



Pūrongo ā Tau

Annual Report 2024

Ihirangi

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Wāhanga tuatahi: Tirohanga whānui

Section one: Overview



Ngā karere mai i te Heamana rāua ko te Tāhūhū

Rangapū

Chair and CEO's foreword

The 2023/2024 year saw us striving once again to balance the future we're working towards, what we're legally required to deliver on, what tāngata whenua and communities want us to be doing, and what our region can reasonably afford to pay for it all.

We have been doing hugely important work to care for te taiao (the natural environment) and prepare communities for the long-term effects of climate change and natural hazards.

Thanks to everyone who provided feedback on the draft Freshwater Plan Change over several months from November 2023 to the end of March 2024. We received 577 responses representing a range of views.

The next version of the Freshwater Plan will be a proposed plan. You'll be able to make a submission on the proposed plan and present your views at a hearing when the time comes. We now have until 2027 to complete this next version.

Our Proposed Regional Plan is now almost fully operative, with a small number of coastal provisions awaiting approval by the Minister of Conservation.

Over the 2023/2024 financial year we continued with our efforts, in partnership with local hapū, to remove the invasive seaweed exotic *Caulerpa* from Omakiwi Cove in the Bay of Islands. *Caulerpa* represents a significant threat to our marine ecosystem and the cultural, recreational and economic values and activities it supports. Together with our mana whenua partners, we've made significant efforts advocating to central government to step up its investment in getting rid of this devastatingly invasive seaweed.

Also on the marine front, we formally adopted two new no-take fishing areas following an Environment Court decision that confirmed all fishing – including recreational – is no longer permitted from Maunganui Bay (Deep Water Cove) to Oporua (Oke Bay) in the Bay of Islands as well as around the Mimiwhangata peninsula.

On the climate change front, we've actively sought opportunities to influence central government plans and policies over the past year.

We've also worked on a range of activities including continuing to support improvements to water resilience infrastructure in vulnerable rural communities through grant funding. A community-led partnership model has been successful in identifying and working with priority whanau to deliver much needed healthy water supply to those most in need. To date, water tanks have been installed from Whangaroa in the north, to Otiria, Kaikohe and Kaihu benefiting hundreds of whanau.

In the emissions reduction realm, we continue to make progress in measuring our organisational greenhouse gas inventory (or carbon footprint) and have achieved the requirements to receive certification under the Toitu Carbonreduce Programme for the second year. We've adopted organisational emissions reduction targets and formulated a corporate Emissions Reduction Plan that lays out a pathway for achieving the targets.

On the flood protection front, significant progress has been made to complete the Otiria - Moerewa flood scheme, including the construction of a new \$3.5 million, 60-metre bridge. The Pokapu Rd bridge – built on multiple-owned whanau land with the blessing of its shareholders – is a critical part of a scheme designed to better protect the communities of Otiria and Moerewa from the adverse impacts of flooding.

Throughout the 2023/2024 financial year, our recovery efforts following Cyclone Gabrielle were extensive. Notable achievements included launching the Ngā Manga Atawhai project, which aims to remove thousands of trees near rivers, powerlines, and roads to enhance electricity provision during severe weather events. We also conducted business continuity workshops for farmers, lifestyle block workshops for landholders, and assisted marae in developing Marae Preparedness Plans. Additionally, we facilitated training for marae and communities interested in establishing Community Led Centres for future events.

The Northland tsunami siren replacement project continues to progress with 50 out of the 94 new sirens installed across Northland as of July 2024. The project is a joint initiative by all four of Northlands councils, with the Northland Civil Defence Emergency Management Group coordinating the project. Once completed the new sirens, along with our other warning tools, will help provide more resilient and effective warnings to Northlanders for tsunami threats.

As always, council remains committed to building meaningful relationships reflective of a Te Tiriti o Waitangi partnership, which you can read more about in this document. In April, we adopted the newest iteration of 'Tāiki ē' – council and Te Taitokerau Māori and Council Working Party's Te Tiriti strategic intent and implementation plan. The plan, gifted the name 'Tāiki ē' by TTMAC Co-chair Pita Tipene, signifies a call to collective action and a commitment to Te Tiriti o Waitangi-based partnership.

In June we formally adopted our Long Term Plan 2024-2034 at a meeting in Dargaville.

The adoption formally confirmed our decision to continue funding for emergency and rescue services and regional sporting facilities.

While neither funding falls under the remit of specific legislative responsibilities for a regional council, councillors agreed to continue both rates, acknowledging they're effectively a form of fundraising and an administrative 'community good' service on behalf of the community.

Thank you to our ratepayers and all our partners and stakeholders for working with us over the past 12 months. We look forward to continuing to work with you in the future as we tackle the shared challenges and opportunities the new year offers.



A handwritten signature in black ink, appearing to read 'Geoff Crawford'.

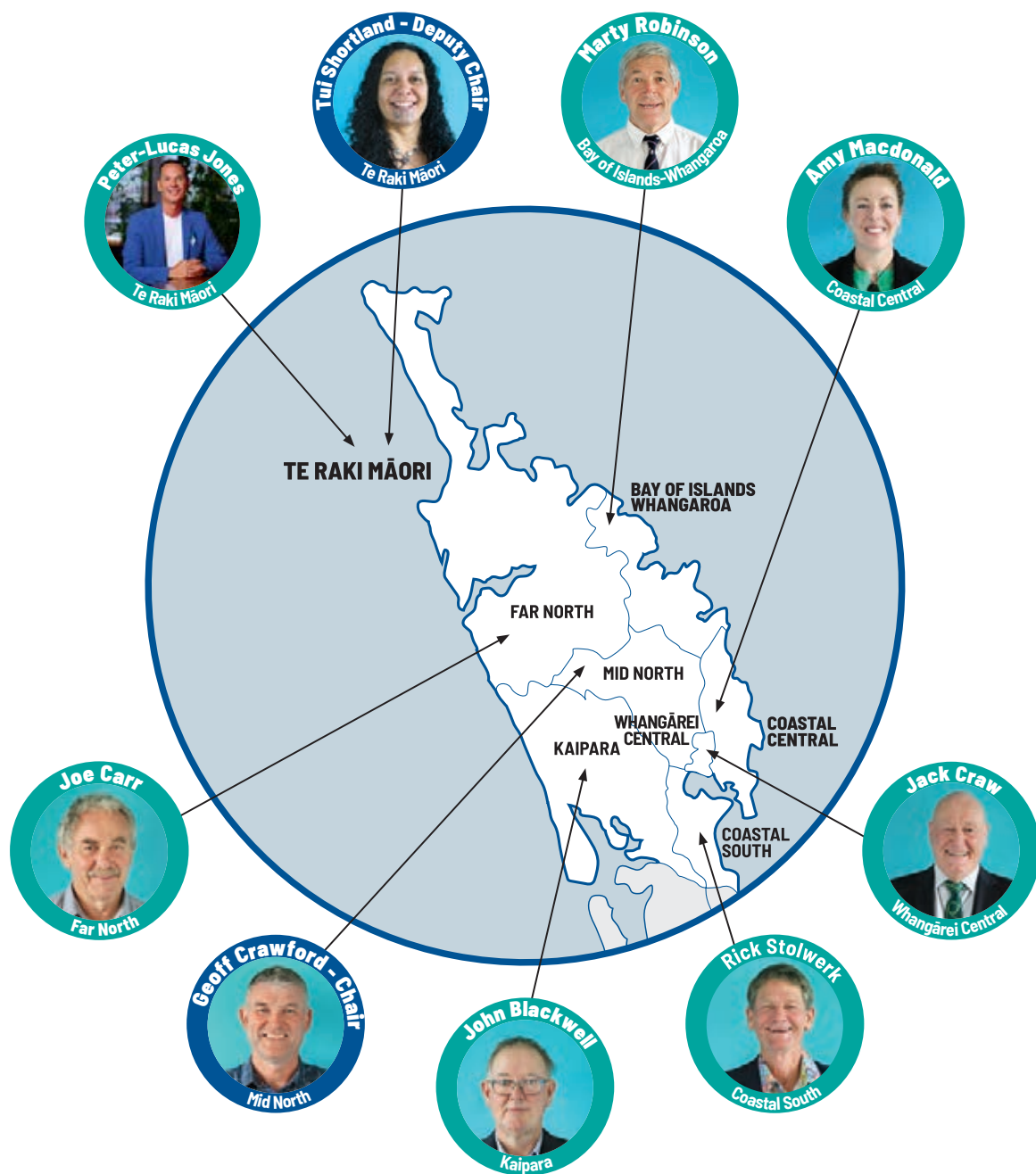
Geoff Crawford
Chair

A handwritten signature in black ink, appearing to read 'Jonathan Gibbard'.

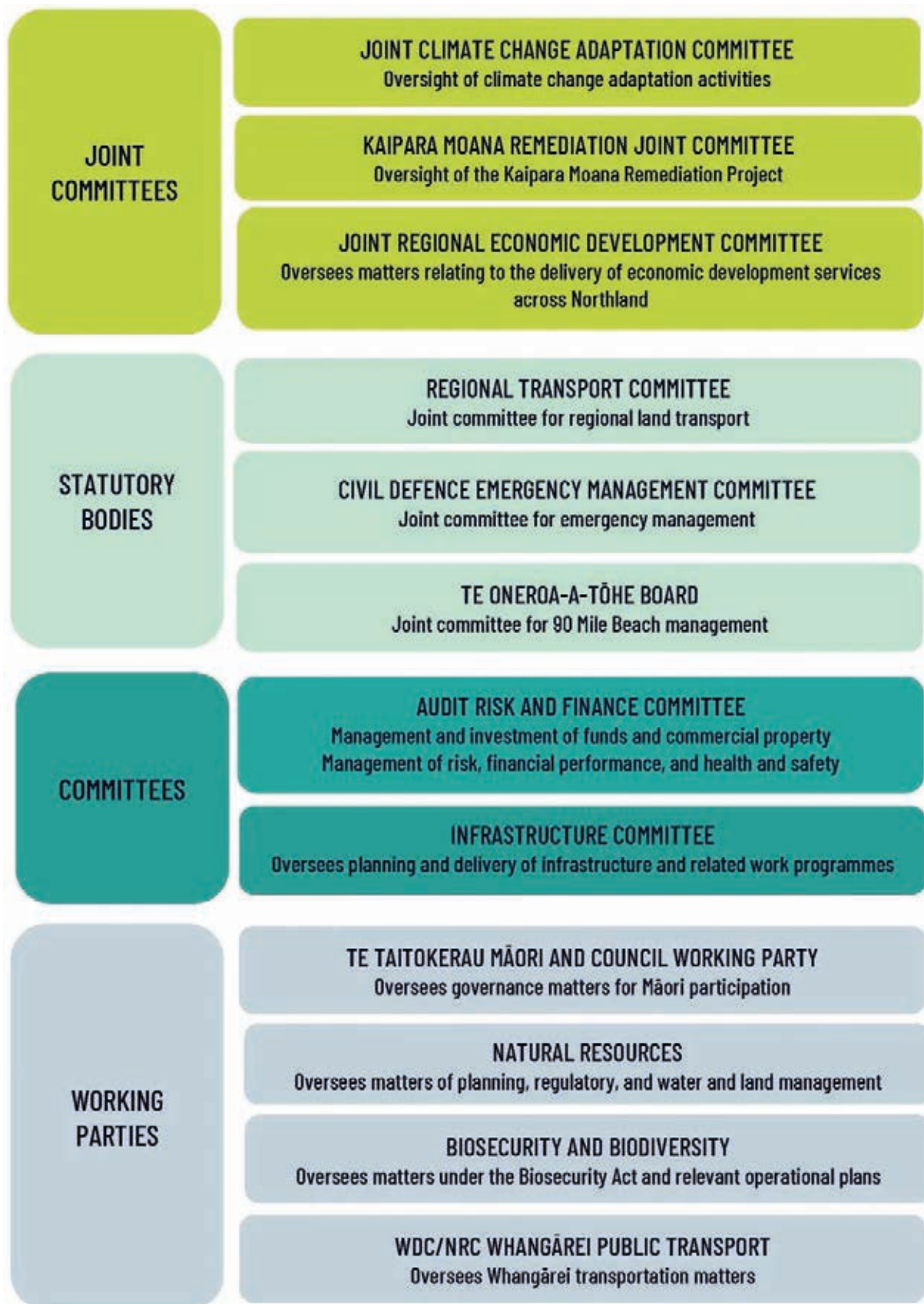
Jonathan Gibbard
Chief Executive Officer

Ō koutou Kaikaunihera

Your regional councillors



Governance structure



Council membership, responsibilities and advisors

Regional council representation on joint committees and boards

Regional Transport Committee

Regional council membership: two elected members as Chair and Deputy Chair

This statutory committee brings together Northland's four councils and NZ Transport Agency Waka Kotahi, and oversees strategic transport planning and passenger transport functions for the Northland region.

Civil Defence Emergency Management Committee

Regional council membership: the Chair or their delegated representative plus one alternate

This statutory committee brings together Northland's four councils (with Fire and Emergency, NZ Police, and the National Emergency Management Agency in an observer capacity) and sets the strategic direction for the CDEM Group.

Te Oneroa-a-Tōhe Board

Regional council membership: two elected members plus one alternate

This board is a statutory body as a result of Treaty Settlement and is a joint committee with Far North District Council, Te Rūnanga o Te Rarawa, Te Manawa o Ngāti Kuri Trust, Te Rūnanga Nui o Te Aupouri Trust, Te Rūnanga o Ngāi Takoto, overseeing the implementation of the Beach Management Plan for Te-Oneroa-a-Tōhē (Ninety Mile Beach).

Joint Climate Change Adaptation Committee

Regional council membership: one elected member plus one alternate

This joint committee provides direction and oversight of the development and implementation of climate change adaptation activities by local government in Te Taitokerau.

Kaipara Moana Remediation Joint Committee

Regional council membership: three elected members

This is a joint committee with Kaipara uri, Auckland Council and NRC, providing oversight of the Kaipara Moana Remediation Programme.

Joint Regional Economic Development Committee

Regional council membership: two elected members

This joint committee oversees matters relating to the delivery of economic development services across Northland.

Council committees

Note, the Chair of council is ex-officio on all council committees and working parties.

Infrastructure Committee

Three elected members, with one to be appointed as Chair of the Committee, and independent tāngata whenua members (x2)

Audit, Risk and Finance Committee

Five elected members, independent consultant (x1), independent risk advisor (x1), and independent tāngata whenua members (x2)

Council working parties

- » WDC/NRC Whangārei Public Transport Working Party – three elected members, and three Whangārei District Council elected members
- » Natural Resources Working Party – four elected members, and four members of Te Taitokerau Māori and Council Working Party
- » Biosecurity and Biodiversity Working Party – four elected members, and four members of Te Taitokerau Māori and Council Working Party
- » Te Taitokerau Māori and Council Working Party – up to 30 members in total consisting of all elected members, and up to 21 appointed iwi and hapū members from Taitokerau Māori.

