department of Conservation joined Biosecurity staff to set gill, trammel and fyke nets, alongside eDNA samplers in the Mangatete (Kaitāia) and Parapara Rivers (Taipā) looking for koi carp. No koi or other pest species were captured in any of the nets, but lab results of eDNA samples still pending.

PARTNERSHIPS

Supply chain issues

With global supply chain disruptions arising from the COVID-19 pandemic and high seasonal demand, there have been some significant price increases from our suppliers of traps and toxins, that support much of the work delivered by our communities in collaboration with the Biosecurity Partnerships team. The team are working through the implications of these changes of the delivery of our work programmes as further increases are expected.

Northland Regional Council – Kiwi Coast partnership

- *New projects:* With two new projects linking into Kiwi Coast over the last month (Bream Bay College Rat Patrol and Kauaepepe Landcare) there are now 202 entities linked into Kiwi Coast, managing approximately 225,640 ha.
- *2021 pest control results:* The collation of the 2021 results continues. Kiwi Coast are working with Trap.NZ to pioneer a new method to bulk download the data required into spreadsheet format from projects that use this trapping management software. If successful, this will bring a vast increase in efficiency for this annual exercise.
- *Annual kiwi call count survey:* Preparations are underway to support the Department of Conservation led 2022 Annual Northland Kiwi Call Count Survey in late May. Kiwi Coast is updating its purpose-built App, developing online training



resources and contributing financially to the Departments publishing of the 2021 report.

Bream Bay College Rat Patrol.

- *Predator Free Whangārei support:* Kiwi Coast has continued to assist Predator Free Whangārei with boosting the 60,000 ha predator suppression zone between Te Whara/Bream Head, Whananaki, and Pukenui. A small but significant milestone achievement has been the trapping of the first stoat in a Predator Free Whangārei funded trap, in the new network of mustelid traps installed by Kiwi Coast trapper, with Parihaka Community Landcare (full story here: <https://kiwicoast.org.nz/first-stoat-caught-in-boosted-60000ha-whangarei-mustelid-control-network/>).

Kiwi Link High Value Area

- *Weed control:* Kiwi Link's coordinated Weed Action Program is now in full swing. Monthly educational newsletters are now being sent out, and two Working Bees have been held, one hosted by Ngunguru Ford Landcare, and one by Pātaua North Landcare. While these volunteer events will take a break over the wetter late autumn and winter months, the education campaign will continue.
- *Pest control materials:* Almost all projects involved in Kiwi Link have received further possum, rat, wasp, and plant pest control products in April in response to landowner requests for additional resources to help control pests on local properties. Training and advice was given with each product supplied.

Whangārei Heads High Value Area

- *Weed control:* The skip bin provided to the community for moth plant pods last month has been filled and disposed of appropriately. With up to 1000 seeds per pod the skip bin represents a huge number of potential plants removed from the Whangārei Heads area.



Whangārei Heads residents have collected thousands of moth plant pods in April.

Piroa Brynderwyn High Value Area

- *Freshwater field day:* Piroa Brynderwyns Landcare Group has partnered with Fonterra, Patuharakeke, Whitebait Connection, New Zealand Landcare Trust and Waipū Water Watch to deliver a fresh water field day. The aim of the field day was to help local farmers and lifestyle block owners better understand the health of these catchments for native species.

Landcare Research taking eDNA samples from streams in the Waipū area.



- *Royal New Zealand Air Force volunteer support:* Efforts to improve the Piroa/Brynderwyn High Value Area have received help from an unexpected quarter, the Royal New Zealand Air Force. A team of ~ 25 Air Force volunteers joined other volunteers in Mangawhai for a week to cut a new section of walking trail (which may be incorporated into the Te Araroa Trail). Biosecurity staff worked with the volunteers to install a bait station network in the adjoining Department of Conservation Reserve. The Air Force's help enabled the team to complete the project within just five working days and meet major milestones in conservation and recreational plans in the area that would otherwise take many months to complete. This work will assist in securing safe corridors for kiwi to safely disperse and other rare and unique species present in the Piroa-Brynderwyn hills such as Hochstetter frogs and long tailed bats.



Biosecurity staff joined Air Force volunteers in bait station installation.

Tutukaka High Value Area

- *Predator control:* Cat and mustelid catches have now exceeded 200, whilst possum catches have generally decreased.
- *Advocacy:* A Kiwi Aversion Training event was held at Tawapou with around 30 dogs and their owners in attendance. The event was very successful, with many of those dogs returning for refresher training exhibiting full aversion to kiwi.
- *Weed control:* The Specialist Weed Action Team have helped two significant landowners during the month with plant pest work plans; both of which have used this information to seek external funding. Two planned weed action events were cancelled due to rain and wind. There are no further events planned until spring 2022. The top 12 priority weeds (the "Dirty Dozen") are



Good sense overcomes good scent as this

being reclassified and new educational material
(including our recommended control methods.

*Labrador chooses to back off when
it encounters a kiwi.*

Western Northland

An online meeting was held on 3 May with Te Roroa and groups that have Community Pest Control Areas in the wider Waipoua area (eg. Kaitiaki Kiwi, Native Forest Restoration Trust, Waipoua Forest Trust, Wekaweka Landcare Group, Pūpūrangi Nature Sanctuary) as well as other key stakeholders that are also doing pest control work (eg. Department of Conservation and Forestry) or aspire for increased pest control (eg. The Waimamaku community). Discussion covered how best to set up council funding now that there are a lot of linkages and existing collaboration between projects in this area and potential for this to grow further. There was a consensus that a community led High Value Area was something the collective wished to pursue further and a face-to-face meeting to brainstorm the concept further is being planned.

PREDATOR FREE

Predator Free Whangārei

Predator Free Whangārei have reached a milestone by activating devices in Working Block 1 and surrounding areas (Te Whara/Bream head, and adjacent private land at Ocean Beach). 10 possums were caught in traps over this trial period and potentially more via toxin delivery. Surveillance cameras are showing possum activity and it is expected there are a good number in the area.

Predator Free Pēwhairangi Whānui (Bay of Islands)

The Pēwhairangi Whānui (Bay of islands) projects have also continued to progress well with draft eradication plans completed for all three peninsula and are now being critiqued by landcare groups.

MARINE BIOSECURITY

Hull surveillance

No hulls were surveyed this month as part of the annual hull surveillance programme because of heavy rainfall creating poor visibility and contractors succumbing to COVID-19. WorkSafe New Zealand has recommended occupational divers that have had COVID-19 do not dive for at least one month after they test positive which has added further delays to the progression of this programme.

PEST PLANTS

Community weed action

Biosecurity staff assisted Weed Action Piroa Brynderwyns with dune control work. Species removed included pampas in the reeds, and lupins on the dunes. This is an important ecological area for fairy terns and other shore birds.



*Weed Action Piroa Brynderwyns, (left) removal of pampas seedlings growing among the native grasses,
(right) the troops walk out.*

Exclusion plants – climbing spindle-berry

A potential climbing spindle berry (*Celastrus orbiculatus*) infestation has been observed near an historic site of this weed in Onerahi. Autumn is the time to find this exclusion species as the leaves turn yellow and are very visible against the green of the native bush.

Eradication plants

With the easing of COVID-19 restrictions, field inspections for eradication plants have resumed:

- **Firethorn:** Three *Pyracantha* potential sightings were followed up, one of which was confirmed as *Pyracantha angustifolia*. Survey of surrounding bushland found no further spread.
- **Bat-wing passionflower:** Inspection of Department of Conservation reserve at Whangaroa by contractors are underway with around half the reserve completed so far. A lot of adult bat-wing plants (more than were expected) have been removed.
- **Mickey mouse plant:** An infestation has been found in Tutukaka remote from other known sites.



