

## Council Briefing Agenda

**Date:** Tuesday, 4 August, 2020

**Time:** 1:00 pm

**Location:** Council Chamber  
Forum North, Rust Avenue  
Whangarei

**Elected Members:** Her Worship the Mayor Sheryl Mai  
(Chairperson)

Cr Gavin Benney

Cr Vince Cocurullo

Cr Nicholas Connop

Cr Ken Couper

Cr Tricia Cutforth

Cr Shelley Deeming

Cr Jayne Golightly

Cr Phil Halse

Cr Greg Innes

Cr Greg Martin

Cr Anna Murphy

Cr Carol Peters

Cr Simon Reid

For any queries regarding this meeting please contact  
the Whangarei District Council on (09) 430-4200.

**1. Apologies**

**2. Reports**

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**3. Closure of Meeting**

## 2.1 LTP Strategy and Democracy Briefing

**Meeting:** Council Briefing

**Date of meeting:** 04 August 2020

**Reporting officers:** Aperahama Edwards – Manager, Māori Relationships  
 Tracey Schiebli – Manager, Democracy and Assurance  
 Tony Horton – Manager, Strategy

### 1 Purpose

To provide elected members an overview of the Strategy and Democracy Group including:

- What we do
- the key assets and levels of service
- the key issues facing this activity

### 2 Background

Elected members will receive briefings on the key activities of Council. Through these briefings, staff will provide an overview of the activity. Staff will also provide information on the key issues facing that activity over the next 3 and 10 years as well as into the long term. The intent is to give elected members clear visibility and knowledge of the activity.

These briefings will also help to identify common issues which may impact on multiple activities and set the scene for direction setting for the 2021 – 31 Long Term Plan.

### 3 Strategy

The Strategy Department, is one of three departments in the Strategy and Democracy Group along with Democracy and Assurance and Maori Relationships.

Our areas of focus and responsibilities are varied and involve collaboration with other teams across Council and key external stakeholders and partners.

#### 3.1 What we do

What we do	Why we do it	Examples
Strategic direction setting and strategy development for key issues	Various legislative requirements depending on issue e.g. National Policy Statements, Zero Carbon Bill	Climate Change Strategy Growth Strategy Active Recreation and Sports Strategy

Bylaw/Policy review and development	To meet Policy and Bylaw requirements under the LGA and other legislation	Camping Public Places Bylaw Easter Trading Policy Freedom Camping Act Gambling Act
Monitoring and reporting	Requirements under National Policy on Urban Development Capacity.  Needed to support LGA decision making processes	Whangarei District Growth Model  Residents survey Housing monitoring report
Placemaking / spatial planning across District	No legislative requirements. Future changes to the RMA may mandate spatial planning.	Placemaking programme
City centre strategy and planning	No legislative requirement, but informs RMA and LGA processes.	City Centre Plan City Core Precinct Plan Complete Streets Masterplan
Inter-regional strategy / planning	Treaty settlement negotiations Informing RMA and LGA decision making.	Kaipara Moana Working Group  Upper North Island Strategic Alliance  Northland to Auckland Corridor Plan
Response to government decision making and legislation	Dependant on legislation	Productivity Commission Northport / Navy Base

### 3.2 Our levels of service

Currently one level of service is identified in the 2018 – 2028 Long Term Plan, relating to our obligation under the National Policy Statement on Urban Development Capacity. As this National Policy Statement is likely to be updated this year, the level of service will need to be amended or removed for the next LTP.

## 8.2 We deliver the requirements of the National Policy Statement on Urban Development Capacity.

Performance measure	2017-18 target	2018-19 target	2019-20 target	2020-21 target	2021-28 target
Meet the statutory timeframes and deliverables as set out in the <i>National Policy Statement on Urban Development Capacity</i> .	New	100%	100%	100%	100%

### 3.3 Key issues for the next 3 Years

Due to the strategic nature of our work, many of the key issues are relevant in the short medium and long term. However there are a number of key issues over the next 3 years which will impact our department as well as the wider organisation and community.

