

# NorthlandInc

Growing Northland's Economy

Kia tupu ai te ōhanga o Te Tai Tokerau

## Tauākī Whāinga Statement of Intent

2021/22 - 2023/24



## Ngā rāranga - Table of Contents

1	Kupu Whakataki - Introduction .....	4
2	Tūāhua - Context.....	4
3	He Pou Mahi - Objectives .....	8
4	Ahua me te Whānuitanga a te Mahi - Nature and Scope of Activities .....	9
5	He Tohu Eke Panuku - Key Performance Indicators .....	11
6	Ngā hua mō ngā Kaipūpuri - Shareholders' funds, distributions and the value of shareholders' investment.....	13
7	Kaiwhakaruruhau - Governance.....	13
8	Ngā kaupapa here kaute - Accounting policies .....	14
9	Ngā kōrero hei tuku ki ngā Kaipūpuri - Information to be provided to the Shareholders.....	14
10	Ngā urunga, ngā whiwhinga me ngā hokonga hou - New entries, acquisitions and sales.....	15
11	Kia rapu pūtea nō ngā Kaunihera mō wēnei take - Activities for which local authority funding is sought .....	15
12	Wētahi atu take - Any other matters .....	15
13	Whakamaramagatanga-a-pūtea - Financial information .....	16
	Appendix A: Ngā Kaupapa Here Kaute - Accounting Policies .....	17
	Appendix B: Supporting Information for Northland Inc Statement of Intent .....	18

## 1 Kupu Whakataki - Introduction

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

Northland Inc is a Company registered under the Companies Act 1993, a reporting entity for the purposes of the Financial Reporting Act 1993. It is owned by Northland Regional Council (NRC), and from 2021/22 the Far North District Council (FNDC) and Kaipara District Council (KDC) will take a shareholding, herein referred to as the 'Shareholders'. By virtue of the Shareholders right to appoint directors, Northland Inc is a council-controlled organisation (CCO) as defined under Section 6 of the Local Government Act 2002.

Northland Inc welcomes the opportunity created by this joint CCO to deliver as Tai Tokerau Northland's Regional Economic Development Agency and Regional Tourism Organisation in the post COVID environment, and also to continue our positive working relationship with Whangārei District Council, through their continued funding and partnership.

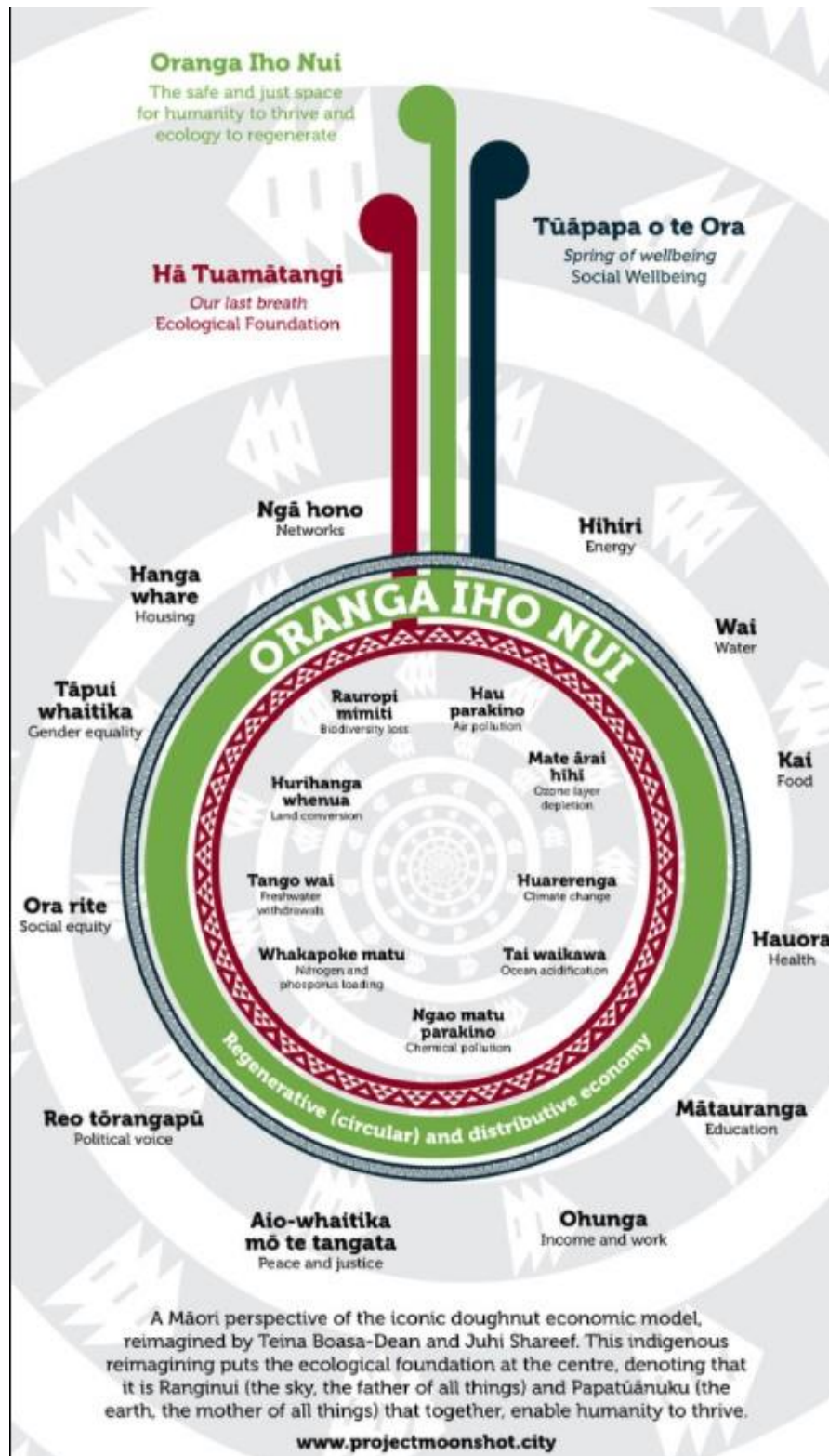
Northland Inc is partially funded by operational contributions from shareholders and is project funded through other public and private agencies, with central government being the next largest contributor. Northland Inc believes that despite overall strong economic performance many sectors and communities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

