

**Joint Regional Economic Development  
Committee**

**Friday 29 July 2022 at 10.00am**

# **AGENDA**

## Joint Regional Economic Development Committee Agenda

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

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

### MEMBERSHIP OF THE JOINT REGIONAL ECONOMIC DEVELOPMENT COMMITTEE

Chairperson, Councillor Justin Blaikie

Councillor Terry Archer

Councillor Anna Curnow

Councillor David Clendon

Councillor John Vujcich

Councillor Peter Wethey

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## **Opening Karakia – Tukua Te Wairua**

Tukua te wairua kia rere ki ngā taumata

Hei ārahi i a tatou mahi

Me tā tatou whai

I ngā tikanga a rātou mā

Kia mau, Kia ita

Kia kore ai e ngaro

Kia pūpuri

Kia whakamaui kia tina!

TINA!

Haumie, huie

TAIKI E!

## **Closing Karakia (karakia whakamutunga)**

Unuhia, unuhia

Unuhia ki te uru tapu nui

Kia wātea, kia māmā, te ngākau,

te tinana, te wairua i te ara tangata

Koia rā e Rongo, whakairia ake ki runga

Kia tina! TINA! Hui e! TĀIKI E!

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

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

**Authorised by** Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on  
**Group Manager/s:** 25 July 2022

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### Ngā mahi tūtohutia / Recommendation

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

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### Attachments/Ngā tapirihanga

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

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:**                   **Receipt of Action Sheet**

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

**Authorised by**           Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on  
**Group Manager/s:**   25 July 2022

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### **Whakarāpopototanga / Executive summary**

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

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### **Nga mahi tutohutia / Recommendation**

That the action sheet be received.

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### **Attachments/Ngā tapirihanga**

Attachment 1: Action Sheet June 2022  



Joint Regional Economic Development Committee - schedule of actions

Meeting date	Item	JREDC Action	Responsible staff	Status	Notes
30-Jul-21	Investment and Growth Reserve: Funding available for 2021/22	Future workshop discussion on how funding can be increased, including investigation to what other regions are doing in this space, i.e. loans, collaboration with banks, bonds etc.	Darryl Jones, Emmanouela Galanou	In progress	Item discussed at the JREDC workshop on 11 March. Further discussion will take place at July workshop.
30-Sep-21	Investment and Growth Reserve: Allocation of funding for Regional Economic Development Strategy	Prepare an information paper on the progress of the Economic Development Strategy to share with all council elected members twice a year.	Darryl Jones, Vaughan Cooper, Emmanouela Galanou	In progress	Following the March meeting, the committee would like to receive an information paper so to circulate with their councils.
11-Mar-22	Economic Development Strategy	Northland Inc to meet with KDC, FNDC and NRC councils to provide update on the strategy in May/June 2022.	Northland Inc	Completed	
29-Apr-22	Regional Reach	Add regional reach item to JREDC annual work plan	Emmanouela	Completed	Added in the September workshop session.
29-Apr-22	Local elections	Schedule time to plan for handover pack to new JREDC members.	Darryl, Emmanouela, Justin	In progress	Timing to be determined at the July meeting as part of the "New Joint Committee Induction" workshop item.
29-Apr-22	JREDC Meeting venue	September JREDC meeting to take place in Kaipara.	Darryl, Emmanouela, Justin	In progress	
17-Jun-22	Regional Economic Development Strategy	Arrange for a JREDC online discussion to take place prior to the ED Strategy Steering Group's first meeting to feed the committee's input to the group through the Chair	Darryl, Emmanouela, Justin	Completed	Scheduled for Tuesday, 26 July.

**TITLE:** Northland Inc Limited: Statement of Intent 2022-25

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

**Authorised by** Auriole Ruka, Pou Manawhakahaere - GM Governance and Engagement, on  
**Group Manager/s:** 25 July 2022

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### Executive summary/Whakarāpopototanga

The purpose of this report is to present the Joint Regional Economic Development Committee (Joint Committee) with Northland Inc Limited's (Northland Inc) final Statement of Intent (SOI) for 2022-2025 (**Attachment One**). Along with the final SOI, Northland Inc provided a cover letter highlighting changes in the organisation's operational expenditure (**Attachment Two**). The forecast financial performance table shows an operational deficit due to the non-inclusion of unconfirmed tenant income associated with the Ngawha Innovation and Enterprise Hub. The Northland Inc board has chosen to incorporate almost all the suggestions by the Joint Committee in its shareholder comment.

