

NORTHLAND REGIONAL COUNCIL Agenda

For an Extraordinary Meeting of the Council to be held in the
Council Chambers, 36 Water Street, Whangarei,
on Wednesday, 22 October 2008 commencing at 10am

File 105.2

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

Opening Prayer

Apologies

Declaration of Conflicts of Interests

OPEN MEETING

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<p>ACC - Accident Compensation Corporation</p> <p>AHB - Animal Health Board</p> <p>ALGIM - Association of Local Government Information Management</p> <p>AMA - Aquaculture Management Area</p> <p>ARC - Auckland Regional Council</p> <p>BOI - Bay of Islands</p> <p>CAPEX - Capital Expenditure (budget to purchase assets)</p> <p>CBEC - Community, Business and Environment Centre</p> <p>CDEM - Civil Defence Emergency Management</p> <p>CEG - Co-ordinating Executive Group – Northland Civil Defence management team</p> <p>CEO - Chief Executive Officer</p> <p>CIMS - Co-ordinated Incident Management System (emergency management structure)</p> <p>CMA - Coastal Marine Area</p> <p>CPCA - Community Pest Control Areas</p> <p>CRI - Crown Research Institute</p> <p>DHB - District Health Board</p> <p>DOC - Department of Conservation</p> <p>DOL - Department of Labour</p> <p>DPMC - Department of Prime Minister and Cabinet</p> <p>EBOP - Environment Bay Of Plenty</p> <p>ECA - Environmental Curriculum Award</p> <p>ECAN - Environment Canterbury</p> <p>EE - Environmental Education</p> <p>EECA - Energy Efficiency Conservation Authority</p> <p>EEZ - Exclusive Economic Zone</p> <p>EF - Environment Fund</p> <p>ERMA - Environmental Risk Management Authority</p> <p>EMA - Employers and Manufacturers Association</p> <p>EOC - Emergency Operations Centre</p> <p>EW - Environment Waikato</p> <p>FDE - Farm Dairy Effluent</p> <p>FNDC - Far North District Council</p> <p>FNHL - Far North Holdings Limited</p> <p>FPP - First Past the Post – voting system for NRC elections</p> <p>GE - Genetic Engineering</p> <p>GIS - Geographic Information System</p> <p>GMO - Genetically Modified Organism</p> <p>HASNO - Hazardous Substances & New Organisms Act</p> <p>HBRC - Hawke's Bay Regional Council</p> <p>HEMP - Hapū Environmental Management Plan</p> <p>Horizons - Brand name of Manawatu-Wanganui Regional Council</p> <p>HR - Human Resources</p> <p>IEMP - Iwi Environmental Management Plan</p> <p>IPPC - Invited Private Plan Change: a process to allow Aquaculture Management Areas to be established</p> <p>IRIS - Integrated Regional Information System: new computer system being developed collaboratively with other Regional Councils</p> <p>KDC - Kaipara District Council</p> <p>KPI - Key Performance Indicator</p> <p>LATE - Local Authority Trading Enterprise</p> <p>LGA - Local Government Act 2002</p> <p>LGNZ - Local Government New Zealand</p> <p>LGOIMA - Local Government Official Information and Meetings Act 1987</p> <p>LGOL - Local Government Online</p> <p>LTCCP - Long Term Council Community Plan</p> <p>LTFS - Long Term Financial Strategy</p> <p>LTNZ - Land Transport New Zealand</p> <p>MAF - Ministry of Agriculture & Forestry</p> <p>MCDEM - Ministry of Civil Defence & Emergency Mgmt</p> <p>MFE - Ministry for the Environment</p> <p>MFish - Ministry of Fisheries - also