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

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

## 2 Tūāhua - Context

Northland Inc works with organisations and institutions in Tai Tokerau Northland and public and private sectors with a common purpose to identify and focus on those activities and relationships that will strengthen, diversify, and grow Te Tai Tokerau Northland's economy to help support strong communities and environmental sustainability. The figure below is a visual representation of how we approach our work in economic development and regional tourism.



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

Northland Inc will continue to develop and support economic development strategies and actions that incorporate the principles of Inclusive Growth and look to provide alignment with the living standards framework. We strive to ensure fair and equitable outcomes that balance economic development with sustainable environmental management, and will prioritise economic opportunities which support environmental management and climate change.

Northland Inc has developed its pathway towards improved cultural understanding – He Korowai Manawanui – a two-year programme working on our organisational culture towards elevating the importance of Māori Economic Development and becoming a better partner for Māori with a genuine understanding of Tikanga and Te Ao Māori. This is of critical significance for Tai Tokerau given almost one-third of the region's population identify as Māori.

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

The Provincial Growth Fund has been a key initiative from central government focused on lifting productivity in the provinces and enhancing economic development opportunities. It has invested in a significant number of projects in Tai Tokerau Northland and these now need to be supported to come to fruition and achieve sustainable success.

Implementation of the Provincial Growth Fund was led by the Provincial Development Unit which was established in 2018. In 2021 the new name 'Kānoa' was chosen to better reflect our goal of helping build sustainable, inclusive and productive regional economies.

This new name coincides with the establishment of a new funding programme, the Regional Strategic Partnership Fund (RSPF) which is providing \$200 million seed funding to invest in regional priorities. The RSPF aims to support regional economies to be more:

- productive
- resilient
- sustainable
- inclusive; and
- Māori enabling.

Identifying funding priorities will be decided by Regional Economic Development Partnerships with Kānoa. Kānoa also continues to monitor and administer already established funding programmes.

Northland Inc has regard to the collective objectives of Northland Forward Together, which outlines shared regional aspirations which incorporate economic development. Several other government and local initiatives guide Northland Inc's economic development agenda and long-term context for Northland Inc, including;

- Tai Tokerau Northland Economic Action Plan 2019 (Action Plan)
- He Kai Kei Āku Ringa 2012 (the Crown-Māori joint strategy for Māori economic development); and
- He Tāngata, He Whenua, He Oranga, the Tai Tokerau Māori Growth Strategy developed by the Tai Tokerau Iwi CEOs Consortium 2015.