Under section 65(2) of the Local Government Act (LGA) 2002 the Joint Committee must agree to Northland Inc's SOI, or if it does not agree, takes steps to require the SOI to be modified. Staff recommend that the Joint Committee agree to the SOI 2022-2025 and send a letter specifically relating to Northland Inc's financial obligations and the Joint Committee's expectations regarding the operation of the Innovation Hub.

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### Recommendation(s)

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

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### Options

No.	Option	Advantages	Disadvantages
1	Agree to Northland Inc's SIO 2022-2025 as set out in <b>Attachment One</b> .	Allows Northland Inc to begin operating in 2022/23 without uncertainty.	Do not get all the changes requested by the Joint Committee incorporated into the SOI 2022-2025.
2	Not agree to Northland Inc's SOI 2022-2025 as set out in <b>Attachment One</b> and formally request additional modifications.	Get further changes requested by the Joint Committee incorporated into the SOI 2022-2025.	Creates unnecessary antagonism with Northland Inc given that the Joint Committee requests to date have either been incorporated

			within the SOI 2022-2025 or answered separately.
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The staff's recommended option is Option 1, that the Joint Committee agree to the SOI 2022-2025 received from Northland Inc as set out in **Attachment One**. Northland Inc have chosen to incorporate almost all the Joint Committee's comments into the final SOI 2022-2025. While recommending that the Joint Committee agree to the SOI, staff also recommend that a letter be sent to Northland Inc reminding them of their financial obligations under the underwrite agreement for the Ngawha Innovation and Enterprise Hub, setting out the Joint Committee's expectation that the Hub will be cost neutral, and requesting a footnote be added to the financial information table regarding the non-inclusion of unconfirmed income (see Financial implications section for further explanation).

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## Considerations

### 1. Environmental Impact

This decision does not have any environmental risks or negative impacts. Northland Inc's final SOI 2022-2025 incorporates the organisational objective of environmental sustainability and includes references in the Activity and Key Performance Indicators sections. Northland Inc intend to continue assisting the region's transition to a zero carbon and low emission economy by partnering to provide support and embedding environmental sustainability criteria within all active projects.

### 2. Community views

The community have not been specifically consulted with regarding the development of the latest Northland Inc SOI. NRC's proposed Long Term Plan 2021-2031 consultation document outlined the policies, objectives and Key Performance Indicators for Northland Inc. NRC has received ongoing support for providing regional economic development services through Northland Inc. Both Far North and Kaipara district councils consulted on the joint delivery model proposal as part of their respective Long Term Plan 2021-2023 consultation process, including becoming joint owners of Northland Inc. Both FNDC and KDC received responses in favour and against the proposal, but both councils agreed in their deliberation to participate in the joint ownership of Northland Inc.

### 3. Māori impact statement

Northland Inc's SOI 2022-2025 continues to place a focus on strategic partnerships in the Māori Economic Development space to drive delivery on high impact Māori economic development projects across all levels. Within the latest SOI, Northland Inc continue to implement their "He Korowai Manawanui" pathway, a two-year programme working on their organisational culture towards elevating the importance of Māori Economic Development and becoming a better partner for Māori with a genuine understanding of Tikanga and Te Ao Māori. Northland Inc respect and implement the principals of the Te Tiriti O Waitangi, which support meaningful partnerships with Māori.

### 4. Financial implications

Through their SOI and cover letter, Northland Inc have presented a budget that reflects the current economic environment. Northland Inc have ensured an appropriate provision for inflation across the operational activities. The presentation of the financial table in section 13 of the SOI has been improved by separating out income and expenditure into three distinct sections: business as usual, strategic projects and the Innovation Hub at the Ngawha Innovation and Enterprise Park.

Northland Inc have also included **only** confirmed income in their budget as directed by the Joint Committee. In this regard, the unconfirmed tenant income associated with the Innovation Hub has now not been included (it was originally included in the draft received on 1 March 2022) while the planned costs of operating the Hub continue to be. The unconfirmed MBIE Regional Business Programme (RBP) included in the draft SOI has now been confirmed so is included in the final SOI. As a result, the total Northland Inc loss of \$70k in year one and \$140k in years two and three is due to the budgeted loss at the Innovation Hub. Northland Inc are confident that they will be able to secure the required income to operate the Innovation Hub without incurring a loss.