A stunning blaze of colour – berries of the Firethorn (Pyracantha angustifolia) infestation.

Progressive containment plants

- **Mile a minute:** The southern regime inspections are half completed with regrowth found at all seven of the 12 sites inspected to date.
- **Pultenaea:** One site (outside containment) has been inspected and found clear of regrowth.
- **Lantana:** Two sites have been found in Tutukaka.
- **Manchurian wild rice:** April saw the start of Manuchurain wild rice aquatic sites being treated in accordance with the new Environmental Protection Agency rules.

Sustained control plants

Staff continue to work through numerous requests for advice around control and enforcement of boundary rules for sustained control species including privet and woolly nightshade.

8.2.7 GOVERNANCE AND ENGAGEMENT

MĀORI ENGAGEMENT

Regional Workshop – Economic Development

The focus of the Te Taitokerau Māori and Council Working Party's (TTMAC) regional workshop held on 14 April was the TTMAC Strategic Intent Ngā Whaingā for economic development:

- **Whai Rawa:** Restore and boost tangata whenua self-reliance and self-determination.
- **Whai Mana:** Maximise economic opportunities for tangata whenua.
- **Whai Oranga:** Economic growth is compatible with the protection and enhancement of ecological, spiritual and cultural values of tangata whenua.

The workshop opened with guest speaker, Willie Te Aho, Te Whānau ā Apanui Hapū Chair, who spoke on Te Whānau ā Apanui Vision, Aspirations and Strategic Issues and emphasised the importance of economic development initiatives ensuring the sustainability and wellbeing of the environment first and foremost. Willie outlined aspirations and options for power sharing that recognised the mana of the hapū. He discussed the challenges experienced by hapū in their relationship with local and central government and the importance of being able to assert

tinorangatiratanga in the development of land, building of housing and working with partners to leverage of their asset base and investments. As such Te Whānau Apanui and hapū have seen significant investment in housing and whānau, have been able to purchase/own their homes and build an economic base that has employed their own workforce, and secured central government funding to achieve this.

Discussion followed raising important issues about asset base and the need for council to consider how hapū can build capability to manage their own resources, support kaitiaki and whānau that are currently living on their whenua, what economic data/research is available through councils to understand what this means for hapū in Te Taitokerau.

In attendance for the second item was Northland Inc Chair and director, Nicole Anderson and board member, Kris MacDonald who provided a verbal update on the progress of the development of a regional economic development strategy and a recognition that key stakeholders need to be represented in the steering group that is being formed to deliver on the vision and aspirations of Te Taitokerau, Northland: [Te Ōhanga Rautaki Whānui o Te Tai Tokerau | Northland-inc - Northland, New Zealand \(northlandnz.com\)](https://www.northlandnz.com/).

Local Government Elections – Tū Mai Māori Mā

In council's commitment to support Māori seats \$20,000 was allocated in 2021/2022 for the provision of resource, support and information for iwi and hapū to engage in the local government election processes. This directly aligns with the TTMAC strategic intent and whaingā "Māori representation – Tangata Whenua are equitably represented in all council decisions and operations."

Accordingly, a Māori media campaign has been designed with advice being provided by TTMAC tangata whenua representatives and staff. External consultants have been engaged to provide a more nuanced approach with targeted messages for a kaupapa Māori approach including building collateral pertaining to standing for council, enrolment and voting in local government elections. It aims to build a better understanding of the Māori and general roll so that iwi and hapū can determine make up of new constituencies, nomination processes etc.

The following actions are currently in progress:

- Engagement and brief provided to Māori radio stations (Te Hiku, Ngātihine, Tautoko) to promote the local government elections and relevance for iwi and hapū in terms of Maori representation ability to influence decisions in local government.
- Engagement of youth leaders/champions to present information at hui/marae, on radio, on social media and in te reo Māori.
- Provision of information for iwi and hapū hui on request to facilitate a kānohi ki te kānohi grass roots community approach on marae and in more isolated rural communities.
- Regional local elections website updated regularly going live June with TTMAC initiatives.
- Online webinar with TTMAC representatives facilitated by youth champions.
- Kete of resources developed and shared end May with iwi, hapū and promoted via appropriate communications platforms.

ECONOMIC DEVELOPMENT

Investment and Growth Reserve – Projects Report

Project	Update	Future developments/ reporting
REL	Respond to NZ Insolvency and Trustee Service regarding council's	Respond to proposal

Project	Update	Future developments/ reporting
	position in relation to liquidation of REL at the request of IRD. Received formal repayment proposal from Maher Jammal.	

Other Work Undertaken

- **Joint Regional Economic Development Committee (JREDC)** – The Joint Committee meeting took place on 29 April. Items included finalising the shareholder comment on Northland Inc’s draft SOI 2022-25 and director remuneration.
- **Economic Information** – Provided an update to Te Hiku Iwi Development Trust joint working party on the ‘Te Hiku Iwi’ cluster as part of Infometrics regional profile for Northland.
- **Regional Projects Reserve** – Revised draft criteria and procedures for the allocation of funding from this Reserve.
- **CLUES scenarios and costings** – Worked with the Policy Team on scenario costing, additional scenarios options and key messaging.

ONLINE CHANNELS

Most popular content on Facebook: Media release on the revamped section of Te Araroa trail opening in Kerikeri (posted 20 April 2022). Reaching 6,538 customers with engagement of 1,468.

*Engaged – number of people who ‘reacted’, commented or shared the post

Key Performance Indicators	Dec-21	Jan-22	Feb-22	Mar-22	Apl-22
WEB					
# Visits to the NRC website	34,526	41,600	34,400	35,900	37,900
E-payments made	18	7	16	14	7
# subscription customers (cumulative)	NA*	1,263	1,385	1,378	1,368
SOCIAL MEDIA (CUMULATIVE)					
# Twitter followers	1,564	1,567	1,566	1,564	1,570
# NRC Facebook fans	10,469	10,510	10,600	10,600	10,600
# NRC Overall Facebook Reach	244,777	157,700	207,200	189,900	62,700
# NRC Engaged Daily Users	4,821	2,755	4,807	8,442	3,838
# CDEM Facebook fans	26,120	26,117	26,200	26,300	26,300
# CDEM Overall Facebook Reach	NA*	214,100	171,100	103,300	111,100
# CDEM Engaged Daily Users	NA*	26,600	19,500	5,564	7,168
# Instagram followers	NA*	1,488	1,506	1,520	1,526

NOTES: *NA – Data not available due to Christmas break.

ENVIROSCHOOLS / EDUCATION

Enviroschools celebrations

During April, councillors joined in Enviroschools celebrations with He Kakano Early learning Centre - Bronze– and with Tangiteroria School - Silver with Chair Penny Smart officiating.

Enviroschools communities facilitated

School holidays accounted for 2 weeks of April, but Enviroschools Facilitators safely held specific interactions with 41 school and early childhood communities.



