

## 7.1 Financial Report for the 7 months ending 31 January 2020

**Meeting:** Whangarei District Council  
**Date of meeting:** 27 February 2020  
**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO)

### 1 Purpose

To provide the operating result for the seven months ending 31 January 2020.

### 2 Recommendation

That the Council notes the operating results for the seven months ending 31 January 2020.

### 3 Background

#### 3.1 Operating Result – Full Year Forecast

The year to date position is a surplus of \$6.5 million, compared to a budgeted surplus of \$5.9 million, resulting in a favourable variance of \$0.6 million.

The forecast net surplus for the financial year ending 30 June 2020 is \$17.8 million compared with a budgeted surplus of \$14.8 million, resulting in a favourable variance of \$3.0 million. These results are based on forecast figures provided by budget managers in November 2019. The forecast figures will be updated for February 2020 (report to March council meeting) reporting.

#### 3.2 External Net Debt and Treasury

Total net external debt at the end of January 2020 was \$106.4 million compared to year to date budgeted net debt of \$125.4 million, resulting in net debt being \$19.0 million under budget.

This favourable variance is due to assumptions made regarding the opening net debt balance of the 2019-20 Annual Plan and the favourable operating surplus. (see section 3.1).

As at 31 January 2020 cash and term deposits held of \$45.6m was comprised of:

- \$10.0 million of term deposits relating to prefunding undertaken
- \$10.0 million of term deposits relating to short term borrowings not yet required
- \$21.0 million of term deposits relating to excess cash not currently required

- \$4.6 million cash on hand

Council is currently receiving slightly higher interest rates than the borrowing rate on a portion of these deposits.

### **3.3 Economic Outlook\***

The Reserve Bank of New Zealand (RBNZ) surprised financial markets in November by holding the Official Cash Rate (OCR) at 1.00%. The fundamental outlook no longer currently supports another cut to the OCR over the next six months, although we expect risks remain biased lower.

Short-term domestic swap rates are trading slightly higher from a week ago, despite having reached near record three-month lows over the period due to the worsening coronavirus fears.

While we cannot accurately forecast the economic effect of the virus and how it will factor into RBNZ monetary policy decisions, on balance any negative effects should be temporary.

## **4 Accounts Receivable and Arrears**

Total arrears as at 31 January 2020 was \$4.3 million, compared to \$4.2 million in the previous year.

## **5 Significance and engagement**

The decisions or matters of this agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

## **6 Attachments**

- 1 Monthly key indicators
- 2 Monthly activity summary
- 3 Monthly income statement
- 4 Quarterly cashflow statement
- 5 Quarterly balance sheet
- 6 Treasury report

\* Economic Outlook provided by PWC Treasury Advisory 10/02/2020



**MONTHLY KEY INDICATORS**  
**JANUARY 2020**



	YTD to January 2020					Full Year Forecast			
	Actual	Revised Budget	Variance	YTD	YTD Trend	Full Year Forecast	Revised Budget	Variance	YTD
	YTD \$ m	YTD \$ m	YTD \$ m	Indicator	Current / previous month	2019-20 \$ m	2019-20 \$ m	2019-20 \$ m	Indicator
<b>OPERATING</b>									
<b>Total Rates</b>	56.9	57.4	(0.5)	●		101.2	101.8	(0.6)	●
<b>Development Contributions</b>	3.7	2.8	0.9	●		6.1	4.8	1.3	●
<b>Subsidies and Grants</b>	11.0	11.5	(0.5)	●		27.1	26.4	0.7	●
<b>User Fees</b>	8.9	8.6	0.3	●		15.2	15.2	0.0	●
<b>Total Operating Income</b>	86.7	85.7	1.0	●	↓	160.4	158.3	2.1	●
<b>Personnel Costs</b>	16.3	17.6	1.3	●		29.7	30.8	1.1	●
<b>Other Operating Expenditure</b>	35.6	33.2	(2.4)	●		64.3	63.9	(0.4)	●
<b>Total Operating Expenditure</b>	80.8	79.9	(0.9)	●	↑	143.4	144.4	1.0	●
<b>Surplus/(Deficit) from Operations</b>	5.9	5.8	0.1	●	↓	16.9	13.9	3.0	●
<b>Total Surplus/(Deficit)</b>	6.5	5.9	0.6	●	↑	17.8	14.8	3.0	●
<b>EXTERNAL DEBT FUNDING</b>									
<b>External Net Debt</b>	106.4	125.4	19.0	●					
<b>Net Interest on debt</b>	3.1	4.1	1.0	●		6.3	6.8	0.5	●

KEY	
●	Favourable to budget
●	Unfavourable, but within 5% of budget
●	Unfavourable, over 5% of budget
↑	Favourable to previous month
↓	Unfavourable to previous month

**Note:** The above information includes excerpts taken from the Monthly Income Statement. The shaded lines above represent key totals from the Monthly Income Statement but are not totals of the lines above.



# MONTHLY ACTIVITY SUMMARY JANUARY 2020



YTD to January 2020						Full Year Forecast			
	Actual Surplus/ (Deficit) \$m	Revised Budget Surplus/ (Deficit) \$m	Variance Surplus/ (Deficit) \$m	YTD Indicator	YTD Trend Current / previous month	Full Year Forecast Surplus/ (Deficit) \$m	Revised Budget Surplus/ (Deficit) \$m	Variance Surplus/ (Deficit) \$m	Full Year Indicator
<b>Surplus/(deficit) from operations</b>	5.9	5.8	0.1			16.9	13.9	3.0	
<b>Transportation</b>	(7.8)	(6.7)	(1.1)			(11.2)	(12.4)	1.2	
<b>Water</b>	2.6	2.5	0.1			2.2	2.1	0.1	
<b>Solid Waste</b>	2.1	1.7	0.4			2.2	2.3	(0.1)	
<b>Waste Water</b>	5.6	6.8	(1.2)			10.1	10.0	0.1	
<b>Storm Water</b>	(2.0)	(2.2)	0.2			(4.6)	(4.7)	0.1	
<b>Flood Protection</b>	0.3	0.2	0.1			0.2	0.2	0.0	
<b>Community Facilities</b>	(15.0)	(15.2)	0.2			(35.1)	(36.0)	0.9	
<b>Governance &amp; Strategy</b>	0.1	(0.2)	0.3			(1.8)	(1.7)	(0.1)	
<b>Planning &amp; Regulatory</b>	(0.7)	(0.3)	(0.4)			(7.7)	(7.7)	0.0	
<b>Support Services</b>	20.7	19.2	1.5			62.6	61.8	0.8	

**KEY:**

Favourable to budget



Unfavourable, but within 5% of budget



Unfavourable, over 5% of budget



Favourable to previous month



Unfavourable to previous month

**Note:** The above information is at Council Operations level and excludes non-cash adjustments





## MONTHLY INCOME STATEMENT

### 31 JANUARY 2020

Council Summary	Actual	Revised Budget	Forecast	Revised Budget	Variance*
	YTD	YTD	2019-20	2019-20	2019-20
	\$000	\$000	\$000	\$000	\$000
<b>Operating income</b>					
Rates	56,899	57,443	101,193	101,776	(583)
Development and other contributions	3,749	2,796	6,086	4,794	1,292
Subsidies and grants	10,953	11,525	27,145	26,355	790
Fees and charges	8,949	8,638	15,224	15,216	8
Interest revenue	650	335	725	548	177
Other revenue	5,493	4,963	9,984	9,610	374
<b>Total operating income</b>	<b>86,693</b>	<b>85,700</b>	<b>160,357</b>	<b>158,299</b>	<b>2,058</b>
<b>Operating expenditure</b>					
Other expenditure	35,605	33,164	64,308	63,854	(454)
Depreciation and amortisation	25,020	24,799	42,383	42,453	70
Finance costs	3,831	4,368	7,013	7,345	331
Personnel costs	16,337	17,613	29,740	30,775	1,034
<b>Total operating expenditure</b>	<b>80,792</b>	<b>79,943</b>	<b>143,444</b>	<b>144,426</b>	<b>982</b>
<b>Surplus/(deficit) from operations</b>	<b>5,901</b>	<b>5,756</b>	<b>16,913</b>	<b>13,873</b>	<b>3,040</b>
<b>Plus non-cash income adjustments</b>					
Vested assets income	2,342	1,204	3,153	3,000	153
Gain on disposal of assets	-	-	-	-	-
<b>Total non-cash income adjustments</b>	<b>2,342</b>	<b>1,204</b>	<b>3,153</b>	<b>3,000</b>	<b>153</b>
<b>Less non-cash expenditure adjustments</b>					
OPEX on capital projects**	1,051	1,049	1,816	2,081	265
Loss on disposal of assets	656	-	424	-	(424)
<b>Total non-cash expenditure adjustments</b>	<b>1,707</b>	<b>1,049</b>	<b>2,240</b>	<b>2,081</b>	<b>(159)</b>
<b>Total non-cash adjustment</b>	<b>635</b>	<b>155</b>	<b>913</b>	<b>919</b>	<b>(6)</b>
<b>Total surplus/(deficit)</b>	<b>6,536</b>	<b>5,911</b>	<b>17,826</b>	<b>14,792</b>	<b>3,034</b>

\* Favourable variances are recorded as positive amounts (unfavourable variances as negative amounts)

\*\* This expenditure is included within the Capital Projects Report



**QUARTERLY CASH FLOW STATEMENT**  
**YTD TO DECEMBER 2019**

	Actual 2019-20	Actual 2018-19	Annual Plan 2019-20
<b>Council Summary</b>	<b>YTD</b>	<b>YTD</b>	<b>Full Year</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Cash flows from operating activities</b>			
Rates (inc metered water)	57,429	55,205	101,064
Grants & Subsidies received	9,017	7,318	26,117
Other income	16,501	20,371	28,351
Interest & dividends received from investments	844	1,176	588
Payments to suppliers and employees	(51,029)	(47,836)	(96,419)
Interest paid	(3,334)	(3,758)	(7,345)
<b>Net cash (to)/from operating activities</b>	<b>29,427</b>	<b>32,476</b>	<b>52,356</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment	933	1,638	-
Maturity of investments and loans	-	-	500
Purchase and development of fixed assets	(31,483)	(22,142)	(76,989)
Purchase of investments and loans provided	(160)	-	-
<b>Net cash flows (to)/from investing activities</b>	<b>(30,710)</b>	<b>(20,504)</b>	<b>(76,489)</b>
<b>Cash flows from financing activities</b>			
Loans raised	30,000	25,000	-
Loan repayments received	76	175	-
Repayment of public debt	(20,000)	(25,000)	-
Loans granted	-	(40)	-
<b>Net cash flows (to)/from financing activities</b>	<b>10,076</b>	<b>135</b>	<b>-</b>
<b>Net Cash Movement increase/(decrease)</b>	<b>8,793</b>	<b>12,107</b>	<b>(24,133)</b>
<b>Cash Reconciliation</b>			
Cash, cash equivalents and bank overdrafts at the beginning of the year	39,230	39,420	27,026
Cash, cash equivalents and bank overdrafts at the end of the period	48,023	51,527	2,893
<b>Net increase/(decrease) in cash, cash equivalents and bank overdrafts</b>	<b>8,793</b>	<b>12,107</b>	<b>(24,133)</b>



# QUARTERLY BALANCE SHEET AS AT 31 DECEMBER 2019

Council Summary	Actual 2019-2020 YTD \$000	Annual Plan 2019-20 Full year \$000	Variance \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	48,023	2,893	45,130
Debtors and receivables	18,562	17,071	1,491
Derivative financial instruments	61	-	61
Other financial assets	168	576	(408)
Other current assets	1,761	711	1,050
<b>Total current assets</b>	<b>68,575</b>	<b>21,251</b>	<b>47,324</b>
<b>Non-current assets</b>			
Derivative financial instruments	-	7	(7)
Investment in CCO's and similar entities	10,775	12,553	(1,778)
Investment in other entities	3,214	3,137	77
Property, plant and equipment	1,722,364	1,690,731	31,633
Intangible assets	5,728	8,648	(2,920)
Forestry assets	909	891	18
Investment properties	58,297	56,626	1,671
<b>Total non-current assets</b>	<b>1,801,286</b>	<b>1,772,593</b>	<b>28,693</b>
<b>Total assets</b>	<b>1,869,862</b>	<b>1,793,844</b>	<b>76,018</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and deferred revenue	26,199	26,159	40
Derivative financial instruments	804	304	500
Current borrowings	30,000	23,000	7,000
Employee benefits liabilities	2,874	2,475	399
Provisions	59	108	(49)
<b>Total current liabilities</b>	<b>59,937</b>	<b>52,046</b>	<b>7,891</b>
<b>Non-current liabilities</b>			
Derivative financial instruments	17,298	11,881	5,417
Non-current borrowings	122,000	119,000	3,000
Employee benefits liabilities	389	396	(7)
Provisions	791	1,368	(577)
Payables and deferred revenue	101	101	-
<b>Total non-current liabilities</b>	<b>140,579</b>	<b>132,746</b>	<b>7,833</b>
<b>Total liabilities</b>	<b>200,516</b>	<b>184,792</b>	<b>15,724</b>
<b>Net assets</b>	<b>1,669,346</b>	<b>1,609,052</b>	<b>60,294</b>
<b>Equity</b>			
Retained earnings	916,299	940,266	(23,967)
Other reserves	84,024	67,155	16,869
Asset revaluation reserve	669,023	601,631	67,392
<b>Total equity attributable to Council</b>	<b>1,669,346</b>	<b>1,609,052</b>	<b>60,294</b>



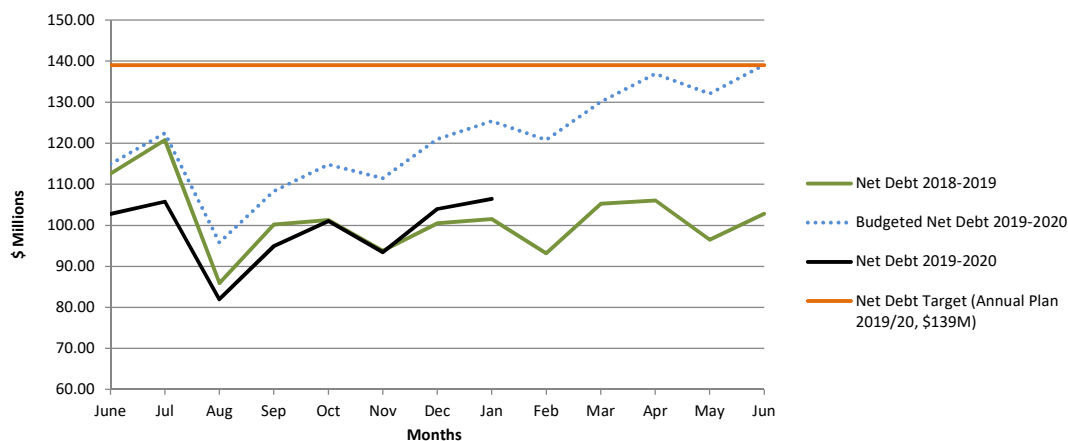
**TREASURY REPORT**  
**31 JANUARY 2020**

**STANDARD AND POORS CREDIT RATING:****AA**

Outlook: Positive

**DEBT SUMMARY:****As at 31 January 2020**

<b>External Debt</b>		
Opening public debt as at 1 January 2020		
		152,000,000
Plus loans raised during month	5,000,000	
Less loan repayments made during month (Note: Facility movement has been netted)	(5,000,000)	
Net movement in external debt		-
<b>Total External Debt</b>		<b>152,000,000</b>
Less: Cash balances (excluding funds held on behalf)	4,555,220	
Term deposits (Funds held on deposit until required for project funding)	40,999,999	
Total cash and term deposits		45,555,219
<b>Total Net External Debt</b>		<b>106,444,781</b>
<i>Note: Council also holds \$2.1m of LGFA borrower notes. These are not included in net external debt as per Council's Treasury Risk Management Policy.</i>		
<b>External debt is represented by:</b>		
Less than 1 Year		30,000,000
1-3 Years		33,000,000
3-5 Years		33,000,000
Greater than 5 Years		56,000,000
<b>Total</b>		<b>152,000,000</b>

**NET EXTERNAL DEBT COMPARED TO BUDGET:**

<b>Internal Funding*</b>		
Community Development Funds		
		10,720,893
Property Reinvestment Reserve - Available for Reinvestment	5,006,259	
Property Reinvestment Reserve - Accumulated	29,712,287	
		34,718,545
Water Reserve		33,429,000
<b>Total</b>		<b>78,868,438</b>

Note: Reserves Funding is disclosed to ensure transparency of Council's use of cashflow management to fund capital works.

Where funds are raised through property sales or targeted rates for Water, but they are not required for immediate investment in that asset category, Council's Revenue and Financing policy allows them to be used for other purposes, rather than being held on deposit.

To ensure total transparency of this we create Reserve Accounts so that the appropriate funding can be made available and transferred back when it is required. The timing of projects requiring these funds is set out in our Long Term Plan (LTP) and/or Annual Plan (AP).

These Reserves are not a liability to an external party, and are not part of Council's debt obligations.

The Property Reinvestment Reserve is split to record funds that were used specifically for capital works in previous years; and a smaller amount representing recent unbudgeted sales where the funds received have offset external debt.

The only situation where our Net Debt would increase as a result of these Reserves is if major expenditure on Water Assets or property purchases is brought forward from the dates set out in the LTP/AP.





## 7.2 Capital Projects Report for the 7 months ending 31 January 2020

**Meeting:** Whangarei District Council  
**Date of meeting:** 27 February 2020  
**Reporting officer:** Alan Adcock (General Manager – Corporate/CFO)

### 1 Purpose

To provide the Capital Projects Report for the seven months ending 31 January 2020.

### 2 Recommendation

That the Council notes the Capital Projects Report for the seven months ending 31 January 2020.

### 3 Background

This report provides an update on the Capital Projects expenditure to date compared with budget, as well as the forecast spend for the year and carry forwards against budget.

### 4 Discussion

The Capital Projects expenditure as at 31 January 2020 is \$15.9 million less than budget. Based on November forecasting Council is anticipating overall capital projects expenditure of \$79.2 million against the \$92.5 million budget, with carry forwards of \$14.8 million.

The forecast figures will be updated for March 2020 report (covering the period to February 2020).