#### Central government policy / legislative reform agenda.

- This includes extensive reforms of the Resource Management Act and associated National Policy Statements on Urban Development, Biodiversity and Productive Land
- Three waters reform
- Changes to Government Policy Statements and direction setting following the 2020 election

#### Treaty Settlement Negotiations for Kiapara Moana

- A remediation entity is currently being established as a joint CCO between Auckland and Kaipara Councils and Kaipara Uri. Settlement negotiations could conclude in the next term of government, establishing a statutory body for the Kaipara Moana and its catchment.

#### Central government decision making on key project

- Ports of Auckland decision likely to be in next term of government with further analysis by government ministries
- Funding for a Drydock facility
- Moving the Navy base to Whangarei
- Future road and rail investments in Northland

#### COVID-19 Recovery and Reset

- Uncertainty on economic outlook and global recovery. This will impact local economy and government expenditure

### 3.4 Key issues for the next 10 years

#### District Growth

- Sustained growth over the next 10 years, leading to continued pressures on land development, infrastructure and transport. An overview of the proposed Growth Model will be provided in the briefing.
- Continued government regulation to monitor and enable housing development.

#### Climate Change

- Legislative requirements for monitoring and reporting on environment impacts
- Emissions trading scheme

- Increasing community expectations for a response to climate change risks

### **Economic change**

- Post COVID 19 Reset presents longer term challenges for our economy and therefore our decision making, such as tourism and job distribution

### **Strategy implementation**

- Working with elected members to implement strategies through capital works funding where resources are required (to be discussed and prioritised through the LTP Direction Setting Briefings):
  - Blue Green Network Strategy
  - City Centre Plan / Complete Streets Masterplan
  - Active Recreation and Sport Strategy

### **Housing**

- Linked to the issue of growth, the provision of land and infrastructure for housing and business will remain a key priority.
- Further legislation and reform may change local governments roles and responsibilities in relation housing.

### **Importance of strategic partnerships**

Building on the success of initiatives such as the Kaipara Moana Business Case, the implementation of strategic programmes will increasingly be reliant on strategic partnership with central government, hapu and the community. This could include:

- Future remediation and settlement of the Whangarei Harbour
- Inter-regional governance of growth management (similar to SmartGrowth and FutureProof in the Waikato and Bay of Plenty)
- Transport partnerships with NZTA for significant transport and land use developments

## **3.5 Key issues in the long term**

Longer term the following issues are likely to be increasing priorities for our Council

- The impacts of climate change on our infrastructure and communities, likely requiring infrastructure programmes and adaptation.
- Developments such as the Port, Navy base, rail and road improvements and the airport will (if they go ahead) have a significant impact on our District and how we plan for growth. The growth model factors in these projects and will support the longer term Growth Strategy and Infrastructure Strategy.
- As the population heads towards 130,000 significant investment is likely to be needed in our core infrastructure to ensure we meet our communities needs, but also to ensure we maintain resilience.

## **4 Māori Relationships**

Council recognises its obligations under legislation (including the Local Government Act, Resource Management Act and other relevant legislation) to establish and maintain processes for Māori to participate in decision-making. Processes are in place at both the operational level (i.e. planning and project-based) and through Te Kārearea at a governance level.

#### 4.1 What we do

The Māori Relationships Department provides guidance and advice for Council and Māori (both iwi and hapū). Most of the department's mahi is to facilitate meaningful engagement, which is an integral part of building positive relationships between Council and the Māori community.

#### 4.2 Key Issues

1. Resourcing Māori, hapū, whanau and Mana whenua engagement / input to Council kaupapa and projects. Valuing hapū input and Māori worldview.

Council currently engages and consults with Tangata Whenua (Iwi, hapū, and whanau) not only in order to meet statutory requirements, but to foster inclusive decision making with tangata whenua as representatives of the community, and kaitiaki for the District's resources. The Māori Relationships Department is pivotal in assisting staff and project managers to identify expectations and resourcing for consultation and other cultural duties.