COMMUNITY ENGAGEMENT

Communications

Communications issued in April included 5 media releases covering the following topics:

- Extension to deadline for environmental awards
- Poplar and willow sales
- Announcement of new CE
- Opening of revamped stretch of Te Araroa Trail in Kerikeri
- Opening of Kaipara Service Centre

LOCAL GOVERNMENT OFFICIAL INFORMATION (LGOIMA) REQUESTS

Total LGOIMAs	Mar 2020 to Apr 2021	Mar 2021 to Apr 2022
	15	16
Number of LGOIMAs not responded to within 20 working days		0

CUSTOMER SERVICES

Telephone inbound call statistics and enquiries

	Feb 2022	Mar 2022	April
Call volume via Customer Services	2003	2254	1847
Average wait time	5.2 secs	7.6 secs	8.4 secs

	1 July 2018 – 30 June 2019	1 July 2019 – 30 June 2020	1 July 2020 – 30 June 2021
Call volume via Customer Services	20,812	30,566	31,130

	Feb	Mar	April
Mail processed	684	851	736

Six compliments and five complaints and have been received for the month of April

Compliments received	Total
Biosecurity	2
City Link	3
Total Mobility	1
Total compliments recorded	6

Complaints received	Total
City Link	3
Environmental Data Hub	1
Hotline	1
Total complaints recorded	5

Four out of Five complaints have been resolved.

8.2.8 COMMUNITY RESILIENCE

TRANSPORT

REGIONAL TRANSPORT PLANNING

Land Transport Rule: Setting of Speed Limits Rule

The Transport Minister recently signed off the new Land Transport Rule: Setting of Speed Limits 2022 (the Rule). The Rule will come into force on 19 May 2022, replacing the previous Land Transport Rule: Setting of Speed Limits 2017.

The Rule is part of a new regulatory framework designed to improve how road controlling authorities plan for, consult on, and implement speed management changes. It is one of the tools used to support Aotearoa New Zealand's Road to Zero Road Safety Strategy by taking an integrated speed management planning approach that considers the appropriateness of safety infrastructure, safety cameras and the setting of safe and appropriate speed limits in a combination that most effectively and efficiently moves the transport network towards a Safe System.

The Rule:

- Takes a whole of network approach where decisions about safety infrastructure improvements, speed limit changes and safety camera placement are made together
- Requires road controlling authorities to follow a new speed management planning process to set new speed limits, shifting from a risk-based to a principles-based approach
- Specifies a process for preparing speed management plans as the primary means by which proposed speed limit changes are developed, shared, and certified
- Introduces a regional speed management planning approach on a three-year cycle that aligns with the three-year cycle of the National Land Transport Programme
- Transitions to lower speed limits around all schools (including kura) by 2027 (40% by 2024)
- Removes the requirement to set speed limits through bylaws

- Requires all speed limits (other than temporary speed limits) to be entered into a national register which will give legal effect to all speed limits (other than temporary speed limits)
- Acknowledges the status of Māori as our Treaty partners and specifies that Māori are involved in the development of speed management plans and consulted with on aspects of the plan that are important to them.

Te Huringa Taraiwa: Te arotake i te pūnaha utu kaiwhakamahi rori | 'Driving Change: Reviewing the Road User Charges System'

The Government states that the current Road User Charges (RUC) legislation is focussed on recovering the costs of damage to our road network, especially that caused by heavy vehicles, and ensuring that operators of vehicles that cause the damage pay the appropriate amount but does not recognise other costs imposed by vehicle use, such as pollution or congestion.

Currently the RUC legislation provides for the setting of RUC rates to be in proportion to the costs that the vehicles generate. These costs have historically been limited only to the direct costs of damage caused by the vehicles' use of the roads, along with the wider costs of building and maintaining the transport system.

There is reported to be a growing interest in using the RUC system to also capture some of those other costs, or to offset the higher costs faced by some emerging technologies, ahead of their widespread adoption.

The Government is progressing policies to support these outcomes by developing programmes that focus on road safety, vehicle emissions, regulatory development, and smart infrastructure investments. The RUC system could also potentially support these outcomes.

The Regional Transport Committee made a submission to the proposed Te Huringa Taraiwa: Te Arotake i te Pūnaha utu Kaiwhakamahi Rori | 'Driving Change: Reviewing the Road User Charges System'.

The consultation period ended on 22 April 2022.

PASSENGER TRANSPORT ADMINISTRATION

*Bus Link figures are reported one month in arrears, due to the required information being unavailable at the time of the agenda deadline.

Bus Link stats for March 2022 (revenue ex GST)	Actual	Budget	Variance	Year/Date Actual	Year/Date Budgeted	Variance
CityLink Passengers	28,244	30,085	-1,841	202,833	238,751	-35,918

CityLink Revenue	\$30,878	\$38,810	\$7,932	\$257,269	\$307,989	-\$50,720
Mid North Link Passengers	168	120	48	1,271	1,368	-97
Mid North Link Revenue	\$621	\$600	\$21	\$4,737	\$6,140	-\$1,403
Hokianga Link Passengers	70	60	10	664	678	-14
Hokianga Link Revenue	\$375	\$417	-\$42	\$3,614	\$4,716	-\$1,102
Far North Link Passengers	269	446	-177	2,066	3,445	-1,379
Far North Link Revenue	\$593	\$1,129	-\$536	\$5,061	\$8,716	-\$3,655
Bream Bay Link Passengers	56	30	26	392	234	158
Bream Bay Link Revenue	\$392	\$108	\$284	\$2,580	\$842	\$1,738
Hikurangi Link Passengers	14	30	-16	177	222	-45
Hikurangi Link Revenue	\$37	\$78	-\$41	\$420	\$610	-\$190

National Bus Driver Shortage

Ongoing conversations with other regional councils have shown that the bus driver shortage nationally is progressively getting worse with some councils being unable to cover all timetabled services. It is anticipated that this situation will continue to worsen over the coming months.

The adverse impact on the contracted Link services in Northland is beginning to be felt. Staff remain in talks with operators on how best to manage the situation.

The planned Whangarei urban scholar services have had to be put on hold as the operator is struggling to source drivers to cover these services. Staff will be meeting with the operator during April to address this issue going forward.

Half Price Fares

Unfortunately, there has been no noticeable increase in the number of people using the Link services during the month of April 2022.

The CityLink Whangarei passenger figures for April 2022 were not available at the time of this report therefore no meaningful comparisons can be made for this service.

In addition, it must be noted that the number of passengers carried in April will be lower due to school holidays and the number of public holidays observed.

Rose Street Bus Terminus Upgrade

The Rose Street upgrade is running two weeks behind schedule.

Staff are struggling to find anyone to undertake the upgrade of the Rose Street Terminus office accommodation.

The use of temporary stops in Vine Street has been successful to date, however since the commencement of the new school term, incidents of antisocial behavior has begun. There is an

increasing number of bicycles being ridden in Vine Street and on the pavements in and around the temporary bus stops.

Total Mobility (TM)

*Total Mobility Scheme figures are reported one month in arrears, due to the required information being unavailable at the time of the agenda deadline.

	Total Clients	Monthly Actual Expend	Monthly Budgeted Expend	Monthly Variance	Year/Date Actual Expend	Year/Date Budgeted Expend	Annual Variance
March 2022	1,264	\$20,001	\$25,000	-\$4,999	\$172,519	\$225,000	-\$52,481

Total Mobility Scheme – Far North

NRC staff have commenced work with approved transport operators and other agencies on the implementation of the Total Mobility Scheme in Kerikeri on 1 July 2022.

A budget of \$75,000 for the 1-year trial has been confirmed, with the funding coming from Waka Kotahi and Far North District Council.

The maximum fare allowable will be \$15 per trip.