The exclusion of unconfirmed tenant income clearly shows the financial risks associated with the development of the Innovation Hub. In recognition of this risk, an underwrite commitment agreement between Northland Regional Council and Northland Inc was signed in April 2021. This agreement provides for the use of the annual Project Development funding category of the Investment and Growth Reserve to cover any operational loss associated with the Innovation Hub. To ensure there is enough funding in the Project Development category to cover any operational shortfall at the Innovation Hub, there are quarter limits put in place on the amount of Project Development funding that can be allocated by Northland Inc.

A letter should be written to Northland Inc reminding them of these limits and other obligations in the agreement including the need to provide quarterly financial reporting on the operation of the Innovation Hub to the Joint Committee. The letter should also include an expectation from the Joint Committee that the Innovation Hub will, in the long term, be self-sustaining and not propped up by council funding from the IGR through the Project Development category. While recommending that the Joint Committee agree to the SOI, staff also consider that the letter should include a further request that a footnote be added to the financial table along the lines that "Only confirmed funding has been included". This was the only request made in the shareholders comment on the draft that had not been incorporated.

## **5. Implementation issues**

Northland Inc is responsible for implementing its SOI. The Joint Committee does not provide any direction to Northland Inc on how its operational funding is spent across the work programmes. It is up to the board of Northland Inc to prioritise the allocation of its operation funding across the work programmes. The Joint Committee receives a report each quarter from Northland Inc on progress made in achieving the performance measure targets.

## **6. 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 Northland Regional Council's Significance and Engagement Policy because it is provided for in councils' Long Term Plans 2021-2031 and previous decisions of council to set up Northland Inc Limited as a joint council controlled organisation. This does not mean that this matter is not of significance to tangata whenau and/or individual communities, but that the Joint Committee can make decisions relating to this matter without undertaking further consultation or engagement.

## **7. Policy, risk management and legislative compliance**

The decision is consistent with policy and legislative requirements, and no significant corporate risks are identified under Northland Regional Council's Risk Management Policy. Under section 65(2) of the Local Government Act (LGA) 2002 the Joint Committee must agree to Northland Inc's SOI, or if it does not agree, takes steps to require the SOI to be modified.

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## Background/Tuhinga

In March 2022, Northland Inc provided a draft SOI for the three-year period 2022-2025 for the Joint Committee's consideration based on the committee's letter of expectations sent on 14 December 2021 (**Attachment Three**). Northland Inc's draft SOI 2022-2025 was received within the time requirement set out in Schedule 8 of the Local Government Act 2002 (LGA 2002), i.e., on or before 1 March. The draft SOI 2022-2025 was formally received at the Joint Committee meeting on 11 March 2022, with the shareholders comments on the draft SOI agreed at the Joint Committee meeting on 29 April. The Joint Committee's shareholder comment was sent to Northland Inc on 29 April 2022 (**Attachment Four**).

The Joint Committee received a Northland Inc board approved final version of the SOI 2022-2025 on 29 June 2020 along with a cover letter (**Attachment Two**), within the deadline required by clause 3 of Schedule 8 of the Local Government Act 2002, i.e., before 1 July 2021.

Staff have reviewed the SOI and confirm that it complies with the requirements of Schedule 8 of the LGA 2002. Staff have also reviewed the final SOI against the shareholder comments provided by the Joint Committee. Almost all the changes and additions suggested by the committee have either been taken on board and incorporated into the final SOI. An overview of Northland Inc's response to the shareholder comments is included in **Attachment Five**.

If the Joint Committee does not agree to Northland Inc's final SOI 2022-2025, it is then required to take practicable steps to make a modification to the SOI. Clause 6 of Schedule 8 sets out the process that the shareholders must follow to make modification. This includes consultation with the board regarding the proposed modification before being passed by resolution of the shareholders.

Northland Inc representatives will attend the Joint Committee meeting.