known as MOF</p> <p>MHWS - Mean High Water Springs</p>	<p>MNZ - Maritime New Zealand</p> <p>MOF - Ministry of Fisheries - also known as MFish</p> <p>MOH - Ministry of Health</p> <p>MOT - Ministry of Transport</p> <p>MSD - Ministry of Social Development</p> <p>NCCMC - National Crisis Management Centre</p> <p>NES - National Environmental Standards</p> <p>NDHB - Northland District Health Board</p> <p>NZRC - New Zealand Refining Company (Marsden Point)</p> <p>NGO - Non-Governmental Organisation</p> <p>NIF - Northland Intersectoral Forum</p> <p>NIWA - National Institute of Water and Atmosphere</p> <p>NORTEG - Northland Technical Advisory Group</p> <p>NPC - Northland Port Corporation</p> <p>NZCPS - New Zealand Coastal Policy Statement</p> <p>NZTA - New Zealand Transport Agency</p> <p>NZQA - New Zealand Qualifications Authority</p> <p>NZWWA - New Zealand Water and Wastes Association</p> <p>OFI - Opportunity for Improvement</p> <p>ORC - Otago Regional Council</p> <p>OSH - Occupational Safety & Health (now Dept of Labour)</p> <p>PDF - Portable Document Format</p> <p>PPE - Personal Protective Equipment</p> <p>RAC - Regional Affairs Committee</p> <p>RAP - Response Action Plan</p> <p>RAQP - Regional Air Quality Plan</p> <p>RCP - Regional Coastal Plan</p> <p>RDC - Rodney District Council</p> <p>RFI - Request for Information</p> <p>RFP - Request for Proposal</p> <p>RLTC - Regional Land Transport Committee</p> <p>RLTS - Regional Land Transport Strategy</p> <p>RMA - Resource Management Act 1991</p> <p>RMG - Resource Managers Group (Regional Councils)</p> <p>RMZ - Riparian Management Zone</p> <p>ROI - Return on Investment</p> <p>RPMS - Regional Pest Management Strategy</p> <p>RPS - Regional Policy Statement</p> <p>RTO - Regional Tourism Organisation</p> <p>RWASP - Regional Water and Soil Plan</p> <p>SCAR - SmartStream Council Activity Reporting</p> <p>SITREP - Situation Report</p> <p>SMF - Sustainable Management Fund</p> <p>SOE - State of Environment (or) State Owned Enterprise</p> <p>SOLGM - Society of Local Government Managers</p> <p>SPARC - Sport & Recreation New Zealand</p> <p>SRC - Southland Regional Council (Environment Southland)</p> <p>STV - Single Transferable Vote</p> <p>SWAG - Surface Water Allocation Group</p> <p>SWPA - Sustainable Water Programme of Action</p> <p>TA - Territorial Authority: City & District Councils</p> <p>TAC - Technical Advisory Group</p> <p>Tier 1 - Site level plan or response for an oil spill</p> <p>Tier 2 - Regional level plan or response to an oil spill</p> <p>Tier 3 - National level plan or response to an oil spill</p> <p>TLA - Territorial Local Authority – City & District Councils</p> <p>TMP - Treasury Management Plan</p> <p>TOR - Terms of Reference</p> <p>TPK - Te Puni Kōkiri (Ministry of Maori Development)</p> <p>TRAION - Te Rūnanga a Iwi o Ngāpuhi</p> <p>TRC - Taranaki Regional Council</p> <p>TROTR - Te Rūnanga o Te Rarawa</p> <p>TUANZ - Telecommunications Users Association of NZ</p> <p>WCRC - West Coast Regional Council</p> <p>WDC - Whangarei District Council</p> <p>WHHIF - Whangarei Harbour Health Improvement Fund</p> <p>WWTP - Wastewater Treatment Plant</p>
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Annual Report and Financial Statements - 30 June 2008