ROAD SAFETY UPDATE

Road Trauma Update

Road Fatalities Statistics for the period 1 January 2021 – 3 May 2021

Fatalities Jan – April 2021	Far North	Whangārei	Kaipara	Northland	National
Local roads	2	2	1	5	58
State highways	5	2	2	9	48
TOTAL	7	4	3	14	106

Road Fatalities Statistics for the period 1 January 2022 – 3 May 2022

Fatalities Jan - April 2022	Far North	Whangārei	Kaipara	Northland	National
Local roads	3	2	0	5	75
State highways	2	2	2	6	58
TOTAL	5	4	2	11	133

Motorcycle Safety - Ride Forever (R4E) Rider Training Update

- R4E – 2020/2021 – 186 riders completed the three courses
- R4E – 2021/2022 – 151 riders have completed courses to date:
 - Bronze Course – 70
 - Silver Course – 40
 - Gold Course – 41

Northbound Driver Reviver/Fatigue Stop Easter

A successful Driver Reviver/Fatigue Stop took place on Thursday 14 April 2022 on SH1 at Uretiti. This Stop was jointly carried out with the AMI Driver Reviver Team, Red Cross, Fit for Duty resources, supporters from Northland Road Safety Association, Ruakākā 60's Up, Taimahi Trust, Northland

Police, Northland Transportation Alliance, Northland Road Safety Trust, ACC, Waka Kotahi, Altura, and Fulton Hogan.

There were approximately 300 visitors with 120 cars, trucks, caravans, camper vans etc, which stopped and enjoyed the hospitality and road safety resources.

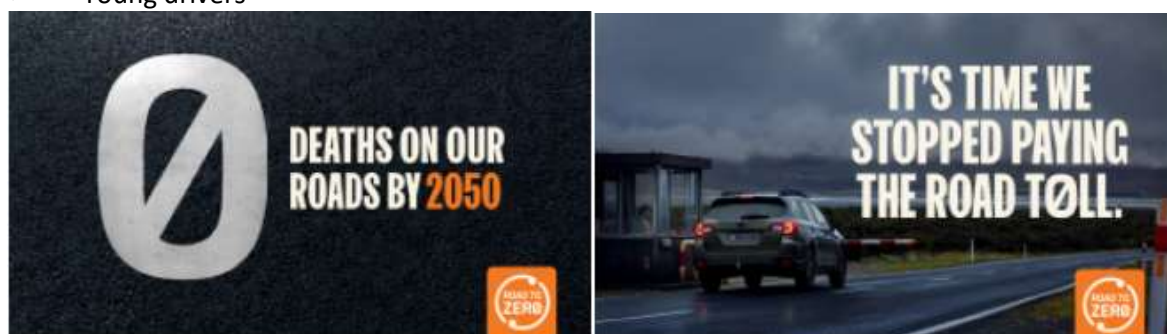


Waka Kotahi & NZ Police Road Safety Promotion/Media themes for April/May 2022

Road safety promotional and media related themes for April/May 2022 continued to concentrate around the Road to Zero:



- Speed – Both Waka Kotahi & Northland Road Safety have had speed related radio advertisements playing across Northland radio networks. Waka Kotahi have also been running a lot of regular television advertisements as well. A new Northland safety video based on a poem written by a mid-north Fulton Hogan Road Worker maintenance crew member has been produced (link attached). This message around slowing down through road works has also been supported by radio advertisements and a Bus Back promotion with very favourable feedback. <https://northlandroadsafety.co.nz/fulton-hogan-northland-road-worker-video/>
- Safe Vehicles
- Alcohol/drugs
- Young drivers



EMERGENCY MANAGEMENT

Charges against NEMA in relation to the Whakaari White Island eruption were dismissed on 4 May 2022. WorkSafe alleged that NEMA's functions under the CDEM Act and Plan gave rise to duties under the Health and Safety at Work Act (HSWA). They laid a charge against NEMA alleging that NEMA should have done more to influence the conduct of activities on Whakaari.

NEMA's position has been that HSWA duties do not extend to public safety functions such as civil defence emergency management and that, in any event, CDEM does not encompass regulating adventure tourism activities. The court in dismissing the charges said that the intent of the Health and Safety at Work Act (HSWA) was to regulate the workplace and workers and it was never intended to extend to the type of situations that NEMA found itself in.

Work continues the Trifecta programme - NEMA's Regulatory Framework Review. Timeframes for the delivery of the bill have been extended, and a new timeline has yet to be released or confirmed.

On 5 and 6 April 2022 Gary Knowles, Chief Executive Officer of the National Emergency Management Agency (NEMA) and two other support staff (Anthony Richards and Chloe Marshall) from the Agency visited Northland. They met with the new CEO (Chief Executive Officer) of Far North District Council, the Northland CDEM professionals and Victoria Harwood, the CEG (Coordinating Executive Group) chair.

The purpose of the meetings was to meet with the new FNDC CEO and establish an understanding of his CDEM expectations and to discuss and understand local and regional arrangements and to provide an overview of NEMA work programmes to staff.

The Northland Tsunami Siren Network was tested on Sunday 3 April 2022, the first of the twice-yearly testing regime. Most test results have been received but are yet to be finalised. There have been five reports of sirens where the lights did not flash.

Work continues to progress on the Northland Tsunami Siren Network Upgrade. The project manager has identified 20 potentially suitable locations for the first 20 new sirens, to be installed in Year 1 of the programme, 14 of which will be within the Whangarei District. The next step is to gain permission from landowners (most sites are council owned land) and to engage with the individual communities.

The Northland CDEM Team has been impacted by sick and bereavement leave, from COVID19, other health matters and two recent resignations. Over the past months the team has been at less than 50% of its usual work force capacity. As of 29 April 2022, an appointment to the vacant role of: Public Information Management Specialist had been made. Leaving a vacancy for a Recovery Management Specialist. Despite this a core group of people have continue to ensure that capacity exists for response and on call.

Work is underway to strengthen the on-call roster with assistance for Whangarei District Council staff being more closely integrated into the operational response arrangements than has been the case in the past.

Multiagency Coordination Centre the feasibility study and concept design for the Multi Agency Coordination Centre are being finalised. Discussions have also commenced between the contributing stakeholders on the ownership model.

MARITIME

There were 12 maritime incidents reported in April. An infringement notice was issued after a collision between a yacht and an anchored powerboat in Whangārei Harbour.

One vessel was wrecked in Tutukaka after a storm. The owners organised the clean-up of debris. Equipment from Rocket Lab trial of rocket recapture by helicopter was recovered from the sea near Mangawhai.

The rest of the incidents were a mix of bylaw infringements and minor incidents.

Replacement of Navigation sign panels in various locations at boat ramps in the North and maintenance work in Rangaunu Harbour was undertaken.

One abandoned vessel in the Bay of Islands and two in Whangārei were removed and disposed of by maritime staff and contractors.

Work on drafting the Navigational safety bylaw changes is ongoing including consultation with key parties.

The Maritime team were impacted by COVID19 with two staff in Opuā and one in Whangārei affected.

RIVERS AND NATURAL HAZARDS

RIVERS

Awanui	<p>Favourable Autumn weather conditions and 3 contracts currently in progress (1 completed).</p> <p>Contract 21/05 - Northern Stopbanks. Approx. 70% complete. Satisfactory progress with stopbanks and benching earthworks with minimal issues. Reinstatement of first few sites now complete and prep for over-wintering of remaining sites in hand.</p> <p>Contract 21/09 - Switzer Bench. Earthworks are now 90% complete and rock revetment at rear of Bell's Produce well underway (25%) and will progress into winter (materials supply & river levels permitting).</p> <p>Contract 21/10 - Rugby Club. Earthworks 80% complete. Rock revetment is phased to continue into winter (materials & river levels permitting) and has the advantage that we have rock storage on hard stand, so less risk from wet weather.</p> <p>Primary School bench now 100% complete and community incredibly happy with reinstatement of Showgrounds areas. FNDC cycle path ties in very nicely with NRC reinstatement.</p> <p>Planting planned for several completed areas and local (Māori-owned) contractors being lined up for this work.</p>
Otiria/Moerewa	Stage 1 work is progressing
Kerikeri	Waipapa Industrial Estate Flood Mitigation is approximate 55% completed.