The carry forwards primarily relate to:

- |  |        |
|--|--------|
| • Springs Flat Roundabout                    | \$4.2m |
| • Pohe Island Development                    | \$2.4m |
| • Town Basin – Conversion of Carpark to Park | \$2.0m |
| • Seal Extensions – Unsubsidised             | \$2.0m |

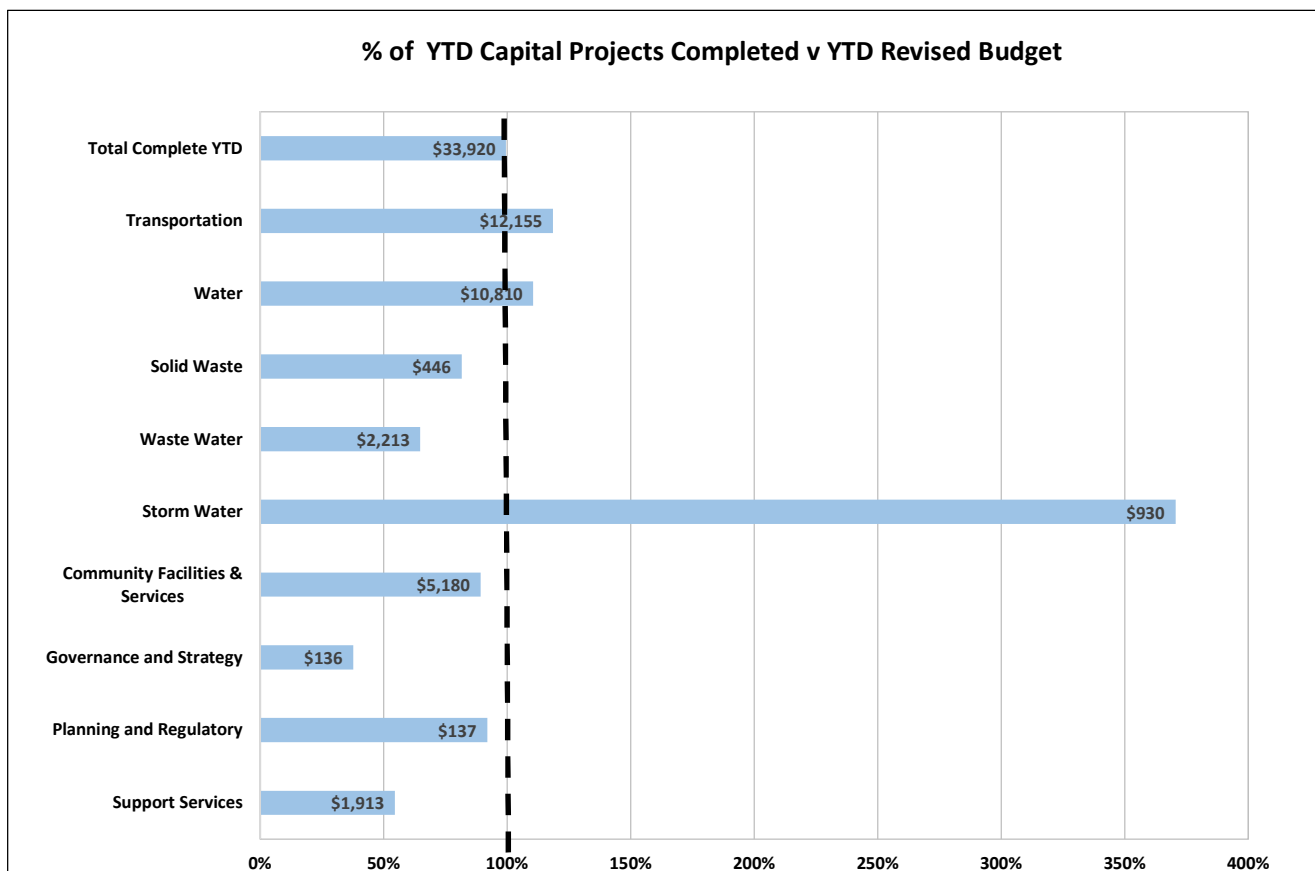
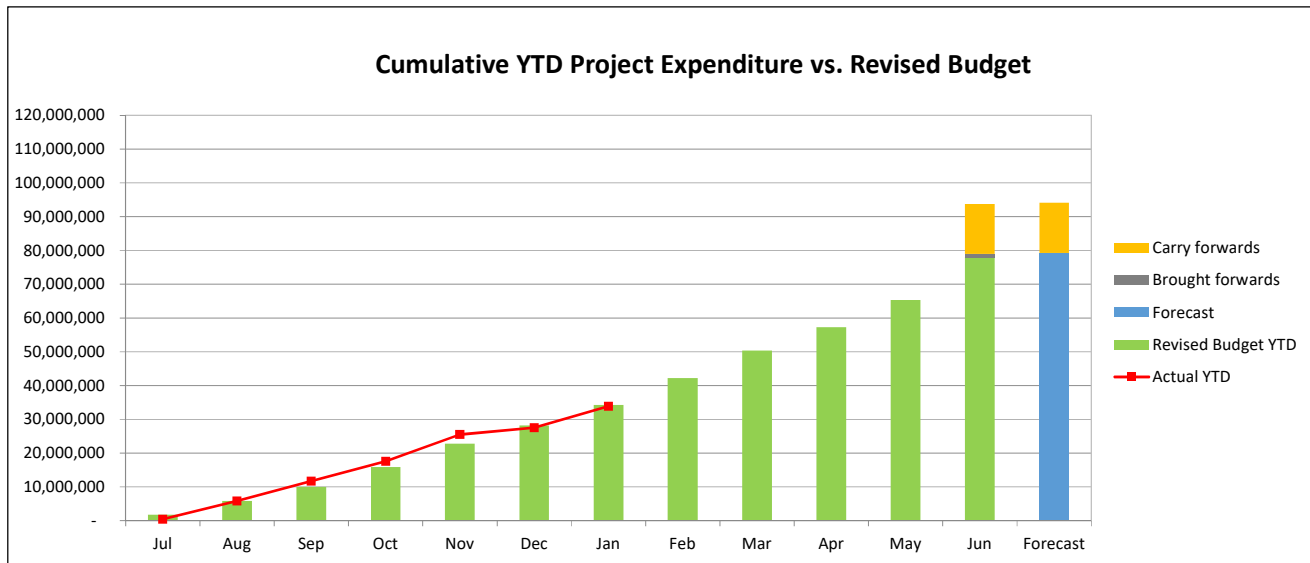
## **5 Significance and engagement**

The decisions or matters of this agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

## **6 Attachments**

1. Capital projects expenditure – graphs
1. Capital projects report

### CAPITAL PROJECT EXPENDITURE AS AT 31 January 2020





# CAPITAL PROJECTS REPORT

AS AT 31 January 2020

(Figures include both Operating and Capital Expenditure)

	Actual YTD \$000	Revised Budget YTD \$000	Variance YTD \$000	Full Year Forecast \$000	Full Year Revised Budget \$000	Forecast Carry Forwards \$000	Total Underspent/ (Overspent) \$000
<b>Transportation</b>							
Bus Shelters	8	47	39	78	94	0	16
Coastal Protection Structures - Roothing	2	10	7	86	84	0	(2)
Cycleways - Additional government fundin	22	0	(22)	18	0	0	(18)
Cycleways - Subsidised	2,485	904	(1,581)	2,907	1,550	0	(1,357)
Cycleways - Unsubsidised Programmed Work	0	0	0	31	31	0	0
Drainage Renewals	482	648	166	1,088	1,110	0	23
Footpaths Renewals	149	217	68	390	372	0	(18)
Land for Roads	0	0	0	0	500	500	0
LED Streetlight Upgrades	1,043	1,320	277	2,123	2,080	0	(43)
Lower James Street Upgrade	(135)	250	385	248	383	0	135
Minor Improvements to Network	1,381	812	(569)	5,709	5,321	0	(387)
New Footpaths	0	208	208	313	417	0	104
Parking Renewals	36	115	79	173	230	0	58
Roothing Property Renewals & Improvements	9	0	(9)	7	0	0	(7)
Seal Extensions - House Frontage Sealing	51	0	(51)	11	0	0	(11)
Seal Extensions - Unsubsidised	0	0	0	1,061	3,061	2,000	0
Seal Extensions - Wright/McCardle	(4)	0	4	(4)	0	0	4
Sealed Road Pavement Rehabilitation	1,156	1,120	(36)	4,674	4,134	0	(540)
Sealed Road Resurfacing	2,162	1,700	(462)	4,866	4,346	0	(520)
Springs Flat Roundabout	8	0	(8)	8	4,170	4,162	(1)
Structures Component Replacement	314	200	(114)	1,528	1,248	0	(280)
Subdivision Works Contribution	40	30	(10)	75	52	0	(23)
Traffic Sign & Signal Renewals	310	250	(60)	919	890	0	(29)
Transport Planning Studies & Strategies	167	80	(87)	301	261	0	(41)
Unsealed Road Metalling	795	400	(395)	1,039	840	0	(199)
Urban Intersection Upgrades	1,674	1,948	274	1,848	1,948	0	100
<b>Transportion Total</b>	<b>12,155</b>	<b>10,260</b>	<b>(1,895)</b>	<b>29,497</b>	<b>33,123</b>	<b>6,662</b>	<b>(3,036)</b>
<b>Water</b>							
Dam Safety Review	0	0	0	0	0	0	0
Minor Projects - Emergency Works	(27)	0	27	313	313	0	0
Reservoir Rehabilitation - Programmed Work	2	60	58	300	376	0	76
Reticulation - Programmed Work	895	790	(105)	1,880	1,696	(1,500)	1,316
Ruddells Raw Water Line Renewal	0	0	0	0	0	0	0
SCADA Upgrade	265	458	193	625	706	80	1
Three Mile Bush Reservoir Additional Capacity	0	20	20	56	156	100	0
Treatment Plant Upgrades	2	101	99	227	271	0	44
Water Meter Renewals	108	206	98	306	365	0	58
Water Property Renewals	0	82	82	40	118	0	78
Water Treatment Plant & Equipment Replacement	512	1,064	553	1,416	1,454	0	38
Whau Valley New Water Treatment Plant	9,054	7,000	(2,054)	15,800	16,263	0	463
<b>Water Total</b>	<b>10,810</b>	<b>9,781</b>	<b>(1,029)</b>	<b>20,963</b>	<b>21,718</b>	<b>(1,320)</b>	<b>2,074</b>
<b>Solid Waste</b>							
Recycling Bins Purchase	437	400	(37)	397	400	0	3
Transfer Station Upgrades	9	147	137	188	197	0	9
<b>Solid Waste Total</b>	<b>446</b>	<b>547</b>	<b>101</b>	<b>585</b>	<b>597</b>	<b>0</b>	<b>11</b>
<b>Wastewater</b>							
Hikurangi Sewer Network Upgrade	793	957	165	1,229	1,209	0	(19)
Laboratory Equipment Renewals & Upgrades	0	0	(0)	33	33	0	(0)
Motor Starter Assessment & Upgrades	0	0	0	0	0	0	0
Public Toilets	0	0	0	40	40	0	0
Sewer Network Renewal	772	540	(232)	1,433	1,409	0	(25)
Sewer Network Upgrades	89	147	58	1,264	1,077	0	(187)
Wastewater Assessment	1	22	21	33	44	0	10
Wastewater Pump Station Remote Monitoring	17	64	47	76	110	0	34
Wastewater Pump Station Renewals	179	237	58	371	405	0	35

## CAPITAL PROJECTS REPORT

AS AT 31 January 2020

(Figures include both Operating and Capital Expenditure)

	Actual YTD \$000	Revised Budget YTD \$000	Variance YTD \$000	Full Year Forecast \$000	Full Year Revised Budget \$000	Forecast Carry Forwards \$000	Total Underspent/ (Overspent) \$000
Wastewater Reticulation Upgrade	0	0	0	82	82	(35)	35
Wastewater Treatment Plant Biogas Generator	0	153	153	153	153	0	0
Wastewater Treatment Plant Renewals	198	364	167	1,144	1,148	0	4
Wastewater Treatment Plant Upgrades	165	933	768	781	1,497	1,061	(345)
<b>Wastewater Total</b>	<b>2,213</b>	<b>3,417</b>	<b>1,204</b>	<b>6,641</b>	<b>7,208</b>	<b>1,026</b>	<b>(459)</b>
<b>Stormwater</b>							
Stormwater Catchment Management Plans & Assessm	70	23	(47)	312	550	238	0
Stormwater Renewals	594	137	(456)	855	809	0	(45)
Stormwater Upgrades	266	90	(176)	340	290	0	(51)
Teal Bay Stormwater Improvements	0	0	0	0	0	0	0
<b>Stormwater Total</b>	<b>930</b>	<b>251</b>	<b>(679)</b>	<b>1,507</b>	<b>1,649</b>	<b>238</b>	<b>(96)</b>
<b>Community Facilities &amp; Services</b>							
<b>Civil Defence</b>							
Civil Defence Emergency Management Equipment Ren	0	0	0	14	14	0	0
Tsunami Signage	0	0	0	44	44	0	0
Tsunami Sirens New	0	0	0	59	59	0	0
<b>Civil Defence Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>117</b>	<b>117</b>	<b>0</b>	<b>0</b>
<b>Community Development</b>							
CCTV Upgrades & Improvements	64	107	43	162	206	44	0
Community Buildings Renewals & Improvements	27	170	143	248	319	71	0
Community Led Development	17	83	66	146	600	450	4
Pensioner Housing Renewals & Improvements	304	434	130	771	836	52	12
<b>Community Development Total</b>	<b>412</b>	<b>795</b>	<b>382</b>	<b>1,328</b>	<b>1,961</b>	<b>617</b>	<b>15</b>
<b>Libraries</b>							
Book Purchases	230	393	163	674	674	0	0
Library Improvements	0	17	17	50	50	0	0
Library IT Equipment	32	81	49	163	163	0	0
Library Renewals	3	5	1	9	9	0	0
Mobile Bus Replacement	0	4	4	4	4	0	0
<b>Libraries Total</b>	<b>266</b>	<b>500</b>	<b>234</b>	<b>900</b>	<b>900</b>	<b>0</b>	<b>0</b>
<b>Parks &amp; Recreation</b>							
Cemeteries Renewals	21	28	7	97	114	17	0
Coastal Structures Level of Service	3	0	(3)	0	0	0	0
Coastal Structures Renewal	130	75	(55)	387	837	472	(22)
Dog Park Upgrades	0	0	0	0	0	0	0
Hatea Activity Loop	480	501	21	473	501	0	28
Neighbourhood & Public Gardens Level of Service	11	0	(11)	150	153	153	(150)
Neighbourhood & Public Gardens Renewals	386	462	76	995	1,603	422	186
Parks Interpretation Information	0	10	10	12	82	60	10
Playgrounds & Skateparks Level of Service	38	165	127	169	678	110	399
Playgrounds & Skateparks Renewals	82	20	(62)	644	188	0	(456)
Pohe Island Development	1,076	976	(100)	1,540	2,406	2,369	(1,502)
Public Art	1	22	21	74	74	0	0
Sport & Recreation Growth	132	320	188	218	592	337	37
Sport & Recreation Level of Service	105	89	(17)	86	89	(833)	836
Sport & Recreation Renewals	901	783	(118)	1,758	1,703	(80)	25
Tikipunga Soccer Hub	91	6	(84)	6	52	0	46
Town Basin - Conversion of Carpark to Park	276	221	(55)	1,068	3,105	2,037	0
Visitor Destination Upgrades	67	0	(67)	20	0	0	(20)
Walkway & Track Renewals	187	181	(6)	424	739	200	115
Waterfront Programme	0	0	0	0	570	570	0
Whangarei City Centre Plan Implementation	15	52	37	642	1,239	600	(3)
<b>Parks &amp; Recreation Total</b>	<b>4,001</b>	<b>3,911</b>	<b>(90)</b>	<b>8,764</b>	<b>14,726</b>	<b>6,433</b>	<b>(472)</b>

# CAPITAL PROJECTS REPORT

AS AT 31 January 2020

(Figures include both Operating and Capital Expenditure)

	Actual YTD \$000	Revised Budget YTD \$000	Variance YTD \$000	Full Year Forecast \$000	Full Year Revised Budget \$000	Forecast Carry Forwards \$000	Total Underspent/ (Overspent) \$000
<b>Roading</b>							
Waterfront Programme	0	0	0	0	0	0	0
<b>Roading Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Venue and Events Whangarei</b>							
Forum North Venue Renewals	240	280	40	581	581	0	0
Forum North Venue Upgrades	53	80	27	211	211	0	0
NECT Building Renewals	114	136	22	276	276	0	0
NECT Field Renewals	3	21	18	23	23	0	0
NECT Light Tower Renewals	92	91	(1)	106	376	275	(5)
<b>Venue and Events Whangarei Total</b>	<b>502</b>	<b>609</b>	<b>107</b>	<b>1,197</b>	<b>1,467</b>	<b>275</b>	<b>(5)</b>
<b>Community Facilities &amp; Services Total</b>	<b>5,180</b>	<b>5,814</b>	<b>634</b>	<b>12,306</b>	<b>19,171</b>	<b>7,326</b>	<b>(461)</b>
<b>Governance and Strategy</b>							
Central City Carpark Upgrades & Improvements	0	201	201	201	201	0	0
New Airport Evaluation	108	150	42	301	509	165	44
Parihaka Transmission Mast Upgrade	29	0	(29)	971	942	0	(29)
Port Road Site Remediation	0	10	10	53	50	0	(3)
<b>Governance and Strategy Total</b>	<b>136</b>	<b>361</b>	<b>225</b>	<b>1,526</b>	<b>1,702</b>	<b>165</b>	<b>12</b>
<b>Planning &amp; Regulatory</b>							
Dog Pound Renewals	137	149	12	402	149	(1,000)	747
<b>Planning &amp; Regulatory Total</b>	<b>137</b>	<b>149</b>	<b>12</b>	<b>402</b>	<b>149</b>	<b>(1,000)</b>	<b>747</b>
<b>Support Services</b>							
<b>Business Improvement</b>							
Business Improvement Projects	0	110	110	10	196	186	0
Workflow Systems Development	0	5	5	7	226	216	3
<b>Business Improvement Total</b>	<b>0</b>	<b>115</b>	<b>115</b>	<b>17</b>	<b>422</b>	<b>402</b>	<b>3</b>
<b>Business Support</b>							
Business Support Projects	0	120	120	137	206	0	69
Civic Buildings Renewals & Improvements	39	0	(39)	39	0	0	(39)
Civic Centre	469	395	(75)	791	733	0	(57)
Council Vehicle Replacements	237	180	(57)	234	282	0	48
Furniture Renewals	8	13	5	28	19	0	(8)
Information Centre Upgrade	0	0	0	126	126	0	0
<b>Business Support Total</b>	<b>754</b>	<b>708</b>	<b>(46)</b>	<b>1,354</b>	<b>1,367</b>	<b>0</b>	<b>12</b>
<b>Community Development</b>							
Residential Property Renewals & Improvements	15	0	(15)	15	0	0	(15)
<b>Community Development Total</b>	<b>15</b>	<b>0</b>	<b>(15)</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>(15)</b>
<b>ICT</b>							
Asset Management Software Upgrade	222	774	551	1,338	1,338	0	(0)
CiA Upgrade	291	839	548	1,345	1,448	284	(181)
Computer Tech for Building, Animal Control & Parking	0	0	0	0	124	124	0
Corporate Performance Management	0	40	40	20	175	155	0
Decision Support System Development	0	0	0	10	60	50	0
Digital District Plan and Policies Online	0	12	12	50	50	0	0
Digital Platform	272	274	2	715	612	0	(104)
Digitisation of Records	187	406	218	362	609	247	0
IT Equipment New	3	32	29	31	52	0	21
IT Equipment Replacement	87	45	(41)	79	125	0	46
IT Network Upgrades	56	70	15	166	119	0	(48)
LIDAR	0	128	128	128	128	0	0

## CAPITAL PROJECTS REPORT

AS AT 31 January 2020

(Figures include both Operating and Capital Expenditure)

	Actual YTD \$000	Revised Budget YTD \$000	Variance YTD \$000	Full Year Forecast \$000	Full Year Revised Budget \$000	Forecast Carry Forwards \$000	Total Underspent/ (Overspent) \$000
Minor ICT Projects	(2)	37	39	138	218	68	12
Mobility Technology - Building	0	31	31	17	116	98	0
Platform as a Service	19	0	(19)	41	0	59	(100)
Upgrade Kete SharePoint	0	0	0	25	261	236	0
<b>ICT Total</b>	<b>1,136</b>	<b>2,688</b>	<b>1,553</b>	<b>4,465</b>	<b>5,433</b>	<b>1,321</b>	<b>(354)</b>
<i><b>People &amp; Capability</b></i>							
Office Furniture	8	5	(3)	14	10	0	(4)
<b>People &amp; Capability Total</b>	<b>8</b>	<b>5</b>	<b>(3)</b>	<b>14</b>	<b>10</b>	<b>0</b>	<b>(4)</b>
<b>Support Services Total</b>	<b>1,913</b>	<b>3,517</b>	<b>1,604</b>	<b>5,865</b>	<b>7,231</b>	<b>1,724</b>	<b>(358)</b>
<b>Total</b>	<b>33,920</b>	<b>34,096</b>	<b>176</b>	<b>79,293</b>	<b>92,549</b>	<b>14,820</b>	<b>(1,565)</b>



## 7.3 Northland Transportation Alliance – Benefits Assessment

**Meeting:** Council  
**Date of meeting:** 27 February 2020  
**Reporting officer:** Calvin Thomas (NTA Manager)

### 1 Purpose

To a summary of benefits identified and assessed as being achieved to date through the formation and operation of the Northland Transportation Alliance (NTA).