Collaborative Community Working Groups

- » Kāeo-Whangaroa River Working Group – one elected member as Chair plus one alternate
- » Kaihū River Working Group – one elected member as Chair
- » Kerikeri River Working Group – one elected member as Chair plus one alternate
- » Ruakākā River Working Group – one elected member as Chair
- » Taumārere River Liaison Working Group – one elected member as co-Chair plus one alternate
- » Urban Whangārei Working Group – one elected member as Chair
- » Awanui River Working Group – one elected member as Chair plus one alternate

Councillor portfolios

- » Kaipara Moana Working Party – two elected members
- » Northland Inanga Spawning Habitat Restoration Project – one elected member
- » Northland Conservation Board – one elected member
- » Shareholder representative for Northland Marsden Maritime Holdings Limited – Chair of council
- » Shareholder representative for Northland Inc. Limited – Chair of council
- » Shareholder representative on Regional Software Holdings Limited – Chair of council
- » Upper North Island Strategic Alliance (UNISA) – Chair of council
- » Zone One (LGNZ) – Chair of council

Advisors

Auditors:

- » Deloitte Limited on behalf of the Auditor-General

Bankers:

- » ASB Bank
- » ANZ Bank

Solicitors:

- » Brookfields Lawyers
- » Chapman Tripp
- » Cochrane Advisory
- » Duncan Cotterill
- » Gilding Baker Law
- » Karenza de Silva
- » Lizzy Wiessing
- » Marsden Woods Inskip & Smith
- » Richard Fowler
- » Robert Enright
- » SBM Legal
- » Simpson Grierson
- » Thomson Wilson Law
- » Webb Ross McNab Kilpatrick
- » Wynn Williams

Independent Advisors/Consultants:

- » Dee-Ann Wolferstan – Tāngata Whenua
- » Eriksens Global – Investments
- » George Riley – Tāngata Whenua
- » PricewaterhouseCoopers – Treasury
- » Steve Watene – Risk
- » Stuart Henderson – Financial (until Nov 2023)

Chief Executive Officer:

The Tāhūhū Rangapū (Chief Executive Officer) Jonathan Gibbard is responsible for setting the direction of the council within the policy framework provided by councillors. The Executive Leadership Team is accountable to him and he is accountable to the council.

Council's strategic direction

This is the third and final Annual Report following the adoption of the Long Term Plan 2021-2031 in June 2021. As part of developing the Long Term Plan, council gave careful consideration to the service we provide to our community, what we're working to achieve, and our priorities for making this happen. This is outlined as our strategic direction, which is driven by our vision: 'Our Northland - together we thrive'. Our strategic direction also sets out council's mission and community outcomes, which drive the activities and performance measures set out in the long term plan, and are reported on in this Annual Report.



VISION
Our Northland – together we thrive
Tō tātou Taitokerau – ka whai hua tātou

MISSION
Working together to create a healthy environment, strong economy and resilient communities



Healthy waters for the environment and our people
The fresh and coastal waters of Te Taitokerau are clean and abundant, supporting a healthy environment and the needs of our people.

Safe and effective transport networks connecting our region
Transport networks are safe, well organised and increasingly low emission, connecting communities and supporting our regional economy.

Resilient, adaptable communities in a changing climate
Communities are well prepared for the growing effects of climate change and the hazards our region faces, such as droughts and floods.

Meaningful partnerships with tangata whenua
Strong outcomes for Māori through enduring relationships between iwi/hapū and council.

Protected and flourishing native life
The incredible array of native taonga in Te Taitokerau is treasured and protected, on land and in the water.

A strong and sustainable regional economy
A sustainable economy, supporting a healthy standard of living and wellbeing in Te Taitokerau.

Our year in review

Our Long Term Plan 2021-2031 is our 10 year roadmap for supporting Te Taitokerau Northland's growth and wellbeing, while navigating the unpredictable and changing world we now live in. Achieving environmental, social, economic and cultural wellbeing will only truly happen as we continue to build meaningful partnerships, with everyone from tāngata whenua to individual landowners. Resilience is also key, and now more than ever we need to keep building resilience and supporting our communities through regional emergency management and recovery, flood risk reduction and climate change adaptation.

Critical work continues on freshwater health, protecting our native habitats, developing enduring relationships with iwi and hapū, delivering on our commitments to our communities, and leveraging central government funding for the benefit of our region.

The community outcomes that we want to achieve can be found in 'Te Pae Tawhiti - Our vision 2021-2031', a document where we explain what council's long-term aims are for the region, and what we plan to deliver to make a real difference over the next three and 10 years.



Some of our progress is reported in this annual report, but it's just a snapshot – the progress is much wider. Here are some of our highlights from the year:

Natural environment

Environmental science and monitoring

Over the past 12 months the Natural Resources team has continued to grow relationships and partnerships with tāngata whenua across Northland working with over 20 kaitiaki roopu.

We have a focus on enabling iwi/hapū environmental monitoring capacity through supporting training, funding, and engagement/participation with council's State of the Environment programmes.

We have completed a number of freshwater catchment investigations, and documented five years of data collection on plastic prevalence in Northland's freshwater and coastal environments.

Two water quality lake buoys, developed and built inhouse, have been deployed collecting continuous telemetered water quality information.

We have deployed eight soil moisture (and temperature) sensors at existing rainfall recording station locations in different geologies through Northland and started using drones to capture river surface velocity data for calculating river flows, particularly during high flow/flood events.

Three new coastal groundwater recording stations have been installed at Ngunguru, Pataua, and Mangawhai for monitoring groundwater levels and conductivity (as an indicator of saline intrusion).

We have continued to upgrade critical hydrometric stations to build resilience in the monitoring network, particularly critical flood warning sites.

Regular Drought Risk Assessments were provided through the summer months, during the recent El Nino ENSO event, to communicate how Northland's rivers and groundwater systems were holding up during prolonged dry periods.

Kaipara Moana Remediation (KMR) Programme

This year, the KMR programme has seen a further 83 plans in development and over 70,000 hours of additional new work committed in contracts. In addition, more than 1.8M plants and trees are in the ground or contracted to be planted this winter, and more than 479ha of planting and 800km of fencing has been completed or contracted.

KMR is currently working with over half of the estimated pastoral landowners in the Kaipara Moana catchment and in May, the value of KMR projects in the sheep and beef sector overtook the value of those in the dairying sector, reflecting KMR's ongoing engagement and scale up. KMR is now the largest recipient nationally of Trees That Count, with over 90,000 free trees provided to Whenua Whānui Fund recipients to support their projects. In both Auckland and Northland regions, KMR was named the Catchment Group Showcase at the Balance Farm Environment Awards to recognise KMR's role as an exemplar in on-the-ground action underpinned by good science.

KMR further supported 96 people in training courses during the year, and a new 'satellite' nursery capability was supported by the Department of Internal Affairs and KMR to ensure adequate availability of salt- and sand-tolerant plant species for areas not supplied by existing KMR-accredited nurseries. Enabled by KMR's digital tools, KMR continues to work with the NZ Association of Resource Management (NZARM) and other strategic partners to build capability and opportunities.

Marine biosecurity - Caulerpa

Over the 2023/2024 financial year we continued with our efforts to remove the invasive seaweed exotic Caulerpa from Omakiwi Cove in the Bay of Islands.

As well as utilising a locally-designed and groundbreaking powerhead attachment to effectively vacuum the unwanted weed from the seafloor, our contractor Johnson Bros designed, fabricated, and tested a trommel-like device, essentially a large rotating drum that separates the Caulerpa from sand and other material. This has significantly improved the efficiency of the removal operations and further increased our chances of successfully eradicating Caulerpa.

We have been making pleasing progress and are actively lobbying central government for funding to continue this important work.

The 2023/2024 hull surveillance season concluded with 2049 vessels inspected and all incidents responded to promptly and successfully.

Biosecurity partnerships

In collaboration with local groups, our Biosecurity Partnerships team actively engages with Northland communities to reduce populations of invasive species through initiatives like the Biofund, Community Pest Control Area (CPCA), and High Value Area (HVA) programmes. In 2023/2024, 71 Biofund grants were awarded, and funding continued to 15 existing CPCAs. Six new or re-established CPCA projects were initiated, covering a combined 8693ha of management area. In addition to the seven existing HVAs, the new Waipoua HVA was established during 2023/2024, collectively safeguarding over 152,000ha across Northland.

The council has also continued to work in partnership with Kiwi Coast, a collaborative initiative that links 242 iwi and hapū. Community-led conservation projects, many of which are also supported through council funding, are actively managing pest species over a combined 276,894ha.

Tiakina Whangārei, a council-funded urban conservation project, aims to support community-led pest animal and plant control activities across Whangārei. During 2023/2024, Tiakina Whangārei engaged in 10 educational pest control programmes, hosted four community trap giveaways, organized four events aimed at increasing pest plant awareness, delivered 363 predator control devices to

the community, sponsored two local community events, and hosted one event to recognise volunteer efforts. Tiakina Whangārei also supported the Parihaka Community Landcare Group with two toxin operations across 190ha and the installation of a further 30ha of pest control hardware across the Reserve. They also funded a toxin operation in the Coronation Scenic Reserve.

Predator Free 2050 - Whangārei

This programme is in its second year and has moved from a knock-down to a mop-up phase across 1500ha of Te Whara, Taurikura and surrounding farmland. Knock-down of pests has commenced on a further 1400ha, and preparation on a further 3700ha. Pre-elimination monitoring on 3100ha of the buffer area has also been completed with pleasingly low possum numbers reported across several of the blocks that will form the virtual barrier between Parua Bay village and Pataua North. More than 400 landowners have directly supported the project so far by allowing elimination work to be carried out on their land and by getting in behind the wider kaupapa.

Continued partnering with local Pataua South uri will see an elimination plan created and delivered by uri members, with opportunity for expansion into other areas. Ongoing engagement with Whangārei hapū members has progressed well, and opportunities explored for closer kaunihiera, hapori and hapū partnerships.

Predator Free 2050 - Pēwhairangi Whānui

This programme spans across three peninsulas (Russell/Kororāreka, Purerua-Mataroa and Rakaumangamanga) in the Bay of Islands and supports several diverse projects that are working towards making their respective areas predator free.

An ArcGIS mapping and data platform is in use across the three Pēwhairangi Whānui peninsular below to record real-time data and to track results.

Promotional videos have been completed for all three projects below that showcase the Predator Free kaupapa in this iconic landscape.

Predator Free Russell

Predator Free Russell has received overwhelming community buy-in over the last year shown by almost 100% landowner support across the project area, along with rat catch numbers trending toward zero, and zero possum catches or detection over the last quarter. Servicing almost 6000 devices in the Old Russell Peninsula area and over 1200 devices in the Orongo Bay area, on 10-day cycles, they are now at the end of the knock-down phase and will be moving into the final mop-up phase soon.

Predator Free Purerua - Mataroa

This programme has commenced delivery of elimination mahi and is being delivered jointly by Kiwi Coast and Ngāti Rehia -Te Ahutai. Ngāti Torēhina kaumatua and kuia have

provided tikanga and guidance for the delivery of the project in the eastern zones, with Ngāti Rehia and Predator Free Taiao Lead designing and implementing the western zones mahi. Ngāti Rehia - Predator Free Te Ahutai embarked on an uplifting wananga to name the project and capture the essence of the kaupapa, and recently completed a pre-knockdown monitoring programme. An experienced Ngāti Rēhia trapper is leading the delivery of the western zone enhanced suppression mahi.

Predator Free Rākaumangamanga

Project design and delivery is being led by Te Rawhiti 3B2 Ahu Whēnua Trust, with project plans and budgets completed and supported by Ngāti Kuta and Patukeha hapū. Significant progress has been made setting up new trap and baiting lines with knock-down underway across 1100ha, and a further 1144ha ready for knockdown commencement in late winter 2024.

Working towards a deer-free future

In April, a decade-long plan to remove all wild deer from Northland, an area of over 13,000km² and one of New Zealand's most biodiverse regions, was jointly launched by council, the Department of Conservation (DOC), and local hapū. If successful, it will be the largest deer-free area in mainland New Zealand. The first project – which began mid-April – is the \$1.5M eradication of sika deer from the Russell Forest. This pilot will potentially model for the rest of the region.

The sika project is the result of a four-year partnership between council, hapū Ngāti Kuta, Patukeha, Te Kapotai, Ngatiwai Iwi and DOC.

Pest plants

In addition to supporting the community led pest plant work in HVAs, CPCAs, and Biofund delivery, the pest plant team ran 12 workshops and attended 11 community events to help encourage community action on pest plants and develop pest plant identification and control skills, as well as providing advice and support to hapū and other community groups.

Council also led the delivery of the National Wilding Conifer programme in Northland. Over the course of the year, more than 60,000 wilding pines were removed, primarily from dune, gumland and wetland habitats.

Fifty-four nursery inspections were completed to check for nationally and regionally banned pest species.

Regional Plan for Northland

The Proposed Regional Plan is now almost fully operative. The Minister of Conservation approved coastal provisions around vehicles on beaches during the year. A small number of coastal provisions need to be approved by the Minister of Conservation for the Plan to become fully operative.

Freshwater Plan

We received 577 responses representing a range of views. The next version of the plan will be a proposed plan. You'll be able to make a submission on the proposed plan and present your views at a hearing.

The government has extended the timeframe for this part of the process, and we now have until 2027 to complete the next version of the plan. Over this time, the government will be making changes to national freshwater policy and we won't be completing the next version of the plan until the national policy direction is clear.

Community resilience

Awanui Flood Scheme upgrade

We have now entered practical completion phase of the scheme upgrade, with most of the major components completed. Remaining works includes a stopbank setback downstream of SH-10 (85% complete), Quarry and Donald Road bridge upgrade, and some floodwalls near the splitting of the Awanui River and Whangatane spillway.

Otiria-Moerewa flood mitigation spillway and bridge

All three stages of this project have now been completed and an official opening is scheduled for August. Work included a new \$3.5M, 60m bridge built on Pokapu Road on multiple-owned whanau land with the blessing of its shareholders. The bridge is a critical part of the scheme, which is designed to better protect the communities of Otiria and Moerewa from the adverse impacts of flooding.

Emergency management

The Northland tsunami siren replacement project continues to progress, with 50 out of the 94 new sirens installed across Northland as of July 2024. The project is a joint initiative by all four of Northland's councils, with the Northland Civil Defence Emergency Management Group coordinating the project. Once completed, the new sirens, along with our other warning tools, will help provide more resilient and effective warnings to Northlanders for tsunami threats.

Development of the Multi-Agency Emergency Coordination Centre for Northland also continues, with the final funding required for the centre now secured. Once completed, this will provide a central, purpose-built facility that will allow for improved collaboration between Civil Defence Emergency Management (CDEM) staff, emergency services, and other agencies during responses.