File 300.2

Report from the Finance and IT Manager, Lisa Aubrey dated 15 October 2008.

The Council's un-audited Summary Annual Report and Annual Report and consolidated financial statements for the year ended 30 June 2008 are enclosed for review and approval. (Note: A further version of the documents will be presented at the meeting, incorporating Audit New Zealand's recommended changes). The consolidated statements include the results of the Northland Port Corporation (NZ) Ltd and its subsidiary and associate companies, and the Northland Regional Council Community Trust and its subsidiaries for the year ended 30 June 2008.

The Annual Report for the year ended 30 June 2008 is the second Annual Report issued under the International Financial Reporting Standards, which required further additional disclosures under the introduction of NZ IFRS 7: Financial Instrument disclosures. These additional disclosures are largely covered in Note 34 of the financial statements. The new standards required a significant increase in the volume of disclosure and notes.

Audit has completed the audit of Council accounts and high level audit clearance and debrief was provided on 18 September, but is yet to fully complete the audit of the Group accounts. The audit opinion will be tabled at the meeting by Mr Francis Caetano Audit New Zealand Director, and Mrs Kylie Welford, the Audit Senior, who are responsible for the audit.

FINANCIAL RESULTS

The Northland Regional Council has posted a \$5,987,215 net surplus for the financial year ended 30 June 2008, compared with a budgeted deficit of \$11,672,527. There are three significant reasons for the large variance. Firstly, the budgeted grant for a proposed Regional Events Centre of \$12.5 million and associated interest borrowing costs of \$800,000 were not paid in the 2007/2008 year. Council collected Recreational Facilities rates of \$1,845,487 which were unspent and set aside in the Recreational Facilities Reserve. Secondly, the revenue recognised as other gains, includes the total net fair value increases, on investment property, forestry assets and investments of \$2,019,784 compared to a budget of \$586,891. These fair value gains are non cash items, and previously would have only been recorded on the Council's Balance Sheet, however under the new International Financial Reporting Standards, any gain or loss of this type has to be recorded in the Income Statement. Lastly, Council also received an unbudgeted special dividend of \$2,027,153 (after tax).

If the Recreational Facilities rate set aside in the reserve, the special dividend and the unbudgeted net fair value gain are removed from the operating results and the Recreation Event Centre is removed from the budget, then the actual net surplus becomes \$681,682 against a budgeted surplus of \$1,129,386.

CONSOLIDATED GROUP RESULTS

The consolidated net result surplus was \$10,556,120 and the Group has net assets of \$273,074,467. Please refer to the fourth and fifth columns of the principal financial statements and Notes to the Accounts for Group results.

AUDIT CLEARANCE

Subject to final Audit clearance, and upon the Council's approval and adoption, the Annual Report will be printed and distributed to Councillors and the statutory recipients in Wellington. These include the Minister and Secretary for Local Government; the Auditor-General and the Parliamentary Library. Northland Members of Parliament and other interested organisations are also issued with copies. The report will be published on the Council's website and will be available on compact disk for organisations that request a copy.

I would like to record my appreciation to Audit New Zealand for the smooth progress of the audit.

Recommendation

1. That, subject to audit clearance, the Council's audited Annual Report and Financial Statements for the Year ended 30 June 2008 be adopted pursuant to Section 98 of the Local Government Act 2002.
2. That, subject to audit clearance, the Council's audited Summary Annual Report for the Year ended 30 June 2008 be adopted pursuant to Section 98 of the Local Government Act 2002.
3. That the Chief Executive Officer be authorised to make minor editorial and presentation changes, as approved by the Chairman.

COMPLIANCE WITH DECISION MAKING PROCESS

The activities detailed in this report are provided for in the Council's 2007/2008 Annual Plan and as such are in accordance with the Council's decision making process and Sections 76-82 of the Local Government Act 2002.

2008 – 2009 Statement of Intent – Northland Regional Council Community Trust

File 150.1

Report from Projects and Information Manager, Linda Stansfield dated 9 October 2008.

At the Audit and Finance Committee meeting on 26 March 2008, the Draft Statement of Intent (SOI) of the Northland Regional Council Community Trust (NRCCT) was discussed. The outcome of the discussion was that due to the review currently being undertaken of the Trust, the Council did not consider it appropriate to provide comments on the Draft in terms of Schedule 8 Clause 3(a) of the Local Government Act (LGA) 2002.

The Council formally wrote to NRCCT on 18 April confirming this. Furthermore, the letter stated that once the review was complete and recommendations as regards the future direction of the Trust were agreed, the Council would require the Trust to modify its Statement of Intent as provided for in Clause 5 of Schedule 8 of the LGA 2002 to reflect the outcome of the review. This was reinforced in the Council's resolutions at its meeting on 17 September, when the review recommendations were agreed in principle subject to further transitional arrangements.

Schedule 8 Clause 3(b) requires the Trust to deliver the Final Statement of Intent to the Council by 30 June each year. Due to the ongoing review, this requirement was overlooked. Once the Council became aware that the Final SOI had not been received, it was duly requested and received. Please find attached the Final Statement of Intent. Please note that the Final SOI has been amended to reflect Morrison Low's recommendation to remove mega and macro KPIs. Planned activities have also been reviewed to reflect the current economic climate.

Recommendation

That the 2008 – 2009 Northland Regional Council Community Trust Statement of Intent be received.

COMPLIANCE WITH DECISION MAKING PROCESS

The receiving of this document is provided for in the Council's 2006 to 2016 Long Term Council Community Plan, and is in accordance with the requirements of Schedule 8 and sections 76-82 of the Local Government Act 2002.