2. Considering matauranga Māori for technical advice

Council, and indeed other government agencies, acknowledges the importance of Māori input to their relevant planning documents. The ever-increasing acknowledgement of matauranga Māori heightens our awareness as an organization to the cultural obligations of Māori. As subject matter experts Māori can contribute immensely to all facets of Council's business. Recognised as generational kaitiaki, hapū information associated to Hapū Environment Management Plans (HEMPs) are a repository of their areas of influence culturally, spiritually and environmentally.

3. Titiri based rangatiratanga partnership

Te Kārearea and Te Huinga have been the catalyst for this partnership evolution, with both forums proving to be valuable for facilitating and supporting a Māori world view in decision making. Council have been very proactive in working alongside hapū on reviewing Te Kārearea, with a view to shifting to a more strategic focus. This, alongside the internal Treaty of Waitangi audit, will enhance our partnership.

4. Capacity building for hapū

While hapū have opportunities to contribute to Council kaupapa they are often time poor due to competing demand for their skills and services (i.e. from whanau, hapū and Iwi as well as from Council). Council has recently approved an increased budget for Te Kārearea in order to support hapū to build capacity in this area. Resourcing hapū capacity building will enhance their ability to meaningfully acknowledge a genuine relationship with Council at all levels from operation to governance.

## 5 Democracy and Assurance

The democracy and assurance activity includes the democratic functions of our organisation which drive robust decision-making through Council and Committee meetings, supported by briefings and workshops. Assurance provides the framework for a number of organisation wide activities.

## 5.1 What we do

Democracy functions include:

- Management of triennial local government elections
- Governance framework including Committee Structure, Standing Orders, Elected Member Remuneration, Code of Conduct, Appointment to Outside Organisations, Policies and Procedures
- Post-election planning and induction of elected members
- Agenda and meeting management
- Consultation and engagement advice and coordination to support Annual and Long Term Planning, and other Council wide activities

Assurance functions include:

- Risk and Audit, including oversight of the committee
- Insurance
- Internal Audit
- Business Continuity
- Internal legal function
- Local Government Official Information Management Act (LGOIMA)
- Council Controlled Organisation coordination

## 5.2 Our key assets

The democracy and assurance function does not have responsibility for any key assets.

## 5.3 Our levels of service

The 2018-2028 LTP contains performance measures to ensure that democratic functions are transparent and meet the legislative requirements.

***Responses to requests for information made under the Local Government Official Information Management Act 1987 (LGOIMA) and the Privacy Act 1993 are provided within relevant statutory timeframes – target of 100%***

Performance against this target during 2018-19 averaged 96%. This target will be reviewed through the Long Term Plan, to align with other legislative targets for complex processes within Council.

***Percentage of Council, committee and hearing agenda that meet relevant legislative timeframes – target 100%***

This target has been met consistently during 2019-20.

## 5.4 Key issues for the next 3 Years

### (i) Elections 2022

Leading into the 2022 local government election, there are a number of matters for Council to consider including:

#### **Electoral system**

Council will need to decide which electoral system to use for the 2022 triennial elections (first past the post or single transferrable voting), by 12 September 2020. Council must also place



a public notice advising of the right of electors to demand a poll on this issue by 19 September 2020. Whangarei District Council currently operate under first past the post.

### **Maori representation**

Council may consider whether or not Maori representation should be introduced for the 2022 triennial elections, by 23 November 2020. Council must also place a public notice advising of the right of electors to demand a poll on this issue by 30 November 2020. Whangarei District Council currently operate without Maori Wards.

### **Voting documents**

Under Regulation 31 of the Local Electoral Regulations 2001, Council can choose the order of the candidate names on the voting documents for the election. There are three options available to Council – alphabetical, pseudo-random or random order. If no resolution is made by Council, the default position is alphabetical order. Whangarei District Council currently use the alphabetical system. This decision will come to Council in March 2022.

### **Representation Review**

In order to achieve fair and effective representation at these elections, local authorities are required by the Local Electoral Act 2001 to review their representation arrangements at least once every six years. Council last undertook a representation review in 2018.