Over the year, Civil Defence Emergency Management professionals monitored and responded to several moderate weather events. The team also supported the 20 June Transpower power outage, where a 220kV transmission tower located in a field near Glorit fell

unexpectedly while maintenance work was being carried out, causing the loss of power to approximately 100,000 homes and businesses in Northland.

Community response plans and engaging with community groups remain a focus. Post-Cyclone Gabrielle, demand for marae and community response planning has increased significantly. Over the past year, the team has responded to 13 new requests for new Community Response Groups and 21 community response plan reviews. As part of the recovery from Cyclone Gabrielle, funding was also provided to 51 Community Response Groups across Northland for small infrastructure needs that increased the community's preparedness. CDEM engagement with hapū and iwi Māori continues to grow. Hapū and iwi throughout Te Taitokerau have been working alongside CDEM groups, enhancing connections and developing hapū-led initiatives. Partnering with marae to develop preparedness plans remains a focus, with over 15 marae preparedness plans currently in development.

Recovery work from Cyclone Gabrielle continues. The aftermath of the cyclone necessitated a comprehensive response, coordinating the efforts of the four Northland councils, lifeline utilities, and non-governmental agencies. Throughout 2023 and 2024, the recovery initiatives were extensive. Notable achievements included launching the Ngā Manga Atawhai project, which aims to remove thousands of trees near rivers, powerlines, and roads to enhance electricity provision during severe weather events. We also conducted business continuity workshops for farmers, and lifestyle block workshops for landholders. Additionally, we facilitated training for marae and communities interested in establishing Community Led Centres for future events. We've also invested in portable satellite internet technology across Northland's four councils and continued to invest in emergency management training and capability for council staff, ensuring preparedness and effective communication during future events.

Transport

The Regional Land Transport Plan 2021/2027 - Three Year Review (RLTP) was undertaken and following delays to the process caused by the change in government and the late release of the Draft Government Policy Statement on Land Transport 2024 (GPS), NZ Transport Agency Waka Kotahi (NZTA) deferred the submission date of RLTP's from 30 April 2024 to 1 August 2024.

On 4 July 2024, the Regional Transport Committee approved the release of the Draft RLTP 2021/2027 - Three Year Review to council with the recommendation that it be approved and submitted to NZTA by the specified date. This was subsequently approved and has now been lodged.

Regional Leadership

Appointment of a new Chair

In November 2023, Councillor Geoff Crawford was voted in as council's new Chair and former Chair Tui Shortland became Deputy Chair after her resignation from the leadership role she had held for 13 months. Chair Crawford has a background in farming and has been on council since local body elections in October 2022.

Building a Te Tiriti o Waitangi partnership with tangata whenua of Te Taitokerau

Council is committed to building meaningful relationships that are reflective of a Te Tiriti o Waitangi partnership. Consequently, council is working proactively to strengthen, resource and adapt structures and processes to develop relevant responses for iwi and hapū to engage with council. These relationships enable council to deliver tangible benefits that build a resilient and thriving region that is committed to working together for the well-being of the environment.

Economic development

A major focus of work for 2023/2024 was supporting the Joint Regional Economic Development Committee (JREDC). The JREDC was established by Northland Regional Council, Far North District Council and Kaipara District Council to work together on economic development related activities, including the joint shareholder responsibilities for Northland Inc such as the development of a statement of intent.

In 2023/2024 this work included engagement with Whangarei District Council (WDC) to consider becoming a joint and equal shareholder of Northland Inc. WDC consulted on this issue and in July 2024 WDC adopted its 2024-2034 Long Term Plan that included a decision to become a shareholder and provide funding into the Investment and Growth Reserve (IGR). Another important piece of work undertaken by JREDC was to work with Northland Inc, councils and iwi to identify some initial regional growth opportunities for funding through the Regional Infrastructure Fund (RIF).

A loan of \$1.35M was provided to Te Tai Tokerau Water Trust (TTTWT) under a funding agreement to support the construction of the Kaipara Water Scheme near Dargaville. A non-binding term sheet was signed with TTTWT covering council's funding commitment from the Regional Projects Reserve to support the construction of the Mid North Water Scheme. Funding is expected to be provided in 2024/25.

Support was also given to Northland Inc to finalise a regional economic development strategy called Te Rerenga. This co-designed and Te Tiriti o Waitangi based strategy takes an intergenerational perspective and was developed in partnership with iwi and hapū, communities and industry sectors, alongside local and central government.

Council continued to lobby central government for improved infrastructure, including digital connectivity, marine industry development, and transport networks such as the Marsden Point Rail Link and the Northland Expressway. Four issues of the Northland Economic Quarterly were published. Work was also undertaken to improve the understanding of the Māori economy in Northland.

Tū i te ora Scholarships 2024

Congratulations to the six winners of our 2024 Tū i te ora Scholarships.

They will each receive \$4000 financial assistance and paid work experience from November 2024 to February 2025, variously joining our Governance and engagement, Biosecurity, Community resilience, and Environmental services groups.

The annual scholarships – now in their fifth year – recognise, encourage, and support students to undertake study, research or training that relates to council’s environmental and regulatory functions. They also aim to build Māori capacity within Te Taitokerau, with three of the six scholarships earmarked for Māori who whakapapa to Te Taitokerau.

Northland Agricultural Field Days

At the Northland Agricultural Field Days, council engaged with around 2500 visitors over three days. Partnering with NorthTec | Te Pūkenga Level 4 cookery students, we reintroduced our wild food giveaway, featuring venison bruschetta. Our site showcased freshwater management, pest control, biodiversity conservation, and climate action, earning us the Best Outdoor Site award.



Events and Engagement team with best outdoor site award at the Field Days

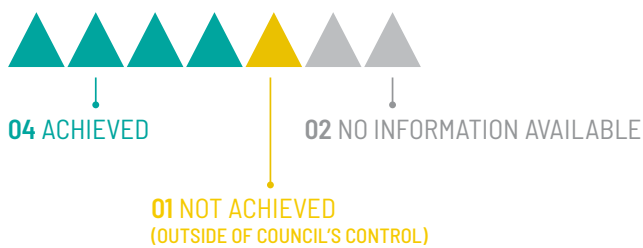
Achievement of key performance indicators

Natural environment » Total 16



For more info see page 31

Community resilience » Total 07



For more info see page 47

Regional leadership » Total 08



For more info see page 57

Meaningful relationships with tangata whenua

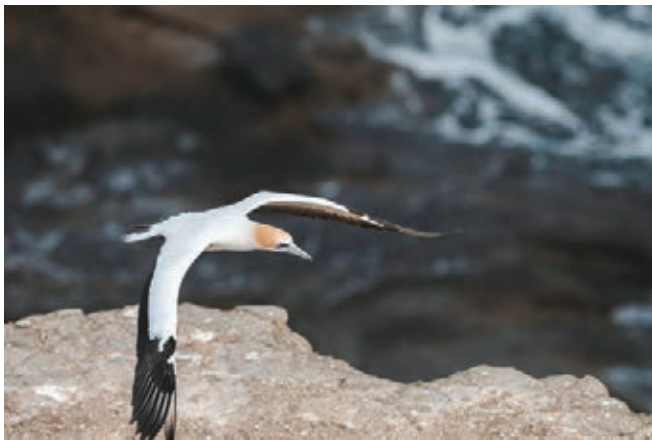
Building a Te Tiriti o Waitangi partnership with tangata whenua of Te Taitokerau

Council remains committed to honouring Te Tiriti o Waitangi and building meaningful relationships with tāngata whenua. We see creating and sustaining meaningful partnerships with tāngata whenua as key to a thriving Te Taitokerau and acknowledge there is much more mahi to be done on this journey together.

Tāiki ē: council and Te Taitokerau Māori and Council Working Party's (TTMAC) Te Tiriti strategy and implementation plan

In April 2024, council has unanimously adopted the newest iteration of 'Tāiki ē' – council and TTMAC's Te Tiriti strategic intent and implementation plan. The updated version now includes the remaining Whāinga or objectives related to climate action, economic development and water marine. Overall, the purpose of Tāiki ē is to provide a clear roadmap as to how we will uphold our Te Tiriti obligations and be accountable in achieving them. Tāiki ē forms an integral part of the allocation of resources and budgets to achieve key priorities identified, mainly through the annual and long term plan processes. It is a living document that will be updated as needed. Kaimahi (staff) work hard to ensure they are familiar with the Tāiki ē strategy and how the work they do contributes to the actions outlined in the implementation plan.

The name 'Tāiki ē' gifted by TTMAC Co-chair Pita Tipene, signifies a call to collective action and a commitment to Te Tiriti o Waitangi-based partnership. Reaching this milestone with the updated Tāiki ē reflects the council's long-term commitment to Te Tiriti partnerships and collaboration in Te Taitokerau.



'Ina tere ngā kapua, he hau kei muri' 'Progress is built on applying shared values' The clouds float across the sky driven by the wind. This is a metaphor emphasising that we will make much greater progress when we apply shared values such as trust and commitment.

Significant highlights for the July 2023 – June 2024 year are:

Viki Heta and Arana Rewha (Patukeha, Ngāti Kuta), nominated by the Northland Regional Council, were named the winners of the Te Uru Kahika Māori Award and Supreme Award at the recent New Zealand Biosecurity Awards, which recognise and celebrate outstanding contributions to protecting our country. Their work with exotic caulerpa seaweed and pest control efforts in the Bay of Islands helped earn them the award.



Viki Heta and Arana Rewha (Patukeha, Ngāti Kuta)

Te Parawhau ki Tai on behalf of the hapū Parawhau and council signs valuable resource management agreement Mana Whakahono a Rohe

An important agreement covering how Te Parawhau ki Tai and the Northland Regional Council will work together on resource management issues within the Te Parawhau hapū rohe is now in place. Te Parawhau are the third hapū following Patu Harakeke and Ngati Rehia to sign this agreement.

Mana Whakahono ā Rohe agreements were introduced into the Resource Management Act (RMA) 1991 in 2017 by the Crown as a way of improving working relationships among tāngata whenua and councils, and to provide more opportunities for tāngata whenua involvement in RMA decision-making processes.



Representatives of Te Parawhau and Northland Regional Council at Kākā Porowini Marae, Whangārei.

Lake Ōmāpere relationship agreement signed

Ngā Kaitiaki o Te Roto Ōmāpere (Lake Ōmāpere Trust) and Northland Regional Council have signed a relationship agreement to establish a formal, working relationship between the trust and the council.

The agreement will support efforts to restore the mauri of the lake and both parties are working in partnership to improve water quality and biodiversity, acknowledging outcomes that respect the cultural significance of Lake Ōmāpere to Ngāpuhi. The signing marks a momentous occasion to demonstrate our joint commitment and recognition of the crucial role that the trust plays as the kaitiaki of Lake Ōmāpere and its waters.



Ngā Kaitiaki o Te Roto Ōmāpere (Lake Ōmāpere Trust) Chair Tamaiti Wihongi, left, with Northland Regional Council Deputy Chair Tui Shortland and Chair Geoff Crawford at the relationship agreement signing

Supporting hapori climate-change resilience

For tāngata whenua in Te Taitokerau, planning for a resilient future is becoming critical as our climate continues to change. In late 2023, the council sought applications for its Tāngata Whenua Climate Adaptation Fund. A large number of applications were received, and council managed to identify additional funds from across different teams to help meet the demand. The funds are supporting hapū-led climate-change adaptation planning and actions to address issues of importance and concern to them. As part of this work, specific hapū are developing Iwi/Hapū Environmental Management Plans (IHEMP) and council have an annual contestable IHEMP fund to support tāngata whenua environmental aspirations.

Opposition to signaled changes for Māori seats on council

Northland Regional Council formally submitted in opposition to signalled changes from Government that would restore the ability for communities to hold binding referendums on whether to introduce Māori wards. The changes would affect all councils that have introduced Māori seats without holding a binding referendum since the previous government amended the Local Electoral Act 2001 to remove the requirement for binding referendums. All four councils in Te Taitokerau would be affected by this. Council worked in partnership with TTMAC to make a submission and held webinars, helping provide relevant technical expertise to support iwi and hapū to make their own submissions.

Wānanga Waiora 2023

The objective of Te Wānanga Waiora was to bring together tāngata whenua, local government, government agencies and various organisations to inform and raise awareness of water-related reforms, implementation work programmes and policy developments. The Wānanga purpose was to support iwi and hapū awareness and understanding of all the water-related changes happening, including essential freshwater policy, fresh water reforms and climate change. The Wānanga also provided a forum driven by tāngata whenua to set the agenda that discusses all relevant waiora issues. With over 250 attendees, kaitiaki and tāngata whenua shared their experiences and stories on what work they do to fulfil their role in freshwater management and decision-making, making this a successful event for Te Taitokerau.

Co-funded by council and Ministry for the Environment (MfE), a project steering group consisting of iwi and hapū was established to provide direction on the look and feel of the symposium, ensuring the agenda was iwi- and hapū-led, while still being inclusive of government agencies (e.g. MfE, DIA, Taumata Arowai, MBIE, MPI, DOC), other Northland councils, Reconnecting Northland, and Whitebait Connection. Funding for the symposium was provided by

MfE and Northland Regional Council to organise and engage Whangaroa Taiao Ltd. to support kaitiaki presentations and manaaki wananga attendees to feel welcomed and engaged in the discussions.

Te Taitokerau Māori and Council Working Party (TTMAC)

Te Taitokerau Māori and Council Working Party was successfully re-established. It consists of all nine councillors and twenty-one iwi and hapū representatives mandated by their respective iwi authorities and hapū entities co-chaired by Ngātihine representative, Pita Tipene, and Deputy Chair, Tui Shortland.

TTMAC Regional Marae Based Hui

Haukāinga raised concerns and sought solutions to key issues to which the council responded including:

- » Increasing kaitiaki capacity and capability in their own area.

- » Roading and the impact of the closures and re-routing of logging trucks on the local roads, impact of noise pollution and concerns that contractors are not being held accountable and are wasting rate-payers' resources.
- » Impacts of climate change, particularly how flooding might affect the existence of the marae in its current location and reliance on access to the marae for communities and locals.
- » Marae are neither residential nor commercial but are treated as a business and discussions of the distinctive character and mana of the marae.
- » Ecological impact of Caulerpa and the importance of the moana as a sustainable economy and food source for communities.
- » The recognition of kaitiakitanga and the need for people to respect areas that are tapu, such as their maunga tūpuna, for health and safety (physical and spiritual).



The haukāinga included Haami Piripi (Chair of Te Oneroa-ā-Tōhe Board), Graeme Neho (Te Oneroa-ā-Tōhe Board member), George Riley (Te Runanga o Te Rarawa Chief Executive), FNDC councillor Hilda Halkyard-Harawira and Tui Qauqau (Ngā Puawai o Te Oneroa-ā-Tōhe |Future Search Conference, Ahipara Environmental Kaitiaki).