### 2 Recommendation

That Council notes the contents of the report.

### 3 Background

The primary deliverable benefits identified within the “Northland Transport Collaboration Opportunities” Business case of 2016 were:

- More engaged and capable work force delivering superior asset management
- Improved transport/customer outcomes, enabling investment and social opportunities
- Improved Regional strategy, planning & procurement
- Transport infrastructure is more affordable

Aligning with the intent outlined within the Business Case, the monetary benefits stated within this report have resulted in the ability to improve and maximize the value of spend on the respective transport networks and do not equate to savings or reduction of overall transport budgets.

For the purposes of this exercise, and aligning with the original business case:

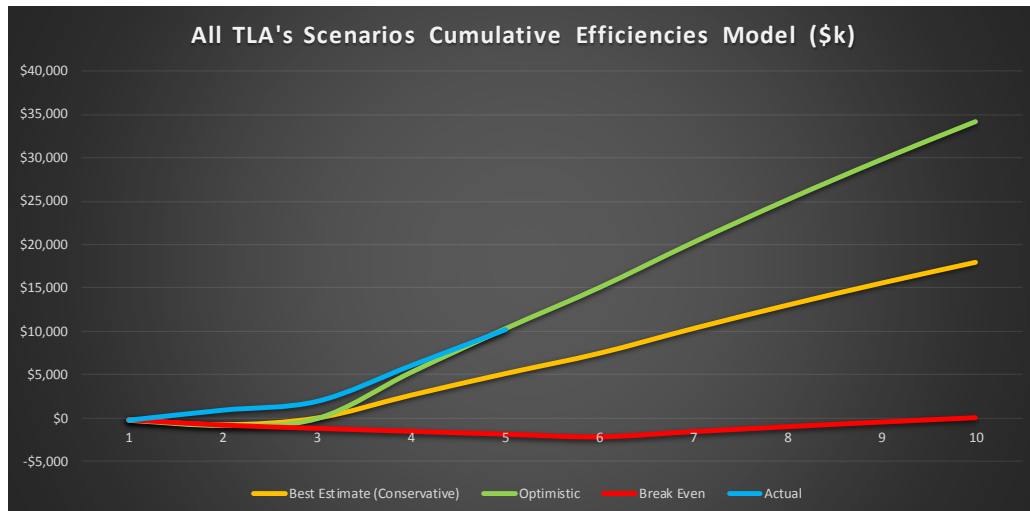
- Benefit analysis relates to the activities of the three district councils only.
- The annual operating costs of the SSBU have been accounted for as an additional cost, negatively impacting on benefit achievement. (Note – does not include any additional “support services costs” provided by existing departments of individual Councils)
- Values of Savings and Costs quoted are “Total Costs” being the combination of Council Local Share and NZTA subsidy.

### 4 Discussion

The completed assessment of benefits confirms the formation of the NTA has produced significant tangible and non-tangible Regional benefits to date, with an estimated circa \$10M in cumulative savings being reinvested in Transportation activities across the three Northland districts in the four-year period from 1<sup>st</sup> July 2016 to 30<sup>th</sup> June 2020.

When compared with the 2019/20 projections contained within the Business Case, the calculated achieved benefits are approximately:

- Double the “All TLA’s Best Estimate (conservative)”.
- Equal to the “All TLA’s Optimistic Case”.



Analysis of these savings are further broken down within this paper to demonstrate the respective benefit achievement of standalone initiatives and the renewed Maintenance Contracts. The total summary by council is provided in Table 1.

Cummulative Benefit Summary	FNDC	KDC	WDC	Total
Non Maintenance Contract activities	-\$575,035	\$732,704	-\$3,672,940	-\$3,515,271
Maintenance Contract activities	\$3,328,978	-\$5,274,522	-\$4,701,964	-\$6,647,508
<b>Total</b>	<b>\$2,753,943</b>	<b>-\$4,541,818</b>	<b>-\$8,374,904</b>	<b>-\$10,162,779</b>

Table 1: Summarised cumulative benefits (1<sup>st</sup> July 2016 to 30<sup>th</sup> June 2020)

The assessment also confirms the realisation of several “non-tangible” benefits which are referenced within this paper.

The analysis has determined that the formation of the NTA has resulted in the achievement of significant and quantifiable monetary benefit at a regional level, noting that at present this is primarily driven by:

1. Savings associated with the ownership transfer to NZTA of Mangakahia Road.
2. Changes in the calculated Maintenance Contract costs calculated at \$/km
3. Annual operational costs introduced with the establishment of the SSBU.
4. Developing area of savings through supplier & consultant discounting for regional project engagement (5-10% regional discounts being realised on common activities (e.g. footpath condition surveys, high speed data surveys, software licensing etc.) when awarded as a single contract across the Region.

As each of the first three items above are significant in value, the impact of a negative outcome in any of these for an individual Council is significant, and is summarised as follows:

- FNDC
  - Strong benefit realisation from combination of SSBU formation costs and non-Maintenance contract activity savings negatively offset by Maintenance contract cost increase resulting in overall cumulative cost increase.
  - Maintenance cost increase is primarily the result of the need to introduce a clearly defined, regionally consistent, higher level of Service Delivery expectations through

the new inspection led, performance-based contract model, with clarified work specifications and certainty in increased levels of service.

- KDC
  - Negative benefit realisation from combination of SSBU formation costs and non-Maintenance contract activities positively offset by significant Maintenance contract savings resulting in overall cumulative benefit realisation.
- WDC
  - Significant financial benefit realisation across all areas.

Now the NTA is fully established and historic vacancies have been filled it is planned for further Regional initiatives to be initiated, the majority of which are expected to return on-going year-on-year benefits for all three Northland District Councils.

## DETAILED ANALYSIS OF BENEFIT OPPORTUNITY AREAS

### A. MORE ENGAGED AND CAPABLE WORK FORCE DELIVERING SUPERIOR ASSET MANAGEMENT

#### A.1. Development of engaged and capable work force

In early 2019 the NTA began the transition away from traditional roading department structures to a new functional based structure supporting the delivery of consistent transportation services to Northland. The structure is designed to support development opportunities for existing staff and ensures specialist technical skills are utilised across the entire Northland region. Time sheet analysis (Table 2) of the first six months of the 2019/20 year show an average of 10% of total NTA staff time is now being spent working on non-home council activities, with KDC and FNDC primarily benefiting through the utilisation of key WDC employed staff.

	FNDC	KDC	WDC	Total
Total Home Council Productive Hours	12,324.55	9,465.80	15,241.55	<b>37,031.90</b>
less Total Hours Credit (resources sold to other Councils)	- 531.50	- 1,100.44	- 2,161.65	- <b>3,793.59</b>
plus Total Hours Charged (utilising other Council's Resource)	1,510.14	1,416.45	867.00	<b>3,793.59</b>
<b>Total Hours booked to Jobs</b>	<b>13,303.19</b>	<b>9,781.81</b>	<b>13,946.90</b>	<b>37,031.90</b>
<b>Percentage of Total job hours completed by other Council Staff</b>	<b>11.4%</b>	<b>14.5%</b>	<b>6.2%</b>	<b>10.2%</b>

Table 2: Cross council resource allocation summary (1<sup>st</sup> July 2019 to 31<sup>st</sup> December 2019)

#### A.2. Recruitment

At the time of implementing the new structure (March 2019) 21 of the 64 identified NTA positions were vacant. Throughout 2019 significant recruitment activities were undertaken, with only three roles now remaining to be filled. The recruitment process enabled:

- Promotion of six existing staff into leadership roles
- External recruitment of 18 new staff, 13 of which have relocated to Northland from other parts of NZ or overseas.

Anecdotally, many external recruits stated they were attracted by the opportunity to work across the Region within the Alliance and would not likely have relocated for a single council position.

### A.3. Delivering superior asset management

After finalisation of the 2018/21 Asset Management Plans (AMP) NZTA completed a full audit and assessment of all submissions from across the country, with the result of this assessment ranking the WDC 2018/21 AMP as one of the top three in the country.

In addition to the assessment, NZTA identified required areas of improvement for each region that form the basis for development of the 2021/24 submissions. Utilising the original WDC 2018/21 plan as the base, the NTA Asset Management team are progressing completion of the identified improvement tasks to develop the 2021/24 submission. This submission will be in the form of a single Regional AMP document made up of:

- a single Regional Programme Business Case (defining the problem), and;
- the Detailed Business Case (specific funding requests for each Council's programme of works).

It is estimated that this will result in a saving of approximately \$100k when compared with effort historically required to develop and submit individual Council AMP's.

## B. IMPROVED TRANSPORT / CUSTOMER OUTCOMES

Analysis of Customer Interaction data (Period of 1<sup>st</sup> July -> 31 December) for each Council has identified a decrease across two of the three District Councils since the implementation of the new aligned Maintenance Contract Framework (1<sup>st</sup> July 2018).

1st July -> 31 Dec Customer Interactions	2017/18	2019/20	% Movement	
Far North	2338	2163	-7.5%	
Kaipara	1273	1181	-7.2%	
Whangarei	2797	3147	12.5%	
<b>Total</b>	<b>6408</b>	<b>6491</b>	<b>1.3%</b>	

Customer Interaction per km network length	2019/20	Network Length (km's)	% Sealed	% Unsealed
FNDC	0.86	2508	35%	65%
KDC	0.75	1572	29%	68%
WDC	1.79	1761	60%	40%
<b>Average</b>	<b>1.11</b>	<b>5841</b>		

Customer Interaction per 1000 population	2019/20	Est. Population
FNDC	33.02	65500
KDC	51.35	23000
WDC	32.78	96000
<b>Average</b>	<b>35.18</b>	<b>184500</b>

Recognising Customer Interactions are only one form of measuring customer satisfaction / dissatisfaction, based on this analysis, the following observations have been made:

- Absolute Customer Interaction numbers – while FNDC & KDC Customer Interactions have reduced following implementation of the new maintenance contracts, WDC Customer Interactions have increased, largely due to the transition to a new Contractor (Downer) covering most of the network, specifically the Southern and Urban areas.
- Customer interactions per km network length - despite anecdotal belief that Customer Interaction volumes are predominantly driven by unsealed network issues, WDC has double the number of Customer Interactions per km with a significantly lower proportion of unsealed network.
- Customer interactions per 1000 population - with a significantly lower population than FNDC & WDC, KDC has a higher number of interactions per 1000 people.

## C. IMPROVED REGIONAL STRETEGY, PLANNING AND PROCUREMENT

### C.1. Linking Maintenance Outcomes to Asset Management Plan development

Key deliverables of the Maintenance, Operations and Renewals (MO&R) Contracts have been designed with the underlying principle of capturing and validating asset data to support informed asset condition assessment and increasing the quality of future Asset Management Plans to support required investment recommendations and decisions.

### C.2. Development of Forward Work Plans

Forward Work Plans have been developed for each of the three District Council's 2019/20 Capital Works programs. These translate the individual Capital Works budgets into detailed programmes, identifying each individual project to be delivered. The developed FWP's provide:

- Forward visibility of work pipeline to Contractors
- Milestone reporting of project progress (inception through to construction)
- Project status updates and risk monitoring
- Project and budget item expenditure monitoring

From 2021, it is intended for FWP's to include extended horizon outlooks (up to three years) providing further surety for Contractors to enable them to make informed decisions for resource investments.

### C.3. Maintenance, Operations & Renewals (MO&R) Contract Savings

While recognised that the re-tendering of Maintenance Contracts was required to be undertaken by each Council respectively, the combined NTA approach provided the opportunity to align scope, performance expectations and quality measures allowing Regional benchmarking to be undertaken to confirm relativity of tenders.

## D. TRANSPORT INFRASTRUCTURE IS MORE AFFORDABLE

### D.1. Savings & Cost Benefit Analysis – Overall

Table 3 provides the Annual and Cumulative benefits associated with activities undertaken by the NTA in the four financial years commencing 1<sup>st</sup> July 2016.

Region	2016/17	2017/18	2018/19	2019/20
Annual Savings/Cost	-\$918,868	-\$1,014,699	-\$4,108,146	-\$4,121,067
Cumulative Savings/Cost	-\$918,868	-\$1,933,567	-\$6,041,712	-\$10,162,779
WDC	2016/17	2017/18	2018/19	2019/20
Annual Savings/Cost	-\$949,125	-\$953,105	-\$3,222,062	-\$3,250,613
Cumulative Savings/Cost	-\$949,125	-\$1,902,230	-\$5,124,292	-\$8,374,904

Table 3: Summarised cumulative benefits (1<sup>st</sup> July 2016 to 30<sup>th</sup> June 2020)

### D.2. Detailed Savings and Cost benefit Analysis

#### – NTA Initiatives (excludes Maintenance Contracts)

Table 4 summarises the total Annual and cumulative savings achieved over four financial years. The two largest drivers of this relate to:

- Savings associated with the ownership transfer to NZTA of Mangakahia Road.
- Annual operational costs associated with the establishment of the SSB. U.

Region	2016/17	2017/18	2018/19	2019/20
Annual Savings/Cost	-\$918,868	-\$1,014,699	-\$784,392	-\$797,313
Cumulative Savings/Cost	-\$918,868	-\$1,933,567	-\$2,717,958	-\$3,515,271
WDC	2016/17	2017/18	2018/19	2019/20
Annual Savings/Cost	-\$949,125	-\$953,105	-\$871,080	-\$899,631
Cumulative Savings/Cost	-\$949,125	-\$1,902,230	-\$2,773,310	-\$3,672,940

Table 4: Annual and Cumulative benefit achievement analysis

### D.2.1. On-going savings / cost details

Table 5 provides a summary of quantified monetary savings (and additional costs where appropriate) resulting from the formation of the NTA and the subsequent collaborative and improvement work completed, and excludes:

- any savings that would otherwise have been obtained through the traditional council operations (e.g. LED streetlight power savings).
- any benefits to a specific Council resulting from the NTA's ability to provide cross council coverage for vacant roles and activities.

These are "Annual Savings" and, once achieved, are on-going and cumulative.

Project	Classification	Year Achieved	Total value	Savings %	Dollars Saved	Reinvestment comments	Starting Year
HSD survey	Regional Efficiency	Supplier provided a 8% reduction in rates to undertake collection for three networks as one commission	\$145,494	8%	-\$11,640	Savings used to partially offset the increase inc cost moving from Manual to HSD process.	2016/17
Otaika Valley Rd Divestment - WDC	Ceased activity	Historic per annum maintenance and renewals	\$1,150,000	100%	-\$1,150,000	Reinvested into the Forestry roads remaining in the district - Sealed and Unsealed.	2016/17
Mangakahia Rd Divestment - FNDC	Ceased activity	Historic per annum maintenance and renewals	\$350,000	100%	-\$350,000	Reinvested into the Forestry roads remaining in the district - Sealed and Unsealed.	2016/17
Maintenance Management Reporting Tools	Reduced Effort	40hrs FTE * 5 Contracts	\$26,000	80%	-\$20,800	information an analysis tools to deliver further efficient from contracts.	2019/20
SSBU Operations	New Activity	Average annual value of \$/yr.	\$660,760	100%	\$660,760	Cost shared across Alliance Partners as outlined within MoU	2016/17

Table 5: Identified "on-going" savings and costs attributed to the establishment of NTA

### D.2.2. One-Off savings / cost detail

Table 6 provides a summary of quantified monetary savings (and additional costs where appropriate) for discrete and completed "one off" activities achieved through the NTA.