Northland Regional Council Community Trust

Operating as Enterprise Northland and Destination Northland Limited

Statement of Intent for 2008/2009

October 08



Introduction

- This Statement of Intent (SOI) is prepared in accordance with Section 64 of the Local Government Act 2002. The SOI specifies for the Northland Regional Council Community Trust (NRCCT), trading as Enterprise Northland, the nature and scope of the activities to be undertaken, and the performance targets and indicators by which the performance of the Trust will be measured.

- Subsidiaries
 - Destination Northland Limited

- The NRCCT and Destination Northland Ltd are “Not-For-Profit” organisations

Nature and Scope of Activities

1. Principal Objectives of the Trust

As required by Section 59 of the Local Government Act 2002, section 59 (a) being “achieve the objectives of its stakeholders, both commercial and non-commercial, as specified in the Statement of Intent”, the principal objectives of the NRCCT are:

- To conduct its affairs in accordance with best practice;
- To be a good employer;
- To exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so;
- To ensure that there is regular and effective reporting.

Other key objectives of the Trust are:

- To implement and facilitate the recommendations from the 2007 Strategy for the Sustainable Economic Development of Northland;
- To operate a successful Regional Economic Development Agency, as measured by the key performance indicators outlined in the annual Business Plan.
- To manage the Trust’s investment fund effectively in order to provide income to the Trust and also to maintain the capital base.
- To work in partnership with District Councils, business and industry sectors, iwi, central government agencies and other key stakeholders in the Northland economy.

2. The Trust’s Approach to Governance

The role of the Board

The primary role of the Board of Trustees is to:

- I. Effectively manage the assets of the Trust, and to allocate resources to enable the NRCCT and its subsidiary to achieve its objectives.
- II. Direct and monitor the management of any business affairs of the trust including:
 - Establishing goals, strategies and policies;
 - Monitoring financial and non-financial performance;
 - Deciding whatever steps are necessary to protect the Trust’s financial position;
 - Ensuring that financial statements are true and fair and conform to the law;
 - Ensuring the Trust adheres to high standards of ethics and corporate behaviour.

- III. Direct and monitor management's performance through:
 - The establishment of clear strategic objectives and plans;
 - Regular meetings to review performance and progress towards set objectives;
 - The appointment of a suitably qualified Chief Executive Officer.
- IV. Satisfy itself that the Trust and subsidiary are achieving the respective goals.
- V. Evaluate economic, political, social and legal issues that may impact on the business of the group.

The role of the Chairperson

The Chairperson's role is to provide leadership to the board and to interface between the board and senior management.

3. The nature and scope of activities to be undertaken in the next 3 years to June 2011

Northland Regional Council Community Trust (NRCCT) was formed on 25 March 1996 pursuant to Section 225d of the Local Government Act 1974.

Its operating unit, Enterprise Northland, is the prime economic development agency for Northland, acting in partnership with the Whangarei, Far North, and Kaipara District Councils.

The Trust has a long term vision ...

"...to double the average Northland household income by growing competent, profitable businesses"

The overarching goal developed for the region in the 2007 regional strategy is:

"A vibrant economy that creates wealth and jobs, and provides choices and opportunities for people to live, work and invest in Northland, whilst recognising the value of its unique environment for present and future generations."

Mission:

Local Government, Central Government agencies, Iwi and key private sector stakeholders will collectively lead Northland to a position of vibrant prosperity. We will use this strategy to focus and shape collaborative and unified actions that drive us towards our agreed vision and outcomes.

We will achieve our vision by implementing interventions that address our major issues, as identified in the 2007 Regional Economic Development Strategy, and develop our emerging opportunities.

NRCCT as one of the partners in the regional strategy has the following mission:

*To promote and facilitate sustainable regionally based economic development that will benefit all the people of Northland
....through partnerships with businesses, local & central government and the community at large
.... by growing competent, profitable businesses*

Increasing aspiration, and growing regional employment and spending power are the keys to increased prosperity for Northland. Broadening the base of competent, sustainable businesses at all levels is a prerequisite.

The NRCCT will focus on the following areas of activity. Through this focus, the NRCCT will both facilitate, and contribute through planned activities, to the implementation of the Northland Economic Strategy.