RMA Making Good Decisions Training

Northland Regional Council provided RMA training for hapū and iwi members who want to learn more about the legal and practical requirements of decision making under the RMA and wanted to become an accredited RMA commissioner.

Firstly, the council provided RMA 101 training online for forty participants. Next, council brought the two day Making Good Decisions commissioner training to Whangārei. This training was provided by WSP NZ Limited at various major centres requiring participants from Te Taitokerau to travel out of the region. Council also organised follow-up sessions with the trainer, and staff provided support and advice for participants.

Council is pleased that we have achieved and congratulate twelve newly accredited RMA commissioners from hapū and iwi in Te Taitokerau.

Te Whāriki Māori responsiveness policy and framework

Council continues to deliver relevant core cultural competency framework and training, known as Te Whāriki, in a holistic programme of change that embraces Te Tiriti o Waitangi. We've subsequently contracted Groundworks - Facilitating Change to deliver a targeted Te Tiriti o Waitangi programme for councillors and staff.

By the end of June 2024, 90% of staff had attended a Te Tiriti o Waitangi workshop and/or a Level 1 Tikanga workshop.

Building capability and capacity

Council has increased both staff across the organisation and within the Māori relationships team to build capabilities to respond appropriately to the needs and aspirations of tāngata whenua.

Three iwi and hapū representatives from TTMAC engaged in the long term plan process for the next 10 years to ensure equitable resource allocation for Tāiki ē, across council services and functions.

Ongoing mahi

Additionally, council remains committed to and continues to:

- » Respond to resource consent issues being raised by iwi and hapū and how we can work to improve our responses when challenged by iwi and hapū regarding council policies and processes.
- » Review and allocate a contestable fund for hapū and iwi environmental monitoring plans and funds to enable kaitiaki to create and/or review plans that identify cultural values and taonga that must be recognised by council in their policies, plans, and regulatory functions.
- » Support Mana Whakahono ā rohe agreements to ensure more opportunities for tāngata whenua and hapū in resource management processes.
- » Allocate regional Tū I te ora Scholarships for Māori scholars, supporting students to undertake study, research or training aligned to council's vision and mission.
- » Partner with tāngata whenua on freshwater improvement, environmental and biosecurity projects.
- » Invest in GIS tools and mapping projects to ensure council develops a better understanding of rohe boundaries and respective marae, hapū and iwi representatives in Te Taitokerau.

Climate change resilience

Climate change is our generation's biggest challenge, and it's already an issue in Te Taitokerau. We must respond by transforming how our society and economy operate.

Northland Regional Council acknowledges the urgent need to respond to the impacts of climate change. We are living in te ao hurihuri, the ever-changing world, where the historic and ongoing release of greenhouse gases is already altering the environment that supports us, threatening to cause severe social and environmental disruption. In the interests of future generations, our communities and our precious taonga, we must act now.

Implementing our climate strategies

Here at council, our climate commitments are reflected in the two climate strategies we have adopted:

- » Ngā Taumata o te Moana: our strategy for tackling climate change, which was adopted in July 2021, and
- » Te Tai Tokerau Climate Adaptation Strategy, which was adopted by all four Northland councils in April 2022.

To enhance the delivery of both strategies we completed a joint project to consolidate and align the implementation programme internally and with our partner councils. Establishing a clear and well-considered climate programme allows us to focus on the areas that will result in the greatest change and help prioritise our work. This project included development of a monitoring, evaluation and reporting (MER) framework that will allow us to report regularly on our progress against our climate commitments.

Looking ahead

We put forward several new initiatives through the recent Long Term Plan 2024-2034 to enable us to deliver on our climate commitments and help our communities to understand and respond to the increasing threat of natural hazards. This will include the establishment of a climate resilience fund and more staff to support implementation of the strategy actions.

Improved cross-agency collaboration, reporting and transparency of climate action mahi is critical for our communities to understand the importance of working towards climate action outcomes and inform them on what work is taking place where.

Over the past year, we've worked on a range of activities including:

- » Continuing to invest in community led climate resilience initiatives, such as the delivery of water resilience infrastructure in vulnerable rural communities through grant funding. A programme to extend the reach of community led climate resilience has been developed that encourages capacity building and scaling up of regional initiatives and expedites ground up action across Te Taitokerau.
- » Supporting the considerable interest in tāngata whenua led planning for climate change, as evident from oversubscription to the Tāngata Whenua Climate Adaptation Fund. The fund enabled adaptation planning projects from five iwi/hapū entities and supported other applicants to connect to other funding sources.
- » Establishing the key programme management systems for multi-agency collaboration has been a focus area, agreeing how the overall programme should be reported to governance and clarifying programme timelines, especially where we are dependant upon partnerships to move ahead.
- » Continuing to find ways to lower our operational emissions including switching electricity providers to Ecotricity, a 100% renewable supply and increasing the efficiency of our corporate fleet through replacing older vehicles with lower emission or zero emission alternatives.
- » Actively seeking opportunities to enable others to contribute to tackling climate change. This has been achieved through the sponsorship of environmental awards, business awards, local climate hui and supporting the first climate action for business workshop in partnership with Northchamber.
- » We have a strong focus on climate education for staff through professional development, for the community through facilitating sessions of NIWA's climate simulation games, and we continue to support the organisation's intern programme with engagement of summer students. We need to actively encourage and support the leaders of tomorrow by helping build this pipeline of kaimahi.
- » Taking opportunities to influence central government plans and policies, having provided input into the climate change commissions review of emissions reduction

targets and budgets, contributing to a local government steering group to help inform the 2026-2030 national Emissions Reduction Plan and contributing towards the submission on the proposed National Policy Statement for Natural Hazard Decision-making.

- » Further development of an online map and photo gallery documenting water levels of king tides throughout Northland. The King Tides Taitokerau Project enables the community to get involved and easily share photos of king tides in their locations. By using photos of today's king tides (higher than normal tides), we can get a feel for how sea level rise will elevate average tides and where they will have the most impact. This essentially gives us a glimpse into the future of what Northland's coastline may look like with sea level rise.
- » Continuing to support community adaptation planning projects in partnership with our district council colleagues. Programme design expertise and advice continues to be provided to Far North and Whangarei District Councils in their community adaptation pilot projects in Hokianga and Oakura/Whangaruru respectively. Our natural hazard modelling and first pass risk assessment work has been used to inform priority locations for where adaptation planning should commence.
- » Beginning work on a Te Taitokerau risk portal to better inform the work of the Climate Action Te Taitokerau,

the council, lifeline agencies and our community including iwi and hapū.

- » Supporting the work of the River's team by funding river modelling for Ruawai and Whangārei. Developing a Flood Resilient Communities Framework to improve and integrate our flood risk planning and decision-making process across the regional council.

In the area of emissions reduction, we continue to make progress in measuring our organisational greenhouse gas inventory (or carbon footprint) and have achieved the requirements and received certification under the Toitu Carbon Reduce Programme for the second year. We have adopted organisational emissions reduction targets and formulated a corporate Emissions Reduction Plan that lays out a pathway for achieving the targets.

We have also taken the opportunity to provide advice and show leadership around the regions transition to net zero. A project to understand the first greenhouse gas inventory for all Te Taitokerau was completed with support from all Northland councils. We participated in several initiatives that are exploring possible future scenarios for land use in the primary sector and we provided input into the development of Te Rerenga. A feasibility study was completed for development of a council owned solar array. If progressed, this would be a good opportunity to showcase the benefit of transitioning to cleaner, more affordable, locally produced energy.



Project manager Hone Dalton with water resilience fund recipient Tina Broomfield and right-hand man Phil Young

Compliance statement

Northland Regional Council

Annual Report

For the year ended 30 June 2024.

Statement of Compliance

The council and its officers are responsible for preparing this report and financial statements, including the statement of service performance, and confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

In our view, this Annual Report fairly reflects the financial position and operating results of the council and its subsidiaries for the year ended 30 June 2024.



Geoff Crawford
Chair

Date: 24 September 2024



Jonathan Gibbard
Chief Executive Officer

Independent Auditor's Report

To the Readers of Northland Regional Councils Annual Report for the Year Ended 30 June 2024

The Auditor-General is the auditor of Northland Regional Council (the Regional Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Bennie Greyling, using the staff and resources of Deloitte Limited, to report on the information in the Regional Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Regional Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Regional Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 24 September 2024. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 68 to 124:
 - present fairly, in all material respects:
 - the Regional Council's and Group's financial position as at 30 June 2024;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the funding impact statement on page 127 to 128, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's long-term plan;

- the statement of service performance of the Regional Council on pages 30 to 63:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 30 to 63, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Regional Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 30 to 63, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Regional Council's Long-term plan.

Report on the disclosure requirements

We report that the Regional Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 64 to 66, which represent a complete list of required disclosures and accurately reflects the information drawn from the Regional Council and Group's audited information and, where applicable, the Regional Council's long-term plan.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "*Responsibilities of the auditor for the audited information*" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information, we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Regional Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Regional Council's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Council Activities, as a reasonable basis for assessing the levels of service achieved and reported by the Regional Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Regional Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Regional Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 22 and 130 to 139 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Regional Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit, we have carried out engagements with respect to a limited assurance report pursuant to the Council's Trust Deed, and maintenance of the register of security stock. We have also provided a fraud and corruption risk assessment and fraud and corruption risk focussed detection analytics, an agreed procedures report in relation to the Kaipara Moana Remediation project. These services have not impaired our independence as auditor of the Council. Other than these engagements we have no relationship with or interests in the Regional Council or its subsidiaries and controlled entities.

Other than the audit and our report on the disclosure requirements, we have no relationship with, or interests in, the Regional Council or its subsidiaries and controlled entities.



Bennie Greyling
For Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand
24 September 2024

Wāhanga tuarua: Ngā mahi ā te kaunihera

Section two: Council activities



Overview of our activities

Northland Regional Council is required by law to deliver a range of core services, and strives for excellence in delivering these. There are other services that we deliver outside of our legal requirements.

We do this where we can (within legislative mandate) to respond to requests from our communities, address issues that arise, and make the most of opportunities, where the service or activity contributes to achieving good outcomes across the region.

In 2021 council approved the **Long Term Plan 2021-2031**, which sets out the range of services we intend to deliver during the next 10 years.



These services are broken down into activities and are grouped as follows:

- » **Natural environment** - science, catchment management, biodiversity, biosecurity, planning and policy, consents, and compliance monitoring
- » **Community resilience** - flood protection, climate change resilience, emergency management, oil pollution response, harbour safety and navigation, and transport
- » **Regional leadership** - governance, Māori partnerships, economic development, community engagement, customer services, corporate services

The Long Term Plan 2021-2031 identified the significant aspects of each service and set performance measures and targets for these to enable the level of service to be assessed

These performance measures and targets are reported on for the third and final time in this Annual Report 2024 following the adoption of the Long term Plan 2021-2031. From 1 July 2024, we will be reporting on the performance measures and targets approved in the Long Term Plan 2024-2034.

Te Taiao

Natural environment

Tiakina te taiao, tiakina te iwi e

We look after the environment, the environment looks after us

This group includes the following activities:

- » Science
- » Catchment management
- » Biodiversity
- » Biosecurity
- » Planning and policy
- » Consents
- » Compliance monitoring.

These activities contribute to the following council community outcomes:

- » Healthy waters for the environment and our people
- » Protected and flourishing native life
- » Resilient, adaptable communities in a changing climate
- » Meaningful partnerships with tangata whenua.

Northland's natural resources are critical to the wellbeing of the region and its community

The range of activities required to manage our natural resources is captured in this natural environment group of activities: it combines our focus on quality data and science, programmes of protection and enhancement, and management via council's regulatory and planning responsibilities. Our natural environment work relies on collaboration with other agencies, communities and landowners to achieve great outcomes.

Changes to level of service

In the natural environment group of activities, the levels of service within each activity remained the same. Performance measures and targets have been well achieved, with 13 of 16 performance targets met. Of the three targets not met, one of these was due to circumstances outside of council's control, one was due to increased monitoring requirements from central government, and one was due to increased plant costs as recorded in the tables below.

What we did

Environmental science and monitoring

The Natural Resources teams have been hard at work over the past 12 months. Mahi includes:

Monitoring

- » Completed several freshwater catchment investigations, with reporting ongoing.
- » Summary reporting, including social media campaign, documenting five years of data collection on plastic prevalence in Northland's freshwater and coastal environments.
- » Deployed two water quality lake buoys, developed and built inhouse, collecting continuous telemetered water quality information.
- » Deployed eight soil moisture (and temperature) sensors at existing rainfall recording station locations, in different geologies throughout Northland.
- » Started using drones (video recordings) to capture river surface velocity data for calculating river flows, particularly during high flow/flood events.
- » Installed three new coastal groundwater recording stations at Ngunguru, Pataua, and Mangawhai for monitoring groundwater levels and conductivity (as an indicator of saline intrusion).
- » Continued to upgrade critical hydrometric stations to build resilience in the monitoring network, particularly critical flood warning sites.
- » Provided regular drought risk assessments through the summer months, during the recent El Nino ENSO event, to communicate how Northland's rivers and groundwater systems were holding up during prolonged dry periods.
- » Installed temporary telemetered water level sensors in the Petaka Stream (Rawene water supply), and the Wairoro Stream (Kaikohe water supply) to assist the Far North District Council in managing their water supply consent compliance during the summer months.

- » Carried out low flow investigation gaugings in the Whangārei Harbour catchment and the Upper Wairua catchment.
- » Installed temporary telemetered water level sensors in Otiria at Turntable Hill, and the Punaruku Stream at Russell Rd, to provide flood warning and to assist with the Rivers and Natural Hazards team engineering projects aimed at reducing flood risk for the local communities.

Data management

- » Successfully implemented a data automation tool for water level data checks. This project was recognised as a finalist in the Association of Local Government Information Management 2023 project of the year category. The team further collaborated with the University of Auckland to research options to add water quality data checks to the data automation tool.
- » Achieved substantial improvements to council's Data Hub, making it more user-friendly with visualising flood events or droughts. The improved download functionality made data readily available and as a result, data requests have decreased, benefiting both public and council.
- » Continued the transition from paper-based to electronic data collection, streamlining data collection process.

Science

- » Initiated two ongoing assessments of water allocation for the fully allocated Ōtaika catchment and the highly allocated Waitangi catchment.
- » Conducted low flow gauging investigations in the Whangārei Harbour and upper Wairua catchments (in conjunction with the Hydrology team).
- » Undertaking a review of the regional sediment monitoring network.
- » Developing a High-Resolution Land Use Classification system for Te Taitokerau (service provider – Manaaki Whenua Landcare Research).
- » Reporting on nutrient criteria and drivers of periphyton growth in rivers.
- » Providing information and advice for the Freshwater Plan Change draft consultation documents.
- » Long-term planning for updating the existing physiographic model for water quality prediction and mapping erosion prone land across the region with the aim of informing upcoming Freshwater Plan Change and implementing farm-scale mitigation plans.
- » Completing the Northland Annual Fish Monitoring Report 2022/23.
- » For in-lake nutrient load modelling at Lake Ngātu, NIWA identified some data gaps and recommended additional monitoring around the lake. A project has therefore

been developed to monitor groundwater, lake sediment and macrophyte at Lake Ngātu, which will improve council's understanding about nutrient pathways, processes and dynamics in Te Taitokerau dune lakes. This knowledge will be valuable for effective dune lake management planning and improving water quality. Council is currently undertaking engagement with hāpu regarding the project.

