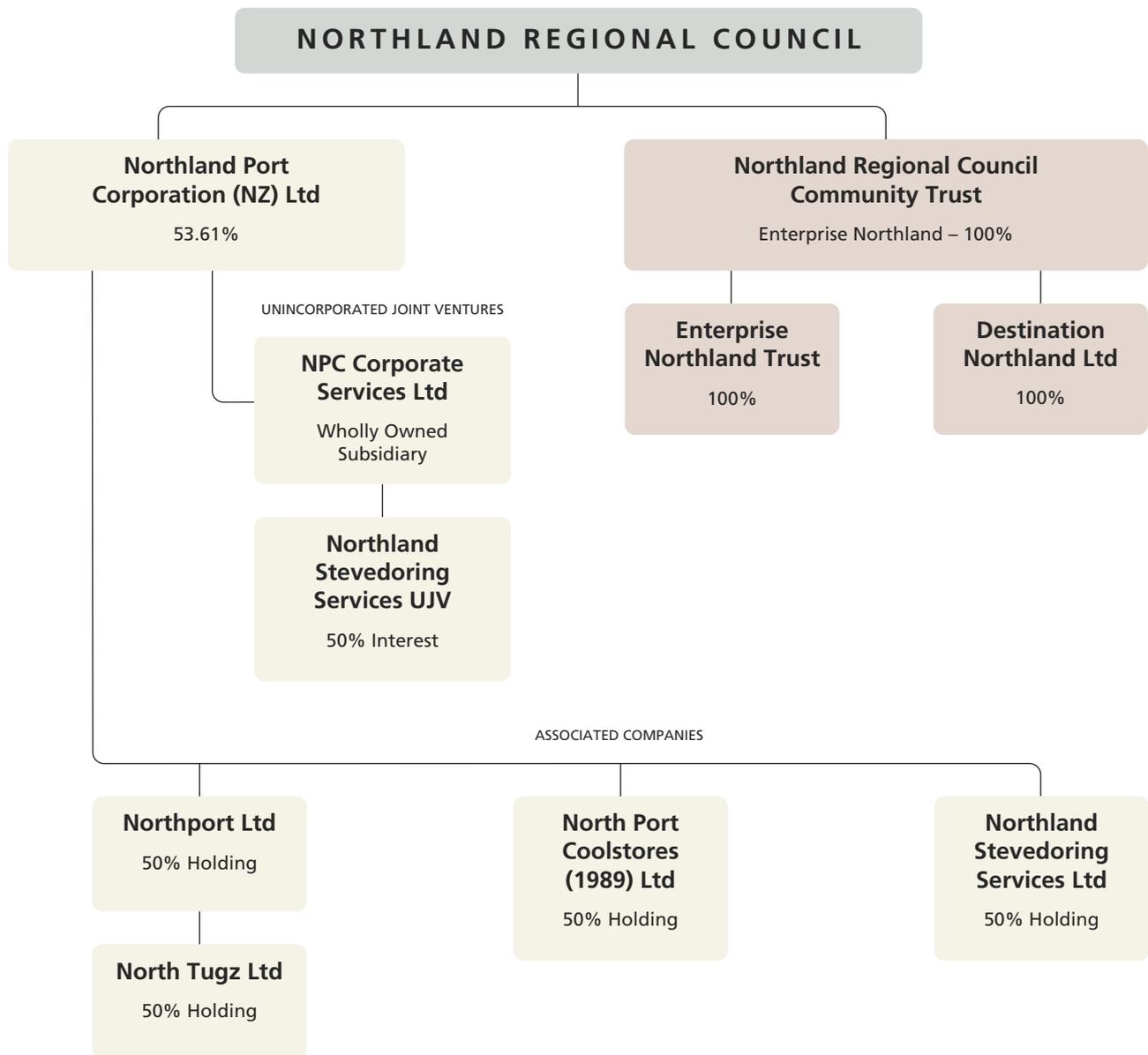


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group structure



Northland Port Corporation (NZ) Limited

Port Ownership

The Northland Regional Council owns 53.61% (22.1 million shares) of the issued capital of the Northland Port Corporation (NZ) Limited, which is presently 41,300,651 ordinary shares of 25 cents each. The balance of shares is held by the public and all shares are listed on the New Zealand Stock Exchange.