View of Awanui River looking upstream at Kaitaia A&P Showgrounds

NATURAL HAZARDS

Work Streams	Status	Comments
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Whangārei (CBD) River Catchment Flood Model	70% complete	No change from last month
Website Natural Hazards Portal	91% complete	No change from last month
Raupo Drainage Scheme – Coastal Flood Hazard Analysis & Mitigation Options	85% complete	No change from last month
Natural Hazards technical and planning support to District Councils on Plan Changes and Rules	Ongoing	No change from last month
Te Taitokerau Climate Adaptation Strategy (TTCAS): Professional Services Panel	Ongoing	<p>NRC, in collaboration with and on behalf of Kaipara District Council, Whangarei District Council and Far North District Council will be going out for Request(s) for Proposal (RfPs), 6 May 2022, to establish a regional Panel of Professional Services to support the implementation of the TTCAS actions, e.g., district's pilot projects and beyond. This will provide all four Councils with informed and preselected providers, being able to have shared services, cost, and time effective.</p> <p>Subsequent contracts will be directly with the respective Council as per respective procurement procedures. Closing date of submissions is 23 May 2022; assessment completion and agreement with preferred respondents will be by 7 June 2022.</p> <p>The assessment will be completed by representatives from all four councils.</p>

CLIMATE CHANGE RESPONSE

Work Streams	Status	Comments
NRC Climate Change Strategy " <i>Ngā Taumata o te Moana</i> " and Implementation Plan	Implementation Ongoing	<p>Progress is ongoing. This Strategy touches every aspect of Council business. In undertaking a 'stocktake' of current actions, Staff are meeting with teams across Council to build relationships, identify current climate-related actions and areas where more could be done. Over the last month this includes discussions with the science team, land management team, CoastCare, biodiversity, corporate teams, maritime & transport teams, and communications team. This stocktake will form a baseline for work to set up a monitoring, evaluation, review, and reporting system to track our progress.</p> <p>The next implementation plan update will be presented to the Climate Change Working Party meeting on 25 May 2022.</p> <p>We are also forging ahead with engagement of Toitū to baseline our GHG emissions, certify our accounting and provide advice on where further reductions could occur.</p>
Te Taitokerau Climate Adaptation Strategy (TTCAS)	Adopted by NRC 26 April	Joint Strategy now adopted by all four (4) Councils. Robust debate occurred during

	All councils now adopted	<p>WDC (Whangarei District Council) and KDC meetings to adopt the Strategy. This is a significant milestone for the region and the country – this Strategy represents NZ’s first collaborative (multiple Councils and multiple tangata whenua reps) region-wide adaptation strategy.</p> <p>See www.catt.org.nz</p> <p>The release of the NZ SeaRise data on Monday 2 May generated significant media interest in the region and across the country. This provided us with a fantastic opportunity to communicate about climate adaptation mahi.</p> <p>Consultation on a draft National Adaptation Plan (NAP) is also underway. Given the short timeframes, the Climate Change team will be looking to influence the direction of the NAP through direct involvement on expert working groups, LGNZ fora, and the Aotearoa Climate Adaptation Network (which Tom founded and convenes).</p>
Te Taitokerau Climate Adaptation Strategy (TTCAS) - Programme Implementation	Implementation Ongoing	<p>A foundational hui for KDC’s adaptation pilot project is being held at the hall in Ruawai on Friday 6 May 2022. This work is supported by Priority Actions 1, 2, 9, and 10 and will seek to identify ways council can support iwi/hapū led adaptation processes.</p> <p>The CATT forum is being used to share lessons from this pilot and inform work ongoing in other councils, and to aid KDC where required. WDC have recently hired a Climate Adaptation Coordinator to drive their adaptation programme. FNDC have not been successful in filling their advertised position. NRC will shortly go to the market to again advertise a position to support adaptation across the region.</p> <p>The initiation and development of a communications and engagement plan to support the Te Tai Tokerau Climate Adaptation Strategy has opened discussions about governance and identity of CATT. Interim branding work has been completed (see website above). However, a coherent governance structure with appropriate representation is missing. Staff will be working to propose and refine current arrangements over the next few months. This will be critical as we transition into the ‘doing’ part of the mahi. For example, clear arrangements (from community, government agencies, through staff, tangata</p>

		whenua and Councils) will provide greater mandate to enact integrated policy changes (e.g., RPS (Regional Policy Statement) through to District Plans and building consents), identify funding and co-funding, delineate responsibilities etc.
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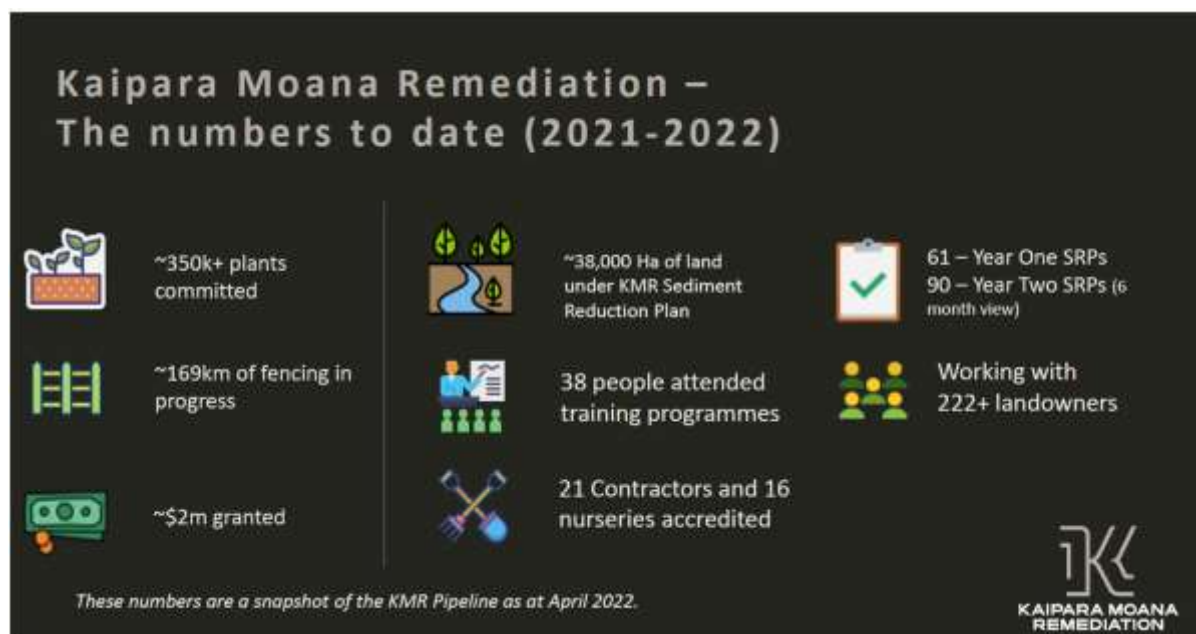
NORTHLAND WIDE LIDAR SURVEY

Work Streams	Status	Comments
Regional LiDAR Survey	In progress	Payment for final delivery initiated and dataset expected within 1 st Quarter.

8.2.9 KAIPARA MOANA REMEDIATION

Kaipara Moana Remediation (KMR) continues to make good progress in scaling up the programme, and systematising key systems and processes to support this.