- » Completed a stormwater litter project. An estimated 13.2M litter items are discharged from urban stormwater drains in Northland every year, with over 70% of these made of plastic.
- » Completion of the Dargaville air emission inventory for PM10 and PM2.5 and identification of suitable location for air quality monitoring.
- » Relocation of an air monitoring station from Marsden Point airshed to Kaitaia airshed. Monitoring at Kaitaia airshed started in March 2024.
- » Implemented the winter 2023 PM10 monitoring at Tikipunga, Whangārei.
- » Initiated two new specific nitrate groundwater investigations in Bland Bay and Kerikeri.
- » Completed sampling for Aupōuri Aquifer pathways and recharge assessment.
- » Developed groundwater exceedance trigger levels and response plan for groundwater level monitoring sites

Iwi/hapū partnerships

Continued to grow our relationships and partnerships with tāngata whenua across Te Taitokerau, working with over 20 kaitiaki roopu in the last year. There is a focus on enabling iwi/hapū environmental monitoring capacity through supporting training, funding, and engagement/participation with council's State of the Environment programmes. Engagement includes:

- » Providing support for the development of an ocean monitoring programme for Ngāti Reihia as part of the Mana Whakahono ā Rohe agreement.
- » Hui with two Mana Whakahono ā Rohe partners to discuss their monitoring aspirations for the Taiao.
- » Completed a pilot study with Patuharakeke Te Iwi Trust Board and Northtec in Bream Bay to monitor fauna (creatures), such as native skinks and the endangered katipō spider, in our coastal dunes.
<https://www.nrc.govt.nz/our-northland/story/?id=74247>
- » Engagement with Pipiwai (Kaikou marae) and assisting in ecological monitoring in the waterways (Kaikou River and its tributaries) affected by forestry slips following the Cyclone Gabrielle.

Catchment management

Environment Fund

This financial year saw a total of \$547,743 of Environmental Fund delivered across Te Taitokerau to support improved water quality and biodiversity outcomes, including:

- » Fencing waterways (\$382,241) with 102kms of fencing
- » Fencing wetlands (\$120,272) with 20kms of fencing. This included \$50,504 that supported 7kms of fencing stock out of five Top 150 wetlands
- » Fencing forest habitats (\$45,230), which supported 9kms of fencing to retire 113ha of forest.

Tāngata Whenua and Catchment Group Fund

This year the fund supported 13 projects across Te Taitokerau (excluding the Kaipara Moana catchment). The total grant spend of \$375,571 supported projects such as riparian and bush fencing on whanau-owned land, water quality monitoring, catchment planning, GIS training and mapping, and erosion monitoring and remediation.

Central government funded projects

The Whangārei Urban Awa project was a three-year project co-funded by the Ministry for the Environment Jobs for Nature Fund. The project supported local contractors post COVID to fund riparian fencing and planting in four catchments feeding into urban and peri-urban Whangārei: Kirikiri, lower Hātea, Ōtaika, Raumanga and Waiarohia.

The project was completed in January 2024, and resulted in 20km of stock exclusion fencing, 20,890 plants covering 2.3ha, and 9300 hours of contractor work. A total of \$150,000 from the Environment Fund budget was allocated along with \$452,362 from the Ministry for the Environment.

The Hill Country Erosion Fund is a four-year project (2023-2027) and is the fourth MPI co-funded Hill Country Erosion project run by council. The project aims to reduce sedimentation in waterways and maintain the productivity of hill country by stabilising erosion-prone land. It includes funding to subsidise the planting of poplar and willow for erosion control, fencing and planting of native establishment species to enable land use change from marginal hill country pasture. The programme also has a focus on engaging with Māori landowners to support their aspirations for managing eroding whenua and increasing relevant training of the Land Management team.

The first year of the project achieved 22kms of fencing (retiring 184ha of marginal hill country) and 10ha of new native forest planted.

Soil conservation

Te Taitokerau has major erosion issues, with more than 60% of the region and 40% of the region's grazing land classified as highly erodible. Recent climate change modelling estimates Northland sediment yields could increase by 49-233% by 2090. Poplars and willows play an

important role in mitigating erosion risk within hill country farming operations and as a reflection of this, council operates a poplar and willow nursery aimed at providing subsidised planting material to hill country farmers across the region. Despite the loss of approximately 50% of nursery production due to cyclones Hale and Gabrielle, the nursery still supplied more than the target amount of material for erosion control.

Kaipara Moana Remediation Programme

As of 30 June 2024, 2.5yr into delivery, KMR is meeting its key performance indicators, driven in part by KMR's new investments in erodible hill country. KMR is investing more than \$17.6M through 693 sediment reduction plans, and generating over 285,000 hours of new, local employment (the equivalent of a year's work for over 180 people). At year end, a further 83 plans are in development, and over 70,000 hours of additional new work were committed in KMR contracts. Other deliverables include more than 1.8M plants and trees in the ground or contracted to plant this winter; more than 479ha of planting completed or contracted; and more than 800km of fencing has been completed or contracted (almost the same distance as from Cape Rēinga to Napier). Almost 130,000ha are managed under KMR plans. KMR expects to reach our 2M tree early in the new financial year.

As at year end, 1011 landowners/groups have submitted a formal expression of interest to KMR, and KMR is working with over half of the estimated pastoral landowners in the Kaipara Moana catchment. In May, the value of KMR projects in the sheep and beef sector overtook the value of those in the dairying sector, reflecting KMR's ongoing engagement and scale up. KMR is now the largest recipient nationally of Trees That Count, with over 90,000 free trees provided to Whenua Whānui Fund recipients to support their projects. In both Auckland and Northland regions, KMR was named the Catchment Group Showcase at the Balance Farm Environment Awards to recognise KMR's role as an exemplar in on-the-ground action underpinned by good science.

KMR supported 96 people in training courses during the year, including via our support for a Kaitiaki Employment Coordinator co-hosted by Kaipara Uri and MSD. A new 'satellite' nursery capability was supported by DIA and KMR to ensure adequate availability of salt- and sand-tolerant plant species for areas not supplied by existing KMR-accredited nurseries. Enabled by KMR's digital tools, KMR continues to work with the NZ Association of Resource Management (NZARM) and other strategic partners to build capability and opportunities.

Biodiversity

Operational report

The second Biodiversity Team (Te Tira Rerenga Rauropi) Annual Operational Report 2022-2023 was published this year and helps with consistent team planning and continuous improvement, as well as reporting our work to others in the organisation and to the public.

Iwi/hapū partnerships

Partnerships with iwi/hapū and the wider community underpin much of the work of the Biodiversity Team. Highlights include:

- » Hui with six iwi partners to discuss how council can support their aspirations for improved health of the lakes in their rohe.
- » Workshop with council, Northtech, Ngā Kaitikai o Ngā Wai Māori and Ngāti Kahu o Torongāre on freshwater/invertebrate survey methods at Tāika (Mt Tiger).
- » Bioblitz involving Biodiversity and Biosecurity staff at Maromaku on Ngāti Hine farm with kaimahi, including training around pest, weed and wetland management. This included delivery of a report and recommendations.
- » Waka Hourua Mātauranga Māori collaboration between Aki Tai Here, the Department of Conservation and Weed Action Trust on training, survey and protection of threatened plants.
- » Kāpehu Marae kahikatea wetland values assessment.
- » Coastal partnerships – staff working closely with iwi and hapū around the region on coastal restoration and monitoring, with collaborative events including working bees, planting days, seed collection and information sharing workshops. The Bream Bay dune monitoring pilot in partnership with Patuharakeke Te Iwi is one example.

Terrestrial and general

Terrestrial fencing projects organised by the Land and Biodiversity teams included a total of \$45,230 for five blocks, totalling 113ha funded through the Environment Fund.

Advice and biodiversity plans have been provided to landowners throughout the year and ongoing support and technical advice around biodiversity has been provided across council. Three biodiversity staff members assisted Manaaki Whenua Landcare Research and Ngatirua with remeasurement of a network of permanent forest plots in Whangaroa Forest. A biodiversity values assessment was undertaken at Whangarei District Council's (WDC) Pukepoto Reserve (Glenbervie) and adjoining private land with assistance from mana whenua. Staff met with WDC staff to better understand their activities for biodiversity protection and look for opportunities to work together. Staff

worked with biosecurity and the landowner of Jack's Bush, which is a unique stand of volcanic broadleaf forest, to inventory indigenous species, identify threats and establish a programme for better protection of biodiversity values and threatened species.

Work continues in partnership with hapū and the Biosecurity team, delivering recommendations from the Tāika (Mt Tiger) Biodiversity Report, including weed and pest control, outcome monitoring and survey of bats and lizards.

Coastal

CoastCare groups and projects have continued to be supported to achieve protection and restoration of dune systems across Northland, with 23 sites actively managed with support from the CoastCare programme. A total of 14,672 plants were provided at 17 sites. These projects have involved an increasing number of partnerships with hapū. As well as plants and other materials, support included restoration advice, organising and attending working bees and planting days, seed collection and weed control. Several working bees focussing on weed control were held with community, iwi and schools at sites including Ngunguru, Matapōuri, Glinks Gully, Ruakākā, Langs Beach, and Ocean Beach. In addition, contractors were paid to assist groups with weed control.

CoastCare messages have been promoted through newsletters, social media campaigns, media releases, signage, and other communications.

For Seaweek, events attended included an EnviroSchools event and a Bream Bay beach cleanup. Dune vegetation monitoring, including vegetation transects, and 5-minute bird counts, were undertaken by staff and interns with local kaitiaki at 12 sites with the data made publicly available. In addition, the pilot study to monitor fauna at Bream Bay dune sites in collaboration with Patuharakeke Te Iwi Trust Board was completed. The information gained through monitoring helps to inform our management of the dunes and helps improve understanding of dune systems within hapū, volunteer groups and the wider community.

Council continues to be involved with inter-agency initiatives aimed at reducing the environmental impact of vehicles on beaches and dunes. This has included participating in the working groups at Ripiro and Bream Bay and supporting the Kaitiaki o Tokerau programme in the Far North, along with providing advice on implementation of the vehicle exclusion areas in the new Regional Plan for Northland. Advocacy has included collaborative events, and the development of multi-agency signage.

Advice has been provided to other teams, agencies and the public on topics including coastal restoration and nature-based solutions to coastal hazards, in conjunction with other teams as needed.

Wetlands

Advice and restoration plans were provided to landowners throughout the year and support provided to the Consents and Compliance teams with wetland advice. A total of \$120,272 was spent on fencing 15 wetlands through the Environment Fund via the Land Management team, including five of the Top 150 ranked wetlands.

The National Wetland Trust biennial wetland restoration symposium for community groups, landowners, iwi/hapū, scientists, wetland managers and students was held in Paihia in April 2024 co-hosted by council through Biodiversity with help from the Māori Relationships and Communications and Engagement teams. More than 220 delegates from all over NZ attended. A powhiri on the Waitangi Treaty Grounds was followed by presentations, training workshops and soapbox sessions. Field trips to gumlands and dune lakes in the Far North and to Hikurangi repo were held on the last day.

One of the most endangered birds in Te Taikokerau is the matuku-hūrepo or Australasian bittern, a cryptic, mobile bird threatened by loss of wetland habitat. Council has been collating sightings and working with landowners for many years and since spring 2023, we have been monitoring bittern in collaboration with DOC, QEII National Trust, KiwiCoast and Fish and Game. Acoustic monitors to record males booming in spring prior to their breeding season (the females are silent) were set up and there is now a form on our website for people to report sightings. This will enable us to develop a better picture of bittern numbers and distribution, so we can work together with agencies, communities, and landowners to protect their wetland habitat.

A comprehensive inhouse wetland training course was run for around 20 staff where they learnt to identify wetland types and common wetland plants, delineate wetlands using national protocols, and use the pasture exclusion tool to identify instances where wetlands could be grazed. The purpose was to upskill staff around delivery of the requirements of the National Policy Statement for Freshwater Management. The course was a mix of online, classroom, lab and field work.

Lakes

The annual lakes ecological survey took place in May, where 10 lakes were visited from the Far North to north of Dargaville. Unfortunately, hornwort was found in Lake Waikanae and staff are now working with Te Aupōuri on a control plan for this pest plant. A short dive in Lake Ngatu found no African oxygen weed (*Lagarosiphon major*), which was controlled in September 2020. Eradication will be declared in 2025 if the lake remains clear of this serious pest plant.

Staff have been part of the Taharoa Domain operational meetings with Kaipara District Council, Te Roroa, Te Kūihi and the Department of Conservation. The aim is to ensure coordinated and timely work occurs to protect the ecological and cultural values of the Kai Iwi Lakes.

Freshwater Improvement Fund (FIF) dune lakes extension

The Ministry of Environment granted an extension of the FIF dune lakes project to June 2024 to allow more hornwort control to occur in five water bodies. A kayak and a drone were used, and good results were achieved. Hornwort is now down to ~1% of its original extent in Lakes Tutaki, Tutaki Southern Pond, Karaka, Mt Camel North, and Mt Camel South Outlet. Egeria has also been reduced in Rotokawau (Poutō). An estimated 255kg of egeria was removed with three contract divers and two council staff.

Hui were held with six iwi partners in the FIF dune lake project to determine their priorities and how council can support their aspirations for improved lake health. Bespoke lake plans will be developed with iwi as each lake and iwi have different issues, priorities and levels of resource available. Staff began progressing work on the ground with mana whenua to improve lake health, which will occur in the coming year, including work at Lake Waikanae, Wahakari, Ngatu, Shag, and Tutaki.

The Te Ao Māori Ika guide was launched, written in Te Reo Māori, this resource is now available for tamariki around the region. Lake monitoring kits were gifted to iwi to support their own lake monitoring aspirations.

Biosecurity

Biosecurity partnerships

In collaboration with local groups, the Biosecurity Partnerships team actively engages with Northland communities to reduce populations of invasive species through initiatives like the Biofund, Community Pest Control Area (CPCA), and High Value Area (HVA) programmes. These initiatives are designed to be adaptable, allowing participants to address biosecurity concerns across various scales of terrain, ranging from more modest areas (up to 100ha via the Biofund programme) to areas encompassing over 20,000ha (through the HVA programme). In 2023/2024, 71 Biofund grants were awarded, and funding continued for 15 existing CPCAs. Furthermore, six new or re-established CPCA projects were initiated, covering a combined 8,693ha of management area. In addition to the seven existing HVAs, the new Waipoua HVA was established during the year, collectively safeguarding over 152,000ha across Northland.