1. Major projects

- Cape Reinga
- Marine Engineering MRI
- Community Project Development
- ICT capability development

2. Company growth

- Engineering sector development
- Exporter support system/"single point" growth facilitation
- Sustainable business practices
- IOD/mentoring/leadership facilitation
- Sector facilitation

3. Regional marketing

- Positioning Northland for live, work, invest and visit
- Migrant attraction
- Implement Investment Strategy
 - Angel network
 - Company attraction

4. Economic development with Maori

- Farm intensification
- ICT capability
- Sustainable rural development
- IOD
- E4E

The Trust cannot, by itself, achieve the regional goal. It will achieve its goals and programmes through its partnerships with the business community, local government, central government and the community at large and these will contribute to the regional goal.

In some instances, other stakeholders will undertake lead roles in delivery and the Trust will play a supporting role. On other occasions the Trust will take the lead role.

The Trust will work with New Zealand Trade and Enterprise and our local government partners to implement its strategic plan and to help deliver the "Strategy for the Sustainable Economic Development of Northland".

The general activity of the Trust as defined in section 4 of the Trust Deed is to encourage and promote investment in the development of the Northland Region by providing technical assistance and advice, by performing a co-ordination and advocacy role, and by facilitating access to business finance PROVIDED HOWEVER that such activities are undertaken with a focus on benefits to the community rather than individual benefit.

The Trust shall undertake the following activities:

- Encouraging:
 - persons engaged or just about to be engaged in any industry or commercial activity in the Northland Region
 - persons engaged in or about to be engaged in such advisory or technical services as the Trustees consider desirable or expedient in the interests of the Northland Region
 - persons engaged in or about to be engaged in the Northland Region in research or the development and exploitation of inventions and ideas
 - the promotion of business opportunities available in the Northland Region
 - the removal of barriers to employment in the Northland Region
 - the co-ordination of regional and district development and promotion that will, or is likely to create employment opportunities for the residents of the Northland Region and are likely to be of value to the community and economy of the Northland Region
- Committing or applying such of its assets as approved by NRC, and on such terms as the Trustees think fit, to one or more loan finance schemes designed to assist the classes of persons described above
- Encouraging other investment and undertaking any other activity that will, or is likely to create employment opportunities for the residents of the Northland Region, or is likely to be of value to the community and economy of the Northland Region
- Undertaking any other activity considered necessary or desirable to achieve its purposes or any of them

Other activities of the Trust are:

- Negotiation of the annual Statement of Intent between the Northland Regional Council and the NRCCT
- To regularly review the performance of the Trust's investment fund
- Undertake a bi-annual assessment of the performance of Trustees
- To report on a quarterly and annual basis

4. Risk Management

Each year the Board will ensure there is a formal risk management plan that identifies risks and incorporates strategies to manage or eliminate them.

5. Acquisition Policy

The NRCCT and its subsidiaries will consult with the NRC before proceeding to acquire a major shareholding in another organisation or legal entity.

6. Key Performance Indicators to be reported against

The Trust undertakes to report on detailed kpis that relate directly to organisational activity in areas where EN has an ability to influence outcomes.

2008/09 Indicators

	Strategy	Action	kpis
1.	Major Projects		
	a) Cape Reinga	Manage and implement signage programme.	<ul style="list-style-type: none"> • Interpretation signage completed by Mar 09
	b) Marine Engineering Major Regional Initiative	Project funding signed. EN to manage funding flows and reporting to deliver project milestones.	<ul style="list-style-type: none"> • Contracts in place • Infrastructure investor secured • Planning for infrastructure commenced • Industry FTEs and Project numbers will be monitored annually
	c) Community Project Development	Ongoing implementation of Year 1 projects Year 2 projects planned and implemented. Top up funding identified	<ul style="list-style-type: none"> • Year 1 projects in place • Year 2 projects developed • By YE 2010 <ul style="list-style-type: none"> ◦ 108 FTEs ◦ 60 commercial ventures ◦ 20 community business
	d) ICT Capability Development	Apply for Digital Strategy funds for ICT capability	<ul style="list-style-type: none"> • Programme developed and funded by June 09
2.	Company growth		
	a) Engineering sector development	Develop sector database of capacity and capability Develop programmes to upskill companies sub contracting to the MRI activity	<ul style="list-style-type: none"> • Level 1 data on 107 companies • Level 2 data on 35 companies • Programme developed to address capability gaps
	b) Exporter support system/"single point" growth facilitation	Identify and employ specialist resource. Further enhance the exporter database/portal. Develop full programme of exporter support activities.	<ul style="list-style-type: none"> • Resource in place • Web link • Annual programme plan. Connect to NZTE with regular planned meetings/workshops
	c) Sustainable business practices	Establish Northland Sustainable Business club.	<ul style="list-style-type: none"> • Group established; charter defined case studies produced,