As at the end of April, the KMR programme had achieved the following year-to-date milestones (see infographic), which are tracking well against our annual targets in most cases. Our headline metric – number of Sediment Reduction Plans (SRPs) contracted – is now at 135 SRPs (31 March 2022, i.e. at the end of Quarter 3, Year 2), compared to 90 SRPs at the end of Quarter 2, Year 2, and 61 SRPs at the end of Year 1. The SRP pipeline is also growing, with KMR now engaging with over 222 landowners (31 March 2022). In part, the scaling up reflects our Foundation (winter) Planting campaign now in train to ensure we can get as many trees/plants in the ground as possible over the 2022 winter. Pleasingly, KMR's progress was acknowledged by participants in our resumed public Zui, with last week's Zui attended by 69 external participants from across the primary sector, local government, iwi/Māori representatives, consultancy and contractor sectors, as well as landowners in the catchment.



Attachments/Ngā tapirihanga

Nil

TITLE: Reporting on Long Term Plan 2021-2031 performance measures for quarter three of the 2021/22 year

From: Robyn Broadhurst, Policy Specialist

Authorised by Bruce Howse, Pou Taumatua – Group Manager Corporate Services, on 04
Group Manager/s: May 2022

Whakarāpopototanga / Executive summary

This report presents a summary of the results of council's Long Term Plan key performance indicators for quarter three of the 2021/22 financial year, being January to March inclusive.

Ngā mahi tūtohutia / Recommendation

That the report 'Reporting on Long Term Plan 2021-2031 performance measures for quarter three of the 2021/22 year' by Robyn Broadhurst, Policy Specialist and dated 26 April 2022, be received.

Background/Tuhinga

The Long Term Plan 2021-2031 includes 31 key performance indicators that measure aspects of council's service provision across three activity areas:

- Te Taiao | Natural environment
- Manawaroa te hāpori | Community resilience
- Hautūtanga ā rohe | Regional leadership

Council's Deputy Leadership Team have responsibility for analysing quarterly reporting at the end of each quarter to address any concerns, including a comprehensive analysis at the end of the financial year that will facilitate the 'deep-dive' by the Audit and Risk subcommittee.

Each performance measure provides a sample of the activity's performance. The frequency of reporting against measures varies, with the majority being reported annually at the end of the financial year.

There are four performance measures that we report on quarterly. Of these four, two have achieved their targets, one has not achieved the target (however, is on track to achieving the overall yearly target), and one has achieved the target for the quarter (however, is not on track to achieving the overall yearly target). This report only provides details for those measures either not achieved, or not tracking to achievement, for quarter three:

Hautūtanga ā rohe | Regional leadership

3.1 Governance					
Level of service	Target	Compliance	Potential impact	Potential impact to budget	Mitigation options
Percentage of official information requests that are responded to within 20 working days	100% compliance	Q1: 91.70% – not achieved Q2: 86.70% – not achieved	Delays for customers seeking information, reputational impact	N/A	We're looking to improve our administrative processes so that these types of errors do not occur again.

		Q3: 100% – achieved			
Percentage of time that elected members attend council meetings	90% compliance	Q1: 88.90% – not achieved Q2: 97% – achieved Q3: 88.90% – not achieved	Reduced quality of decision making	N/A	Non-achievement for this quarter was due to two councillors being absent – one in their capacity as a fireman and one on leave.

Attachments/Ngā tapirihanga

Nil

TITLE: **Receipt of Committee Minutes**

From: Chris Taylor, Governance Specialist

Authorised by Chris Taylor, Governance Specialist, on 19 May 2022
Group Manager/s:


Ngā mahi tūtohutia / Recommendation


That the unconfirmed minutes of the:

- Kaipara Moana Remediation Joint Committee – 11 April 2022
- Joint Regional Economic Development Committee – 29 April 2022

be received.

Attachments/Ngā tapirihanga

Attachment 1: Kaipara Moana Remediation Joint Committee [↓](#) 

Attachment 2: Joint Regional Economic Development Committee [↓](#) 

Kaipara Moana Remediation Joint Committee
11 April 2022

Kaipara Moana Remediation Joint Committee Minutes

Meeting held remotely
on Monday 11 April 2022, commencing at 09.30am

Tuhinga (Present):

Tame Te Rangi (Chair), Te Rūnanga o Ngāti Whātua
Penny Smart (Deputy Chair), Northland Regional Council,
Amy Macdonald, Northland Regional Council,
Daniel Newman, Auckland Council,
Cherie Povey, Ngā Maunga Whakahī o Kaipara,
Greg Sayers, Auckland Council,
Virginia Warriner, Te Rūnanga o Ngāti Whātua,
Malcolm Welsh, Te Uri o Hau,
Joce Yeoman, Northland Regional Council,
Georgina Connelly, Te Uri o Hau

I Tae Mai (In Attendance):

Justine Daw – Pou Tātaki, Kaipara Maurikura	John Hutton – Interim Strategic Business Manager, Kaipara Maurikura
Duncan Kervell - Land and Catchments Projects Contractor, Kaipara Maurikura	Stephanie Versteeg - Amo-Rautaki Pākihi Strategic Business Manager, Kaipara Maurikura
William Wright - Ringa-Hononga Mana Whenua Mana Whenua Relations Lead, Kaipara Maurikura	Lisette Rawson - Amo-Rauora Kōawa Catchment Remediation Manager, Kaipara Maurikura
Ilka Pelzer – Ministry for the Environment (Observer)	Ben Hope - Ringa-Pārongo Communications Lead, Kaipara Maurikura
Robyn Stubbing – Notetaker Kaipara Maurikura	Griffin Hope - Pūtohu – Hononga Hapū and Hāpori
David McDermott – Land Project Consultant Planting Specialist	Darren van Beek - Pūtahi – Tira Mahi, Whanake, Auaha Workforce, Business Growth, and Innovation Advisor

Secretarial Note: Committee members were introduced to Robyn Stubbing, note taker. Condolences to acknowledge the passing of Joint Committee member Greg Sayers's mother.

The Chair declared the meeting open at 9.30am.

Karakia Tīmatanga and Whakatau

Secretarial note: Due to the current COVID-19 restrictions and the meeting being conducted fully remotely, proceedings were livestreamed - <https://youtu.be/avwnDDqg7cM>

Ngā whakapahā / Apologies (Item 1.0)

Moved (Smart / MacDonald)

That the apologies from Councillor Danielle Hancock (Auckland Council) and Jane Sherard (Ngā Maunga Whakahī o Kaipara) for non-attendance be received.

Carried

Kaipara Moana Remediation Joint Committee
11 April 2022

Ngā whakapuakanga (Declarations of Conflicts of Interest)

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

Confirmation of Minutes - Kaipara Moana Remediation Joint Committee 21 February 2022 (Item 4.1)

Report from Sandra Harris, Administrator Kaipara Maurikura

Moved (Sayers / Macdonald)

That the minutes of the Kaipara Moana Remediation Joint Committee meeting held on 21 February 2022, be confirmed as a true and correct record.

Carried

Action Tracker - April 2022 (Item 5.1)

Report from Sandra Harris, Administrator Kaipara Maurikura

Moved (Connelly / Povey)

That the Action Tracker be received.

Carried

Forward Workplan - 2022 (Item 5.2)

Report from Sandra Harris, Administrator Kaipara Maurikura

Moved (Warriner / Yeoman)

That the Forward Workplan be received.

Carried

Year 3 Annual Work Plan (Draft) (Item 6.1)

Report from Stephanie Versteeg, Amo-Rautaki Pākihi | Strategic Business Manager and John Hutton, Interim Strategic Business Manager

1. That the report 'Year 3 Annual Work Plan (Draft)' by Stephanie Versteeg, Amo-Rautaki Pākihi | Strategic Business Manager and John Hutton, Interim Strategic Business Manager and dated 6 April 2022, be received (*Attachment 1*).