Council has also continued to work in partnership with Kiwi Coast (www.kiwicoast.org.nz), a collaborative initiative that links 242 iwi and hapū. Community-led conservation projects, many of which are also supported through council funding, are actively managing pest species over a combined 276,894ha. Since Kiwi Coast's inception in 2013,

trap catch data from these groups shows that over 846,219 pest species have been removed. This mahi is having positive impacts on Northland's native flora and fauna.

Tiakina Whangārei, council-funded urban conservation project, aims to support community-led pest animal and plant control activities across Whangārei (www.tiakinawhangarei.co.nz). During 2023/2024, Tiakina Whangārei engaged in ten educational pest control programmes, hosted four community trap giveaways, organized four events aimed at increasing pest plant awareness, delivered 363 predator control devices to the community, sponsored two local community events, and hosted one event to recognize volunteer efforts. Tiakina supported the Parihaka Community Landcare Group with two toxin operations across 190ha and the installation of a further 30ha of pest control hardware across the reserve. They also funded a toxin operation in the Coronation Scenic Reserve. Tiakina Whangārei continues to keep the public informed of the project's activities and achievements through social media and local publications like Te Kamo Connect and the Onerahi Orbit.

Finally, outcome monitoring across areas where integrated pest management is occurring has highlighted the positive impact this work has had on native species. For example, annual bird surveys across the Kiwi Link HVA since 2018 have shown that iconic species such as piwakawaka, kotare, and riroriro are increasing, and species such as kaka and koromiko are now being regularly detected after being largely absent when monitoring began. Additionally, in areas such as the Whangārei Heads HVA, populations of North Island brown kiwi have increased from an estimated 80 in 2001 to over 1100 in 2023. This trend contradicts what is happening nationally, where a decline of 2% per annum has been reported.

Marine biosecurity

Exotic *Caulerpa* species (*Caulerpa brachypus* and *C. parvifolia*) were initially discovered in New Zealand in July 2021, with subsequent findings in Northland in May 2023. Biosecurity New Zealand launched a national response to monitor the spread, enforce restrictions, and conduct research on the ecology, impacts, and management strategies for these invasive species. The Northland response has been spearheaded by a collaboration between Ngāti Kuta and Patukeha, the Northland Regional Council, and Biosecurity New Zealand. This partnership has concentrated on developing effective removal methods and documenting the ecological impacts of these activities.

Late 2023 Johnson Bros Ltd., engaged by council and hapū, developed a mechanical suction dredge to aid in the removal efforts. Initial testing and modifications were conducted from February to April 2024, followed by a secondary testing phase from April to July 2024. This innovative system, operated from a barge, uses rotating brushes mounted on an excavator arm to suction exotic

Caulerpa from the seafloor. The dredged material is processed through two large trommels, which separate the *Caulerpa* from finer sediment and sand. The *Caulerpa* is then retained and disposed of on land, while the sediment and sand are returned to the seafloor. Preliminary results are promising, with the system achieving an average removal rate of over 1000m² per day when fully operational.

In parallel with mechanical operations, diver-based efforts have continued to support the removal process. Ensuring complete removal of exotic *Caulerpa* biomass is essential, as the seaweed can regenerate from small fragments. Diver-operated suction dredges have been used to eliminate remnants missed by the mechanical dredge. Divers have also conducted pre- and post-dredge ecological surveys to monitor changes in faunal abundance and diversity resulting from the dredging activities.

Since 2016, the vessel hull surveillance programme has aimed to survey 2000 hulls annually, representing approximately half the recreational fleet in Northland. The primary objective is to quantify biofouling on vessel hulls, using a scoring system from zero to five, and to identify vessels harboring marine pests. In the 2023/2024 season, 2049 vessels were inspected across 18 locations. Marine pests were found on 11% of vessels, observed in 15 of the 18 locations. This rate represents an increase from previous years. The Australian droplet tunicate was the most frequently observed species, found on 100 vessels. The Mediterranean Fanworm was the most ubiquitous pest, detected in 11 locations. For pests consistently recorded since the programme's inception (Australian droplet tunicate, Mediterranean Fanworm, clubbed tunicate, and *Undaria* seaweed), all were found in greater abundance in 2023/2024 compared to 2022/2023. Notably, of the vessels with a marine pest present, only 2.7% had a fouling score of less than two, underscoring the importance of maintaining a clean hull to prevent the spread of marine pests.

Pest plants

In addition to supporting the community led pest plant work in High Value Areas, Community Pest Control Areas, Biofunds and community projects as detailed in the Biosecurity Partnerships section above, the pest plant team ran 11 workshops and attended 16 community events or gave presentations to help encourage community action on pest plants and develop pest plant identification and control skills, as well as providing advice and support to hapū and other community groups.

In our low incidence programmes for exclusion, eradication and progressive containment species, where council undertakes control work for 20 different species, more than 1000 site or property inspections and control visits were completed, which included over 350ha of grid search work in forested areas. Extended surveillance was also undertaken to delimit new incursion sites and areas not

previously delimited. Council also managed the delivery of the Ministry for Primary Industries' Manchurian Wild Rice National Interest Pest Response programme. This programme had an unexpected funding cut for the 2023/2024 year, meaning that a large volume of additional work was done to reprioritise the programme and liaise with all affected landowners. A total of 282 inspection/treatment visits were completed for this programme.

Council also led the delivery of the National Wilding Conifer programme in Northland. After several years of work, the nationally significant dune and gumland habitats of Te Pahi and Great Exhibition Bay to Henderson Bay on the Te Hiku Peninsula have now had majority of the wilding pines removed or controlled, protecting these iconic landscapes.

All known nurseries and plant retail outlets were inspected to check for nationally and regionally banned pest species and remind nurseries of their obligations.

Pest incursions and response: preparedness for the invasive Freshwater Gold Clam

Freshwater Gold Clam is known to be established in the Waikato River and a part of Lake Taupo and there is a risk that the clam could be transported to other waterways via contaminated watercraft and equipment.

Information signage has been installed at key recreational lakes in Taitokerau where high-risk activities such as motorised boats and jet skis are popular. These signs inform visitors about the risk posed by the clam and how to report if they see something unusual.

Staff efforts were particularly focused on Lake Taharoa – Kai Iwi Lakes, due to its status as the region's highest-risk recreational lake, receiving an estimated 75,000 visitors annually.

Over the summer, a joint social media campaign with Kaipara District Council (KDC) was launched targeting visitors to the region. This campaign aimed to raise awareness and ensure the community understood the requirement to Check, Clean, Dry their gear before entering our waterways.

Kaimahi from Te Roroa, KDC, Johnson Contracting, and council conducted biosecurity checks on watercraft visitors to Lake Taharoa during the holiday period from December 2023 to February 2024. The checks involved stopping and inspecting all types of watercraft, including jet skis, boats, and kayaks along with their trailers. A visitor survey was conducted at the same time.

Almost 2000 surveys were completed with the aim of gathering insights into visitors' origins, their activities at the lake, other potential destinations in Taitokerau, and their awareness of the current biosecurity threat posed by the clam.

Of visitors surveyed, 47% identified as having travelled from within the Northland region with Auckland closely following at 45%. There were 25 visitors from the Waikato region (2%). A portion of these visitors self-identified as having been in the infected area only two days prior.

A collaborative approach to future biosecurity activities at Lake Taharoa is recommended, accompanied by sustained investment and stakeholder engagement to protect the mauri and ecological integrity of Lake Taharoa and its surroundings.

Elsewhere staff have also participated in or organized various outreach and education activities, including regional information wānanga and speaking engagements at regional and national freshwater events. These events were conducted in collaboration with organizations like Mountains to Sea, DOC, Landcare Trust, and the Northland Freshwater Working Group.

New information pamphlets and posters were distributed to provide visitors with essential information about risk posed by the Freshwater Gold Clam and how to take action to prevent the spread (Check, Clean, Dry).

Pre and post summer environmental DNA (eDNA) surveillance at six key lakes was completed. We have also begun preparing a small-scale management plan in accordance with section 100v of the Biosecurity Act 1993.

Russell state forest sika deer eradication

Operations for the sika eradication project began in late April 2024 with 35 sika deer removed from both public and private lands in the Russell and Ngaiotonga area as of 30 June 2024.

The teams employed a combination of thermal assisted shooting from a helicopter and ground crews with drones. The aerial thermal work has proven very effective in reasonably heavy bush.

As part of this kaupapa, where possible once DNA and other samples are taken, the deer meat from these animals has been distributed back into the community through farm owners and the Marae at Te Rawhiti, Waikare and Ngaiotonga.

Wild deer incursion response

Staff have maintained a multi-agency approach to the management of deer in Northland with the appointment of a Northern North Island Deer Coordinator at DOC. Substandard or aging fences are known issues across several permitted deer farms in Northland, and this position is critical to support to the Deer Farming industry and compliance under the Wild Animal Control Act 1977.

Freshwater koi carp summer surveillance operations

The 2023/2024 year was one of our busiest years for the pest fish programme with the successful delivery of 23 pest fish investigations across Te Taitokerau, demonstrating our commitment to extensive surveillance and effective management.

A key priority for the programme is the summer surveillance for koi carp. Throughout the year, council received and acted on 14 suspected koi sightings outside of the containment zones. These are high priority for the Pest Fish programme but are labour and resource intensive to undertake and manage. Where possible, council partners with other organisations such as the DOC to undertake ongoing surveillance efforts. No koi were detected in any of the locations to date, but a range of other undesirable or unwanted species such as goldfish, catfish and grass carp were present.

Other efforts included eDNA surveillance and our Mahi Tahī Programme. These efforts reflect our comprehensive approach to managing pest fish and collaborating with mana whenua, local communities and other organizations.

Freshwater pest animals – engagement events

This year, council's engagement efforts were primarily focused on education and preparedness to the risk posed by the new invasive Freshwater Gold Clam found in the Waikato (see above).

Council took the opportunity to build on last year's successful field days and positive public feedback to expand our pest fish and Check, Clean, Dry display. Council used a mix of visual displays (models and spatial maps) to illustrate the spread of pest species such as koi, along with live tank displays with goldfish and gambusia, which allowed the team to demonstrate the impacts of pestfish in our waterways. This was complemented by a public favourite, the live red-eared slider turtles "Snappy" and "Uguay," to highlight the importance of not releasing pets into the wild and their impacts on our native species.

Hapū/iwi partnerships - pestfish mahi tahi

Taking a partnership approach to pest fish management and supporting iwi/hapū with their aspirations for improved biosecurity and biodiversity outcomes for their awa, is central to the work programme. Over the 2023/2024 year council has continued to develop and build new and existing partnership opportunities through the delivery of training to build capability and capacity in undertaking pest fish surveillance (eDNA monitoring and fish feeder monitoring tool), as well as developing site-led incursion response plans for high-value biodiversity and culturally significant dune lake sites. Biosecurity staff also partnered with other organisations to build a multi-stakeholder approach (in collaboration with DOC and Mountains to Sea) to incorporate other elements of biodiversity and biosecurity monitoring.

Other pest fish operational activities

As a response to the new gold clam incursion, staff have implemented new Check, Clean, Dry cleaning protocols into business-as-usual pest fishing operations, as well as part of the training programmes delivered for mana whenua and across council teams that regularly go into our waterways. The Check, Clean, Dry approach involves cleaning all our equipment in situ (e.g., kayaks, boats, nets) to ensure that aquatic pests from the site remain at the site and are not spread across our waterways. This initiative also improves efficiency, reducing the need for extensive cleaning after a long day in the field.

Staff are also part of the Taharoa Domain Operational meetings with Kaipara District Council, Te Roroa, Te Kūihi and Department of Conservation. The aim is to ensure coordinated and timely work occurs to protect the ecological and cultural values of the Kai Iwi Lakes through a coordinated approach.

Wallaby sightings

Wallabies are not established in Northland and are on a national list of pests that Biosecurity New Zealand will respond to if new populations can be confirmed. An increasing number of public reports of wallaby sightings from Kaikohe across to Kawakawa and down to Matawaia has prompted surveys to confirm if wallabies are present. Staff have deployed trail cameras and conducted thermal drone surveys. As yet, there have been no confirmed observations and surveys will continue at these locations.

Predator Free 2050 (PF2050) – Possum Free Whangārei Heads

This programme moves into its third year of on the ground delivery and has transitioned from a knock-down to a detect and response phase across 2023ha of Te Whara, Taurikura and Reotahi. Mop-up is happening on 2000ha of coastal farmland and protection of the sacred Manaia Maunga. Preparation for elimination on a further 3500ha is also underway including the buffer between the Parua Bay village and Pataua River. Survey monitoring in this area showed low possum numbers, which is pleasing given that this will form the virtual barrier for the Whangārei Heads elimination zone.

More than 450 landowners have directly supported the project so far by allowing elimination work to be carried out on their land and by getting in behind the wider kaupapa. Attendance at Parua Bay weekend markets and other landowner events has been well received and positive feedback about the programme continues to build. A recent PF2050 Trust survey ranked Taitokerau number one for community awareness of local PF2050 projects.

Continued partnering with local Pataua South uri saw an elimination plan created and delivered by uri members, with opportunity for expansion into other areas. On the ground

monitoring of specific sites at Pataua South has been undertaken, and the removal of possums and rats is now underway.

Ongoing engagement with Whangārei hapū members has progressed well, and opportunities explored for closer kaunihera, hapori and hapū partnerships.

Team members have supported numerous community events throughout the year and have continued to deepen relationships with Parua Bay and Whangārei Heads primary schools and kindergarten. Collaboration with numerous Whangārei Heads community groups such as Kiwi Coast, Kiwi Link, Bream Heads Conservation Trust and others, have been expanded to include their involvement at the buffer (reducing the incursion of pests entering the area), and the servicing of the defensive tools left in place to respond to any remnant pests.

New technology continues to be used with two different types of self-reporting cameras in use and the trial of an AI enhanced thermal camera capable of capturing and classifying images, saving a lot of staff administration time. Thermal drone monitoring commenced, which provided an innovative alternative to traditional monitoring and was able to identify possum “hot spots” in areas thought to be clear.

The programme is at an exciting time with expansion into new areas and a focus on supporting closer connections with hapū and community groups.

Predator Free 2050 – Pewhairangi Whanui (Bay of Islands)

This programme spans the Purerua-Mataroa, Rakaumangamanga, and Russell peninsular. Predator Free Russell has received overwhelming community buy-in over the last year shown by almost 100% landowner support across the project area, along with rat catch numbers trending toward zero, and zero possum catches or detection over the last quarter. Servicing almost 6000 devices in the Old Russell Peninsula area and over 1200 devices in the Orongo Bay area, on 10-day cycles, they are now at the end of the knock-down phase and will be moving into the final mop-up phase soon. The elimination zone expanded into the Tapeka area (200ha) in Autumn and will be defending a buffer around the Russell township into 2024/2025.