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## Attachments/Ngā tapirihanga

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

Attachment 2: Cover Letter accompanying Northland Inc's final SOI - 29 June 2022 [↓](#) 

Attachment 3: Letter of Expectations to Northland Inc - 14 December 2021 [↓](#) 

Attachment 4: Shareholder Comment to Northland Inc - 29 April 2022 [↓](#) 

Attachment 5: Overview of Northland Inc's response to shareholder comments [↓](#) 

**NorthlandInc**

Growing Northland's Economy

Kia tupu ai te ōhanga o Te Tai Tokerau

## Tauākī Whāinga Statement of Intent

2022/23 - 2024/25



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## 1 Kupu Whakataki - Introduction

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

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

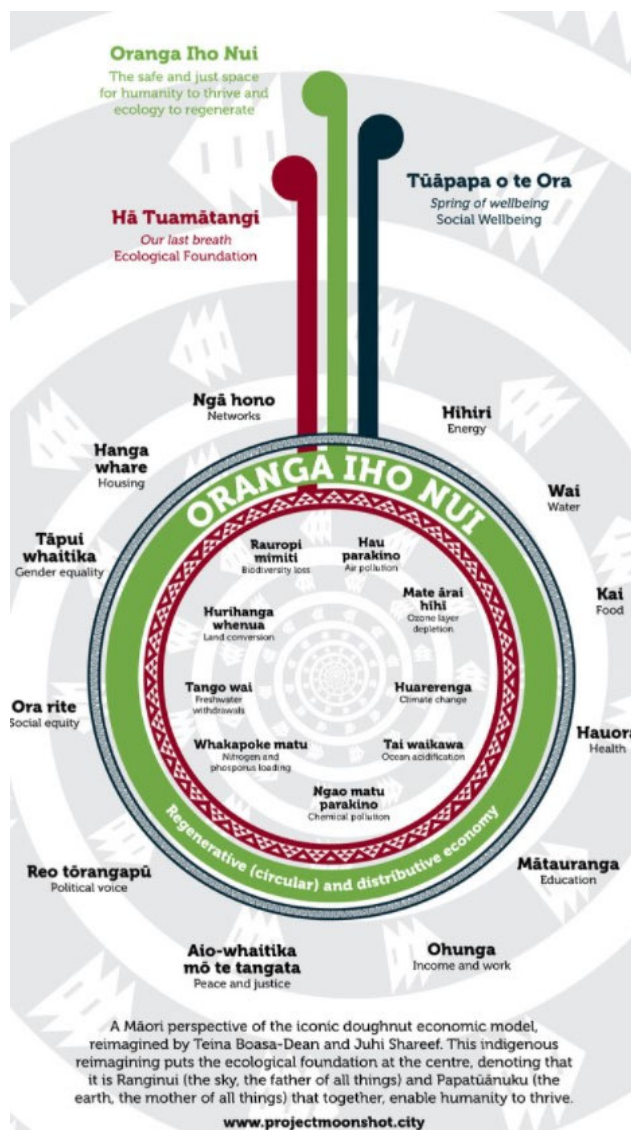
Northland Inc is partially funded by operational contributions from the Shareholders and is project funded through other public and private agencies, with central government being the next largest contributor. Northland Inc believes that despite overall strong regional economic performance many sectors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

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

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

## 2 Tūāhua - Context

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 3 He Pou Mahi - Objectives

#### Whakataukāki

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

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

#### Tirohanga ki Mua - Vision

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

#### Te Aronui - Mission

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

#### Rautaki - Strategy

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

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

##### **Pou Tahī:** Māori Economic Development- “Āe Mārika”!

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

##### **Pou Rua:** Environmental Sustainability

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

##### **Pou Toru:** Regional Investment

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

##### **Pou Whā:** Destination Management

To lead the implementation of a regional Destination Management Plan in partnership with relevant stakeholders, industry, iwi and hapū. Through a programme of investment and development, we will deliver destination management and marketing activity to position Te Tai Tokerau Northland within

target markets as a desirable place to visit and support a visitor economy that aims to enhance the distribution of benefits across the region, environmental sustainability, heritage, and culture.