	e) Sector facilitation	Support/facilitation of sector strategy implementation.	(Pastoral and Tourism strategy updates to be confirmed by 31 Dec 2008)
3.	Regional marketing		
	a) Positioning Northland for live, work, invest and visit	Clear positioning/profiling material developed and promulgated for Northland. Implement strategies to increase visitor nights targeting shoulder and low seasons. Assist achievement of growth in tourism sector FTE employment	<ul style="list-style-type: none"> • Values/unifying concepts defined. • Multi-use collateral developed • Increase by 2% • 6% annual growth (from high season growth of 1550)
	b) Migrant attraction	Regional programme defined and private sector engaged.	<ul style="list-style-type: none"> • Skill requirements defined • NZ job expo presentation. • New Life NZ contract expanded • Northland stand at UK jobs fair • No. of leads passed to industry • No. employed through activities
	c) Implement Investment Strategy <ul style="list-style-type: none"> ○ Angel network ○ Company attraction 	<p>Develop establishment and operational process for network</p> <p>Identify and target local/international interests to attract companies to Northland that compliment current investment and use Northland's comparative advantages</p>	<ul style="list-style-type: none"> • Research completed. • Options identified. • Process developed and implemented. • Network operational • No. of funding deals • Tactical plan agreed. • Schedule of contacts created. • Communication process with Investment NZ defined and operational • No. and \$value of inward investment
4.	Economic development with Maori		
	a) Farm intensification	Implement 3 year process of productivity improvement with selected farm	<ul style="list-style-type: none"> • Improvement in productivity • Transfer of learnings to other Maori farms
	b) ICT capability	Refer 1d	

	c) North Hokianga Sustainable development project	Develop project concept. Secure partners (Iwi and commercial). Develop business cases.	<ul style="list-style-type: none"> Steering group formed MOU concluded by Dec 08 Funding partners committed by Mar 09 Implementation/construction begun by June 09
	d) Sustainable rural development	Devise land/resource based models for rural business development in Low employment locality areas – based on identified catalysts	<ul style="list-style-type: none"> Four models developed At least 3 projects initiated – developing business/employment in (isolated) rural areas
	e) Education for Enterprise Business Enterprise Increase in Participation in Business-related programmes Curriculum Enterprise Consolidation of Schools' E4E Plans incorporating a focus on young Māori achievement	<p>The YES (Lion Foundation Young Enterprise Scheme) Coordinator will continue to be promote to Māori students in main stream school and Kura Kaupapa</p> <p>The development of each school's individualised E4E Pathway</p> <p>Support school coordinators to deliver YES</p>	<ul style="list-style-type: none"> Increase of 10% participation of Māori students registered with ENZT (Enterprise New Zealand Trust) 10% incr. in participation of schools and students in these two programmes 5 presentations to Māori community organisations A baseline of enterprise learning achievements in place in the seven Lead Enterprise Schools, communicated to the school and wider community Increase 08 YES companies from 75 to 80 Increase participating schools from 18 to 20 Increase number of active students from 200 to 250
	f) Ref 2 Company growth	All activities to deliver to "Maori" businesses as appropriate	

7. Financial Disclosure

1. Statement of Accounting Policies

- The Trust will prepare financial statements in accordance with general accepted accounting practice.
- Audited consolidated financial statements containing separate operating statements for each significant activity will be prepared and the Trustees will deliver them to the Council and make them available to the public within 3 months of the end of the financial year.