Project	Classification	Project Description	Total value	Savings %	Saving	Reinvestment
Maintenance Management Reporting Tools	One-off Cost	Cost to develop Automated Maintenance tools	\$100,000	100%	\$100,000	One off cost funded through Maintenance Contract Savings
Footpath Condition Surveys	Regional Efficiency	Collection of Footpath asset condition data utilised to assess and prioritise forward work programmes (3 yearly activity) - Supplier provided a 6.3% reduction in rates to undertake collection for three networks as one.	\$46,518	6%	-\$2,954	Savings reinvested in other Transport Activities
LED Procurement & Installation	On-off Savings	(better buying power and shipping)and by jointly procuring Lux Mapping surveys. More savings are expected due to the V-Cat infill lights being combined into two joint council contracts which tendered at same time.	\$80,000	100%	-\$80,000	Savings reinvested in other Transport Activities
2018/21 AMP Development	On-off Savings	Estimated 6 weeks of worked saved through use of the WDC 2018/21 AMP as the basis for FNDC AMP.	\$36,000	100%	-\$36,000	Resolved FNDC Asset Management resource gaps
2021/24 AMP Development	On-off Savings	Conservatively estimated savings through combining into one Regional 2021/24 Regional AMP instead of having 3 separate AMPs	\$72,000	100%	-\$72,000	Savings reinvested in other Transport Activities

Table 6: Identified "one-off" savings and costs attributed to the establishment of NTA

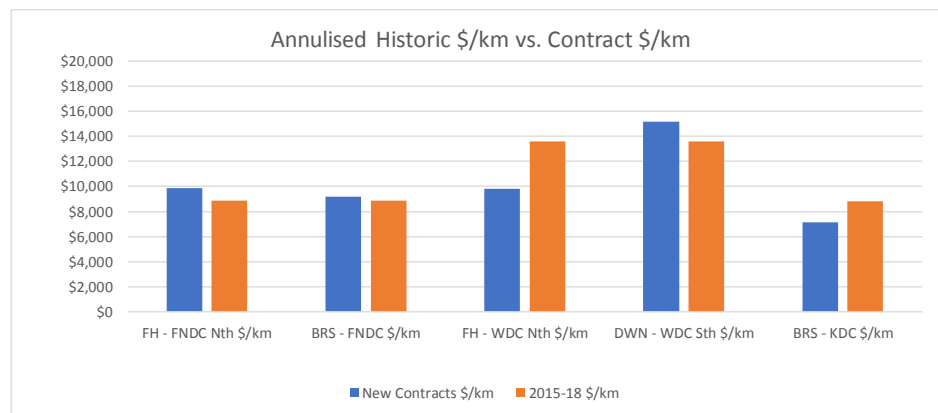
### D.3. Savings and Cost benefit Analysis – Maintenance Contract renewals

Table 7 provides detail on the annual and cumulative impact of the new Maintenance Contracts compared with previous individual contracts.

Region	2018/19	2019/20
Annual Savings/Cost	-\$3,323,754	-\$3,323,754
Cumulative Savings/Cost	-\$3,323,754	-\$6,647,508
WDC	2018/19	2019/20
Annual Savings/Cost	-\$2,350,982	-\$2,350,982
Cumulative Savings/Cost	-\$2,350,982	-\$4,701,964

Table 7: Comparative Annual Savings / Cost Increase – calculated as cost/km

Comparative analysis below compares “Cost per kilometer” of new Maintenance contract rates with historic rates from previous contracts for each of the five maintenance contracts.



## 5 Summary

Overall Whangarei District Council has achieved significant financial savings from the formation of the NTA. Those savings have been reinvested in the network. The number of customer complaints in Whangarei has increased, although we expect to trend down as maintenance increases. The NTA also looks to have improved asset management practices and value for money in a number of projects.

## 6 Significance and engagement

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website, Council News, Facebook or any other channel you currently use to inform customers]





## 7.4 Reintroduction of the Well-beings – Responding to changes to the Local Government Act 2002

**Meeting:** Whangarei District Council  
**Date of meeting:** 27 February 2020  
**Reporting officer:** Tracey Schiebli (Manager Democracy & Assurance)

### 1 Purpose

To inform Council of the pathway to meeting the intent of the Local Government (Community Well-being) Amendment Act 2019.

### 2 Recommendation

That Council:

1. Notes the pathway to meeting the intent of the Local Government (Community Well-being) Amendment Act 2019.

### 3 Background

#### 3.1 Context

The Local Government (Community Well-being) Amendment Bill was introduced by Local Government Minister Nanaia Mahuta on 5 April 2018.

Introduction of the Bill occurred within the context of central Government reform for local government, an agenda which covers urban growth, freshwater management, productive land and biodiversity, and the Three Waters Review.

Central Government saw the potential for reintroduction of the four well-beings as an opportunity for local government to become a natural partner of central government in working with communities.

#### 3.2 Legislative changes

In May 2019, the Government passed the Local Government (Community Well-being) Act to reinstate the four well-beings into the Local Government Act 2002 (the Act). This reintroduces what the previous Government changed in 2012. A copy of the Act is included as **attachment one**.

This compares with the most recent (2012) version of the Act which provided for:

“Local authorities to play a broad role in meeting the current and future needs of their communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.”

## 4 Discussion

### 4.1 Council’s mandate under the amended Act

Through these changes the purpose of local government under the Act is changed back to its 2002 version which provides for:

“Local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach.”

While the Legislation does not provide a definition of the four well-beings guidance has been provided by the local government sector organisation Society of Local Government Managers. A summary of these has been provided in **attachment two**.

Of note is that local authorities have largely continued to deliver across the four areas of well-being throughout the period of changes to the Act, as mandated by their communities. Ultimately, the definition of well-being will be determined by our communities.

The changes to the Act provide local authorities with a formal mandate to determine in each community whether an activity fits within the new purpose. It also puts the promotion of the social, economic, environmental and cultural well-being of communities back at the heart of what guides councils’ decisions.

The easing of restrictions on development contributions restores local authorities’ power to collect development contributions for public amenities needed as a result of development. Currently local authorities cannot collect charges for community assets, for example, libraries.

At this stage it is up to each Council to decide how they will meet the intent of the Act however the Minister of Local Government has indicated that a Cabinet paper will provide further guidance. Government has also signalled release of a Policy Statement.

There is an expectation in the local government sector that development of the next long term plan (LTP) will be a key milestone, but that this is not the only touch point for Councils to consider.

### 4.2 Council’s pathway to incorporating the well-beings into planning and decision making

Reintroduction of the well-beings is an opportunity for Council to consider the ‘touch points’ at both governance and operational level. This includes a process for Council to evaluate decisions against the well-beings.

The proposed approach to meeting the intent of the new legislation is through stepped change, ahead of specific guidance for the sector.

Council has continued to deliver functions and responsibilities which fall under the four well-beings. This has been in response to expectations from the community and is also a reflection of the commitment of Council to partner with others, and to improve the way we engage with communities.

There are several short-term actions that Council can take to incorporate the well-beings into decision making. In addition, the time period leading into the next LTP is an opportunity to deliver a meaningful response to the well-beings.

***Areas of focus over the next 3 to 6 months....***

**(i) Partnership with Māori**

In the previous term, the partnership between Council and hapu of Whangarei committed to the parties working together toward the agreed vision:

*‘He Whenua Rangatira - Whangārei, a district of prosperity, wellbeing and empowered communities.’*

Areas of focus identified as part of the emerging discussion on strengthening the partnership include:

*‘identifying the cultural, economic, environmental, and social issues/decisions of Council that are significant for Maori in the Whāngarei District.’*

This provides a good basis for ongoing conversations to explore how hapū aspirations align to the well-beings.

**(ii) Process for Council to evaluate decisions against the well-beings**

Include a section in the council report templates to demonstrate alignment with the well-beings. This is intended to be the final check to make sure decisions are not in conflict with the well-beings.

Evaluation of decisions against the well-beings needs to be meaningful. The well-beings should be embedded into strategy and policy development. The purpose under the Act is broadly stated, which means almost anything could fit within one or more of the well-beings. A ‘tick box’ approach in Council report templates is therefore not recommended. An activity may also meet one of the purposes to the detriment of another, which supports the notion of a more meaningful response to incorporating the well-beings into Council decision making.

This will be done as part of a broader review of council report templates to bring them in line with council’s legislative responsibilities.

***Areas of focus over next 6 to 12 months....***

**(i) Council planning and engagement**

The local government sector response to the legislative changes refers to the ‘Well-being Long Term Plan 2021’.

Council will need to balance the four well-beings against the needs and aspirations of the community.

Areas of focus include:

- Consider how the well-beings inform development of 'new' and 'in development' Council plans, strategies, policies and bylaws, where these align with the Local Government Act.
- Through engagement on the LTP, have a conversation with communities about well-being priorities and what Council can do to promote them. Find out what is important to communities across the four well-being areas. Link with other sectors to determine alignment. For example, the Northland District Health Board is currently developing a long-term service delivery and well-being strategy for Te Tai Tokerau.
- Through the LTP development process:
  - Align Council's community outcomes with the four well-beings. The current community outcomes reference the social, economic, and environmental dimensions but are silent on the cultural aspects of wellbeing.
  - Review Council's 2017 Significance & Engagement Policy so that consequences on the well-beings are included in the definition of 'significance' which determines the level of engagement required under the Act.
  - Review Council's development contributions policy to include new powers under the Act.
  - Align Council's financial strategy with the four well-beings. The overall impact of any funding demands on the community need to consider the future social, economic, environmental and cultural well-being of the community. Examples of triggers may include; levels of debt, consideration of inter-generational equity, and level and distribution of rates.
  - Consider how Council's infrastructure strategy and asset management plans align with the four well-beings. Can our levels of service and projects be shaped to better reflect the well-beings?
  - Determine whether the budget and activity structure within the LTP should align with the well-beings.
  - Evaluate decisions through the LTP against the well-beings.
  - Develop performance indicators that align to the well-beings.
- Review and amend as necessary Council's existing plans, strategies, policies and bylaws to identify any material conflicts with the well-being outcomes for the district as identified through the LTP process.

## **(ii) Other partnerships**

The holistic nature of the well-beings reinforces the importance of Councils relationships with other organisations such as regional council, and with the health, social, economic and environmental sectors.

Council will not be able to directly influence all the well-being outcomes identified by communities however it can play a role in advocating for these aspirations through dealings with other sectors.

## **(iii) Organisational strategy**

Council's organisational strategy was created by staff, for staff and ultimately for the benefit of our district. The aim is to create an organisation where the physical, mental, social and spiritual well-being are in balance. The four tikanga in the strategy – whanaungatanga, manaakitanga, kotahitanga and atawhaitanga, align with well-being.

This provides a good basis to consider how the well-beings under the Local Government Act align with future organisational development.

### **4.3 Measuring well-being**

While GDP is a measure of economic activity, it does not measure wellbeing. Nor does it factor in the negative impact of economic growth such as income inequality and the state of our natural environment.

The shift to well-being means that councils can now measure progress by reporting on the things that people care about. This requires a good understanding of what well-being means to communities.

SOLGM has developed the Community Well-being Service to support councils to improve the well-being outcomes for communities. The service includes best practice case studies and information sharing. It also includes a data indicator set in the form of infographic reports which can be easily understood by communities, acting as a conversation starter (using data to tell the story) to help communities identify their priorities.

SOLGMs work has been sponsored by the Minister for Local Government and is part of an ongoing work programme to embed the well-beings. Two working groups, chaired by Penny Hulse, are focusing on community participation and measurement of well-being outcomes.

### **4.4 Financial and policy implications**

At this point, the longer term financial, and policy and planning implications of these changes are unknown.

Recent sector submissions to central Government conveyed the expectation that devolvement of responsibility and functions to local government needs to be matched with corresponding funding to carry out those obligations.

Recent announcements arising from Governments 2019 Wellbeing Budget will have benefits for the district. The intent of the Bill referred to changes to development contributions as providing relief to councils, ahead of working toward a broader range of funding and financing tools to assist local government.

The approach to meeting the intent of the new legislation as set out in this report is not expected to have a budget impact in 2019-20 or 2020-21 but will be a consideration for development of the next LTP budget.

## **5 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

## **6 Attachment**

1. Local Government (Community Well-being) Amendment Act 2019
2. Society of Local Government Managers guidance





## Local Government (Community Well-being) Amendment Act 2019

Public Act      2019 No 17  
Date of assent      13 May 2019  
Commencement      see section 2

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**Schedule**  
**Amendments to Schedule 1AA**

6

**The Parliament of New Zealand enacts as follows:**

**1 Title**

This Act is the Local Government (Community Well-being) Amendment Act 2019.

**2 Commencement**

This Act comes into force on the day after the date on which it receives the Royal assent.

**3 Principal Act**

This Act amends the Local Government Act 2002 (the **principal Act**).

**Part 1**

**Reinstatement of 4 aspects of community well-being**

**4 Section 3 amended (Purpose)**

Replace section 3(d) with:

- (d) provides for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach.

**5 Section 5 amended (Interpretation)**

- (1) In section 5(1), replace the definition of **community outcomes** with:

**community outcomes** means the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural well-being of its district or region in the present and for the future

- (2) In section 5(1), replace the definition of **good-quality** with:

**good-quality**, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—

- (a) efficient; and
- (b) effective; and
- (c) appropriate to present and anticipated future circumstances

- (3) In section 5(1), definition of **significance**, replace paragraph (a) with:

- (a) the current and future social, economic, environmental, or cultural well-being of the district or region:



**6 Section 10 amended (Purpose of local government)**

- (1) Replace section 10(1)(b) with:
 

(b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.
- (2) Repeal section 10(2).

**7 Section 14 amended (Principles relating to local authorities)**

- (1) Replace section 14(1)(c)(iii) with:
 

(iii) the likely impact of any decision on each aspect of well-being referred to in section 10:
- (2) In section 14(1)(h)(i), replace “interests” with “well-being”.
- (3) In section 14(2), after “principles”, insert “, or any aspects of well-being referred to in section 10, are in”.

**8 Section 101 amended (Financial management)**

Replace section 101(3)(b) with:

- (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

**9 Schedule 10 amended**

- (1) In Schedule 10, replace clause 2(1)(c) with:
 

(c) outline any significant negative effects that any activity within the group of activities may have on the social, economic, environmental, or cultural well-being of the local community:
- (2) In Schedule 10, replace clause 23(d) with:
 

(d) describe any identified effects that any activity within the group of activities has had on the social, economic, environmental, or cultural well-being of the community.

## Part 2 Other amendments

**10 Section 11A repealed (Core services to be considered in performing role)**

Repeal section 11A.

**11 Section 197 amended (Interpretation)**

In section 197(2), replace the definition of **community infrastructure** with:

**community infrastructure—**

- (a) means land, or development assets on land, owned or controlled by the territorial authority for the purpose of providing public amenities; and
- (b) includes land that the territorial authority will acquire for that purpose

**12 Section 198A repealed (Restrictions on power to require contributions for reserves)**

Repeal section 198A.

**13 Section 200 amended (Limitations applying to requirement for development contribution)**

After section 200(4), insert:

- (5) Subsection (6) applies if a territorial authority or a council-controlled organisation has entered a funding agreement with the New Zealand Transport Agency under which—
  - (a) a specified amount of additional financial assistance is to be provided from the national land transport fund to the territorial authority or the council-controlled organisation to fund a specified network infrastructure project; and
  - (b) that specified amount of additional financial assistance is to be offset by reduced funding for 1 or more other projects or programmes.
- (6) If this subsection applies, the specified amount of additional financial assistance must not be treated as third-party funding for the purposes of subsection (1)(c).
- (7) Subsection (8) applies if a funding agreement referred to in subsection (5)—
  - (a) provides for some or all of the specified amount of additional financial assistance to be offset by the provision of a reduced amount of financial assistance for 1 or more other network infrastructure projects; and
  - (b) specifies the amount of financial assistance for each other network infrastructure project that would otherwise have been provided.
- (8) If this subsection applies, to the extent that a network infrastructure project receives a reduced amount of financial assistance, subsection (1)(c) applies as if the amount of financial assistance provided for that project were the amount that would otherwise have been provided, and not the reduced amount.
- (9) In this section, **additional financial assistance** means an amount of financial assistance for a network infrastructure project that is greater than the amount (if any) that would otherwise be provided from the national land transport fund in respect of that project.
- (10) Subsections (5) to (9) prevail over subsection (1)(c).

**14 Schedule 1AA amended**

- (1) Replace the Schedule 1AA heading with:

**Schedule 1AA**  
**Application, savings, and transitional provisions**

s 8A

- (2) In Schedule 1AA, before clause 1, insert the Part heading set out in Part 1 of the Schedule of this Act.
- (3) In Schedule 1AA, repeal clause 8.
- (4) In Schedule 1AA, after clause 13, insert the Part 2 set out in Part 2 of the Schedule of this Act.

## Schedule Amendments to Schedule 1AA

s 14

### Part 1 New Part 1 heading inserted into Schedule 1AA

#### Part 1

#### Provisions relating to Local Government Act 2002 Amendment Act 2014

### Part 2 New Part 2 inserted into Schedule 1AA

#### Part 2

#### Provisions relating to Local Government (Community Well-being) Amendment Act 2019

#### 14 Interpretation in this Part

In this Part, **2019 Act** means the Local Government (Community Well-being) Amendment Act 2019.

#### 15 Transitional provision relating to development contributions for certain community infrastructure

- (1) This clause applies to any work or programme that—
  - (a) was not within the definition of community infrastructure as it was immediately before the commencement of section 11 of the 2019 Act, but is within the definition of community infrastructure immediately after the commencement of that section; and
  - (b) was completed on or after 8 August 2014 and before the commencement of section 11 of the 2019 Act.
- (2) If a territorial authority amends its development contribution policy to require development contributions in relation to any work or programme described in subclause (1),—
  - (a) the work or programme must be separately identified in the schedule required by section 201A; and
  - (b) for each work or programme separately identified, instead of the matters specified in section 201A(1)(c) and (d), the schedule must list—

- (i) the proportion of the capital cost of the work or programme that the territorial authority would have proposed to recover through development contributions had it been possible to recover development contributions in respect of all developments that meet the criteria in the amended policy; and
- (ii) the proportion of the capital cost of the work or programme that the territorial authority would have proposed to recover from other sources had it been possible to recover development contributions in respect of all developments that meet the criteria in the amended policy; and
- (iii) based on the proportion specified under subparagraph (i), the amount that would have been recoverable in respect of resource consents granted, building consents granted, and service connections granted before the date on which the amendment to the development contribution policy came into effect (and which therefore cannot be recovered through development contributions); and
- (iv) after taking into account the territorial authority's inability to recover the amount specified in subparagraph (iii) from development contributions,—
  - (A) the adjusted proportion of the capital cost that the territorial authority proposes to recover through development contributions; and
  - (B) the adjusted proportion of the capital cost that the territorial authority proposes to recover from other sources.

### Legislative history

5 April 2018	Introduction (Bill 48–1)
11 April 2018	First reading and referral to Governance and Administration Committee
3 October 2018	Reported from Governance and Administration Committee
9 April 2019	Second reading
30 April 2019	Committee of the whole House (Bill 48–2)
7 May 2019	Third reading
13 May 2019	Royal assent

This Act is administered by the Department of Internal Affairs.



## Attachment 2: Society of Local Government Managers guidance

### ***Social***

Involves individuals, their families, whanau, hapū, iwi, and a range of communities being able to set goals and achieve them, such as education, health, the strength of community networks, financial and personal security, equity of opportunity, and rights and freedoms.

### ***Economic***

Looks at whether the economy can generate the employment and wealth necessary to provide many of the requirements that make for social well-being, such as health, financial security, and equity of opportunity.

### ***Environmental***

Considers whether the natural environment can sustainably support the activities that constitute healthy community life, such as air quality, fresh water, uncontaminated land, and control of pollution.

### ***Cultural***

Looks at the shared beliefs, values, customs, behaviours and identities reflected through language, stories, visual and performing arts, ceremonies and heritage that make up our communities.