**Pou Rima: Profile and Advocacy of Economic Development**

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

**Pou Ono: Organisational Culture**

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

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

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

1. Regional Investment

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

advance their aspirations in economic development and enable investment, business growth and completion of economic development projects

2. Advocacy and Profile for Te Tai Tokerau Northland Economic Development

- Leading the development of a long-term Economic Development Strategy for Te Tai Tokerau
- Providing economic development intelligence and insights
- Assisting with project management and delivery of economic response activities (including PGF funded projects)
- Maintaining a delivery structure for the region (Action Plan)
- Working with, advocating for and supporting Māori businesses, trusts and entities with their aspirations for growth
- Delivering a promotional programme to encourage investment and market development of Te Tai Tokerau Northland's strategic growth sectors
- Assessing the environmental aspirations of businesses and projects

3. Destination Management and Marketing

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

## 5 He Tohu Eke Pānuku - Key Performance Indicators

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

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



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

Notes:

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

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

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

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

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

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

The value of the shareholders' investment in Northland Inc is estimated by directors to be equal to current shareholders' funds being \$160,391.

## 7 Kaiwhakaruruhau - Governance

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

In undertaking its activities, Northland Inc will to:

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

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

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

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

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

## 8 Ngā kaupapa here kaute - Accounting policies

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

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

Directors will formally report progress against the SOI to its Shareholders quarterly via a written report submitted within six weeks of the end of the 1<sup>st</sup> and 3<sup>rd</sup> quarters, and attendance at Joint Regional Economic Development Committee or Council(s) meetings thereafter as scheduled by Shareholders.

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

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

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

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

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

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

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

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

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

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

#### **12 Wētahi atu take - Any other matters**

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

### 13 Whakamaramatanga-a-pūtea - Financial information

A prospective statement of financial performance is included below.

NORTHLAND INC Forecast Prospective Statement of Financial Performance			
Income	Forecast 22/23	Forecast 23/24	Forecast 24/25
<b>BAU</b>			
CCO Opex	\$ 1,823,552	\$ 1,972,104	\$ 2,139,595
NIF	\$ 66,000	\$ 66,000	\$ 66,000
IGR Project Development	\$ 192,000	\$ 84,000	\$ 84,000
MBIE RBP	\$ 330,000	\$ 330,000	\$ 330,000
WDC	\$ 105,000	\$ 105,000	\$ 105,000
Orchard Income	\$ 164,420	\$ 164,420	\$ 164,420
Website Income	\$ 15,000	\$ 15,000	\$ 15,000
<b>Total BAU Income</b>	<b>\$ 2,695,972</b>	<b>\$ 2,736,524</b>	<b>\$ 2,904,015</b>
<b>BAU Expenses</b>			
NIF	\$ 66,000	\$ 66,000	\$ 66,000
Investment - IGR Project Development	\$ 192,000	\$ 84,000	\$ 84,000
Business Grow - awards	\$ 12,000	\$ 12,000	\$ 12,000
RBP Partnership	\$ 67,271	\$ 67,271	\$ 67,271
The Orchard	\$ 7,000	\$ 7,000	\$ 7,000
Destination Management & Marketing	\$ 70,000	\$ 150,000	\$ 200,000
Salaries	\$ 1,520,377	\$ 1,546,986	\$ 1,546,986
Overheads	\$ 759,835	\$ 759,307	\$ 759,307
<b>Total BAU Expenses</b>	<b>\$ 2,694,483</b>	<b>\$ 2,692,563</b>	<b>\$ 2,742,563</b>
<b>Strategic Projects Income</b>			
MBIE Action Plan	\$ 50,000	\$ -	\$ -
MSD Ngawha	\$ 124,664	\$ 300,000	\$ -
KDC Water	\$ 115,000	\$ -	\$ -
MPI Peanuts	\$ 390,000	\$ 30,760	\$ -
NRC peanuts	\$ 64,000	\$ -	\$ -
Picots Peanuts	\$ 8,000	\$ -	\$ -
MSD Regional Strategy	\$ 50,000	\$ -	\$ -
WDC Regional Strategy	\$ 20,000	\$ -	\$ -
<b>Strategic Projects Reserves</b>			
MBIE Stapp	\$ 400,000	\$ -	\$ -
MBIE REF	\$ 400,000	\$ -	\$ -
MPI Inshore Fishing	\$ 150,000	\$ -	\$ -
MSD Ngawha	\$ 65,000	\$ -	\$ -
MBIE Action Plan	\$ 260,000	\$ -	\$ -
NRC & MSD Regional Strategy	\$ 130,000	\$ -	\$ -
Extension 350	\$ 93,000	\$ -	\$ -
<b>Total Strategic Projects Income</b>	<b>\$ 2,319,664</b>	<b>\$ 330,760</b>	<b>\$ -</b>
<b>Strategic Projects Expenses</b>			
STAPP	\$ 322,750	\$ -	\$ -
Inshore Fishing	\$ 150,000	\$ -	\$ -
REF	\$ 400,000	\$ 300,000	\$ -
Ext 350	\$ 68,800	\$ 40,000	\$ 60,000
Action Plan	\$ 104,000	\$ -	\$ -
Water	\$ 73,800	\$ -	\$ -
Grow Northland/Peanuts	\$ 409,470	\$ -	\$ -
Ngawha	\$ 37,842	\$ -	\$ -
Regional Strategy	\$ 200,000	\$ -	\$ -
Project Salaries	\$ 553,002	\$ 30,462	\$ 98,097
<b>Total Strategic Project Expenses</b>	<b>\$ 2,319,664</b>	<b>\$ 370,462</b>	<b>\$ 158,097</b>
<b>Total Income BAU &amp; Strategic Projects</b>	<b>\$ 5,015,636</b>	<b>\$ 3,067,284</b>	<b>\$ 2,904,015</b>
<b>Total Expenses BAU &amp; Strategic Projects</b>	<b>\$ 5,014,147</b>	<b>\$ 3,063,025</b>	<b>\$ 2,900,660</b>
<b>Total Net Surplus/Deficit</b>	<b>\$ 1,489</b>	<b>\$ 4,259</b>	<b>\$ 3,355</b>
<b>Other Income/Expenses</b>			
<b>NEIP</b>			
IGR Project Development	\$ 108,000	\$ 216,000	\$ 216,000
<b>NEIP Expenses</b>			
Overheads	\$ 150,460	\$ 294,984	\$ 294,984
Salaries	\$ 32,500	\$ 66,990	\$ 66,990
<b>Total NEIP Expenses</b>	<b>\$ 182,960</b>	<b>\$ 361,974</b>	<b>\$ 361,974</b>
<b>Total Net Surplus/Deficit Other Income/Expenses</b>	<b>\$ 74,960</b>	<b>\$ 145,974</b>	<b>\$ 145,974</b>
<b>Total Net Surplus/Deficit</b>	<b>\$ 73,471</b>	<b>\$ 141,715</b>	<b>\$ 142,619</b>