The council reviews its shareholding in the company during the triennial review of its strategic plan.

There are six directors of the Northland Port Corporation (NZ) Limited. Two directors retire by rotation each year. The following are the directors confirmed at the 2010 Annual General Meeting of shareholders:

- Mr G E Vazey, Chairman
- Mr P W Griffiths
- Ms S Huria
- Mr D Keys
- Mr R J McKay
- Mr C Mitten
- Mr I C Walker

Company Operations

Over the last few years the company has rationalised its operations and is now essentially an investment company. Northport Ltd operates a deep water port facility at Marsden Point.

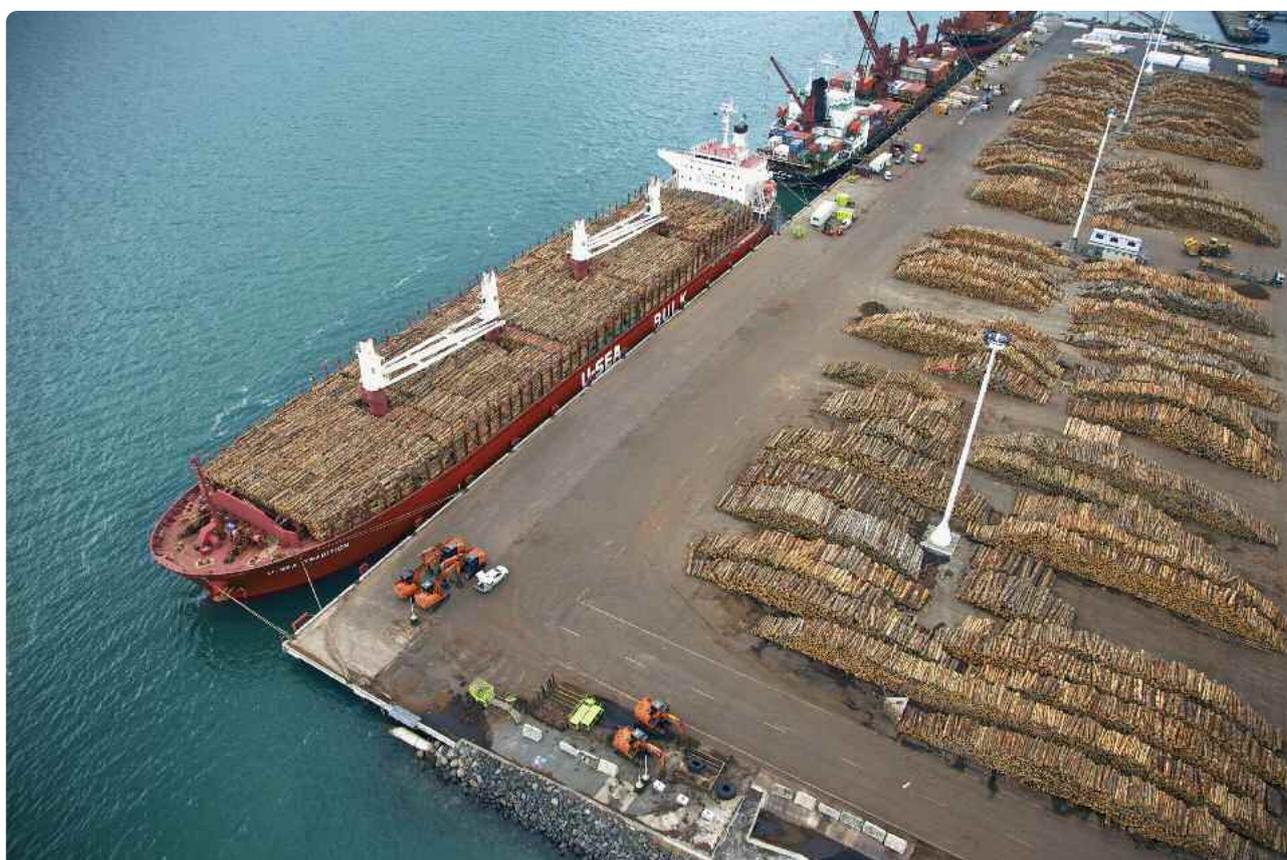
North Port Coolstores (1989) Ltd operates a coolstore at Port Whāngārei.