A representation review addresses the total number of councillors there should be for the district or region and the way they are elected. In the case of territorial authorities, this involves deciding whether councillors are elected from wards or 'at large' across the whole district, or by a mix of both wards and 'at large'. A review also covers the boundaries of wards and constituencies, and their names. In the case of territorial authorities, a review also needs to address whether there should be community boards in the district and, if so, the number of boards; their names and boundaries; the number of members for each board including any appointed members; and whether the board area should be subdivided for electoral purposes.

The next review is due in 2024.

### **(ii) Consultation on the 2021-2031 Long Term Plan**

Council is required to undertake formal consultation prior to adoption of the next long term plan (LTP). Section 83 of the LGA requires this to be undertaken through a special consultative procedure for period of at least one calendar month.

The LTP Consultation Document will be presented to Council for adoption ahead of formal consultation. Council will approve the high level consultation and engagement plan in late 2020. In order to meet legislative timeframes, formal consultation will commence in March 2021.

Council's Significance and Engagement Policy is reviewed through the LTP process. A draft policy will be presented to Council through a briefing prior to Christmas.

### **(iii) Insurance of Council liability and assets**

Insurance strategy across Council's liability and assets will be reviewed in 2021. The aim is to check the risk appetite and make sure insurance profiles are appropriate and cost effective. Global events in 2019 have impacted on insurance premiums which have seen significant increases for 2020-21. This trend is likely to continue.

## **5.5 Key issues for the next 10 years and beyond**

The impact of Central Government decisions on democracy and assurance activity is unknown and will be worked through as the scale of changes starts to become clear in the next term of government.

## 2.2 LTP Briefing on CCOs

<b>Meeting:</b>	Council Briefing
<b>Date of meeting:</b>	4 August 2020
<b>Reporting officer:</b>	Joanne Tasker (CCO Project Coordinator)

### 1 Purpose

To provide elected members an overview on Whangarei District Council's (Council's) council-controlled organisations (CCOs), council-controlled trading organisations (CCTOs), and exempt organisations. For each organisation this includes the following:

- The key functions of the organisation
- The key issues facing the organisation.

### 2 Background

Elected members will receive briefings on the key activities of Council. Through these briefings, staff will provide an overview of the activity, and information on the key issues for the next 3 years and the next 10 years. The intent is to give elected members clear visibility and knowledge of the activity.

These briefings will also help to identify common issues which may impact on multiple activities and set the scene for direction setting for the 2021 – 31 Long Term Plan.

This briefing focuses on CCOs, CCTOs, and exempt organisations that provide various functions and activities on behalf of Council.

At this Briefing staff will provide an overview of the management of CCOs, CCTOs, and exempt organisations before having over to the business owner and a representative from each organisation (where attending) to provide a brief presentation to Council.

#### 2.1 What is a CCO?

A CCO is a type of council organisation where one or more local authorities hold or control at least 50 per cent of the voting rights, or have the right to appoint at least 50 per cent of the directors to the board.

A CCTO is a type of CCO that trades to make a profit.

Both CCO's and CCTO's must deliver to Council a draft statement of intent, final statement of intent, half-yearly report, and annual report each financial year, under the Local Government Act 2002 (LGA).

An exempt organisation is an organisation that would be a CCO except that it has been granted an exemption under section 7 of the LGA. As a result of being granted an exemption, the organisation is not defined as a CCO under the LGA, and is not required to provide a statement of intent, half-yearly report, or annual report.

Exemptions are reviewed every 3 years. Council's current exempt organisations are due to be reviewed in August 2021.

## **2.2 Why do we have CCO's?**

A CCO can benefit Council in many ways, but the creation of a CCO can also create challenges. A CCO created as a charitable trust may help empower local communities through members of the community acting as trustees. There may also be a wider range of funding sources available to a CCO. Additionally, a CCO can have a greater commercial focus and may protect Council from financial liability (e.g. where the CCO has an incorporated structure).

The potential challenges of a CCO can include tensions between the objectives of pursuing profit and delivering community outcomes, as well as reduced ability to manage risk. There can also be a lack of direct accountability to the community for the services the CCO delivers, and there may be ongoing costs for Council to monitor the performance of the CCO.