## 7.5 Upper North Island Strategic Alliance (UNISA) Update

**Meeting:** Whangarei District Council  
**Date of meeting:** 27 February 2020  
**Reporting officer:** Rob Forlong (Chief Executive)

### 1 Purpose

To provide the council with an update on the Upper North Island Strategic Alliance.

### 2 Recommendation

That the Council notes the update on the Upper North Island Strategic Alliance.

### 3 Background

The Upper North Island Strategic Alliance (UNISA) comprises upper Northland Island local bodies - Northland, Waikato, Bay of Plenty and Auckland Council. Mayors and chairs making up the alliance.

The member regions and cities (Whangarei District Council, Hamilton City Council, Auckland Council, Bay of Plenty Regional Council, Northland Regional Council, Waikato Regional Council and Tauranga City Council) have strong interdependencies and linkages especially in relation to people, transport and freight.

UNISA's primary purpose and function is to respond to and manage a range of interregional and inter-metropolitan issues. This includes developing agreed positions of national and regional importance and providing a shared voice when working with central government.

An updated version of the UNISA triennial agreement (Attachment 1) was signed by partners at a meeting held in Auckland in on 31 January. The agreement, including an agreed work programme and establishes long term collaboration between the seven councils.

The meeting also included discussion on a range of issues affecting the upper North Island. This includes the Upper North Island Supply Chain Strategy and meeting with central government on this subject. Three UNISA members have financial interests in one or more of the three ports, Ports of Auckland, Port of Tauranga and Northport. Furthermore, as central government's delivery partners in any Upper North Island supply chain strategy, all seven councils, and their four regional transport committees, have a key role going forward.

The meeting was also an opportunity to present the updated version of *The Upper North Island Story* (Attachment 2) which highlights the growth and changes in the upper North Island since it was originally published in 2016. This document also outlines key challenges and opportunities ahead for the UNI regions and cities. The report provides a shared

knowledge and contextual platform that sets the scene for decision-making and future planning work..

Whangarei District Council was the lead council in developing the Upper North Island Story, working in partnership with the other UNISA councils.

UNISA has a dedicated website which contains information on the alliance, its work programme and links to key documents:

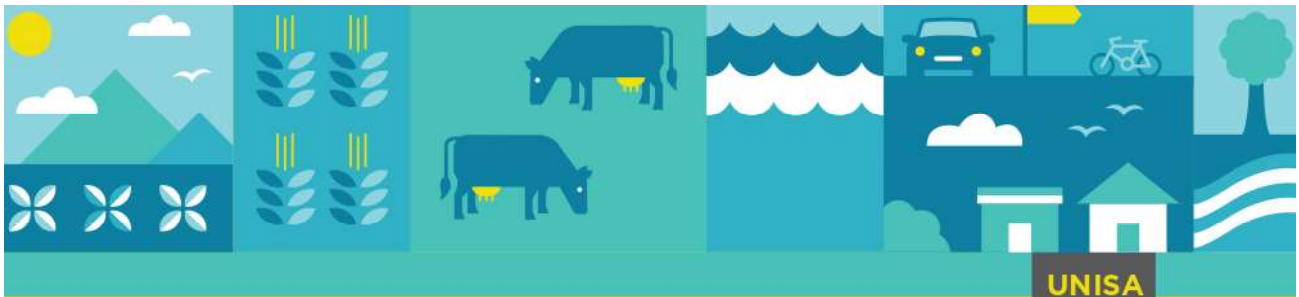
<https://www.unisa.nz/>

#### **4 Significance and engagement**

The decisions or matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

#### **5 Attachments**

1. UNISA Value Proposition, Triennial Agreement 2019-2022 & Work programme
2. Upper North Island Story



# *Value* **PROPOSITION** **2019-2022**

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**THE UPPER NORTH ISLAND STRATEGIC ALLIANCE**

## What is the Upper North Island Strategic Alliance?

Growth in the upper North Island has increased more rapidly than anywhere else in New Zealand, and it's predicted to continue.

That's why the Upper North Island Strategic Alliance (UNISA) was established in 2011. Comprising councils from the four regions plus the largest city in each, it responds to and manages a range of interregional and inter-metropolitan issues.

The alliance comprises of Northland, Waikato and Bay of Plenty regional councils, Auckland Council, Whangarei District Council, and Hamilton and Tauranga city councils. Mayors and chairs from the respective regions make up the alliance.

To extend its reach, each regional council is responsible for representing and communicating with the councils in their respective regions.

UNISA is also committed to inviting non-member councils to join UNISA's governance meetings where there are items of shared interest on the agenda.

## Why is the Upper North Island so important?

From Northland to Waikato and across to the Bay of Plenty, the upper North Island supports 53 per cent of the national population and generates 52 per cent of the country's gross domestic product (GDP).

Growth here has increased more rapidly than for the rest of the country and that's predicted to continue. Sustaining this level of growth will benefit all New Zealanders, but it comes with challenges that local upper North Island councils cannot manage alone.

The upper North Island also contains vital transport networks and acts as New Zealand's gateway to the world, with Ports of Auckland, Tauranga and Northport exporting and importing the majority of New Zealand's goods.

## What value does UNISA provide?

- Unified approach in responding to national issues. UNISA can develop agreed positions on matters of national and regional importance and provide a shared voice to work with central government. Collaboration between parties is simpler and more effective when a united team works together.
- Identifying and acting on opportunities and constraints for the upper North Island. The regions of the upper North Island depend on each other in a number of ways and share some opportunities and constraints. Together, they are important to the current and future success of New Zealand as a whole. UNISA can identify, assess and act on these opportunities and constraints.
- Coordinated views, planning and decision making. The upper North Island is critical to New Zealand's economic success, with more than half of New Zealand's population, GDP, jobs and freight movement. The upper North Island also has key infrastructure, such as ports, transport networks and airports. As such, considered planning and thinking is important to New Zealand as a whole.



## What does success look like?

- UNISA is recognised for well-coordinated views, based on sound evidence, on matters of significance for the upper North Island.
- UNISA is a 'go-to' or touch stone for central government on matters affecting the upper North Island.
- Members of UNISA, other councils in the upper North Island and government agencies have an understanding of inter-regional connections and how to capitalise on these.
- Better working relationships between agencies in UNISA and with central government.

## How is this undertaken?

- Collective projects to inform decision making, identify opportunities and ensure coordinated planning and decision making.
- Working with central government through joint submissions, position statements and collaborative projects.
- Overseeing the implementation of the UNISA Work Programme.

## What is UNISA's current focus and what has it achieved?

UNISA has commissioned a number of projects since being established:



### 1. Independent Port Study 2012

Looked at the supply and demand for ports and port-related infrastructure in the upper North Island. This informed Auckland Council's decisions about the provision of port facilities in its city.



### 2. Upper North Island Freight Study 2013

Considered one of UNISA's biggest success stories, this collaborative project with the New Zealand Transport Agency, KiwiRail and Auckland Transport led to better land use and transport planning. It provided an evidence base for sharing with local government, industry, operator and port partners and identified priority transport networks and roads for investment purposes.



### 3. Industrial Land Demand 2015

Study sought to understand how industrial land provision in the upper North Island is meeting industry needs and how investment decisions, industrial land allocation and supply can be optimised. A methodology/tool was developed and adopted for use by all member councils, identifying industrial land and how much is needed.



### 4. Tourism

This work identified areas in which UNISA could add value to the tourism sector in the upper North Island and found areas where collaboration and joint leverage could improve the functioning in the upper North Island. It led to the Australia Market Tourism NZ joint venture campaign.



### 5. Upper North Island Key Sector Trends to 2015 and Labour Demand to 2020

Identified sectors that operate at a scale and issues relating to labour skills and/or shortages in these sectors to 2020.



UNISA is currently responding to Government inquiries and providing clear and agreed messages on behalf of the upper North Island:

- **Productivity Commission inquiry into local government funding and financing**

UNISA made a submission that brought together key shared points from UNISA partners and discussed the upper North Island context and made suggested changes to the funding and financing system.

- **Upper North Island supply chain strategy – freight and logistics**

The study is to look at the network of freight and logistics in the upper North Island. Given the importance of this work for the upper North Island, UNISA has had ongoing involvement with the study.

- **UNISA and the inquiry into the Auckland fuel supply disruption**

UNISA has been actively involved in the inquiry into the Auckland fuel supply disruption, an independent response to the shutdown of the refinery to Auckland pipeline in September 2017. UNISA's main focus is on the second part of the inquiry which aims to draw lessons from this shutdown and provide recommendations for improving the resilience of fuel supply to the upper North Island.

UNISA is engaged in some longer term projects of critical importance to the upper North Island:

- **Interregional marine pest management pathway**

UNISA is supporting the possible development of an Interregional Marine Pest Pathway (IRMPP) management plan for the upper North Island as an option to restrict the spread of marine pests. The freight and leisure craft movements between the upper North Island regions are the most comprehensive in New Zealand and provide an obvious vector for the spread of marine pests.

- **Climate change**

There is a move to ensure climate change mitigation and adaptation are standard operating processes for UNISA councils. Councils have already committed to energy tracking and management methods to reduce energy use, with some adding external certification of carbon footprints. The majority have used the Global Protocol for Community-Scale Greenhouse Gas Emissions Inventories (GPC) methodology for district, city or region-wide carbon footprint work. The next step is to look at what UNISA can do as a collective to build community understanding and preparedness. We want to develop practical processes and tools to help communities deal with new conditions, strengthen resilience and minimise adverse effects.



## **UPPER NORTH ISLAND STRATEGIC ALLIANCE AGREEMENT (UNISA)**

### **Between**

Auckland Council, Bay of Plenty Regional Council  
Northland Regional Council, Waikato Regional Council  
Hamilton City Council, Tauranga City Council  
and  
Whangarei District Council

**2019 - 2022**

## Agreement dated 31 January 2020

Between	The <b>AUCKLAND COUNCIL</b> , a council listed in Part 2 of Schedule 2 of the Local Government Act 2002
And	The <b>BAY OF PLENTY REGIONAL COUNCIL</b> , a regional council listed in Part 1 of Schedule 2 of the Local Government Act 2002
And	The <b>NORTHLAND REGIONAL COUNCIL</b> , a regional council listed in Part 1 of Schedule 2 of the Local Government Act 2002
And	The <b>WAIKATO REGIONAL COUNCIL</b> , a regional council listed in Part 1 of Schedule 2 of the Local Government Act 2002 (also known as Environment Waikato)
And	The <b>HAMILTON CITY COUNCIL</b> , a city council listed in Part 2 of Schedule 2 of the Local Government Act 2002
And	The <b>TAURANGA CITY COUNCIL</b> , a city council listed in Part 2 of Schedule 2 of the Local Government Act 2002
And	The <b>WHANGAREI DISTRICT COUNCIL</b> , a district council listed in Part 2 of Schedule 2 of the Local Government Act 2002



#### A. Purpose

1. This document is to establish a long-term collaboration between the Auckland Council (AC), Bay of Plenty Regional Council (BOPRC), Northland Regional Council (NRC), Waikato Regional Council (WRC), Hamilton City Council (HCC), Tauranga City Council (TCC) and Whangarei District Council (WDC) for responding to and managing a range of inter-regional and inter-metropolitan issues including as agreed in the UNISA Action Plan.
2. While AC, BOPRC, NRC, WRC, HCC, TCC and WDC acknowledge that their respective aspirations will not always be compatible, there is merit for all parties in cooperating in areas of mutual benefit.

#### B. Parties

3. BOPRC, NRC and WRC are regional councils as defined by the Local Government Act 2002. HCC, and TCC are City Councils and WDC is a District Council as defined by the Local Government Act 2002. The activities undertaken by these six parties are defined in legislation with the main Statutes governing the way they conduct their business being the Local Government Act 2002, the Resource Management Act 1991, the Biosecurity Act 1993, the Land Transport Management Act 2003, the Local Government Official Information and Meetings Act (LGOIMA) 1987 and the Privacy Act 1993.
4. AC is a local authority as defined by the Local Government (Tamaki Makaurau Reorganisation) Act 2009, the Local Government (Auckland Council) Act 2009, the Local Government (Auckland Transitional Provisions) Act 2010, and the Local Government (Auckland Council) Amendment Act 2010. AC is a unitary authority as defined in Schedule 2 of the Local Government Act 2002 and therefore has the responsibilities, duties and powers of a territorial authority and a regional council.
5. All parties have a statutory obligation to evaluate, plan for and manage inter-regional and inter-metropolitan issues as they affect other regions, cities and districts.

#### C. Legislative context

A principal role of Local Government in relation to economic development is to create conditions in which businesses can thrive. An important part of that is efficient administration of legislation. The principal statutes for Local Government are:

##### (i) Local Government Act 2002

6. The purpose of local government includes enabling democratic local decision-making and action by, and on behalf of communities; and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future (Section 10(1)).
7. A principle of the Local Government Act 2002 is that “a local authority should collaborate and cooperate with other local authorities and bodies as it considers appropriate to promote or achieve its priorities and desired outcomes, and make efficient use of resources” (Section 14(e)).
8. A further principle of the Local Government Act 2002 includes “in taking a sustainable development approach, a local authority should take into account the social, economic, and cultural interests of people and communities; the need to maintain and enhance the quality of the environment; and the reasonably foreseeable needs of future generations” (Section 14(h)).

##### (ii) Resource Management Act 1991

9. A function of regional councils under the Resource Management Act 1991 is the establishment, implementation, and review of objectives, policies, and methods to achieve integrated management of the natural and physical resources of the region (Section 30(1)(a)). Integrated management would include integration across regional boundaries.

10. Regional councils also have the function of the strategic integration of infrastructure with land use through objectives, policies and methods (Section 30(1)(gb)). This would include the integration of infrastructure and land use across regional boundaries.
11. A function of City Councils/District Councils under the Resource Management Act 1991 is the establishment, implementation, and review of objectives, policies, and methods to achieve integrated management of the effects of the use, development or protection of land and associated natural and physical resources of the district (Section 31(1)(a)). This would include the integration of land use across the boundaries of territorial authorities.

**(iii) Land Transport Management Act 2003**

12. The purpose of the Land Transport Management Act 2003 is to contribute to an effective, efficient, and safe land transport system (Section 3(1)). Regional Councils are required to prepare Regional Land Transport plans and consider integrated land use and transport planning. The integrated approach would include integration across regional boundaries.

**D. Objectives**

13. The overall objective of this Agreement is to maximise sustainable development opportunities for all of the upper North Island and its contribution to New Zealand.
14. The parties agree to:
  - a) identify strategic opportunities, and to collaborate on joint initiatives, which will support social, economic, environmental and cultural wellbeing across the four regions;
  - b) recognise and utilise the strengths of each region for the greater good of the upper North Island and New Zealand as a whole;
  - c) help coordinate and encourage beneficial interrelationships and connections between economic activities/services across the four regions;
  - d) seek to avoid adverse cross boundary effects of decisions, planning and activities on other regions, cities and districts;
  - e) resolve differences and conflicts, and ensure no surprises, where activities in one region or city district may affect another;
  - f) share information, expertise, databases and research where there is a mutual interest and benefit;
  - g) keep each other informed of matters of mutual interest;
  - h) encourage integration and consistency of planning across the upper North Island;
  - i) develop agreed positions as appropriate on matters of national importance and major government initiatives, and to communicate these positions to central government and relevant national organisations;
  - j) investigate opportunities for achieving cost efficiencies by sharing responsibilities and services, such as through one-stop shops and centres of excellence; and
  - k) Work with other parties, such as New Zealand Transport Agency, Auckland Transport and State Services Commission to achieve shared objectives.

2

Upper North Island Strategic Alliance  
Agreement

3

Upper North Island Strategic Alliance  
Agreement

#### **E. Principles of the Agreement**

15. The parties will work in good faith in a pragmatic, workable, collaborative relationship at the governance and management levels toward achievement of the Purpose and Objectives of this Agreement set out in section D.
16. The primary strategic and major issues are at the regional and metropolitan cities/district level.
17. The parties recognise the importance of an integrated and collaborative approach to regional and metropolitan governance in the upper North Island.
18. The parties recognise each council's right to make decisions for their region, city or district, and that these decisions may not always be in the interests of neighbouring regions.
19. Each party recognises that some of their activities may affect the interests of neighbouring regional councils, cities and districts, and in such cases, recognises the right for neighbouring councils to be informed and to express a view about these activities.
20. Each party recognises that the sharing of local government services can bring increased efficiencies in terms of planning, administration and consultation, resulting in better use of resources, greater mutual understanding, and improved consistency of approach.
21. Each party recognises that cooperation and shared positions can assist in local, regional and national governance and result in improved social, economic, cultural and environmental outcomes.
22. Each party will seek to communicate on matters of mutual interest in an open, honest, respectful and proactive way.
23. Where a party to this agreement has a significant disagreement with the position of another, each party will seek to accommodate, acknowledge or at least fairly represent the dissenting view of the other.
24. Nothing in this agreement alters any statutory rights or obligations under any Act.
25. This agreement neither precludes nor constitutes a joint venture, pooling arrangement, partnership or formal business organisation of any kind, nor an obligation to perform a contract with any other party.

#### **F. Mode of Operation**

26. The Upper North Island Strategic Alliance (UNISA):
  - is a collaborative body that may make recommendations to constituent councils and central government
  - has no decision-making authority
27. The mode of operation will include:
  - each council will fund its own participation
  - chief executives will identify officer resource to support the work of UNISA
  - UNISA will meet at the governance level to an agreed schedule
  - UNISA will facilitate identification of key strategic issues, particularly where there is high interconnectivity
  - UNISA will collaborate on initiatives that support economic, social, environmental and cultural wellbeing
  - each council will give early notification of issues and opportunities that may affect another party

- each council will provide the other parties with key strategic planning documents.
  - each Council will communicate with other councils in their region.
28. The leaders of each Regional Council, City Council and District Council that are members of this agreement will engage with the District Councils in their region on strategic issues under this agreement and all Councils will maintain their own operational inter-council relationships as normal.
29. Territorial authorities (who are not signatories to this agreement) with specific interests in items that are under discussion under the UNISA will have opportunities to be involved in discussions and background analysis, and will have the ability to comment on work being undertaken.

#### G. Meetings

30. Meetings in relation to the agreement will be coordinated and recorded by the parties to the agreement.
31. Meetings will be attended where possible by the Chairperson/Mayor and Chief Executive of each partner council, or his/her appropriate nominee, with further staff support as considered appropriate by each partner.
32. External speakers and participants, including mayors from territorial authorities (who are not signatories) with specific interests in the items under discussion, may from time to time be invited to attend meetings.
33. Meetings will be held at times and in places set out in an agreed annual schedule.
34. All formal public communications from these meetings will be approved by all parties prior to their release.

#### H. Review

35. This agreement shall be reviewed at the commencement of each triennial term of the seven councils. Any party to the agreement may seek alteration to the agreement during its term.