## Appendix A: Ngā Kaupapa Here Kaute - Accounting Policies

### 1. Statement of Accounting Policies

#### ***BASIS OF PREPARATION***

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

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

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

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

#### ***CHANGES IN ACCOUNTING POLICIES***

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

## Appendix B: Supporting Information for Northland Inc Statement of Intent

### Introduction

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

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

### Rationale

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

### KPI's

The KPI's are as follows:

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

#### Pou: Māori Economic Development

1. Number of engagements or established relationships with iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. that have led to a positive outcome.
2. Proportion of Māori organisations that are satisfied with Northland Inc support.

#### Pou: Environmental Sustainability

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

#### Pou: Regional Investment

6. Number of unique businesses assisted.
7. Proportion of those businesses assisted that are Māori.
8. Number of inward delegations hosted.
9. Client satisfaction with business assistance provided by Northland Inc as measured by Net Promoter Score.
10. Value of grant funding and Investment facilitated for Māori businesses.
11. Number of high impact projects that are implemented.

#### Pou: Destination Management and Marketing

12. Number of destination promotion campaign initiatives to generate national exposure to the region.
13. Number of workshops / events to promote product development and position Te Tai Tokerau as a green tourism destination.

Pou: Profile and Advocacy and of Economic Development

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

#### **Rationale and Methodology for Individual KPI's**

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

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

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

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

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

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

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

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

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

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

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

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

7. Rationale: measures the volume of work being generated and processed that is specifically targeted at Māori businesses, given Northland Inc's view of the importance of Māori Economic



Development. The increase in target over three years is to align the target with percentage of population.

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

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

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

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

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

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

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

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

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

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

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

Methodology: Evidence for KPI recorded within National publications or regional publications in regions other than Te Tai Tokerau. Reporting to include number of businesses that are engaged in the campaign.

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

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

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

Methodology: Evidence for KPI recorded within external publications

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

Methodology: Evidence for KPI recorded within external publications.

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

Methodology: Evidence for KPI recorded within external media pickup.