The company also owns approximately 180 hectares of industrially zoned land in the Marsden Point area which is being progressively developed for industry and utilises the port at Marsden Point.

Company Financial Data

As a listed company, the Northland Port Corporation (NZ) Limited is not required to publish a Statement of Corporate Intent nor provide budget estimates to the council, its major shareholder. The corporation is exempt from the Council Controlled Organisations provisions of the Local Government Act 2002.

Company	Holding	Main Activity
Northport Ltd	50.0%	Port operating company
Northland Stevedoring Services Ltd	50.0%	Stevedores
North Port Coolstores (1989) Ltd	50.0%	Coolstore operators



Northland Regional Council Community Trust



The Northland Regional Council established a Community Trust in 1996 to encourage and promote sustainable economic development for the benefit of the people of Northland. Trading as 'Enterprise Northland', the trust has continued to implement the recommendations made in the 2002 Strategy for the Sustainable Economic Development of Northland. This strategy has been updated to cover the period from 2007 to 2011. The trust's capital \$10.25 million (\$9.95 million at June 2010) was originally provided from the profit on the council's sale of 10 million shares in Northland Port Corporation (NZ) Limited in 1992, plus retained earnings and losses, to date.

The trust's activities are governed by a trust deed. There are currently four independent trustees (following the resignation of the Northland Regional Council representatives) and a Chief Executive Officer.

Key objectives of the trust for the 12 months covered by this report are:

- To implement and facilitate the recommendations from the Strategy for the Sustainable Development of Northland;
- To operate a successful Regional Economic Development Agency;
- To manage the investment fund effectively in order to provide income to the trust; and
- To work in partnership with councils, business and industry sectors, iwi, central government agencies and other key stakeholders in the Northland economy.

The general activity of the trust, as defined in Section 4 of the Trust Deed, shall be 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. Recommendations from the 2008-2009 review have been implemented with the separation of ENT and DNL as two operating units under general managers.

Enterprise Northland

In accordance with the requirements of the Local Government Act 2002, Enterprise Northland prepares an Annual Statement of Intent outlining its objectives and performance standards for the coming year's activities. The core areas of activity are linked to the updated Sustainable Economic Development of Northland 2007-2011 and are detailed in the Statement of Intent, these include:

- Optimising Northland's gains from Rugby World Cup 2011.
- Developing tourism, primary processing and aquaculture sectors as a priority to raise their contributions towards regional GDP.
- Inwards investment attraction to key sectors.
- Positioning Northland.
- Deliver the Enterprise 4 Education programmes.
- Assisting Northland communities develop projects that will both retain and increase employment in the short and long-term.

Destination Northland Limited

Destination Northland's mission is to assist Northland businesses and communities to maximise and manage the sustainable economic benefits of increased visitor numbers through partnership. Northland like many other parts of New Zealand has been challenged by the global recession and difficult domestic trading conditions effecting tourism.

Despite these trading conditions, Northland visitor nights have increased by 3.1 percent for the 12 months to 30 June 2010, being 60 percent above the New Zealand average of 1.9 percent. This increase came from a 1.5 percent growth in domestic nights and 5.5 percent international. International visitor nights now account for 40 percent of the regions total, compared to 35 percent 12 months ago. With international visitors staying for nearly four nights (double domestic) this is a target growth area for Destination Northland.

Destination Northland has achieved a significantly increased level of domestic and international media exposure through a wide range of initiatives. It has also targeted the Australian market to maximise the additional Government investment in that area.