## Executed by the Parties as a Non-Binding Agreement

### Auckland Council

Phil Goff  
Mayor

---

Stephen Town  
Chief Executive

---

### Bay of Plenty Regional Council

Douglas Leeder  
Chairman

---

Fiona McTavish  
Chief Executive

---

### Northland Regional Council

Penny Smart  
Chair

---

Malcolm Nicolson  
Chief Executive

---

### Waikato Regional Council

Russ Rimmington  
Chairman

---

Vaughan Payne  
Chief Executive

---

### Hamilton City Council

Paula Southgate  
Mayor

---

Richard Briggs  
Chief Executive

---

### Tauranga City Council

Tenby Powell  
Mayor

---

Marty Grenfell  
Chief Executive

---

### Whangarei District Council

Sheryl Mai  
Mayor

---

Rob Forlong  
Chief Executive

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## UNISA Work Programme 2019-2022

Date 07 November 2019

Action		Success Factors	Lead Agency	Partners	Budget
1. Ongoing Initiatives					
1.1	UNISA Communications and Collaboration Strategy	<ul style="list-style-type: none"><li>Coordinated media releases</li><li>Consistent messaging</li><li>Brand development</li><li>Clear, set-out roles for individual councils</li><li>An agreed approach to working in partnership with central government</li><li>Unified approach in responding to national issues</li></ul>	Officers Group	n/a	BAU
1.2	Aligned approach to baseline data and infrastructure planning and investment	<ul style="list-style-type: none"><li>Where practicable, agree on drivers, models, projections, key variables and consistent baseline data across UNI to better inform investment</li><li>Understand infrastructure needs that are common to all of us and identify infrastructure projects to collaborate on</li><li>Engagement with central government on horizontal infrastructure investment</li></ul>	Officers Group	n/a	BAU
1.3	Monitor & response to matter of national and regional importance	<ul style="list-style-type: none"><li>Upper North Island supply chain strategy – freight and logistics</li><li>Productivity Commission Enquiry into local government funding and financing</li><li>Inquiry into the Auckland fuel supply disruption.</li></ul>	Officers Group  Mayors and Chairs	n/a	BAU
1.4	Marine pest management pathways plan	Provided comments on the development of the plan by the UNISA regional authorities.	Officers Group	Regional Councils	BAU
1.5	Urban growth agenda and roading infrastructure (Auckland - Hamilton corridor)	Provided comments on the development of the Hamilton to Auckland Plan. <ul style="list-style-type: none"><li>Road</li><li>Rail</li><li>Spatial</li></ul>	Officers Group  Mayors and Chairs		BAU
1.6	RMA Reforms	The Government is working to improve our resource management system. It is focusing on the Resource Management Act 1991 (RMA) – the primary legislation governing the use of our land, water and air resources.  Provided comments on proposed amendments	Officers Group  Mayors and Chairs	Councils	BAU Combined council resources


## UNISA Work Programme 2019-2022

Date 07 November 2019

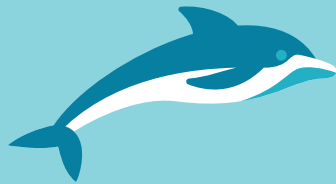
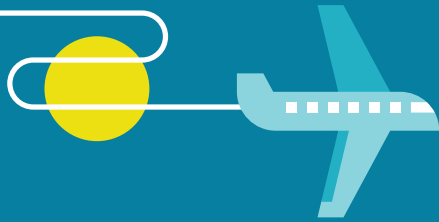
1.7	Climate Change/Sustainability	<ul style="list-style-type: none"> <li>Investigate the establishment of a UNISA Climate Change working group</li> <li>Investigate, identify and advise the UNISA Chief Executives on collaborative sustainability.</li> <li>Response to Zero Carbon Legislation.</li> </ul>	Officers Group  Mayors and Chairs	Councils	BAU Combined council resources
1.8	Pro-active response to Government plans and identified issues within the UNI	<ul style="list-style-type: none"> <li>Investigate the development of a spatial plan for UNI</li> <li>Respond to Infrastructure Commission</li> <li>Respond to NZTA</li> <li>Respond to LGNZ</li> </ul>	Officers Group  Mayors and Chairs	n/a	BAU Combined council resources
<b>2. Proposed future projects</b>					
Action		Success Factors	Lead Agency	Partners	Budget
2.1	Establish consistent cross- boundary approaches to Environmental Management	Consistent approaches for the management of natural resources such as the coastal environment, indigenous biodiversity and management of water quality and take from aquifers and watercourses that flow between regions.	Officers Group	Ministry for the Environment Regional Councils	 As required to support regional councils
2.2	Independent Port Study 2012	<p>This study looked at the supply and demand for ports and port-related infrastructure in UNI. This found UNI's ports are projected to experience strong growth over the next 30 years. Each port will need to develop further capacity to manage their share of trade, even with operational efficiencies.</p> <p><b>No Action</b> - Central Government's Upper North Island supply chain strategy – freight and logistics underway – Monitor</p>	Officers Group	Ministry of Transport NZTA UNI Ports	n/a
2.3	Upper North Island Freight Story 2013	<p>Collaborative project with New Zealand Transport Agency, KiwiRail and Auckland Transport identified seven critical freight related issues.</p> <p><b>No Action</b> - Central Government's Upper North Island supply chain strategy – freight and logistics underway - Monitor</p>	Officers Group	NZTA, Kiwi Rail, Auckland Transport	n/a
2.4	Industrial Land Demand 2015	<p>Report into how industrial land provision in UNI is meeting industry needs and how investment decisions, industrial land allocation and supply can be optimized.</p> <p><b>Action</b> –<i>update the</i> Industrial Land Demand Report</p>	Officers Group	Councils	 Budget to undertake review of 2015 report

## UNISA Work Programme 2019-2022

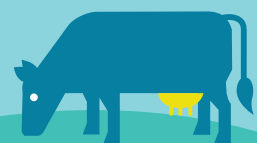
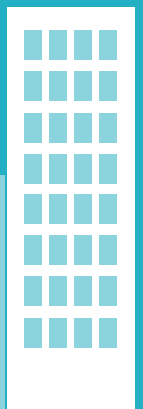
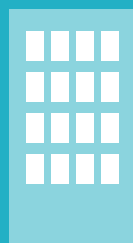
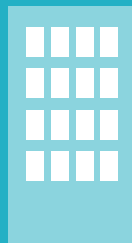
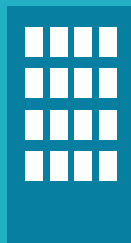
Date 07 November 2019

2.5	UNI Key Sector Trends to 2015 and Labour Demand to 2020	<p>Labour market issues with a particular focus on construction and related services, but also where appropriate the tourism, and freight and logistics sectors are considered at an Upper North Island and cross-agency level (monitoring and research).</p> <ul style="list-style-type: none"> <li>• <b>Coordinated responses</b> across the Upper North Island are prioritised where there are greater benefits than a regional response and, where these are not warranted, open lines of communication between agencies are maintained.</li> <li>• <b>Supporting</b> the local application of national policy and programmes such as the Sector Workforce Engagement Programme. This could include ensuring local plans have regard to national initiatives and advocating for targeted skills initiatives in certain areas</li> </ul> <p><b>Action</b> – Update the UNI Key Sector Trends to 2015 and Labour Demand to 2020 report.</p>	Officers Group	MBIE, Industry Associations, Chambers of Commerce	  Budget to undertake review of 2015 report.
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*The*  
**UPPER NORTH  
ISLAND STORY**  
2019 - 2020



## UNI Growth Snapshot



There were  
**17%**  
more cyclists in Auckland  
from 2018 to 2019

Source: NZTA 2019



Hamilton house  
price increase  
**↑38%**  
from 2016 to 2019

Source: QV 2019



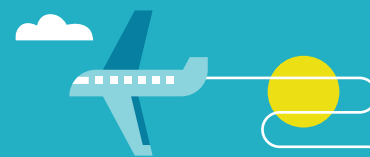
**3.1  
million  
tonnes**  
of cargo exported in 2019.  
An increase of  
**↑63%**  
over 10 years

Source: Northport 2019



From 1996 to 2019,  
Tauranga City had  
**↑81%**  
growth

Source: Tauranga District Council



Tourism growth in the  
Bay of Plenty was  
**↑13%,**  
the highest in the  
Upper North Island

Source: MBIE 2019

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# *An introduction to the* **UPPER NORTH ISLAND STORY**

The Upper North Island Story is about growth, change and how important the connections between the regions and cities of the Upper North Island are to the success of New Zealand. This document is an update to the first Upper North Island Story published in 2016. Since 2016, growth and change have continued and issues such as housing, infrastructure, natural environment and the changing climate have become even more important. This document has been produced for the Upper North Island Strategic Alliance (UNISA)

UNISA was established in 2011. It is a collaboration of four regional/unitary councils (Northland, Auckland, Waikato and Bay of Plenty) and three city/district councils (Whangarei, Hamilton and Tauranga). UNISA proactively plans and responds to a range of strategic issues facing the upper North Island.

The Upper North Island Story leads into and informs the following UNISA documents:

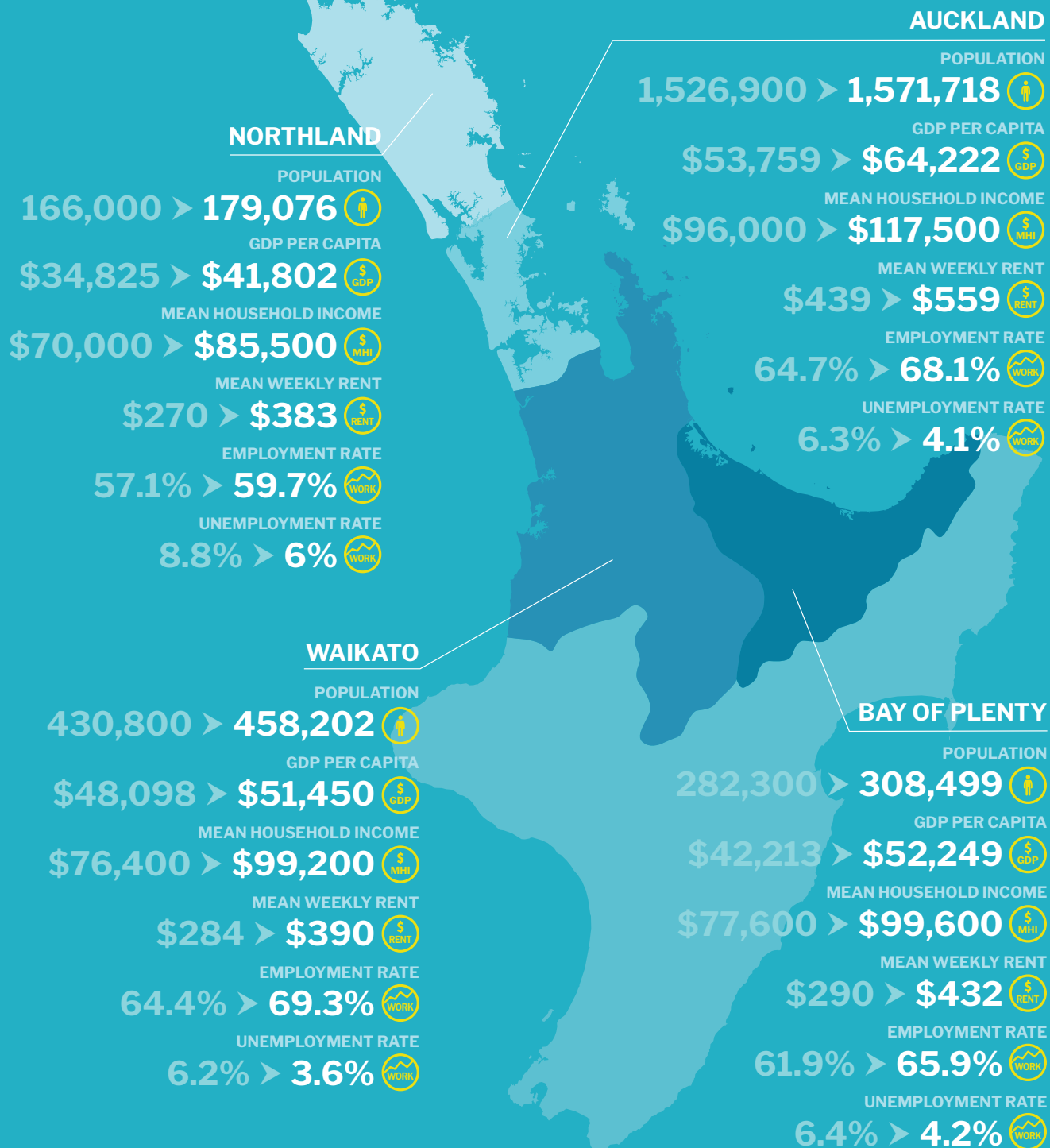
- Upper North Island Strategic Alliance Value Proposition.
- Upper North Island Strategic Alliance Work Programme.



## The Upper North Island is diverse

The Upper North Island varies between and within its regions. There are differences in our population, our economy and our communities.

2016-2017 > 2019-2020



Source: MBIE Regional Economic Activity Report 2019

# The Upper North Island is critical to a successful New Zealand

## Why is the Upper North Island important?

### UNI is the powerhouse of New Zealand

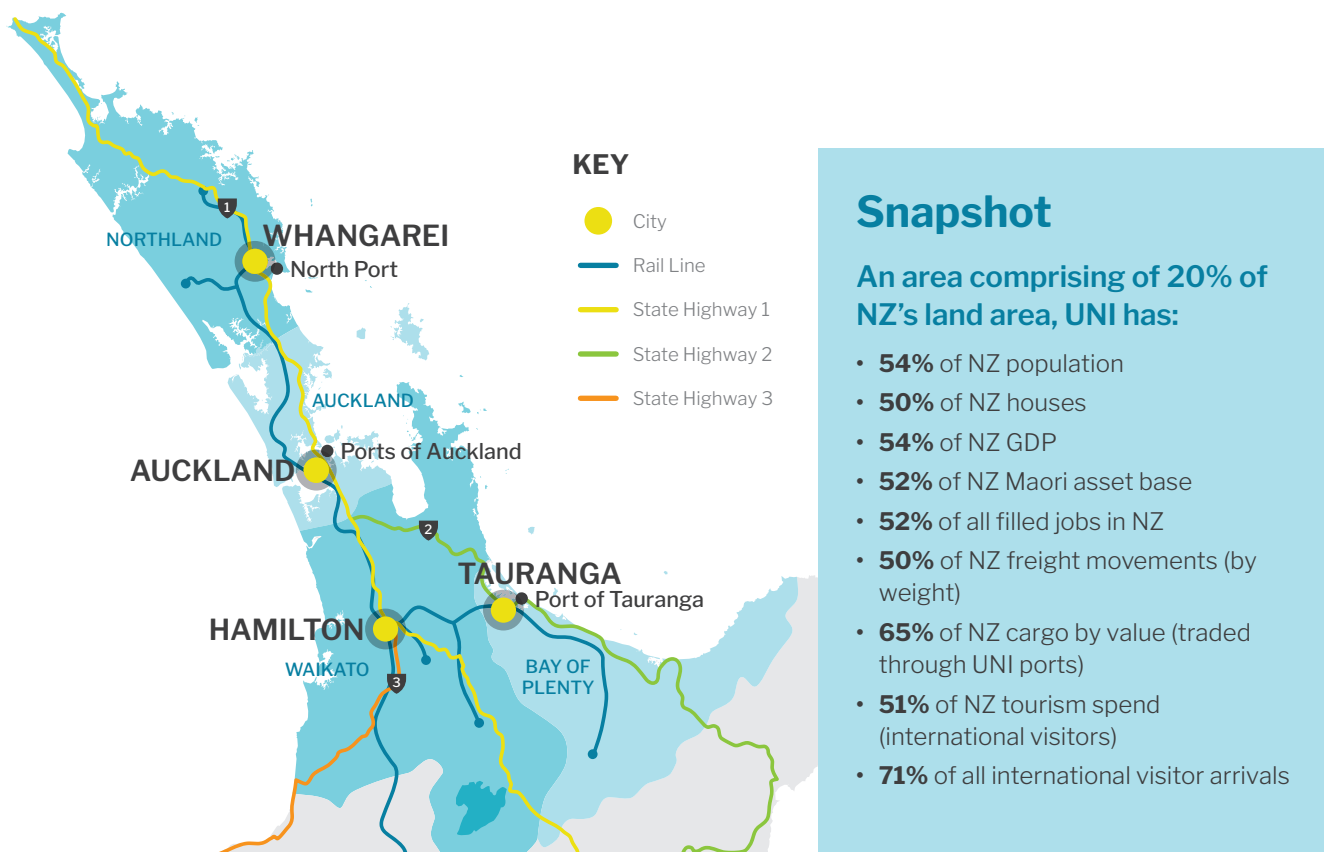
- UNI GDP in 2018 was \$146 billion, over half of the \$220 billion New Zealand economy.
- UNI population in 2018 was 2.64 million, over half of New Zealand's total population.

### UNI infrastructure is vital to the success of New Zealand

- 65 percent of goods by value within New Zealand move through the Upper North Island ports and Auckland International Airport.
- UNI freight volumes are forecast to increase by 59 percent by 2042.

### UNI has a unique natural environment

- Four of the UNI's main industry sectors (forestry / wood processing / dairy / tourism) depend on the natural environment.
- The UNI is home to some of NZ's most significant natural assets such as our longest river, largest lake and all of New Zealand's Kauri forests.