## **2.3 Management of CCOs, CCTOs, and exempt organisations**

The management of CCOs, CCTOs, and exempt organisations requires cross-Council cooperation. Each has a business owner and an operational point of contact. The point of contact is the person that the organisation primarily communicates with, while the business owner acts as an escalation point (where necessary) and should remain fully informed through the point of contact. Historically, it has not always been clear who is acting as the point of contact or business owner, or whether the people acting in these roles are appropriate.

Organisations may have communication with other members of Council where they receive in-house support (e.g. Finance department prepares financial statements for some CCOs).

In March 2019 the position of CCO Project Coordinator was introduced to help oversee the CCOs and ensure compliance with the LGA. As a result of this role the Democracy and Assurance department has been able to:

- Clarify best practice for managing CCOs through the development of a Good Governance and Accountability Framework
- Improve Council practices for the management of CCOs, CCTOs, and exempt organisations
- Provide greater clarity to the CCOs, CCTOs, and exempt organisations
- Assisting all parties in meeting obligations under the LGA

For the upcoming 3 years it is expected that Democracy and Assurance department will continue to support and monitor these organisations in the following ways:

- Monitoring timeframes for the statements of intent, half-yearly reports, and annual reports
- Supporting the process for appointment or removal of Council appointed directors/trustees to outside organisations
- Developing templates for half-yearly reports and annual reports, and assisting CCO's to utilise these templates (if they choose to)
- Developing a Statement of Expectations for CCO's through discussions between the CCO and Council.

## **3 Discussion**

Council currently has 3 CCO's, 1 CCTO, and 3 exempt organisations. These include:

- Whangarei District Airport – CCO

- Whangarei Art Museum Trust – CCO
- Local Government Funding Agency – CCO
- Northland Regional Landfill Limited Partnership – CCTO
- Whangarei Waste Limited – exempt organisation
- Northland Events Centre Trust – exempt organisation
- Springs Flat Contractors Limited – exempt organisation

These organisations provide a wide range of functions such as providing a venue for sporting and other events, promoting art, operating an airport, and providing waste facilities. Each organisation has a unique structure and their own opportunities, and potential challenges. An overarching issue for each of these organisations in the medium to long term is the impact of the global pandemic (COVID-19).

The issues faced by each organisation in the next 3 to 10 years have the potential to impact on Council. In order to manage risk in these areas Democracy and Assurance department will continue to work alongside the parties, as well as strengthening the relationship between Council and each organisation.

### **3.1 Whangarei District Airport (CCO)**

#### ***Function***

Whangarei District Airport is a CCO. It is a joint venture airport between Council and the Crown (i.e. the Ministry of Transport). Council is the Airport Authority under the Airport Authorities Act 1966, but the day-to-day operational activities are managed through a management contract (currently with Northland Aviation Limited).

The functions of Whangarei District Airport include:

- Providing Airport services to and from the Whangarei area
- Operating the Airport in a cost effective and efficient manner
- Seeking opportunities to widen the Airport's revenue base
- Adhering to the terms of the Aerodrome Operating Certificate issued by the Civil Aviation Authority
- Meeting Civil Aviation Authority certification requirements
- Achieving the objectives outlined in the statement of intent
- Operating in support of the Council's vision and community outcomes.

#### ***Key issues for the next 3 years***

The key issues for the upcoming 3 years surround the impact of COVID-19. As a result of COVID-19:

- There has been an unprecedented decline in the ability of the aviation industry to operate. International borders have been closed and domestic travel restrictions put in place, resulting in passenger numbers and aviation traffic being reduced by more than 90%.
- Cash reserves are expected to be depleted in year 2, and therefore capital works have been reprioritised to coincide with the forecast recovery and to allow for Joint Venture parties to consider the allocation of additional funds through Long Term Plans. The focus on the next 3 years is to continue to meet the required legislative compliance while managing a sustainable operation on existing cash reserves.