Moved (Macdonald / Yeoman)

2. *Note* the KMR work programme is now structured across six key areas and, while many Year 2 projects are continuing in Year 3, budget project codes now align to the new work programme structure (refer Table 5 in this report).
3. *Note* the draft Year 3 Work Plan budget totals \$16.584 million (total programme value excluding GST).
4. *Note* the Year 3 Annual Work Plan budget and KPIs will continue to change as modelling is refined and it becomes clearer what Year 2 budget needs to carry over into Year 3.

Kaipara Moana Remediation Joint Committee
11 April 2022

5. *Note* there are inherent challenges in modelling uptake of remediation activity, as KMR is a voluntary programme, and uptake can be highly variable depending on human capacity, economic settings and weather.
6. *Note* that given the uncertainties in KMR's operating environment, we have taken a moderate approach to estimating uptake in Year 3, which can be revised as the year progresses, if required.
7. *Note* a draft Year 3 Annual Work Plan needs to be submitted to the Ministry for the Environment by 30 April, and the Ministry can request any reasonable modifications within 20 working days.
8. *Agree* to delegate approval of a revised draft Year 3 Annual Work Plan for submission to the Ministry for the Environment to the Joint Committee Chair and Deputy Chair.
9. *Note* the Joint Committee will receive a progress update on the Year 3 Annual Work Plan in May and a final draft for approval in June.

Moved (Warriner / Yeoman)

Carried

Secretarial Note: Member Welsh asked if the 2022/2023 budget provides for soil conservation and afforestation initiatives such as carbon-storing forests. Joint Committee members were informed that while the budget makes some provision for soil conservation remediation activities, the specific elements are dependent on policy settings which are still under development. A workshop may be held to discuss this matter later in the year. Joint Committee Members acknowledged the work done and progress made.

Kaipara Moana Remediation COVID-19 Settings (Item 6.2)

Report from Justine Daw, Pou Tātaki

1. That the report 'Kaipara Moana Remediation COVID-19 Settings' by Justine Daw, Pou Tātaki and dated 6 April 2022, be received.

Moved (Connelly / Smart)

2. *Note* that Kaipara Maurikura staff, secondees and contractors working directly for Kaipara Moana Remediation remain subject to the Northland Regional Council's COVID-19 policy, and that this is evolving in line with changes to Government COVID-19 settings
3. That the recommended approach for applying the Traffic Light system to Kaipara Moana Remediation activities as set out in Attachment 1 be adopted from Tuesday 26 April, subject to any additional Northland Regional Council requirements
4. That a further report on KMR COVID-19 policy settings be provided to the Joint Committee by August 2021.

Moved (Welsh / Warriner)

Carried

Secretarial Note: Joint Committee members were informed the proposed policy settings are aligned with the NRC and central government settings. Masks are to be worn at external meetings, and the guidance remains to consider the use of online meetings for external meetings.

Kaipara Moana Remediation Joint Committee
11 April 2022

Review of Members' Allowance Policy (Item 6.3)

Report from Justine Daw, Pou Tātaki

Moved (Povey / Smart)

1. That the report 'Review of Members' Allowance Policy' by Justine Daw, Pou Tātaki and dated 31 March 2022, be received.
2. Note that the present Members' Allowance Policy continues to mirror current settings for mileage rates, local government committees, and the Fees Framework for members appointed to bodies in which the Crown has an interest
3. That the the recommended minor modification to the Members' Allowance Policy review set out in Attachment 1 be approved with immediate application

Carried

Secretarial Note: Following Joint Committee discussions an amendment to resolution 3 will be made to include the requirement that both the KMR Joint Committee Chair and Pou Tātaki will sign off members' claims, with the Deputy Chair and Pou Tātaki to sign off claims by the KMR Chair.

A Spatial View of the Kaipara Moana Remediation Programme (Presentation) (Item 6.4)

Report from Duncan Kervell, Kaipara Maurikura Land Management Specialist; Lisette Rawson, Amo - Rauora Kōawa | Catchment Remediation Manager; Griffin Hope, Pūtohu – Hononga Hapū and Hāpori | Community and Hapū Engagement Advisor and David McDermott, Land project consultant - planting specialist

A presentation was presented to Kaipara Moana Remediation Joint Committee.

Secretarial Note: Joint Committee members welcomed the spatial view of the Kaipara Moana Remediation programme, and acknowledged that the programme was operational and working with landowners, businesses, iwi/hapū and other groups across the full catchment. In response to a question, the Kaipara Maurikura confirmed that the KMR programme was in discussions with Reconnecting Northland to identify how its expertise in Job for Nature delivery might support the KMR programme. The Chair informed referral to Joint Committee is welcome under support of current Treaty Settlement negotiations.

Kaipara Moana Remediation Pricing Review (Item 6.5)

Report from Lisette Rawson, Amo - Rauora Kōawa | Catchment Remediation Manager and Darren van Beek, Pūtohi – Tira Mahi, Whanake, Auaha | Workforce, Business Growth, and Innovation Advisor

Moved (Smart / Warriner)

1. That the report 'Kaipara Moana Remediation Pricing Review' by Lisette Rawson, Amo - Rauora Kōawa | Catchment Remediation Manager and Darren van Beek, Pūtohi – Tira Mahi, Whanake, Auaha | Workforce, Business Growth, and Innovation Advisor and dated 6 April 2022, be received.
2. Note that the Joint Committee has previously agreed to an annual review of contractor prices to keep up with changing market conditions.

Kaipara Moana Remediation Joint Committee
11 April 2022

3. Note that fair price points are key to scaling up Kaipara Moana Remediation (KMR) activities, including to support the imminent Foundation Planting campaign in winter 2022.
4. Note the recommended revisions to 2021 price points will be operationalised through the 2022 KMR schedule of prices, and inform revised KMR programme modelling.

Carried

Secretarial Note: The Joint Committee was informed that once the Soil Conservation Strategy was finalised, the scope of funded activities would be developed, including associated operational policy settings. It was possible that for some of these activities a different KMR contribution rate may apply (currently, this sits at a 50/50 contribution).

Pou Tātaki Update (Item 6.6)

Report from Justine Daw, Pou Tātaki

Secretarial Note: An update from the Pou Tātaki was provided to the Joint Committee members.

Correspondence (Item 6.7)

Report from Sandra Harris, Administrator Kaipara Maurikura

Secretarial Note: The Auckland Council vacancy made available by the resignation of Member Hancock, will go through the usual Council nomination process. Due to the local body elections later in the year, it is possible that this position may be replaced after the election.

Karakia Mutunga

Whakamutunga (Conclusion)

The meeting concluded at 12.03pm.

Joint Regional Economic Development Committee
29 April 2022

Joint Regional Economic Development Committee Minutes

Meeting held remotely
on Friday 29 April 2022, commencing at 10.00am

Tuhinga/Present:

Chairperson, Councillor Justin Blaikie
Councillor Anna Curnow (KDC) Deputy Chair
Councillor Peter Wethey (KDC)
Councillor David Clendon (FNDC)

I Tae Mai/In Attendance:

Full Meeting
Vaughan Cooper (NINC)
Darryl Jones Economist (NRC)
Emmanouela Galanou Economic Policy Advisor (NRC)
Briar Macken (FNDC)
Darren Edwards (FNDC)
Meloney Tupou Administration (NRC)

The Chair declared the meeting open at 10.09am.

Secretarial Note:

- *Due to the current Covid-19 restrictions and the meeting being conducted fully remotely, proceedings were recorded due to technical issues with the NRC livestream.*

Confirmation of Minutes - 11 March 2022 (Item 4.1)

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

Moved (Anna Curnow/Peter Wethey)

Ngā mahi tūtohutia / Recommendation

That the minutes of the Joint Regional Economic Development Committee meeting held on 11 March 2022 be confirmed as a true and correct record.