Predator Free Purerua – Mataroa continued delivery of elimination mahi across 5500ha and is being delivered jointly by Kiwi Coast and Ngati Rehia – Te Ahutai. With possum and rat numbers at near zero, Kiwi Coast focus has been on wild cats with reducing numbers having a positive impact on Pateke survival. Ngāti Torēhina kaumatua and kuia have provided tikanga and guidance for the delivery in the eastern zones, with Ngāti Rehia – Te Ahutai leading the design and monitoring of the western zones. An experienced Ngāti Rēhia trapper is leading the delivery of the western zone enhanced suppression mahi and has

focused efforts on Te Tii and Matoa whenua Māori to enhance the buffer, and limit incursions into the eastern elimination zones.

Predator Free Rakaumangamanga project design and delivery is being led by Te Rawhiti 3B2 Ahu Whēnua Trust with project plans and budgets supported by Ngāti Kuta and Patukeha hapū. Significant progress has been made setting up new trap and baiting lines with knock-down underway across 1100ha of the Rakaumangamanga (Cape Brett) Peninsula, and a further 1144ha ready for knockdown commencing in late winter 2024. Significant kaimahi upskilling has taken place and the trapping teams are spending up to a week camped out on the peninsula to minimise travel time to and from the elimination area.

An ArcGIS mapping and data platform is in use across the three Pewhairangi Whanui and Whangārei Heads projects to record real-time data and to track results.

Promotional videos have been completed for all three projects that showcase the Predator Free kaupapa in each of their iconic landscapes.

Kauri protection

This last year has seen 1339 individual kauri tree inspection surveys completed with data gathered on the general health of the tree, age class, size and comparison pictures for future reference. These surveys also include a basic hazard risk assessment.

In other work, a total of 212 soil samples were taken from northland this 2023/2024 season with detections of *Phytophthora agathidicida* (P.a) in 39 of these samples and 80 in *Phytophthora cinnamomic* (P.c). The 39 positive samples were laboratory tested with some having secondary testing for quality and auditing assurance. Management plans and risk assessment surveys are now being produced for the areas that have shown P.a disease. The majority of these sites are located toward the southern end of Taitokerau around Pukekaroro and Kaiwaka. This high level of infection is not uniform or typically found elsewhere throughout Taitokerau and in the coming year soil sampling is planned for further north to assist with building trend information around the levels of infection and if these are changing on an annual basis.

Fencing has also been a major output during the last year and is used to protect kauri forest from wandering stock and wild animals. Cyclone Gabriel has caused widespread damage to many fences, with noticeable damage in the Kauri Mountain, east coast area. Thirteen projects have been completed this year, including remedial work at Kauri Mountain, and in total 3354 lineal meters of fencing has been erected across Taitokerau.

Three major track upgrades were also undertaken to protect kauri roots from damage.

- » Helena Ridge Track, 928m of walking track and drainage works

- » Whangamumu Track with 200m of elevated boardwalk
- » Rawhiti Kauri Grove Track, 884 metres of track upgrade (originally started 2023).

Kauri Protection Team connected with various iwi/hapū across Northland in a collaborative manner to protect kauri. As per previous years this was often through the engagement space with workshops, events, school visits and hui. This year we connected with kaitiaki from 12 iwi/hapū. During one event at Ka Uri in Kaitiaki, staff engaged with 55 mana whenua from across Taitokerau who came together to learn about kauri protection.

Rāhui Tapu/Marine Protected Areas

The Rāhui Tapu/Marine Protected Areas are a new addition to the Proposed Regional Plan, establishing fishing controls administered under the Biosecurity Group. Since the marine protection rules became operative in October 2023, council has focussed on educating the public and local communities on the new rules and the values they intend to protect, establishing working relationships with mana moana hapū and central government stakeholders, obtaining baseline data of the health of the Rāhui and creating regulatory processes for enforcement.

Signage has been placed at boat ramps local to the Rāhui Tapu, with approximately 4000 pamphlets circulated at boat ramps, on-water, via key stakeholders, campgrounds, marinas and snorkelling/diving charterers. The boundary coordinates are available on MarineMate, Navionics and NZ Fishing boating applications. Council's website has been updated to include information about the marine protection rules, which have also been communicated via radio advertisement and social media. Council delivered in-class, pool and moana based marine ecology education to 16 kura/schools (1400 students) local to the Rāhui through its Enviroschools programme and engaged Experiencing Marine Reserves to provide community education around the values the rules are intending to protect.

Baseline monitoring of tāmure/snapper was undertaken in the Mimiwhangata Rāhui Tapu and historical kōura/crayfish monitoring sites have been prepared for ongoing monitoring, with discussions surrounding broad ecological monitoring plans commenced.

Regular on-water surveillance has occurred in both Rāhui Tapu, with over 221 vessels approached, of which 63 were actively fishing and 36 diving. Regulatory processes for formal enforcement of the rules have been developed.

Planning and policy

Regional Plan for Northland

The Proposed Regional Plan is now almost fully operative. The Minister of Conservation approved coastal provisions around vehicles on beaches during the year. A small number of coastal provisions need to be approved by the Minister of Conservation for the plan to become fully operative

Freshwater Plan Change

After extensive workshops with council, working with the Tāngata Whenua Water Advisory Group and engagement with the Primary Sector Liaison Group, the draft Freshwater Plan Change, and accompanying Action Plan was released in November 2024. This plan change was to give effect to the National Policy Statement for Freshwater. Public consultation was undertaken between November and March. During this period staff meet with numerous people and organisations, held drop-in sessions and attended events to promote feedback and answer questions. Social media was also used to promote feedback on the draft plan change. A total of 577 pieces of written and on-line feedback were received. Late 2023, the government extended the deadline for council to notify its proposed plan change from December 2024 to December 2027, while it revises the National Policy Statement on Freshwater. Substantive work on the development of the proposed plan change for notification was therefore paused until a revised policy is released. Several key workstreams in response to feedback continues to be progressed working with the Tāngata Whenua Water Advisory Group and the Primary Sector Liaison Group.

Regional Policy Statement – efficiency and effectiveness review

The review of the Regional Policy Statement was completed during the year and approved for release by the council.

Regional Land Transport Plan (RLTP)

Consultation on the RLTP was undertaken between February and March 2024. Following that consultation, the council received a draft Government Policy Statement (GPS) 2024 with changes affecting some of the State Highway safety proposals. Council was therefore required to consult on these specific changes as they met the threshold for 'significant change' (more than \$7M per project). Submissions on this limited consultation closed at 4pm on Wednesday 29 May 2024. The Regional transport Committee deliberated on submissions in April 2024.

Central Government bills and changes

Following the change in government in 2023, several changes to legislation have been made. Analysis of changes, implications for council and submissions have been made where needed. Staff have also provided advice to central government or the regional sector around reviews to regulations.

Input into district council planning processes

Ongoing review continues of district council plan changes and consent applications to ensure direction in the Regional Policy Statement is being implemented appropriately, with submissions lodged as needed.

Catchment business cases

Scoping and investigations commenced around the development of business cases for Taumarare and Hokianga catchments to support on-the-ground actions and funding mechanisms to address water quality issues.

Freshwater Farm Plans

Workstreams around the implementation of Freshwater Farm Plans commenced to give effect to the national regulations. This included identifying a roll out programme across catchments in the region, work to develop a catchment context, training for certifiers and auditor, and analysis of how the council would support landholders to meet regulations and record information. Following the change in government there has been a delay to implementation of the Freshwater Farm Plan regulations. The government is also reviewing the regulations. Work however continued around the development of the catchment context to support roll out when it recommences.

Consents

A total of 336 decisions on consent applications (individual and bundled) were made during the financial year.

Many of these applications comprised multiple consent activities that were bundled together and processed as one "application". The breakdown of the number of activities that were included in the decisions made during the financial year is:

- » Land use consents – 230
- » Coastal permits – 284
- » Discharge permits – 314
- » Water permits – 152

There were two appeals on decisions made during the year. One is being resolved by Consent Order while the other is scheduled for an Environment Court hearing in September 2024.

Compliance monitoring

In addition to the compliance monitoring carried out and recorded as performance measures in this report, council also received 274 notifications under the National Environmental Standards – Commercial Forestry and carried out 243 site inspections to check compliance.

Council took the following enforcement actions in relation to non-compliance with resource consents conditions, regional rules or national regulations:

- » 166 infringement notices
- » 213 abatement notices
- » One interim enforcement order applied for (and granted)
- » Three prosecutions completed in the district court resulting in convictions for two and discharge without conviction for the third (with a costs award to council).



1.1 Science

Performance measures and targets

1.1.1 Information on water quantity and water resources including rainfall, river flow, groundwater and flood levels is made available

1.1.2 Information on the life-supporting capacity of water (fresh and marine) is made available

1.1.3 Information on the standards for ambient air quality is made available

Performance measure	Target	2023/24 result
Percentage of time that flood-level monitoring is accurate (to enable flood warnings to be developed) and is made available to the community	100%	100% - achieved 2022/23: 100% - achieved
Percentage of NRC environmental networks monitored for water quality and quantity, and ecology, with results made available to the community	100%	100% - achieved 2022/23: 100% - achieved
Percentage of time that continuous monitoring of air sheds is achieved, with any exceedances of National Environmental Standards reported and made available to the community	100%	100% - achieved 2022/23: 100% - achieved
Percentage of data from routinely monitored sites that meets quality standards and is made available to the community within 12 months of collection	90% or more	85% - not achieved Monitoring of the network has significantly increased in response to central government policy changes on fresh water (NPS-FM). Council essentially has a lot more data to deal with, which requires more resourcing, hence the target not being met. However, the recently approved data automation tool should help achieve this target in the future. 2022/23: 88% - not achieved

1.2 Catchment management

Performance measures and targets

1.2 Improved water quality is advanced through advice and funding to support sustainable land management

Performance measure	Target	2023/24 result
Number of subsidised poplar poles provided for erosion-prone land by the council-owned nursery	2023/24: 9,000	20,633 - achieved 2022/23: 8440 - achieved
The percentage of Environment Fund allocation (in dollar value) that proceeds to completion of successful projects that meet council objectives	95% or more	88% - not achieved Of the \$625,633 granted via the fund, \$547,743 was paid out. The remainder was not paid due to projects withdrawing and others coming in under budget. This result is therefore outside of council's control. 2022/23: 71% - not achieved
Successful delivery of Kaipara Moana Remediation Project workplan milestones through the contribution of financial, governance, staff and technical support	100% of milestones (as set out in the project workplan)	100% - achieved 2022/23: 100% achieved
Percentage of routinely monitored river sites with a Water Quality Index (WQI) score of 'Excellent' or 'Good'	Maintain or increase	49% - achieved 2022/23: 45% - achieved (37% - baseline)

1.3 Biodiversity

Performance measures and targets

1.3 Indigenous biodiversity and ecosystems are maintained and enhanced, particularly around our rivers, lakes, wetlands and coastal margins

Performance measure	Target	2023/24 result
Number of plants provided through CoastCare programme	2023/24: 16,000	14,672 - not achieved In the first half of the financial year plant numbers were down due to losses in the nursery because of unfavourable weather, therefore numbers delivered were down from that estimated. Because of the increased costs of plants, we were not able to catch up on numbers in the second half of the financial year. 2022/23: 16,838- achieved (target 15,000)
Number of top-ranked lakes identified in the Northland Lakes Strategy that are under active management ¹ with stock excluded	20 lakes	20 lakes - achieved A total of 10 lakes received an ecological survey in May 2024, while weed control was undertaken in 6 lakes and pest plant surveillance undertaken in 4 lakes. 2022/23: 18 lakes - not achieved

¹ Active management includes basic care standards for lakes: nutrient management, ecological monitoring, submerged weed surveillance, and weed and pest control if necessary

1.4 Biosecurity

Performance measures and targets

1.4.1 Community involvement in pest management is promoted in urban and rural environments through successful implementation of initiatives in the regional pest management plan

1.4.2 The introduction and spread of marine pests is slowed through inter-regional management

Performance measure	Target	2023/24 result
Increase in hectares of land under Community Pest Control Area Plans (CPCAs) per annum	5000ha annually	8693ha - achieved These projects included: Marunui Pultenaea CPCA (421ha); Manchurian Rice CPCA (586ha); William Upton Reserve CPCA (1000ha); Whananaki CPCA (6199ha); Te Tangi o Te Ata CPCA (485ha); and Mangakahia Willow Removal CPCA (2ha). 2022/23: 1568ha - not achieved
Survey at least 2000 vessel hulls for marine pests each year as part of marine biosecurity surveillance programme	2000 hulls annually	2049 hulls - achieved 2022/23: 2037 hulls - achieved

1.5 Planning and policy

Performance measure and target

1.5 Good management of Northland's environment is supported by up-to-date legislative planning documents based on sound evidence and processes

Performance measure	Target	2023/24 result
Percentage of environmental planning legislative requirements achieved each year	100% of requirements met	100% - achieved The Regional Policy Statement review is now complete. A change to this to include housing capacity targets identified by the Whangarei District Council (WDC) was also required by the National Polic Statement for Urban Development, however this has been deferred due to WDC revising these targets through their Future Development Strategy. The review of the 2017 Regional Pest Management Plan has also started. 2022/23: not achieved

1.6 Consents

Performance measure and target

1.6 Processing and administering of resource consents is efficient and effective

Performance measure	Target	2023/24 result
Percentage of all resource consent applications that are processed within the statutory timeframes	100%	100% - achieved A total of 336 decisions were made on individual and bundled consent applications in the financial year. 2022/23: 99.70% - not achieved

1.7 Compliance monitoring

Performance measures and targets

1.7 Compliance monitoring of resource consents, and response to reported environmental incidents, is timely and effective

Performance measure	Target	2023/24 result
Percentage of consents that are monitored as per the council's consent monitoring programme	90% or more	95% - achieved There were 5691 monitoring activities required for the year to fulfil the monitoring programme requirements and 5419 of these were completed. 2022/23: 96% - achieved
Percentage of environmental incidents reported to the Environmental Hotline resolved within 30 working days	80% or more resolved within 30 working days	80% - achieved 807 of the 1007 incidents logged during the year were resolved within 30 working days. 2022/23: 87% - achieved

Te Taiao | Natural environment

Funding Impact Statement

<i>For the period ending 30 June</i>	Long Term Plan 2022/23 \$000	Long Term Plan 2023/24 \$000	Actual 2023/24 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	-	-	321
Targeted rates	22,272	23,835	24,138
Subsidies and grants for operating purposes	4,488	2,436	9,570
Fees and charges	2,841	3,067	4,167
Internal charges and overheads recovered	-	-	77
Local authorities fuel tax, fines, infringement fees and other receipts	5	9	102
TOTAL OPERATING FUNDING	29,606	29,347	38,375
Applications of operating funding			
Payments to staff and suppliers	27,868	26,898	35,136
Finance costs	28	42	-
Internal charges and overheads applied	9,232	9,438	9,683
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	37,128	36,378	44,819
Surplus/(deficit) of operating funding	(7,521)	(7,031)	(6,444)
Sources of capital funding			
Subsidies and grants for capital purposes	-	-	87
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	-	-	87
Applications of capital funding			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	1,005	474	504
to replace existing assets	95	336	506
Increase/(decrease) in reserves	(417)	(479)	1,611
Increase/(decrease) of investments	(8,204)	(7,362)	(8,978)
TOTAL APPLICATIONS OF CAPITAL FUNDING	(7,520)	(7,031)	(6,357)
Surplus/(deficit) of capital funding	7,521	7,031	6,444
FUNDING BALANCE	-	-	-

Te Taiao | Natural environment

Major variances compared to Year 3 (2023/24) of the Long Term Plan 2021-2031

Operating Funding

Operating Funding is \$9.03million (m) more than the long term plan predominantly due to:

- » Higher than planned rates income for the year
- » Higher than planned consent application
- » Higher than planned monitoring fee income
- » Higher than planned Caulerpa response funding
- » Higher than planned Kauri protection programme funding
- » Higher than planned Predator Free programme funding

Application of Operational Funding

Application of the operating funding is \$8.44m more than the long term plan predominantly due to:

- » Higher than planned costs for Caulerpa response programmes
- » Higher than planned costs for Predator Free programmes
- » Higher than planned costs for Wild deer programmes
- » Higher than planned costs for pest and plant eradication programmes

Manawaroa te hapori

Community resilience

Hei aha te mea nui i tenei Ao? He tangata, he tangata, he tangata

What is the greatest thing in the world? It is people, it is community

This group includes the following activities:

- » Flood protection. This is required as a group of activities on its own under the Local Government Act 2002, but is included here as part of the community resilience package. It has a separate funding impact statement at the end of this section.
- » Climate change resilience
- » Emergency management
- » Oil pollution response
- » Harbour safety and navigation
- » Transport.