In March 2020 the government closed the borders and sent New Zealand into a lockdown that saw

life virtually come to a halt. Amid this disruption, economists rapidly slashed their forecasts for GDP and employment. But economic activity has appeared to have bounced back from lockdown largely unscathed. The \$62b COVID-19 Response and Recovery Fund represented government spending on an unprecedented scale, dwarfing the fiscal response to the Global Financial Crisis and 2011 Christchurch earthquake.

Among the government's initiatives, the immediate wage subsidy pay-out covering 12 weeks was instrumental in shielding the economy from the effects of lockdown. In hindsight, the amount of money paid out was probably on the generous side, but without this injection into their cashflow, many businesses that were unable to operate for 5-7 weeks would have been insolvent, resulting in substantial job losses.

The Reserve Bank's substantial easing in monetary conditions also freed up more cash in household budgets for discretionary spending. Furthermore, Kiwis' inability to spend their usual \$5.4b on overseas travel and holidays had unexpectedly large flow-on effects for parts of the domestic economy. The amount of spill-over into home-related spending, construction activity, and the purchase of big-ticket items such as cars and boats, has been surprising.

The economic outcomes of COVID-19 have been very uneven, with national trends indicating Māori and Pasifika, women, and young people being disproportionately affected. On a regional basis, areas normally reliant on international tourism remain under intense pressure, and job numbers in the travel, accommodation, and hospitality sectors continue to be squeezed.

Many businesses have shown an impressive ability to pivot their operations to fit with the changed economic environment. But until vaccines are rolled out and borders reopen, there will be parts of the economy that cannot recover. As a result, most forecasters agree that growth over the coming year will be much harder to achieve than the bounce back we've seen to date.

This is an important point to re-iterate, most forecasters agree that growth will be harder to achieve and when you combine this with an acknowledgement that Government spending has occurred on an unprecedented scale, the environment within which Northland Inc operates over the next few years may be quite challenging.

### 3 He Pou Mahi - Objectives

#### Whakataukāki

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

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

#### Tirohanga ki Mua - Vision

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

#### Te Aronui - Mission

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

#### Rautaki - Strategy

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

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

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

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

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

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

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

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



**Pou Whā: Destination Management**

To lead the implementation of a regional Destination Management Plan in partnership with relevant stakeholders, industry, iwi and hapū. Through a programme of investment and development, we will deliver destination management and marketing activity to position Northland within target markets as a desirable place to visit and support a visitor economy that aims to enhance the distribution of benefits across the region, environmental sustainability, heritage and culture.

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

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

**Pou Ono: Organisational Culture**

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

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

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

### 1. Regional Investment

- Actively supporting and facilitating investment in strategic sectors (Aquaculture, Agriculture and Horticulture, Digital, Tourism, Ship and Boat Building and Repair Services) in the Tai Tokerau Northland economy
- Leveraging the Investment and Growth Reserve to increase investment into the Tai Tokerau Northland economy
- Supporting and facilitating the development of new and enabling infrastructure such as UFB, roads, rail and water
- Deliver the Extension 350 Programme, Northland Kai and Ngawha Innovation and Enterprise Centre
- Delivering business advice effectively across the region to support innovation, capacity and capability development through incubation services and the Regional Business Partnership; New Zealand Trade & Enterprise, Callaghan Innovation and Business Mentors New Zealand
- Developing clusters, business networks or associations to take advantage of market development opportunities that leverage Tai Tokerau Northland's key sectors and comparative advantages

- Building and sharing specialist knowledge through a business events programme and provide opportunities to access a range of capital support mechanisms for Tai Tokerau Northland businesses
- Engage and partner with iwi, hapū, marae and the Māori community, central government agencies and other entities supporting Māori Economic Development to advance their aspirations in economic development and enable investment, business growth and completion of economic development projects

## 2. Advocacy and Profile for Tai Tokerau Economic Development

- Provide economic development intelligence and insights
- Support development of a long term economic development strategy for Tai Tokerau Northland (subject to securing appropriate funding)
- Assist with project management and delivery of economic response activities (including PGF funded projects)
- Maintain a delivery structure for the region (Action Plan)
- Work with, advocate for and support Māori businesses, trusts and entities with their aspirations for growth
- Delivering a promotional programme to encourage investment and market development of Tai Tokerau Northland's strategic growth sectors
- Complete an audit of the carbon footprint for Northland Inc
- Assess the environmental aspirations of businesses and projects