The complete redevelopment and branding of *northlandnz.com* was a major project during the last year with the new site coming online in March 2009.

Private sector industry support continues to be positive for Destination Northland Ltd, with \$1 million of both cash and in-kind support being confirmed for joint marketing in the 2009-2010 year.

The Destination Northland Annual Business Plan forms the basis of quarterly reports to the Community Trust and the Northland Regional Council.

council controlled organisations

Northland Regional Council Community Trust (trading as Enterprise Northland)

Report on the Statement of Intent 1 July 2010 – 30 June 2011

Introduction

The 2010-2011 Statement of Intent was prepared in accordance with Section 64 of the Local Government Act 2002. The SOI specifies for the Northland Regional Council Community Trust (NRCCT), 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.
- The NRCCT will contract Enterprise Northland Trust to deliver some of the key activities.

This report is prepared on the key activities, KPIs and targets as outlined in the SOI for 2010-2011.

In preparing the 2010-2011 Statement of Intent the following macro factors had been taken into account.

1. Contribution to the delivery of the 2007 Northland Regional Economic Strategy.
2. The current international and New Zealand economic environment.
3. The opportunities presented from the 2011 Rugby World Cup.

Context

When reading this Statement of Intent it is important that the context is given on the operations of NRCCT subsidiaries.

Enterprise Northland treats everything as a project and applies project management methodology. The organisation works with interested parties to improve the GDP per capita and economic wellbeing of the region. As Northland is the lowest ranking region in these statistics and has to find \$1.6 billion per annum increased economic activity to bring the region to the New Zealand medium, the agency is concentrating on those activities and projects that will eventually make step changes in economic performance.

Destination Northland is a service agency providing marketing and branding services to the Northland Tourism Sector to maintain and increase visitor numbers. They have a limited involvement in other economic development projects.



council controlled organisations

Rugby World Cup 2011

Aim: To make best of the opportunities presented by the Rugby world Cup.

Methodology: Enterprise Northland committed a project officer who was appointed the Regional Rugby Co-ordinator working with a regional group from numerous agencies as a working group, under the governance of a body which represented all the agencies concerned.

Key Activities	Key Performance Measures	Targets
Continue to develop and deliver a series of programmes to ensure Northland is in a position to secure economic benefit from visitor and business related activities resulting from the 2011 Rugby World Cup.	<ul style="list-style-type: none"> • Meet requirements of NZ Rugby 2011 Ltd. • Funding partnerships established. • Agreed programme delivered. 	<ul style="list-style-type: none"> • Deadlines for delivery and participation met 80% of the time. • Monies contributed as invoiced. • 80% of bid commitment converted to programme and planning completed.

Expectation

Northland 2011 group and Enterprise Northland are charged to undertake specific actions from the project plan.

1. Co-ordination/liaison
2. Team hosting/ match days and festivals
3. Visitor programme
4. Business ready and inward investment

Achievement

Co-ordination/liaison

All deadlines established by the working group and NZ Rugby 2011 were met.

- Funding promised under the NZ Rugby 2011 – Whāngārei District Council Contract (as lead agency) from the various agencies was committed.
- The Project plan has been implemented with sensible modification under direction of the working group.
- The proof will be in the successful regional delivery of the Rugby World Cup within the region which falls outside the SOI period. We are confident that the region will deliver above expectations.

Team hosting/ match days and festivals

- The working group has arranged, for the hosting of the Japan, Canada and Tonga teams.
- Five festivals are programmed to run in the region in conjunction with Rugby World Cup 2011 Ltd as “approved” and lottery funded events.
- Developed and implemented the Paint it Red Campaign, for the Northland region, a unique regional initiative allowed under the Rugby World Cup branding and marketing rules.
- Co-ordinated or assisted numerous individual community World Cup initiatives i.e. Kaiwaka Welcome Centre, banner campaign.

Visitor programme

A comprehensive multi-leveled visitor attraction programme was designed and put in place. The highlights being the Paint It Red campaign in support of the hosted teams, the proposed festival activities, the banner and media programme and the Northland visitor passport scheme.