2. Ratio of Consolidated Funds

- The equity ratio of the trust will be 90% or greater, the equity ratio will be determined by taking the Trust's equity as a percentage of total liabilities

8. Information to be Provided to the Stakeholder

NRCCT will provide information which meets the requirements of the Companies Act 1993, the Local Government Act 2002 and the reporting requirements prescribed from time to time by the Institute of Chartered Accountants of New Zealand in order to enable the shareholders to make an informed assessment of the company's performance. The following information will be made available:

1. An annual Statement of Intent in accordance with Section 64 of the Local Government Act 2002 and any other information that the Trustees deem appropriate
2. Quarterly reporting to Council, including the half yearly report shall be in accordance with Section 66 of the Local Government Act and the reporting requirements prescribed from time to time by the Companies Act 1993, the Institute of Chartered Accountants of New Zealand, and any other information that the Trustees deem appropriate
3. An annual report in accordance with Sections 67, 68 and 69 of the Local Government Act 2002 and the reporting requirements prescribed from time to time by the Institute of Chartered Accountants of New Zealand, and any other information that the Trustees deem appropriate
4. Any other information required by Council, upon receipt of a written request from Council through its Chief Executive. The Local Government Act 2002 does not require the disclosure of sensitive information that may be properly withheld if a request for that information were made under the Local Government Official Information and Meetings Act 1987

9. Estimate of the Commercial Value of the Trust

The value of the NRCCT has been defined as the value of the Shareholders Funds as at 1 July 2008 being \$10,800,000

The value ascribed to Shareholders Funds will be that stated in the annual Statement of Financial Position of the Trust as at the end of the financial year preceding each Statement of Intent.

To implement this Statement of Intent the Trust will require using a combination of realised and unrealised income.

Treatment of Special Dividend Received from Northland Port Corporation (NZ) Limited

File 105.2

Report from Finance and IT Manager, Lisa Aubrey dated 14 October 2008.

INTRODUCTION

On 30 September 2008, Council received a special dividend from Northland Port Corporation (NZ) Limited of \$2,735,424.12. The special dividend was derived from the sale of developed land.

The special dividend can be used to finance day-to-day operational activities. However, using this income to fund operational activities will result in a net reduction to the total Council investment portfolio and will result in a consequential reduction in future investment income currently budgeted to subsidise rates. At the end of the financial year, any operating surplus would be transferred to General Reserves. This surplus would be available to finance any future operational deficits until the surplus was fully utilised.

Alternatively, the special dividend can be transferred to an Investment Reserve to enable the funds to be reinvested at a future time. Future investment decisions would be based on recommendations brought to the Council and must be in accordance with the Investment Policy adopted under the Long Term Council Community Plan 2006-2016.

Recommendation

1. That the proceeds from the Northland Port Corporation (NZ) Limited be used to fund day-to-day operational activities;

Or

2. That the proceeds from the Northland Port Corporation (NZ) Limited Special Dividend be transferred to the Investment Reserve to enable the proceeds to be reinvested at a future date.

COMPLIANCE WITH DECISION MAKING PROCESS

The activities detailed in this report are in accordance with the Council's Treasury Management Policy which was adopted in compliance with the decision making requirements of sections 76 – 82 of the Local Government Act 2002.

Scheduling of the Audit and Finance Committee

Files 110.11 & 105.2

Report from Council Secretary, Audrey Grieve dated 10 October 2008.

At the Council meeting of 17 September 2008 Council reconfirmed the calendar for Council and Standing Committees for the remainder of 2008 and the meeting calendar for 2008.

At the Extraordinary Council Meeting of 8 October Councillor Brown indicated that he has an on-going conflict of meeting commitments on the fourth Wednesday of every month at 10.00am when the Audit and Finance Committee, of which he is a member, is routinely scheduled. He asked the Committee Chairman and fellow Councillors on the Committee to look favourably on permanently altering the meeting time to 1.00pm.

Recommendation

That the Audit and Finance Committee be permanently rescheduled to meet on the fourth Wednesday of every month at 1.00pm.

COMPLIANCE WITH DECISION MAKING PROCESS

The activities detailed in this report are part of the Council's day to day operations and as such are provided for in the Council's 2006-2016 Long Term Council Community Plan and as such are in accordance with the Council's decision-making process and sections 76 to 82 of the Local Government Act 2002.

Business with the Public Excluded

File 105.2

Recommendation

That pursuant to the Local Government Official Information and Meetings Act 1987, the public be excluded from the remainder of the meeting to consider:

5. Forest Harvest

The reason for excluding the public in relation to this item is that the public conduct of proceedings would be likely to result in disclosure of information, the withholding of which is necessary to allow the Council to conduct without prejudice or disadvantage commercial activities pursuant to section 7(2)(h) of the said Act.