## 3. Destination Management and Marketing

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

## 5 He Tohu Eke Panuku - Key Performance Indicators

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

Hoaketanga – Objective	How we will measure		Targets			Additional Regional Outcomes
	Type	Measure	2021/22	2022/23	2023/24	
<b>Maori Economic Development</b>	Output	<b>Number</b> of engagements or established relationships with iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. that have led to a positive outcome	10	15	20	<ul style="list-style-type: none"> <li>Reduction in Māori unemployment rate in Northland.</li> <li>Increase in average weekly income for Māori.</li> </ul>
	Outcome	<b>Proportion</b> of Māori organisations that are satisfied with Northland Inc support	>50%	>50%	>50%	
<b>Environmental Sustainability</b>	Output	<b>Number</b> of workshops / events that help promote or support environmental sustainability values and culture in Te Tai Tokerau	4	5	6	<ul style="list-style-type: none"> <li>Reduction of total greenhouse gas emissions per unit of GDP in Northland.</li> </ul>
	Outcome	<b>Proportion</b> of businesses / projects that Northland Inc are supporting that have identified their environmental aspirations and complied with governmental regulations	80%	90%	100%	
		<b>Change</b> in carbon footprint of Northland Inc <sup>2</sup>	Initial carbon footprint audit completed	5% Net reduction in footprint	10% Net reduction in footprint	
<b>Regional Investment</b>	Output	<b>Number</b> of unique businesses assisted (reporting by TA and industry)	230	240	250	<ul style="list-style-type: none"> <li>Positive change in regional economic profile (living standards, productivity, structure of economy)</li> <li>Increase in level of government investment into the region (where possible breakdown by co investment, sector and research / tertiary activity).</li> <li>Increase in the number of jobs in the region</li> <li>Sustaining the number of business units in the region</li> </ul>
		<b>Proportion</b> of those businesses assisted that are Māori (by TA and industry)	20%	30%	40%	
		<b>Number</b> of inward delegations hosted	3	3	3	
	Outcome	<b>Client satisfaction</b> with businesses assistance provided by Northland Inc as measured by Net Promotor Score	NPS >50	NPS >50	NPS >50	
		<b>Value</b> of grant funding and investment facilitated for Māori businesses	\$110k	\$120k	\$130k	
		<b>Number</b> of high impact projects that are implemented (reporting by regional strategic sectors)	4	4	4	
<b>Destination Management</b>	Output	<b>Number</b> of destination promotion campaign initiatives to generate national exposure to the region (reporting will include number of businesses that are engaged in the campaign)	1 campaign per year	1 campaign per year	1 campaign per year	<ul style="list-style-type: none"> <li>Dispersal of tourism activity into the region measured through the</li> </ul>

<b>and Marketing</b>		<b>Number</b> of workshops / events to promote product development and position Te Tai Tokerau Northland as a green tourism destination	Establish baseline number of workshops / events	Baseline number plus one	Baseline number plus two		accommodation data programme • Tourism activity in the region measured through TECT (electronic transactions indicating tourism spend)
<b>Profile and Advocacy of Economic Development</b>	Output	<b>Number</b> of regional economic development updates or reports released	4	6	6		
	Outcome	<b>Number</b> of media features that profile the region	12	24	24		
		<b>Number</b> of media activity that references Northland Inc	24	52	52		

Notes:

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

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

Shareholders' funds (being retained surpluses plus share capital) at June 2020 was as follows:

	June 2020
Total Assets \$	\$1,060,955
Total Liabilities \$	\$1,108,655
Shareholders' Funds \$	\$150,903
Shareholders' Funds as % of Total Assets	11%

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

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

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

## 7 Kaiwhakaruruhau - Governance

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

In undertaking its activities, Northland Inc will to:

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

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

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

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

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

## 8 Ngā kaupapa here kaute - Accounting policies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 13 Whakamaramagatanga-a-pūtea - Financial information

A prospective statement of financial performance is included below.