Business ready and inwards investment

Planned and put in place arrangements for five industry sector show case for Investor events in conjunction with RWC 2011 Business Club. In the event that the numbers are not there to support the events, we plan to individually host those investors that have expressed an interest and approach prospects in targeted industries outside the constraints of RWC 2011 Business Club.

- KPI achieved. On-track for a regionally successful Rugby World Cup.

Targets

Monies have been contributed as invoiced. We have not been able to measure whether deadlines for delivery and participation have been met 80% of the time. However, as the project has progressed well, we are satisfied the project will be successfully delivered.

Government Agency Economic Development Contracts

Aim: To make best of the opportunities presented by the Government as part of being a member of New Zealand Inc.

Methodology: Enterprise Northland committed to delivering services with Government Agencies under contracts or memorandums of understanding. Contract in place during the year were:

- Marine Major Regional Initiative (MRI) with NZTE.
- Regional Strategy Fund with NZTE.
- Region Network Business partner (Output Class 1) with NZTE and MSI Started in November 2010.

All services were treated by Enterprise Northland as projects and implemented using project methodology.

Key Activities	Key Performance Measures	Targets
Deliver current contractual obligations with Government Agencies.	<ul style="list-style-type: none"> • All contractual and reporting requirements met. 	<ul style="list-style-type: none"> • All available funding received.

Expectation

Services are delivered to meet Government expectation and the region's economy benefits through the interventions.

Achievement

Marine Engineering (major regional initiative programme through the Ministry of Economic Development)

This project, due to finish in June 2010, was extended until December 2010 in a bid to get a Marine sector project agreed by all parties and large boats attracted to Whāngārei for refurbishment. In December 2010 it was agreed to hold the project until the negotiations with the boats owners were commercially acceptable. This took some time with all parties changing position and renegotiating. The negotiations finally broke down. Enterprise Northland had already achieved and reported on the agreed milestones with NZTE. However, some of the money has been held back pending the development around the Marine Park which is being reconsidered by the parties concerned. This project is still ongoing with the development of the Marine Park and the lift facilities being the main focus. It involves complicated land transactions as well as commitment from the industry players to get it across the line and is work in progress.

- KPI not yet achieved, on-going.

Regional Strategy Fund (NZTE)

This programme funded activities in targeted areas recognised in the 2007 Northland Growth Strategy. All quarterly reports and claims to NZTE were submitted and agreed and all funding claimed was received except in the case of the Minerals and Events Strategy Projects where progress has been delayed and an extension to the programme granted until September 2011. The projects are on track to be finalised by September 2011. Each project has been reported publically on several occasions.

- KPI not yet achieved, on-going.

Out Put Class One Regional Network Partnership

This is a new partnership with the Government focussed around building business capability and expertise. Northland is one of fourteen regional partnerships throughout New Zealand with a contract for service for three years. Reporting is monthly against a set of criteria established in the contract. The project commenced in February 2011 and for the reporting period the Northland Business GROW Team has been in establishment mode.

- KPI achieved.

Target

All funding due has been received given the progress made to date with the projects.

council controlled organisations

Development of Sectors

Aim: To encourage development within Industry Sectors that will lead to step changes in the regional GDP per capita and region economic wellbeing.

Methodology: Enterprise Northland provides a neutral facilitating and co-ordinating expertise to the sector concerned on initiatives or projects of mutual benefit to the group participants and if successful, will provide a step change in economic benefit to the region. The strategies and priorities are decided by the sector groups who are the project or initiative champions. These projects take time and frequently run into obstacles which stall progress. If investment is required Enterprise Northland assists the sector group in seeking investment or through its inwards investment programme for external investment. By using and implementing project management methodology Enterprise Northland assists the sector to remain focused.

Destination Northland provides support to the tourism industry through the operation of the Regional Tourism Officers (RTO), providing marketing and sales support and expertise.