## UNI contributes the largest share of New Zealand's GDP



UNI GDP

**\$146  
billion**



compared to NZ GDP

**\$270  
billion**

## Auckland contributes the largest share of the Upper North Islands GDP

### UNI GDP in 2015 (Billion) by Region

2016 - 2017



**WAIKATO**  
20 BILLION

**17%**

**BAY OF PLENTY**  
11 BILLION

**9%**

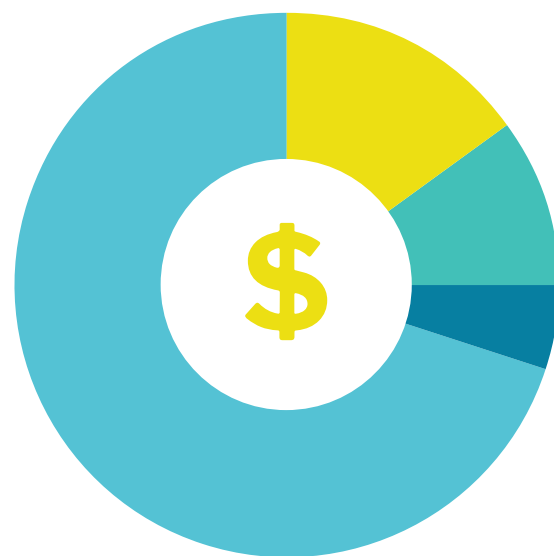
**NORTHLAND**  
6 BILLION

**5%**

**AUCKLAND**  
81 BILLION

**69%**

2019 - 2020



**WAIKATO**  
22 BILLION

**15%**

**BAY OF PLENTY**  
15 BILLION

**10%**

**NORTHLAND**  
7 BILLION

**5%**

**AUCKLAND**  
102 BILLION

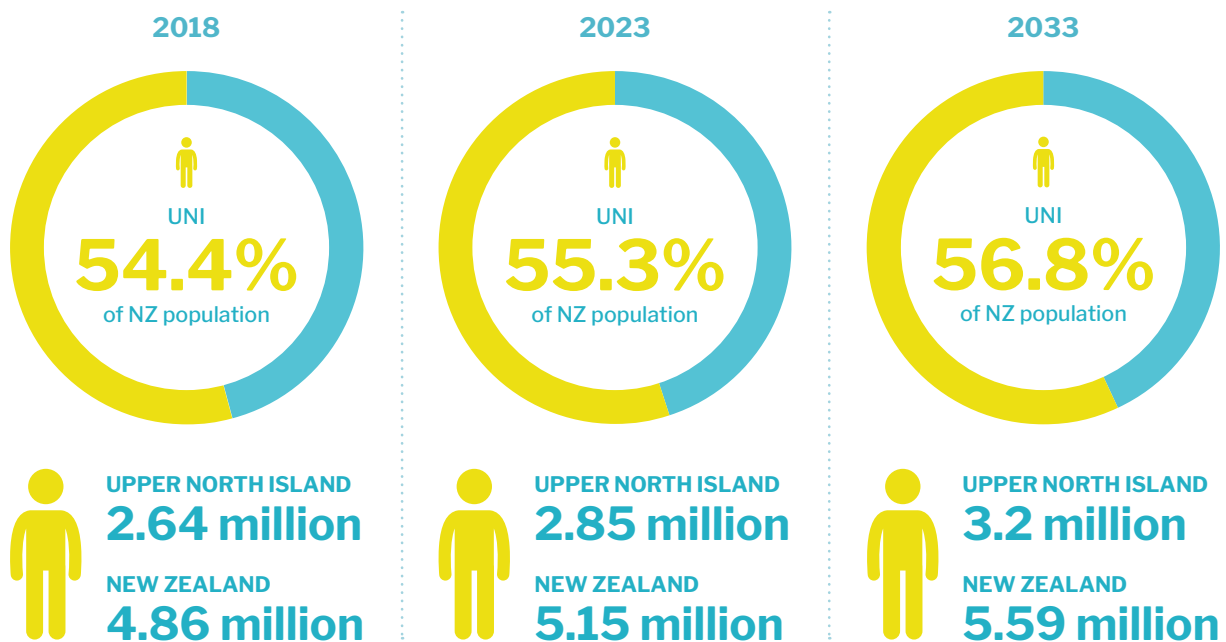
**70%**

Source: Stats NZ (2019)

# *The Upper North Island is* **GROWING AND CHANGING**

What is the Upper North Island Story? It is a story of growth and change that present significant challenges for our communities, our infrastructure and the natural environment. It also delivers opportunities for investment, job creation and economic development.

## Projected population



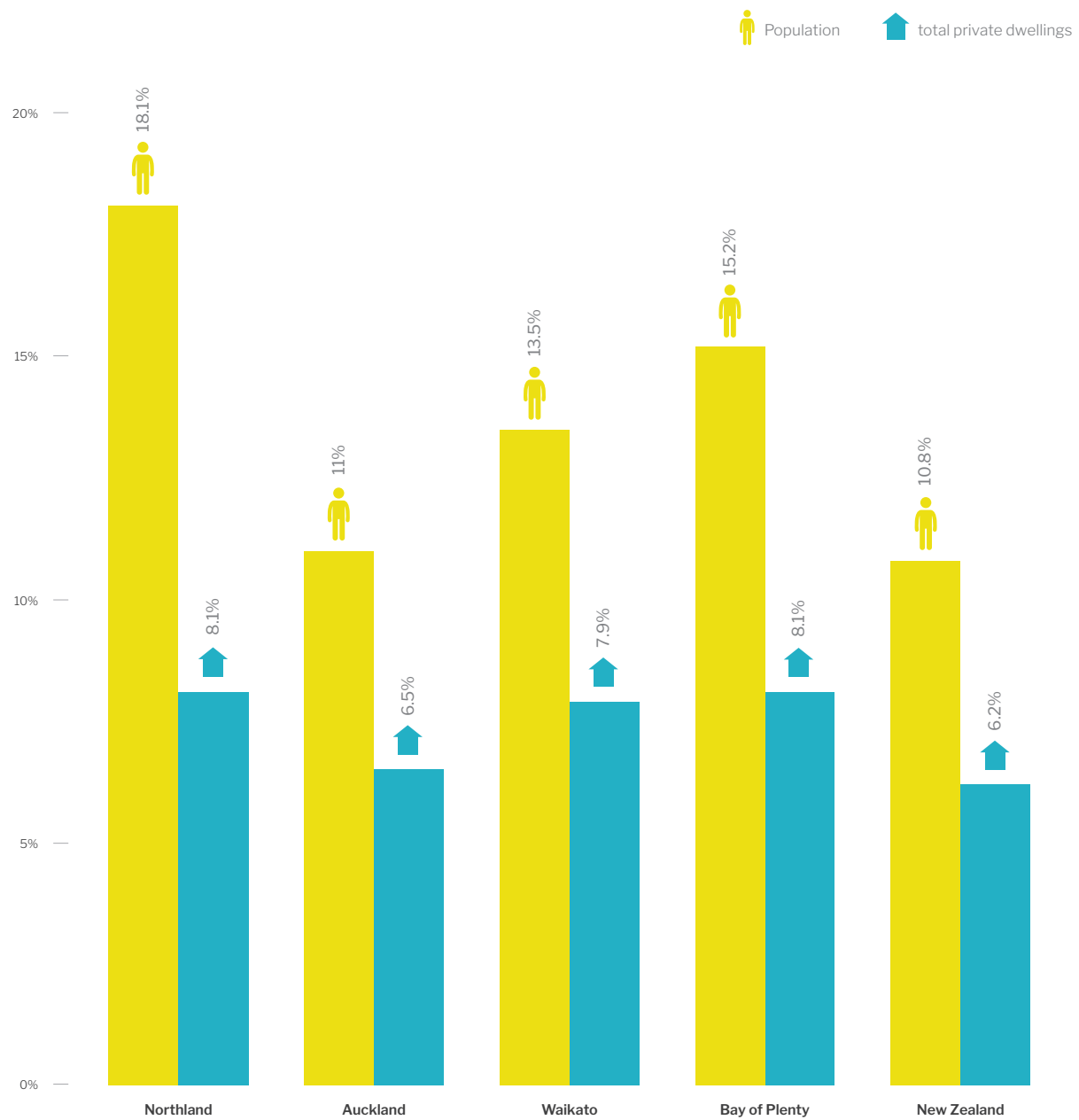
Source: Stats NZ (2019)

The continued growth of the UNI means this area will remain a powerhouse for New Zealand for the foreseeable future. The scale of growth means the UNI will continue to have an ongoing agglomeration effect, attracting more people, businesses and institutions.



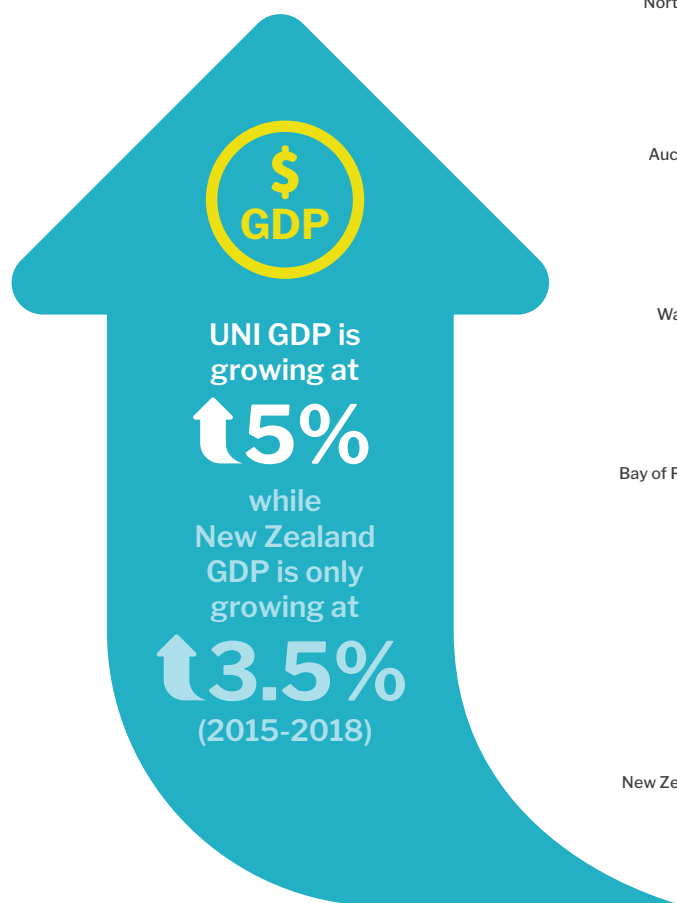
## Growth in population and the number of dwellings in UNI is outpacing the rest of New Zealand. Within the UNI, recent growth in the regions is higher than Auckland.

Percentage change in population and change in total private dwellings between the 2013 and 2018 Census

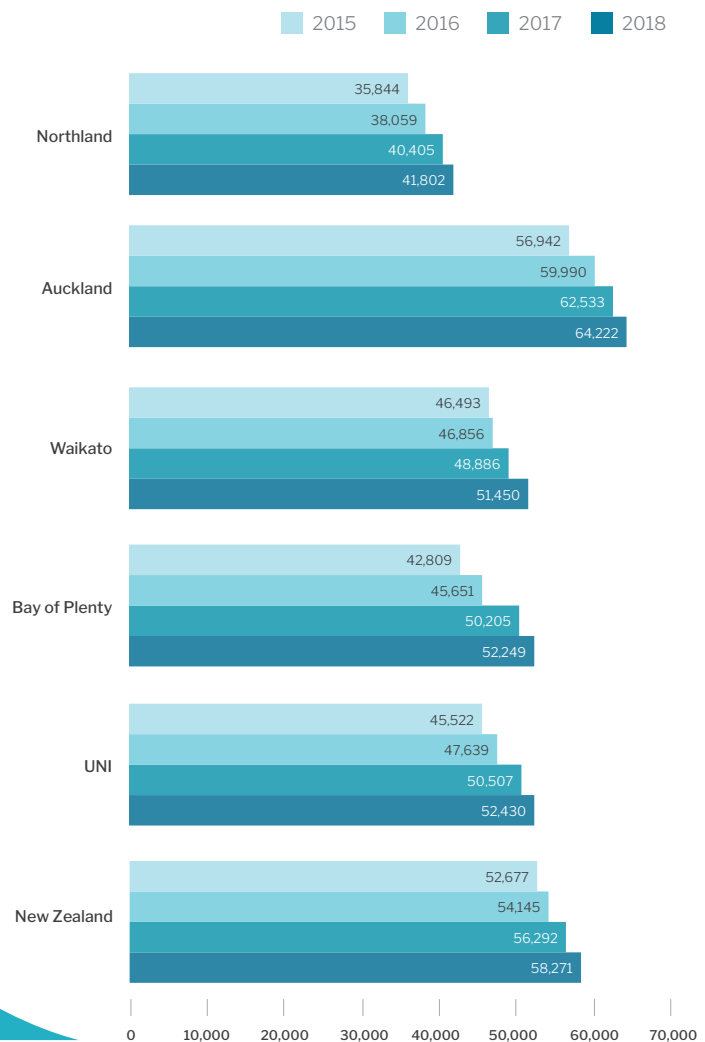


Source: Stats NZ (2019)

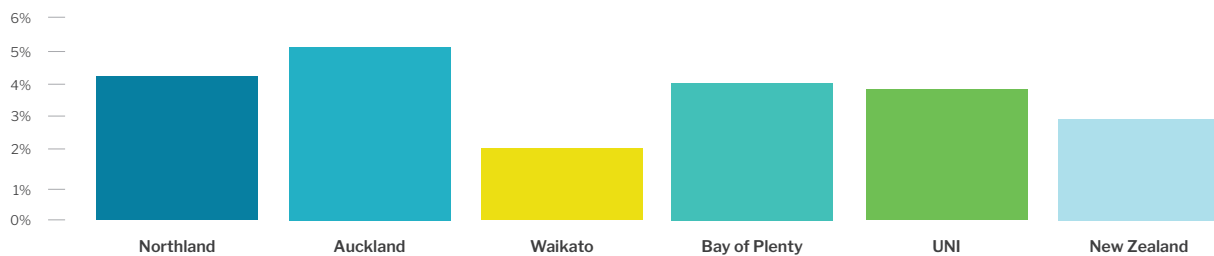
**Average annual GDP growth per capita in the UNI continues to grow faster than the rest of New Zealand. Within the UNI strong growth is seen in Auckland, Bay of Plenty and Northland, compared to lower rates of growth in the Waikato.**



**GDP per Capita (2015 - 2018)**



**Average annual percentage change GDP per Capita (2015 - 2018)**



Source: MBIE 2019

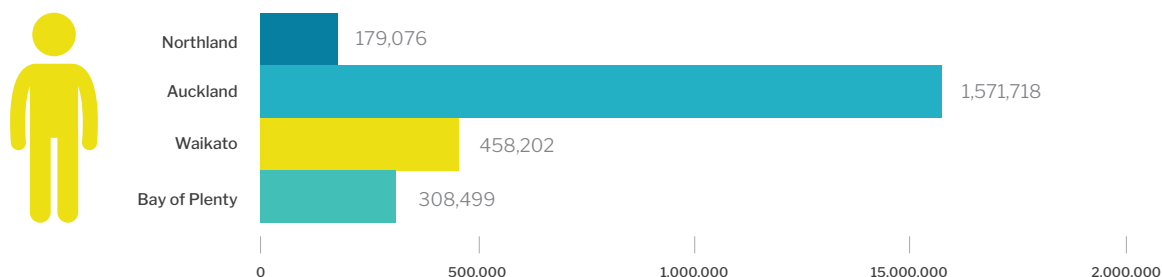
# *The Upper North Island is* **CONNECTED**

The regions and cities of UNI depend on each other in a number of ways and share common opportunities and constraints. Together, they are important to the ongoing success of New Zealand.

## **The Auckland Effect**

Growth pressures in Auckland have resulted in an 'overspill' of growth into surrounding regions. If needs are not being met in one location demand will shift to the surrounding region if the 'push' and 'pull' factors are great enough. The other regions of the Upper North Island share the challenge of providing for and responding to Auckland's significant growth.

### **Population 2018**



Source: Stats NZ 2019

### **Impact of Aucklands growth**

- Based on recent trends, Auckland is likely to continue to be an attractive place for settlement for migrants to New Zealand, and growth from internal migration and natural increase (the number of births over deaths) will continue
- Despite Auckland's high amenity and liveability, growth can have negative consequences: increased demand for housing, when unmatched by supply, can drive up the cost of housing; and poor travel choices leads to more congestion on the roads.
- The rising cost of living in Auckland, particularly the cost of housing, has led to a 'halo' growth effect in neighbouring regions.
- Auckland-based investors and those relocating out of Auckland to the regions have led to increased demand for housing and significant increase in property values. Those relocating out of Auckland have escalated demand for property.

### **Opportunities**

- Greater connectedness of the UNI through transport projects such as the Auckland to Hamilton corridor and investment in Northland rail.
- The majority of energy used in Auckland comes from a distance, with petrol, diesel and jet fuel from Northland via the Refinery Auckland Pipeline and electricity via Transpower's national network.
- Increased water supply is needed to support Auckland's projected growth with an application lodged to take a further 200,000 cubic metres of water from the Waikato River.
- Auckland imports nearly one third of its metal aggregate needs from other parts of the upper North Island, particularly from Waikato and Northland.

Source: Auckland Plan 2050

# Our HOMES

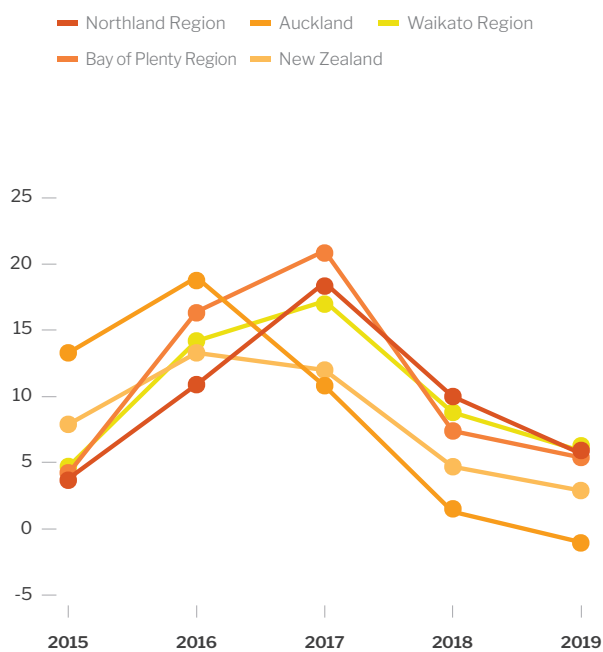
House prices for the Upper North Island continue to break records. In the Waikato, Bay of Plenty and Northland house prices are now increasing more than Auckland. As our population continues to grow, there is a significant challenge to meet housing needs.

Our response will need to consider new ways of planning, infrastructure provision and funding. Our success or failure will impact on our community's wellbeing, our economic prosperity and the quality of our environment.