29 June 2022

Cr Justin Blaikie  
Chair of Joint Regional Economic Development Committee  
Northland Regional Council

Sent by email: [Justinb@nrc.govt.nz](mailto:Justinb@nrc.govt.nz)

Tēnā koe Justin,

Please find attached Northland Inc's Statement of Intent (SOI) for the three-year period 2022/23 – 2024/25. This SOI has been approved by the Board for submission to the Joint Regional Economic Development Committee (JREDC), as representatives of our shareholders, as required under the Local Government Act 2002.

We appreciate the feedback provided by the Councils in your letter dated 29 April and the ongoing series of workshops and conversations between our respective teams and have incorporated this feedback into the SOI and this letter. These conversations provide valuable opportunities to discuss our shared regional objectives and the best approach to support economic development and tourism promotion across the region. We look forward to maintaining this regular and transparent communication with the shareholder committee into the future.

#### Operational expenditure

We have presented what we believe to be a very realistic budget given the current economic climate. We have ensured an appropriate provision for inflation across the operational activities and have also, as directed by our shareholders, taken a prudent view of income, only including what is confirmed and contractual at the time of completing the budget. In this regard, the tenant income associated with the Ngawha Innovation and Enterprise Hub has not been included while the planned costs of operating the hub have been. As a result, we are forecasting a loss of \$70k in year one and \$140k in years two and three. We believe we will be able to secure the income but as it is not confirmed income at this point in time it has been excluded.

Our budget has also anticipated central government's decision not to support Regional Tourism Organisation's financially in terms of implementation of the Destination Management Plan. In response to that situation you will see reductions in costs including salaries as this RTO funding ceases. Again, Extension 350 (Farmers learning from Farmers) and TTNEAP and STAPP (Strategic Tourism Asset Protection Plan) funding streams end during the first year covered by this SOI. We are actively working on proposals to maintain these activities and of course, the associated teams, who are working hard delivering this great mahi but we do not have anything confirmed by way of replacement or extension funding at this point in time. Our SOI and performance measures are based on known projects with confirmed funding. Northland Inc will continue to evaluate other investment opportunities as they arise and will update our shareholder if any new projects are confirmed and, if necessary, work with our shareholder to update our SOI.

We also expect that the project reserve funding, which is associated with multi-year projects to be completed within the first financial year of this SOI. These reserves largely represent cash received in advance and the work and outcomes expected though these contracts will be delivered over the period of this SOI and therefore the cash reserves expended.

**NorthlandInc**

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

We look forward to having further discussions with the JREDC on our operational model and collectively reviewing options to change and enhance both our operational model and funding streams going forward. We anticipate this being on the agenda of our next workshop.

We would like to thank the JREDC for their commitment to economic development in Northland and for your leadership in bedding in the new joint shareholding for the benefit of economic development and advocacy in Te Tai Tokerau.

Heoi anō, ngā manaakitanga ki a koe,



Nicole Anderson  
Chair



Vaughan Cooper  
Acting Chief Executive Officer



14 December 2021

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

Sent by email: [nicole@andersoninc.nz](mailto:nicole@andersoninc.nz) and [murray.ream@northlandnz.com](mailto:murray.ream@northlandnz.com)

Dear Nicole and Murray

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

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

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

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

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

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Private Bag 9021, Whangārei 0148



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

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

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

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

Yours sincerely

**Cr Justin Blaikie**

**Chair of Joint Regional Economic Development Committee**

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



29 April 2022

Nicole Anderson and Vaughan Cooper  
Chair and Acting Chief Executive Officer  
Northland Inc Limited  
PO Box 1762  
Whangārei 0140

Sent by email: [nicole@andersoninc.nz](mailto:nicole@andersoninc.nz) and [vaughan.cooper@northlandnz.com](mailto:vaughan.cooper@northlandnz.com)

Dear Nicole and Vaughan

**NORTHLAND INC LTD STATEMENT OF INTENT 2022-2025 – SHAREHOLDER COMMENT ON DRAFT**

1. The purpose of this letter is, as the Joint Regional Economic Development Committee (Joint Committee) and therefore representing the shareholders of Northland Inc, to provide you with comments on the draft Statement of Intent (SOI) for the three-year period 2022-2025 in accordance with Schedule 8 Clause 2 of the Local Government Act 2002.
2. Thank you for providing the draft SOI 2022-2025 within the time requirement set out in Schedule 8 Clause 1(2). Council acknowledges the effort of this work and appreciates the discussion of the draft SOI that was held during the quarterly Joint Committee/Northland Inc workshop on 11 March 2022.
3. Our feedback is arranged in two areas: general comments on the draft SOI and specific comments on operational funding.