#### ***Key issues for the next 10 years***

As well as the impact of COVID-19 on the aviation industry, the following issues have been identified as potentially impacting Whangarei District Airport in the next 10 years:

- Alternate future airport sites continue to be investigated as a consequence of physical limitations at Onerahi (although a decision and timeframes are still pending).

### 3.2 Whangarei Art Museum Trust (CCO)

#### ***Function***

Whangarei Art Museum Trust (WAMT) is a CCO. Council appoints 4 trustees under the trust deed, while WAMT appoints an additional 2 to 3 trustees. WAMT operates the Whangarei Art Museum and oversees the Hundertwasser Art Centre and Wairau Maori Art Gallery project.

The functions of WAMT include:

- Managing the Whangarei Art Museum (including cataloguing, conserving, and displaying works of art)
- Developing the Hundertwasser Art Centre and Wairau Maori Art Gallery
- Undertaking educational programs and events
- Managing Council's art collection
- Supporting Council's Arts, Heritage and Culture Strategy

WAMT has further developed the following pillars of engagement to underpin their operations:

- Artistic excellence (kaupapa) – art as a craft, art as industry, art as technology, art as inspiration, art as a change event
- Visitor experience (manaakitanga) – delivering audience impact through art
- People (tangata) – motivate, support and empower
- Sustainability (kawanatanga) – generating funding and operating efficiently.

#### ***Key issues for the next 3 to 10 years***

Key issues identified for WAMT that are expected to affect the next 3 years, as well as the next 10-year period, include:

- Risk of Hundertwasser construction cost overruns and increased operational costs.
- Funding levels and the mechanism for funding (WAMT accounts for 27% of available funding from Council's Annual Operating Fund pool and has questioned whether a contestable grant is the appropriate funding mechanism).
- Managing the operational relationship between WAMT and Council. This requires optimal support, relationship management, and organisational capability support.
- Potential changes to customer demand caused by COVID-19 in the short to medium term, and the revenue profile going forward.

### 3.3 Local Government Funding Agency (CCO)

#### ***Function***

The Local Government Funding Agency (LGFA) is a CCO, as a result of multiple councils (including Whangarei District Council) holding shares that together equate at least 50% shareholding.

The functions of LGFA include:

- Providing interest cost savings relative to alternative sources of financing
- Offering flexible short and long-term lending products that meet members' borrowing requirements
- Delivering operational best practice and efficiency for its lending services
- Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

LGFA further ensures the asset book remains at a high standard by ensuring it understands each member council's financial position, as well as general issues confronting the Local Government sector. This includes:

- Proactively monitoring and reviewing each member council's financial position
- Analysing finances at the council group level where appropriate and reporting to shareholders
- Endeavouring to visit each member council annually, including meeting with elected officials as required, or as requested
- Taking a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

#### ***Key issues for the next 3 years***

Key issues LGFA expects to face in the upcoming 3 years relating to COVID-19 include:

- In the post-COVID environment LGFA's main challenge is ensuring that councils have access to debt funding required to meet both operating and capital commitments in a global financial market where liquidity has tightened, and investor margins have reduced.
- At the same time, LGFA must ensure that all borrowers maintain their credit quality, so the overall LGFA credit rating remains in sync with that of the New Zealand Government. This will become increasingly difficult unless Council revenue streams pick up again or the Reserve Bank changes its current policy of committing to purchasing LGFA stock in secondary markets if required.

#### ***Key issues for the next 10 years***

The expected issues for the next 10-year period include:

- The potential reform of the 3 Waters, which could involve the reassignment of debt for councils that opt in to new cross-council entities. Councils that opt in will need to make debt to revenue adjustments as they lose water and wastewater revenue.
- The impacts of high-growth councils (e.g. Auckland, Hamilton, Tauranga) reaching their lending ceilings and seeking off-balance sheet funding.

### **3.4 Northland Regional Landfill LP (CCTO) and Whangarei Waste Ltd (exempt organisation)**

#### ***Function***

Northland Regional Landfill Limited Partnership (NRLLP) is a CCTO. It is a limited partnership where Council and Northland Waste Limited (NWL) are the limited partners (both have 50% shareholding in NRLLP). Whangarei Waste Limited (WWL) is the general partner responsible for the day-to-day management of NRLLP.