NORTHLAND INC Forecast Prospective Statement of Financial Position			
Income	21/22 Forecast	22/23 Forecast	23/24 Forecast
CCO Opex	\$ 1,636,744	\$ 1,736,530	\$ 1,876,693
NRC Feasibility /Ngawha	\$ 300,000	\$ 300,000	\$ 300,000
NRC Extension 350	\$ 32,600	\$ -	\$ -
WDC	\$ 105,000	\$ 105,000	\$ 105,000
NIF	\$ 66,000	\$ 65,000	\$ 65,000
Website Industry Income	\$ 15,000	\$ 15,000	\$ 15,000
MPI Extension 350	\$ 130,000	\$ -	\$ -
MPI SFFF	\$ 215,200	\$ -	\$ -
Orchard Income	\$ 164,420	\$ 164,420	\$ 164,420
MBIE (Action Plan)	\$ 350,000	\$ 50,000	\$ -
MSD Ngawha	\$ 124,664	\$ -	\$ -
MBIE RBP contract to 31 Dec 21	\$ 169,766	\$ -	\$ -
<i>Unconfirmed funding</i>			
MBIE RBP 1 Jan - 30 June 2022	\$ 169,765	\$ 339,531	\$ 339,531
Plant & Food NZ	\$ 50,000	\$ -	\$ -
<i>Estimate carried forward project funding</i>			
STAPP Funding	\$ 418,234	\$ -	\$ -
MBIE (REF)	\$ 888,000	\$ -	\$ -
Ngawha partners	\$ 82,286	\$ -	\$ -
MBIE Action Plan	\$ 153,801	\$ -	\$ -
<b>Total income</b>	<b>\$ 5,152,980</b>	<b>\$ 2,775,481</b>	<b>\$ 2,865,644</b>
Less			
<b>Programme Expenditure Total</b>	<b>\$ 2,127,043</b>	<b>\$ 638,000</b>	<b>\$ 765,000</b>
Corporate/MED	\$ 80,000	\$ 80,000	\$ 95,000
Investment Projects/Business Support	\$ 350,000	\$ 373,000	\$ 473,000
Destinational Management & Marketing	\$ 1,199,507	\$ 185,000	\$ 197,000
Extension 350	\$ 335,660	\$ -	\$ -
Action Plan	\$ 161,876	\$ -	\$ -
<b>Salaries Total</b>	<b>\$ 2,250,734</b>	<b>\$ 1,461,000</b>	<b>\$ 1,411,001</b>
<b>Overheads Total</b>	<b>\$ 774,588</b>	<b>\$ 674,432</b>	<b>\$ 689,432</b>
<b>Total Expenditure</b>	<b>\$ 5,152,365</b>	<b>\$ 2,773,432</b>	<b>\$ 2,865,433</b>
<b>Total Net Surplus</b>	<b>\$ 615</b>	<b>\$ 2,049</b>	<b>\$ 211</b>



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

### 1. Statement of Accounting Policies

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

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

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

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

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

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

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

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

### Introduction

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

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

### Rationale

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

### KPI's

The KPI's are as follows:

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

#### Pou: Maori Economic Development

1. Number of engagements or established relationships with iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. that have led to a positive outcome.
2. Māori business satisfaction with Northland Inc support (measured our own feedback/review process with our Māori clients including face to face interviews or focus groups to capture feedback)

#### Pou: Environmental Sustainability

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

#### Pou: Regional Investment

6. Number of unique businesses assisted
7. Portion of those businesses assisted that are Māori
8. Number of inward delegations hosted
9. Client satisfaction with businesses assisted
10. Value of grant funding and Investment facilitated for Māori businesses
11. Number of high impact projects that are implemented

#### Pou: Destination Management and Marketing

12. Destination promotion campaign initiatives to generate national exposure to the region (including number of businesses that are engaged in the campaign)

13. Number of workshops, events to promote product development and position Te Tai Tokerau Northland as a green tourism destination

Pou: Profile and Advocacy and of Economic Development

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

### Rationale and Methodology for Individual KPI's

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

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

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

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

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

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

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

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

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

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

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

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

7. Rationale: measures the volume of work being generated and processed that is specifically targeted at Maori businesses, given Northland Inc's view of the importance of Maori Economic Development. The increase in target over three years is to align the target with percentage of population.

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

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

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

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

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

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

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

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

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

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

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

Methodology: Evidence for KPI recorded within National publications or regional publications in regions other than Tai Tokerau Northland.

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

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

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

Methodology: Evidence for KPI recorded within external publications

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

Methodology: Evidence for KPI recorded within external publications.

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

Methodology: Evidence for KPI recorded within external media pickup.