**General comments**

4. The Joint Committee appreciate that Northland Inc have drafted the SOI with our letter of expectations dated 14 December 2021 in mind and realise that minimum changes have been made to the new SOI following the significant revision that was undertaken the previous year but also given the current challenges, e.g. CEO resignation, COVID-19 and inflationary situation.
5. As noted in the workshop discussion, while work has been done to improve the editing of the SOI, a final revision is necessary to ensure consistency of language and readability.
6. The Joint Committee appreciates Northland Inc's view that modifying the doughnut economic model may occur as part of the upcoming work and research on the regional economic development strategy and that it would be best to wait for the outcome of this process. However, the Joint Committee would like to take this opportunity to reemphasise the principal of the model, being the need to orientate economic growth and development towards enabling our people to flourish within the context of protecting the natural environment.



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7. In this regard, and in consideration of the government's zero carbon target, the Joint Committee recommend that "renewable energy" be added to the list of "UFB, roads, rail and water" as examples of Northland Inc's work in supporting and facilitating the development of new and enabling infrastructure under point 4.1 'Regional Investment' of the Nature and Scope Activities section. It may also be more appropriate to reference a broader "digital connectivity" infrastructure rather than just "UFB".
8. The Joint Committee acknowledges that Northland Inc's forecast prospective statement of financial performance is based on known income and expenditure, i.e., it does not include project funding that may be anticipated but has not been confirmed. As a result, there is a significant drop off in project income and expenditure after 2022/23. The Joint Committee request that a table note along the lines of that used in the 2020-2023 SOI be included, e.g. "Only confirmed funding has been included".

#### **Operational funding**

9. There is a mutual realisation of the need to increase Northland Inc's operational funding. During the workshop discussion Northland Inc argued that additional operational funding was crucial to developing the human capital of the organisation so that it can deliver on some significant projects and retain staff. The increase was also necessary to meet the rising cost pressures caused by inflation. The Joint Committee is therefore willing to accept the increase in operational funding as proposed.
10. Furthermore, at its meeting on 29 April 2022, the Joint Committee agreed to increase the remuneration rates paid to Northland Inc directors and Chair by 15%, i.e. to \$20,700 and \$31,050 respectively, effective 1 July 2022. This increase in director remuneration is to be met out of the operational funding quantum as proposed in the draft SOI.
11. However, such an increase in operational funding is not sustainable in the sense that funding needs to be available for Enabling Investment allocation from the Investment and Growth Reserve so that the Joint Committee can make investments into projects. This is imperative. We need to work together to find ways of achieving this during the preparation of next years' SOI.
12. The Joint Committee would also welcome receiving an analysis of alternative income streams and operating models from Northland Inc as part of a longer-term investigation.

Yours sincerely

**Cr Justin Blaikie**

**Chair of Joint Regional Economic Development Committee**

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



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**Summary of Northland Inc's response to shareholders' comments on their draft Statement of Intent 2022-2025**

Comment	Status
<b>General comments</b>	
Consistency of language and readability	Incorporated
"Renewable energy" be added to the list of examples of Northland Inc's work under point 4.1 "Regional Investment" of the Nature and Scope Activities section	Incorporated
Reference be made to 'digital connectivity' rather than 'UFB'	Incorporated
That the financial performance table include a note along the lines that only confirmed funding has been included	Such a note has not been made to the financial performance table. However, the presentation of table has been improved by separating out income and expenditure into three distinct sections: business as usual, strategic projects and the operation of the Ngawha Innovation and Enterprise Hub. This separation clearly shows that the total budgeted operational loss for Northland Inc (-\$73,471 in 2022/23) is due to the budgeted loss at the Hub (-\$74,960) in 2022/23. This budgeted loss at the Hub is the result of only including confirmed tenant income as at the time of preparing the SOI. Northland Inc have commented on this in their accompanying letter to the JREDC.
<b>Operational funding</b>	
Increase in operational funding from shareholders (referred to as CCO Opex) as set out in the financial performance table of the draft SOI accepted	Level of operational funding from shareholders same as in draft SOI
Directors' remuneration increase via operational funding	Incorporated