## Key facts

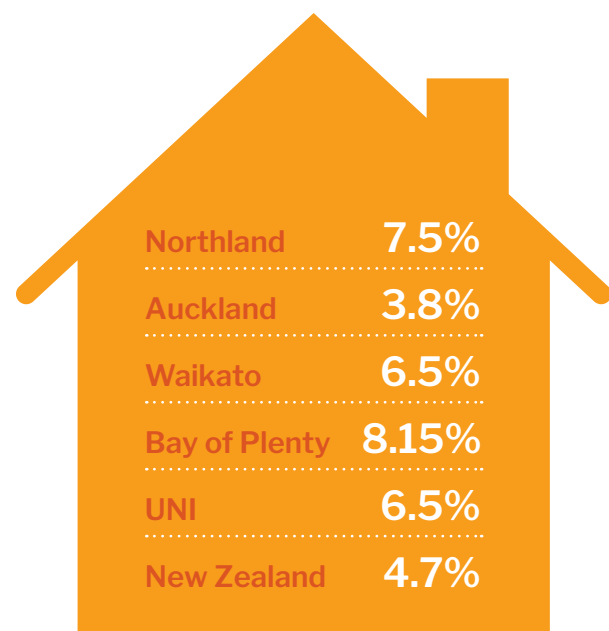
- Home ownership rates are decreasing and cost of renting is increasing
- Overcrowding is becoming more of an issue, particularly in Auckland, but also in other regional centres.
- The number of property sales to Aucklanders in Whangarei, Hamilton and Tauranga has more than doubled in five years.
- Continued growth in house building is placing strain on the availability of skilled labour in the construction industry

## Percentage change in house values



Source: MHUD (2019)

## Average annual percentage change in mean weekly rent from 2016 - 2019



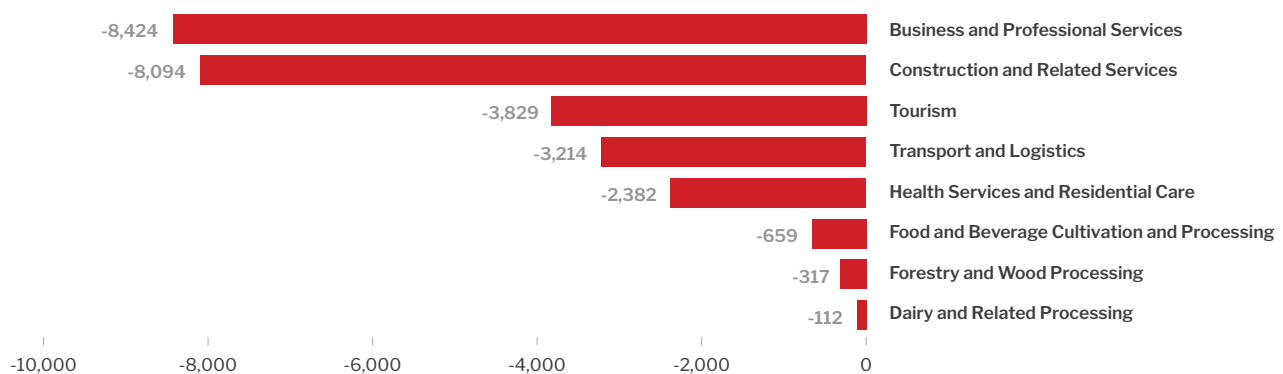
Source: Stats NZ (2019)

# Our WORK FORCE

Every year approximately 100,000 people in the UNI become available for employment. UNI's economy is facing skill shortages in key areas, mainly in parts of economy which are booming.

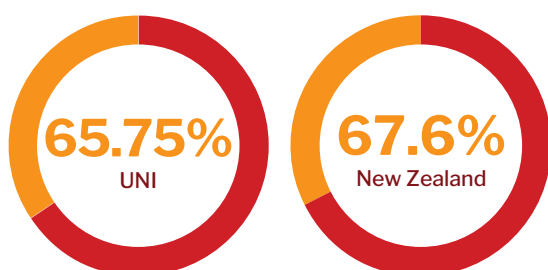
Although the UNI is a strong economic performer, the challenge of lifting employment rates and labour force participation remains.

## Under-supply of Skilled Workers by Key Sector

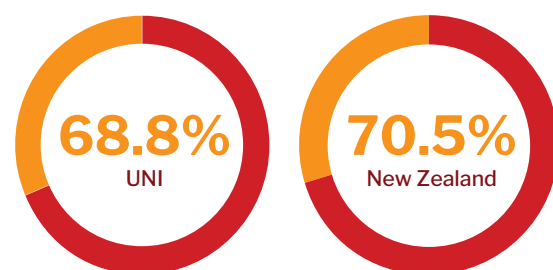


Source: Upper North Island Key Industry Sector Trends and Future Labour Force Demand 2014 - 2019

## EMPLOYMENT RATES



## LABOUR FORCE PARTICIPATION



Although there strong economic performance of the UNI, there is still the challenge of lifting employment rates and labour force participation.

# *Our* TRANSPORT AND INFRASTRUCTURE

The infrastructure networks of the upper North Island regions connect key growth areas and support the majority of national economic activity. These networks not only provide for the movement of people, and exchange of goods and services, but they also facilitate improvements in accessibility both regionally and sub-regionally. A collaborative, forward-thinking approach to infrastructure planning and investment across the Upper North Island is required to ensure strategic road and rail corridors continue to perform well into the future.

## Key Facts

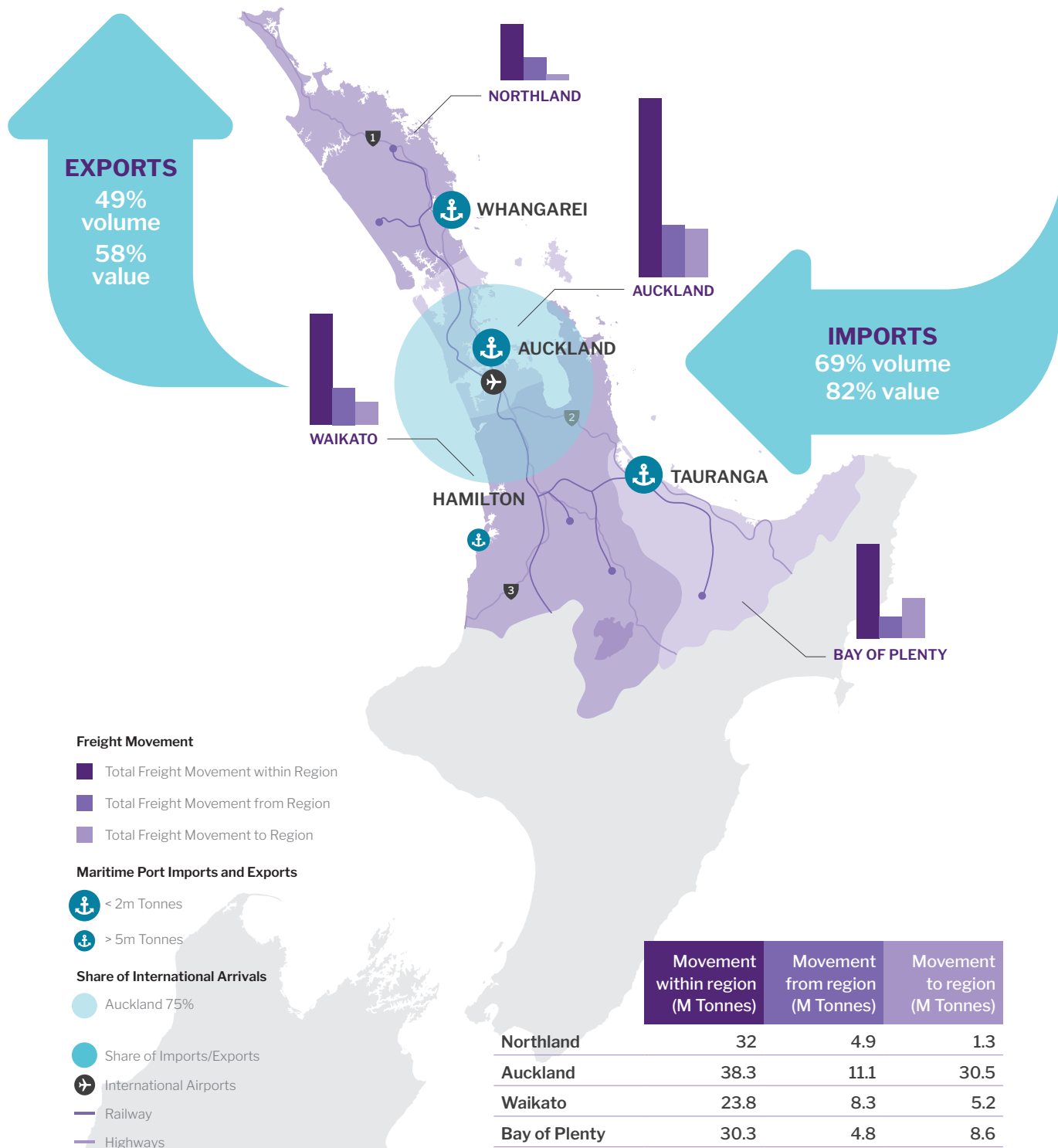
- UNI's roads and transport networks:
  - Carry the majority of New Zealand people and goods
  - Connect three of the five largest urban areas in New Zealand
  - Connect to New Zealand's largest international gateway
  - Connect key tourist destinations
  - Support the flow of resources, such as food and beverage cultivation
- The greatest movements tend to be
  - Auckland to/from the other regions
  - From Auckland into Bay of Plenty
  - And between Waikato and the Bay of Plenty
- The efficient movement of freight is vital to our economic success.
- This reflects the importance of Auckland and Tauranga as export ports, and Auckland's position as a major market.
- Auckland Airport is currently planning for the number of passengers to increase from 21 million in 2019, rising to 40 million passengers per year by 2040.

## Opportunities

As the UNI grows there is a significant opportunities to align infrastructure to support future development. This includes:

- The Hamilton – Auckland Corridor which sets out a spatial framework for future development in hotspot for growth.
- Rail investment in Northland to help unlock its potential for freight and support the growth of Northport
- Continued transport investment in the Bay of Plenty to focus on improved connectivity with Hamilton and Auckland
- The Upper North Island Supply Chain Strategy, which is reviewing freight and logistics in New Zealand, including the role of the Ports in the upper north Island.
- Responding to the governments enquiry on the Auckland Fuel Supply Disruption.

## Freight movements in the Upper North Island



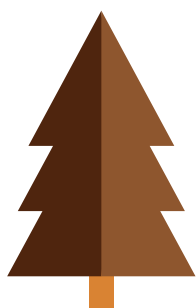
Source: NZTA (2019)

# Our NATURAL ENVIRONMENT

The natural environment does not recognise administrative boundaries. What takes place in one region has impacts upon another. As we grow we collectively place our environment under strain that could ultimately undermine its ability to provide for the future, in ways valued by our communities. How we manage our natural resources is intrinsically linked to how and where we grow.

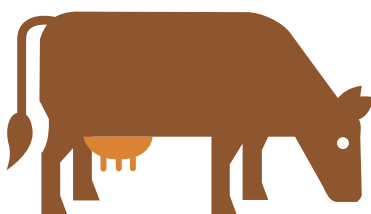
## Opportunities

- UNISA sponsorship of an inter-regional marine pest pathway management plan to restrict and slow the spread of marine pests.
- Co-ordination and sharing of information on natural environment issues such as biodiversity
- Advocacy to central government on issues such as the proposed National Policy Statement on Highly Productive Land



**Forestry and  
Wood Processing:**

**\$2<sub>bn</sub>**  
per year to the GDP of  
the Upper North Island



**Dairy**

**\$3.1<sub>bn</sub>**  
per year to the GDP of  
the Upper North Island



**Food and Beverage  
Cultivation and Processing:**

**\$2.5<sub>bn</sub>**  
per year to the GDP of  
the Upper North Island

Source: Upper North Island Key Industry Sector Trends and Future Labour Force Demand 2014 - 2019



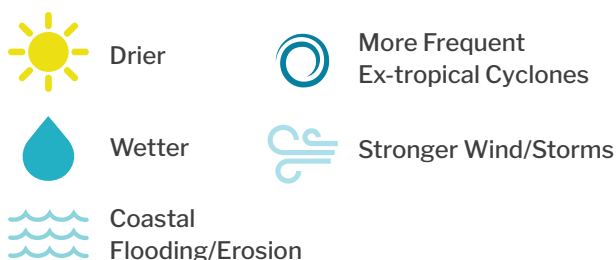
# *Our response to a* **CHANGING CLIMATE**

Responding to climate change is one of the most significant global challenges. The concentration of people, infrastructure and economic activity in the Upper North Island means it is essential to have a coordinated and collaborative approach to both mitigating and adapting to the effects of climate change.

## Key Facts

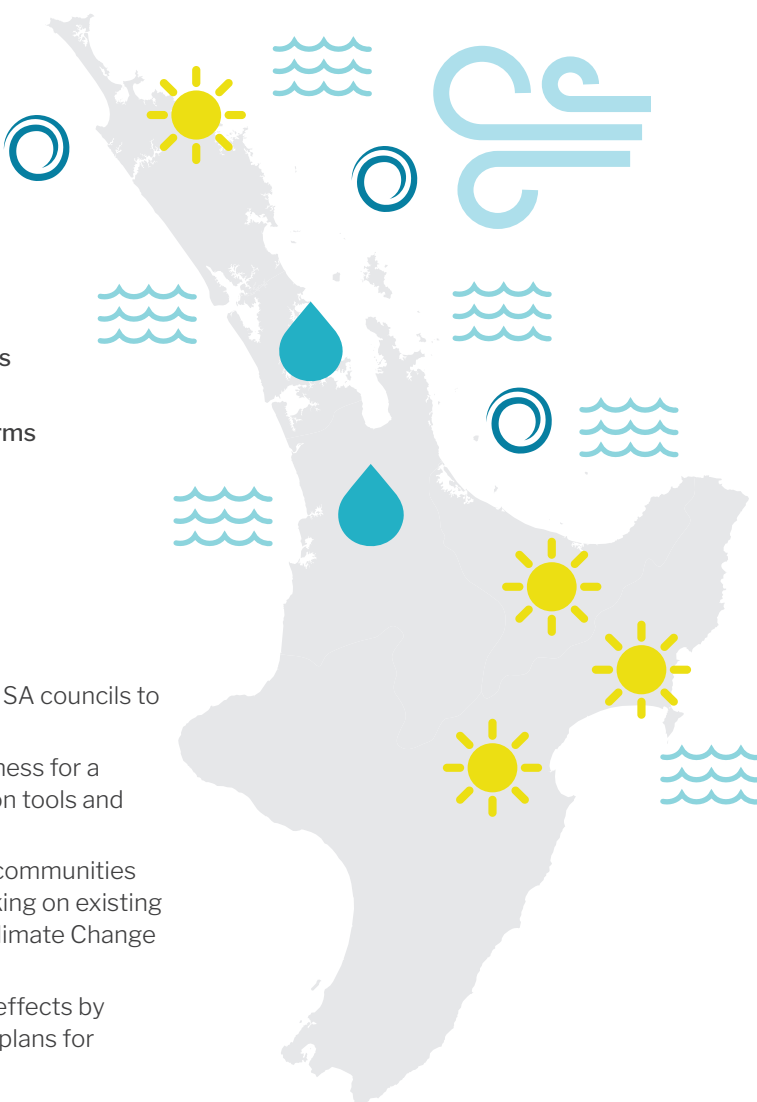
- The impacts of climate change will vary across the UNI and will require different responses:

## Key



## Opportunities

- Establishing a technical working group for the UNISA councils to collaborate on climate change
- Building community understanding and preparedness for a changing climate through common communication tools and information
- Developing practical processes and tools to help communities deal with new conditions, including joined up thinking on existing council programmes such as the Te Tai Tokerau Climate Change Adaptation Working Group
- Strengthening resilience and minimising adverse effects by considering how inter-regional infrastructure and plans for growth will be impacted.



# Our ECONOMY

The Upper North Island represents more than half of New Zealand's economic activity. The diversity and scale of the Upper North Islands' economic sectors allows a degree of specialisation in goods and services not present in many other parts of the country. This leads to innovation, which in turn drives growth.

Economic activity within the regions is becoming more specialised and more dependent on one another. Auckland's size and scale means that it is home to increasingly specialised services. The services are being used by the surrounding region as well as wider New Zealand and internationally. Regions outside of Auckland are specialising in activities which require more space, such as manufacturing, marine activities, engineering and agriculture. The wide diversity of economic activities support continued growth and resilience in the UNI economy. Across the UNI tourism is becoming an increasingly important part of our economy, from both international and domestic visitors.



In 2019, tourism spend in the UNI totalled

**\$12.3bn**

for international visitors and

**\$6.9bn**

for domestic visitors



Manufacturing is worth

**\$14.5bn**

in GDP to the UNI, compared with

**\$26.9bn**

for New Zealand



New building consents for the UNI total

**24,344**

compared to

**41,662**

in New Zealand

## Opportunities

- Identifying and promoting opportunities to boost the UNI economy
- Sharing information and collaboration between UNI councils, for example, through the UNISA Labour Demand Study
- Advocating to central government on matters that influence our economic performance.

Source: MBIE (2019)

# *Strategic importance of* **WORKING TOGETHER**

This story has shown that many issues within the Upper North Island are not defined by local government boundaries and cannot be satisfactorily addressed by individual Councils working in isolation. By working collaboratively the Upper North Island will be well placed to proactively plan for future challenges and we will have a stronger voice when advocating for change.

This story has identified many opportunities for collaboration. The UNISA Value Proposition and the UNISA Action Plan will establish a strategic framework setting out the important issues that we should be working together to address.

## **Our people**

- Understanding movement patterns and the reasons for migration.
- Planning proactively for our aging population and areas of decline and growth. Better understand the relationships between population change and demand for housing.

## **Our economy**

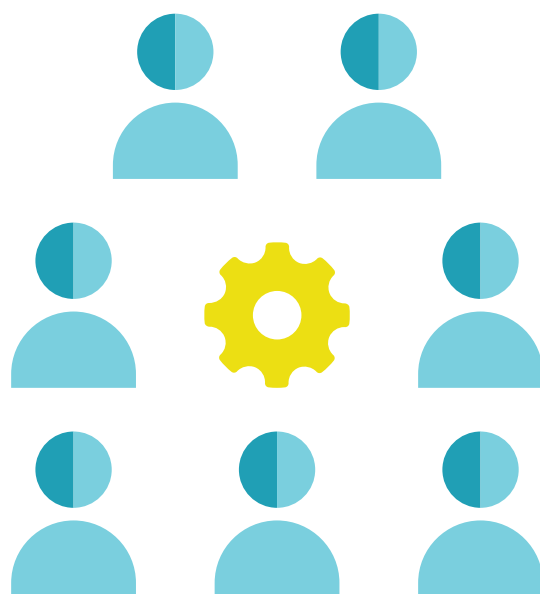
- Acknowledging and understanding the interdependencies between our regions and the rest of New Zealand.
- A focused dialogue with central government around the efficiency of our economy and critical issues such as labour demand and infrastructure planning.

## **Our infrastructure**

- Support and integrated approach to transport that contributes to social and economic prosperity.
- Manage existing pressures on our infrastructure networks and plan for future growth.

## **Our environment**

- Identify environmental issues of common interest and understand how collaboration can help manage these issues.





**RESOLUTION TO EXCLUDE THE PUBLIC****Move/Second**

That the public be excluded from the following parts of proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>		<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for passing this resolution</b>
1.1	Confidential Minutes Whangarei District Council 19 December 2019	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
1.2	Bid for sporting event		
1.3	Appointment		

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public, are as follows:

<b>Item</b>	<b>Grounds</b>	<b>Section</b>
1.1	For the reasons stated in the minutes	
1.2	To enable Council to carry on without prejudice or disadvantage negotiations (including commercial and industrial negotiations).	Section 7(2)(h)
1.3	To protect the privacy of natural persons including that of a deceased person.	Section 7(2)(a)

**Resolution to allow members of the public to remain**

If the committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

**Move/Second**

"That \_\_\_\_\_ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item \_\_\_\_\_.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because \_\_\_\_\_.

*Note: Every resolution to exclude the public shall be put at a time when the meeting is open to the public.*