Carried

Receipt of Action Sheet (Item 5.1)

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

Moved (Justin Blaikie/Anna Curnow)

Nga mahi tutohutia / Recommendation

That the action sheet be received.

Carried

Joint Regional Economic Development Committee
29 April 2022

Northland Inc Limited Statement of Intent: Shareholder comment on draft SOI 2022-2025 (Item 6.1)

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

Moved (Peter Wethey/Justin Blaikie)

Recommendation(s)

1. That the report 'Northland Inc Limited Statement of Intent: Shareholder comment on draft SOI 2022-2025' by Emmanouela Galanou, Economic Policy Advisor and Darryl Jones, Economist and dated 6 April 2022, be received.
2. That the shareholder comment on the draft Statement of Intent 2022-2025 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 shareholder comment on Northland Inc Limited's Statement of Intent 2022-2025 in line with comments received on this report and provide the shareholder comment back to Northland Inc Limited by 30 April 2022.

Carried

Secretarial Note: If a decision is made to increase directors' remuneration in item 6.2 of this meeting, that a note reflecting this decision be included in the shareholder comment to Northland Inc's SOI 2022-2025.

Northland Inc Limited Directors: Review of Remuneration (Item 6.2)

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

Moved (Anna Curnow/Peter Wethey)

Recommendation(s)

1. That the report 'Northland Inc Limited Directors: Review of Remuneration' by Darryl Jones, Economist and Emmanouela Galanou, Economic Policy Advisor and dated 5 April 2022, be received.
2. That the annual remuneration paid to the directors and Chair of Northland Inc increase to \$20,700 and \$31,050 respectively effective 1 July 2022.
3. That this increase in remuneration be met out of Northland Inc operational funding increase as proposed in the draft Statement of Intent 2022-2025.

Carried

Kaupapa ā Roto/Business with Public Excluded (Item 7.0)

Moved (Justin Blaikie/David Clendon)

Ngā mahi tūtohutia / Recommendations

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Joint Regional Economic Development Committee
29 April 2022

Item No.	Item Issue	Reasons/Grounds
7.1	Investment and Growth Reserve: Project Development funding reallocation request by Northland Inc Limited	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).

3. That the Independent Financial Advisors be permitted to stay during business with the public excluded.

Whakamutunga (Conclusion)

The meeting concluded at 10.34am

TITLE: **Working Party Updates and Chairpersons' Briefings**

From: Sally Bowron, Strategy, Governance and Engagement Team Admin/PA

Authorised by Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on
Group Manager/s: date 18 May 2022

Ngā mahi tūtohutia / Recommendation

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

Te Taitokerau Māori and Council Working Party (Co-Chairs: Councillor Robinson and Pita Tipene, Ngāti Hine)

The Te Taitokerau Māori and Council Working Party (TTMAC) met on 10 March 2022. The topics for discussion included:

- Tangata Whenua Water Advisory Group (TW-WAG) - Terms of Reference and Remuneration
- Draft Freshwater 'Framework'
- TTMAC Strategic Intent
- Local government review
- Local government election 2022 - Māori representation
- Appointment of TTMAC representatives for Review of the Regional Policy Statement, and to sit on the Whakamānawa ā Taiao - Environmental Awards 2022 and Tū i te Ora Scholarships judging panels
- Update on resource management system reform
- Health check update
- Wetland mapping.

Following discussion, the Te Taitokerau Māori and Council Working Party provided advice on the following next steps:

- Endorsement of the Tāngata Whenua Water Advisory Group (TW-WAG) Terms of Reference to council for adoption, subject to ensuring that narrative and diagrams are aligned to clarify that TW-WAG reporting to council is via TTMAC.
- That staff determine the process for appointing a proxy TTMAC member to TW-WAG and then take a recommendation to council (if needed).
- That staff continue to engage with the Māori Technical Advisory Group (MTAG) in development of the Draft Freshwater 'Framework' and keep TTMAC updated on progress.
- Appointments to the following subgroups or panels:
 - Subgroup to develop a council strategic intent and implementation plan with the objective of both being endorsed by TTMAC and adopted by council
 - The Future for Local Government review panel subgroup
 - The Regional Policy Statement subgroup
 - Te Tiriti Health Check Advisory Group subgroup
 - The Tū i te Ora Scholarships selection panel

- The Whakamānawa ā Taiao - Environmental Awards 2022 judging panel
- For TTMAC to be updated on progress of mapping under the National Policy Statement for Freshwater Management 2020 (NPS-FM).
- That staff provide an improved plan and progress report, so MTAG are able to report progress in a meaningful way to the formal meeting.

Joint WDC-NRC Whangārei Public Transport Working Party (Cr. Terry Archer)

The Joint WDC-NRC Whangārei Public Transport Working Party met on 5 April 2022. The topics for discussion included:

- Government Half-Fares for Public Transport
- Whangārei District – Link Bus Services Update February 2022
- Rose Street Bus Terminal Upgrade

Following discussion, the Joint WDC-NRC Whangārei Public Transport Working Party provided advice on the following next steps:

- NTA staff are to send Councillor Murphy the T2 Lane Business Case / Feasibility Study.
- NTA staff are to discuss with Waka Kotahi the frequency of bus service and whether to increase.
- NTA staff are to write a report regarding the decision to employ a bus station staff member; role, duties, safety etc.

TITLE: Taumarere Flood Management Working Group Update

From: Erica Wade, Personal Assistant - Environmental Services

Authorised by Victoria Harwood, Pou Tiaki Hapori - GM Community Resilience, on date 11
Group Manager/s: May 2022

Ngā mahi tūtohutia / Recommendation

That the report 'Taumarere Flood Management Working Group Update' be received.

Taumarere Flood Management Working Group (Chair: Cr. Blaikie)

The Taumarere Flood Management Working Group met on 30 April 2022. The topics for discussion included:

- Cultural Assessment
- Rubbish Clean-up
- Spillway and Bridge update
- Waioomio Update
- Budget
- AFFCO pond consents and dam inspection

Following discussion, the Taumarere Flood Management Working Group provided advice on the following next steps:

- NRC to gather information regarding hapu & council partnership in water testing.
- Waka Kotahi, NTA (Northland Transportation Alliance) and NRC to discuss initiatives like the community rubbish day in Otiria.
- NRC to speak with FNDC regarding maintenance schedules of swales.
- NRC to investigate consents around the AFFCO settlement ponds
- NRC to request AFFCO Dam report

TITLE: Business with the Public Excluded

Whakarāpopototanga / Executive Summary

The purpose of this report is to recommend that the public be excluded from the proceedings of this meeting to consider the confidential matters detailed below for the reasons given.

Ngā mahi tūtohutia / Recommendations

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reasons/Grounds
10.1	Confirmation of Confidential Minutes - Council Meeting 26 April 2022	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
10.2	Receipt of Committee CONFIDENTIAL Minutes	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.

3. That the Independent Financial Advisors be permitted to stay during business with the public excluded.
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Considerations

1. Options

Not applicable. This is an administrative procedure.

2. Significance and Engagement

This is a procedural matter required by law. Hence when assessed against council policy is deemed to be of low significance.

3. Policy and Legislative Compliance

The report complies with the provisions to exclude the public from the whole or any part of the proceedings of any meeting as detailed in sections 47 and 48 of the Local Government Official Information Act 1987.

4. Other Considerations

Being a purely administrative matter; Community Views, Māori Impact Statement, Financial Implications, and Implementation Issues are not applicable.