WWL is an exempt organisation. Council and NWL both hold 50% of the shares in WWL. WWL is a legal entity only and does not have any financial transactions passing through its accounts. WWL was granted an exemption on 30 August 2018 because it would be of no benefit to Council, WWL, or the community, for WWL to produce an annual statement of intent, and the compliance costs would not be justified.

The main objectives of NRLLP are:

- To develop and operate Puwera Landfill, providing waste disposal to Council, NWL, and third-party waste operators
- To operate the Re:Sort Resource Recovery Park to provide a waste collection point for domestic and commercial customers in the Whangarei District
- To invest in other waste and recycling services where economically viable
- To be a profitable business providing regular distributions to the partners.

#### ***Key issues for the next 3 years***

The key issues that are expected to impact on NRLLP for the next 3 years include:

- The development of landfill gas to energy capacity at Puwera
- The implementation of higher rates of landfill levy expected from 2021
- Central government investment in waste infrastructure as part of the COVID-19 recovery package.

### ***Key issues for the next 10 years***

The key issues that are expected to impact on NRLLP for the next 10 years include:

- The implementation of mandatory product stewardship schemes for various waste streams
- The implementation of the Government's plans and policies aimed at developing a more circular economy.

## **3.5 Northland Events Centre Trust (exempt organisation)**

### ***Function***

Northland Events Centre Trust (NECT) is currently an exempt organisation. This exemption was granted on 30 August 2018 in order to maintain the status quo while NECT and Council worked through a review of the Event Centre's operations. It was noted that the exemption can be revoked at any stage once granted.

Council appoints between 2 to 4 trustees while Northland Regional Council currently has the right to appoint 1 trustee (although NRC have asked to be removed from this role in the Trust Deed).

The objects and purposes of NECT include:

- To operate and maintain a high-quality multipurpose events centre
- To provide a regional sporting, cultural, convention and events centre for use by sports bodies and codes, arts, musical, social and cultural organisations, public bodies and community organisations
- To enable the Events Centre to be used for a wide range of activities and events for the benefit of the public of the Region.

### ***Key issues for the next 3 to 10 years***

In the upcoming 3 to 10 years it is expected that NECT will face the following issues:

- Working through removal of Northland Regional Council from the trust deed
- Working alongside Council on a change management process over at least 12 months to:
  - Implement necessary governance arrangements to ensure robust purpose and direction, governance systems and processes, clear roles and responsibilities, and policies and processes are in place from the outset
  - Determine the 'scale' needed to make this option viable (including staffing to run a stand-alone entity, back office functions, turnover/events and external/council funding)
  - Develop a draft statement of intent for Council to consider by 1 March 2021
  - Develop a business plan to support delivery against the statement of intent
  - Implement systems and support required by a standalone trust
  - Work through Council's obligations as a good employer
- Appointing trustees with the necessary skills, knowledge, and experience
- Implementing the change management plan and meeting expectations determined through governance arrangements
- Continuing to work through the impact of COVID-19, including the financial impact, impact on visitor numbers, and the impact on NECT's ability to plan events
- Providing support to NECT in delivery of the objectives and purpose as identified in the trust deed.



### **3.6 Springs Flat Contractors Limited (exempt organisation)**

#### ***Function***

Springs Flat Contractors Limited (Springs Flat) is a dormant limited liability company in which Council has 100% shareholding. It was initially set up in 1992 to provide civil contracting services directly for Council's civil projects. Springs Flat is not operating and has not traded since 1 July 2000. It is retained because it has tax losses that may be of benefit to Council in the future.

Springs Flat is an exempt organisation. It was exempted on 30 August 2018 because it would be of no benefit to Council, Springs Flat, or the community for the company to produce a statement of intent and the compliance costs would not be justified.

#### ***Issues***

There are no predicted issues for Springs Flat as the company is dormant and is expected to remain dormant for the foreseeable future.