Key Activities	Key Performance Measures	Targets
Focus on developing tourism, engineering, and primary industry processing sectors to raise their contributions towards regional GDP.	<ul style="list-style-type: none"> New scale investment in each sector. 	<ul style="list-style-type: none"> Two new significant investment opportunities to beyond due diligence stage.

Expectation

Targeted industry sectors that can, over time, bring step changes to the Northland economy. This assistance is limited by the amount of resources available to be focussed into the facilitation role and the amount of resource the industry is willing and capable of contributing. The provision of a neutral facilitator with project management skills is an effective way of maintaining focus on finding step changes.

Achievement

Aquaculture

At the early stages of building an on-shore fish production cluster which is seen as industry step change for the future. There has been one significant investment as a result of this intervention. This is a new investment beyond the due diligence stage. (Yet to be publically announced, still commercially sensitive).

- KPI achieved. Target achieved.

Marine Engineering

Working with local cluster to revive an industry which has the competitive advantages of safe and secure harbour's and room to develop, to build facilities to service refits or construction of ships up to 3000 tonne.

- KPI not achieved, on-going. Target on-going.

Wood Processing

Working with a private consultant, have prepared a comprehensive review of the Northland forestry industry concentrating on two issues; Supply and Opportunities for future development. This report is in draft and will be released in September 2011. Have worked with an investor who is planning on building a state of the art machined structural sawmill in the Kaiwaka area an investment of about \$40 million with 35 jobs. This project is beyond the due diligence stage

- KPI achieved. Target achieved.

Tourism – Tourism Development Group

Tourism is an important Industry sector for Northland. It provides about six percent of the GDP and more importantly about 12 percent of the jobs. The tourism sector is not seen as a step change target, rather as a mature industry that has potential to slowly increase its share of the visitor market. Destination Northland's role is providing a regional marketing service for the industry. The industry has targets around increasing visitor nights, expenditure, growing the shoulder season and increasing the number of international visitors.

Macro objectives:

- To grow Northland's market share of visitor nights from 5.10% to 5.40%.
Outcome: 5.06%. Target not achieved.
- To grow visitor expenditure by 3% on 2009-2010 levels.
Outcome: Same as 2009-2010 (estimated). Target not achieved.
- To grow the shoulder season by 3% to 400,000 visitor nights in commercial accommodation.
Outcome: 0% growth. Target not achieved.
- To increase the percentage of Northland international visitor nights from current figures of 35% to 40%.
Outcome: 41%. Target achieved.

Horticulture – Northland Horticulture Forum

Re-constituted the Northland Horticulture Forum to develop a land-use strategy which will fit into a national context, identifying issues and also identify growth scenarios for investors. Twelve of the horticulture crops groups in Northland are represented with kiwi fruit and avocado being the biggest by value also including flower growers and kumara growers. The strategy is due in November 2011. It will then be available for investors.

- KPI on-going. Target on-going.

Minerals – Northland Minerals Development Forum

Facilitating a Forum of parties (42) who have an interest in developing the minerals industry in Northland. This project was started with the aerial survey of Northland. The survey will cover around 12,480 square kilometres of the region. Technical findings would be analysed by GNS Science and the outcomes are expected to be publicly available in

January 2012. From there NZ Minerals lead with the Forum, a sales and marketing campaign to sell the mining rights. Mineral exploration rights are expected to be issued from July 2012 with the lifting of the present moratorium on precious minerals exploration.

- KPI on-going. Target on-going.

Respond to Opportunities

Aim: To provide an effective regional response to economic development opportunities that provide step changes in growth of GDP per capita and regional economic wellbeing.

Methodology: If an opportunity arises or the organisation is invited by our owners or regional partners the opportunity will be assessed and a business case put to the trustees for approval. Most opportunities revolve around developing relationships in a collaborative, collective way and producing innovative plans. Again the organisation or staff is not the champions of the project but in a facilitation role.

Key Activities	Key Performance Measures	Targets
Facilitate development of regional responses to opportunities in the emerging minerals, energy and aquaculture sectors.	<ul style="list-style-type: none"> • Key relationships established. • Regional responses under development. 	<ul style="list-style-type: none"> • 80% of target industry participants involved. • Draft plans in place.

Achievement

Aquaculture – Project Oyster Shell – Waste Minimisation Project

Enterprise Northland is the lead agency in an application to the Ministry of the Environment for funding to make productive use of waste shell from the Waikare Inlet oyster farms in the Bay of Islands. The application has been successful and a \$3.74 million, three-year project is due to commence 1 October 2011 with Enterprise Northland as the project managers. Thirteen of the 14 oyster farmers are engaged in the process.

- KPI achieved, project on-going. Target achieved.

Northland Energy Forum

A forum of all the major energy players in the region has been established and a strategy developed. The forum aim is to make it compelling to do business in Northland. The strategy includes nine specific areas:

- Build the perception of Northland as strong in energy resource.
- Support the development of a strong consent process.
- Influence the development of economic benefits and incentives for businesses to establish and grow in Northland.
- Work with local training institutions to build local workforce skills.
- Support of specific energy projects.
- Identify specific growth industries for forum support.
- Building influential, collaborative and strategic relationships at government and regulatory level.

- Develop and promote a positive brand for energy in Northland.
- Engage with community to build understanding of and buy in to Forum’s community aim (to facilitate energy being an enabler to community prosperity)

Participants include NZ Refinery Ltd, Meridian Energy, Transpower, Northpower, Top Energy, ECCA, NZ Wind Power Association, Fonterra, Golden Bay Cement, Mighty River Power with Northland Regional Council and Enterprise Northland providing secretariat services. The only notable exception is Crest Energy who has chosen not to engage.

- KPI on-going. Target achieved for known key participants.

Manuka Honey

In partnership with Te Uri o Hau, looking at establishing a manuka plantation in conjunction with the proposed Meridian wind farm at Poutō. Continuing to work with the school (Kaitāia Te Kura Kohi Miere) with 11 beekeeping students on the current course. Working with Te Rarawa to develop processing relationships with an international company. A five year strategic plan is in place with Te Rarawa and Te Uri O Hau developing a plan with Enterprise Northland assistance.

- KPI on-going. Target achieved for known key participants.

Digital Strategy Forum

Providing secretariat services to this forum which is currently developing a strategy. The forum and strategy are in development phase.

- KPI not achieved. Target on-going.

council controlled organisations

Growth Programme

Aim: To ensure that the direction of Enterprise Northland and Destination Northland is in line with a collaborative and collective regional approach.

Methodology: Working with Northland Regional Council to develop a strategy of growth.

Key Activities	Key Performance Measures	Targets
Continue to assist the Northland Regional Council in the development and future implementation of the Northland Growth Strategy.	<ul style="list-style-type: none"> Requested contributions delivered. 	<ul style="list-style-type: none"> 100% delivery of funded projects.

Achievement

During the period of the SOI there were funds committed to the projects as set out above in this report and to Destination Northland from the Northland Regional Council, but no funds were committed for specific project work conducted by Enterprise Northland.

The regional council provided support to Enterprise Northland by providing non-cash resource support.

- KPI achieved. Target achieved.







Putting Northland first

WHĀNGĀREI: 36 Water Street, Private Bag 9021, Whāngārei Mail Centre,
Whāngārei 0148; Phone 09 438 4639, Fax 09 438 0012.

DARGAVILLE: 61B Victoria Street, Dargaville; Phone 09 439 3300, Fax 09 439 3301.

KAITĀIA: 192 Commerce Street, Kaitāia; Phone 09 408 6600, Fax 09 408 6601.

ŌPUA: Unit 10, Industrial Marine Park, Ōpua; Phone 09 402 7516, Fax 09 402 7510.

Freephone: 0800 002 004 24/7 Environmental Hotline: 0800 504 639

E-mail: mailroom@nrc.govt.nz Website: www.nrc.govt.nz

LinkedIn: www.linkedin.com/companies/northland-regional-council

Facebook: www.facebook.com/NorthlandRegionalCouncil

Twitter: www.twitter.com/NRCExpress