These activities contribute to the following council community outcomes:

- » Resilient, adaptable communities in a changing climate
- » Safe and effective transport networks connecting our region.

Northland's awe-inspiring geography provides us with places to visit, play and make a living, but it also makes us vulnerable to high-intensity rainfall, drought and other hazards. The region covers a significant area, on land and out on the water. Council is continually working to improve Northland's safety and resilience, and stay one step ahead of the next challenge we're likely to face.

Our community resilience group of activities pulls together different aspects of resilience. This mahi involves our efforts to keep people safe on the roads and on the water; identifying, assessing and providing information on natural hazards, in particular working to protect Northland communities from flood hazards; preparing for climate change and emergency situations, and responding when we need to. All these activities rely heavily on collaboration with our communities, tāngata whenua, other agencies and landowners to achieve shared goals.

Changes to levels of service

In the community resilience group of activities, the levels of service within each activity remained the same. Four of the seven performance measures and targets have been achieved, and three have not. Of the three targets not achieved, one is due to circumstances outside of council's control, and two have no information available to report on due to specific NZ Transport Agency Waka Kotahi requirements and the disestablishment of the Northland Transport Alliance as detailed in the tables below.

What we did

Flood protection

Awanui Flood Scheme upgrade

The practical completion phase of the scheme upgrade is now underway, with most of the major components of the upgrade complete. Remaining works includes a stop bank setback downstream of SH-10 (85% complete), Quarry and Donald Road bridge upgrade, and some floodwalls near the bifurcation of the Awanui River and Whangatane spillway.

The scheme has supported planting of riparian zones with more than 70,000 trees planted along the completed upgrade areas. This work was largely completed using local nurseries and hapū employed to plant and release the young trees. The community and schools have also been included in planting days. Where possible, native corridors along the riverbanks have been created that will enhance biodiversity, adding another feature to the primary function of flood protection.

Otiria-Moerewa flood mitigation spillway and bridge

All three stages of this project have been completed and the grand opening is scheduled for early August this year.

Whangārei hydraulic flood model

The upgrading of the Whangārei hydraulic flood model and related maps, is nearing completion. This will update council's flood maps, which will include latest flood mitigation options.

Flood resilient Māori communities and marae

This incorporates seven projects and is co-funded by Crown Infrastructure Partners, being \$4.2M, with \$1.53M coming from council. Multiple teams across council are involved to help improve flood resilience to our Māori communities and marae. The seven projects include:

1. Northland most flood affected marae: using GIS mapping, council overlaid the 10-year flood maps with the marae locations. This identified 35 of the most flood affected marae, if a marae is in the 10-year flood zone, and marae that will be affected by 50- and 100-year floods to a great extent.
2. Matangirau flood mitigation phase 2: this project is designed to provide flood mitigation to the houses and marae directly upstream of the Wainui Road bridge. The designed bench and spillway conveys water more efficiently and reduces the flood level upstream of the bridge.
3. Kawakawa deflection bank: this is designed with a 1:50 year protection to the shops and businesses in the low-lying sections near Old Whangae Road.
4. Otiria-Moerewa overland flow paths and swale: this project is reinstating overland flow paths that have been blocked, allowing re-establishing natural flow regimes.
5. Whairiaki: unfortunately, there are currently no achievable flood mitigation options available. Council are therefore starting the conversation about other options open to this community.
6. Kaeo phase 2: this project will give additional benefit to the Kaeo township by lowering the backwater effect created by the Kaeo River and Waikarae Creek confluence.
7. Punuruku: kids miss 12+ days of school on average each year due to flooding in this area. This project includes design work currently underway to lower the flood level and target lifting the road in small sections to allow a higher level of service.

Climate change

Our work on climate change is outlined in section one of this report titled 'Climate change resilience'.

Emergency management

Projects

The Northland tsunami siren replacement project continues to progress, with 50 out of the 94 new sirens installed across Northland as of July 2024. The project is a joint initiative by all four of Northland's councils, with the Northland Civil Defence Emergency Management Group coordinating the project. Once completed, the new sirens, along with our other warning tools, will help provide more resilient and effective warnings to Northlanders for tsunami threats.

Development of the Multi-Agency Emergency Coordination Centre for Northland also continues, with the final funding required for the centre now secured. Once completed, this will provide a central, purpose-built facility that will allow for improved collaboration between Civil Defence Emergency Management (CDEM) staff, emergency services, and other agencies during responses.

Response

CDEM professionals monitored and responded to several moderate weather events over the year. The team also supported the 20 June 2023 Transpower power outage, where a 220kV transmission tower located in a field near Glorit fell unexpectedly while maintenance work was being carried out, causing the loss of power to approximately 100,000 homes and businesses in Northland.

Readiness

Community response plans and engaging with community groups remain a focus. Post-Cyclone Gabrielle, and demand for marae and community response planning has increased significantly. Over the past year, the team has responded to 13 new requests for new Community Response Groups and 21 community response plan reviews. As part of the recovery from Cyclone Gabrielle, funding was also provided to 51 Community Response Groups across Northland for small infrastructure needs that increased the community's preparedness.

CDEM engagement with iwi/hapū Māori continues to grow. Iwi and hapū throughout Te Taitokerau have been working alongside CDEM groups, enhancing connections and developing hapū-led initiatives. Partnering with marae to develop preparedness plans remains a focus, with over 15 marae preparedness plans currently in development.

Recovery

Recovery work from Cyclone Gabrielle continues. The aftermath of the cyclone necessitated a comprehensive response, coordinating the efforts of the four Northland councils, lifeline utilities, and non-governmental agencies. Throughout 2023 and 2024, the recovery initiatives were extensive. Notable achievements included launching the Ngā Manga Atawhai project, which aims to remove thousands of trees near rivers, powerlines, and roads to enhance electricity provision during severe weather events. We also conducted business continuity workshops for farmers, and lifestyle block workshops for landholders. Additionally, we facilitated training for marae and communities interested in establishing Community Led Centres for future events. We've also invested in portable satellite internet technology across Northland's four councils and continued to invest in emergency management training and capability for council staff, ensuring preparedness and effective communication during future events.

Additionally, the Enhanced Task Force Green project provided crucial support to farmers for post-cyclone cleanup, while various workshops and preparedness plans were also implemented to help strengthen community resilience. The provision of Starlink kits across Northland's four councils also helped increase resilience by providing improved back-up communications for future emergencies.

Harbour safety and navigation

There were 176 incidents logged this year, which included a mix of bylaw offences such as speeding, incidents involving accidents, aids to navigation, moorings, and small oil spill incidents with no emerging trends noted.

Work continued in improving navigation safety outcomes for remote areas with the setting up of more lifejacket hubs and those less likely to have easy access to safety equipment. It has been indicated that there may be less community grant funding available for these initiatives in the coming years.

Maritime patrols were carried out in the major holiday destinations over the busy summer season. Of note this year was the purchase and manning of a small patrol vessel for Mangawhai and the Kai Iwi Lakes. A total of 30 days were patrolled in these congested areas, which was well received after increasing requests for a presence in the last few years. Funding is secured to continue this year.

Planned maintenance and repairs of aids to navigation was carried out on the Kaipara and Hokianga Harbours. Other repairs were carried out as required.

Of the 3038 moorings the team manage, 200 transfers of ownership took place, and 125 new moorings or upgrades were processed and approved. Within the 3-year requirement, 95% were serviced on time.

In addition to their core work, the maritime team competed 103 vessel trips for other departments within the regional council.

An ongoing workload for the maritime team is the ever increasing older and derelict vessels. The ownership of these low value vessels is also coming into the hands of those with no experience or funds to maintain or properly moor them, resulting in increased abandoned and unseaworthy vessels. A total of 15 vessels were removed and disposed of by the maritime team at a cost of \$80,000, with the largest bill being \$25,000 involving a salvage from a remote grounding. This figure does not include those the team dealt with where the owner removed the vessel after being directed to do so.

This was the busiest season on record in the Bay of Islands for cruise ships, with 97 booked in, and only 4 cancellations for shipboard reasons. The weather was mostly calm and settled. With an estimated 170,000 passengers, as well as the crew, this would have been a boost for the Northland

economy. The increased workload on the team was helped by two contract staff over summer assisting with recreational boating safety education.

Of note was the completion and receipt of our new replacement \$3.5M multi-purpose pilot/work vessel, which is performing well and will be an asset to the council in future proofing our ability to carry out pilotage, aids to navigation maintenance, oil spill response, and salvage work.

Regional transport

Regional Land Transport Plan 2021/2027 – Three Year Review (RLTP)

Following delays to the process caused by the change in government and the late release of the Draft Government Policy Statement on Land Transport 2024 (GPS), NZ Transport Agency Waka Kotahi (NZTA) deferred the submission date of RLTP's from 30 April 2024 to 1 August 2024.

Following consultation, on 4 July 2024 the Regional Transport Committee approved the release of the Draft RLTP 2021/2027 – Three Year Review to the council with the recommendation that they approve it be submitted to NZTA by the specified date. This was subsequently approved and has now been lodged.

Contracted bus services government funding assistance

In April 2024, the government withdrew the half fare subsidy on all local government contracted bus services. All fares reverted to the pre-subsidy level. Council experienced no noticeable adverse reaction to this change.

Bus services

CityLink service

Passenger numbers on the Whangārei CityLink service continued to show positive growth during the financial year.

The number of antisocial incidents reflected a declining trend, however still high enough to warrant concern. In an effort to address the situation at the Rose Street terminus, a Liaison/Security officer was placed in the terminus office full time and the security guard was released to undertake continuous patrols.

Following an extended delay in the sourcing of bus drivers, the Whangārei SchoolLink service commenced operation at the end of June 2024. The aim of this service is to provide high school children with a service from their respective suburbs directly to the school in the morning and back in the afternoons. This should lead to a reduction in the number of young people converging on Rose Street in the afternoons and undertaking acts of antisocial behaviour. It is too early to ascertain how well this is working.

With the continued increased subsidies (75% of total fare) that Total Mobility (TM) clients receive, coupled with the antisocial behaviour on the CityLink buses, a large portion of the SuperGold Card holders have moved onto the TM Scheme.

Hikurangi Link service

Following public requests, a Tuesday run was introduced to this service. This has failed to attract the passenger numbers indicated. Over the next 12 months, this service will be fully reviewed and adjusted to operate in accordance with demand.

Far North Link/Mid North Link/Hokianga Link services

These services continue to operate a "lifeline" service to those who have no other means of transport. The introduction of the SuperGold Card on these services has assisted with slow but steady passenger growth.

Bream Bay Link Bus Service

This service continues to do well. Staff are in the process of investigating the feasibility and viability of introducing an additional run on a Tuesday. This service is planned to operate via Maungaturoto/Ruakaka to Whangārei.

Total Mobility Scheme

Total Mobility Scheme – Whangārei

Due to the continuation of the 75% client subsidy provided by central government, the Total Mobility Scheme (TM) in Whangārei continues to show a dramatic increase in client numbers and trips undertaken.

Additional funding had to be sourced from both NZTA and the Whangārei District Council (WDC) to cover for these increases. WDC has agreed and NZTA have yet to approve final funding allocations.

Total Mobility Scheme – Far North

The Total Mobility Scheme in the Far North started slowly but is now showing good growth. This is expected to continue.

Regional Road Safety

Whilst every effort is being made to reduce the number of deaths and serious injuries on the region's roads through education and promotion, the trend shows a stubborn upward tendency. There was a total of 39 deaths and 142 serious injuries for the 2023/2024 financial year.



2.1 Flood protection

Performance measure and target

2.1 Life and property are protected by the building, monitoring and maintenance of flood schemes

Performance measure	Target	2023/24 result
Number of flood events occurring as a result of failures of flood protection systems below specified design levels, for the Awanui, Whangārei, Kāeo, Panguru and Otiria/Moerewa schemes	Zero	Zero - achieved 2022/23: zero - achieved

2.2 Climate change resilience

Performance measure and target

2.2 Council provides proactive and coordinated planning for projected climate change and adaptation responses

Performance measure	Target	2023/24 result
Development, delivery and implementation of key regional climate change plans and documents	2022-2024: » Implementation of regional adaptation strategy	100% - achieved The regional adaptation strategy was adopted in April 2022 and implementation is underway in collaboration with Climate Adaptation Te Taitokerau members. A project was also completed to consolidate and align the two climate strategies adopted by council allowing for enhanced implementation of the climate programme both internally and with our partner councils. 2022/23: on track to achieve

2.3 Emergency management

Performance measure and target

2.3 Communities are supported to understand, plan for and manage hazards and risks

Performance measure	Target	2023/24 result
Percentage of engaged communities subject to significant hazards that are supported to develop community response plans to guide their responses	100%	100% - achieved All engaged communities in Northland, being those that have formed community response groups, currently have a community response plan in place. 2022/23: 100% - achieved

2.4 Oil pollution response

Performance measure and target

2.4 An efficient and responsive oil pollution response is maintained

Performance measure	Target	2023/24 result
Maintain a regional oil spill response plan, including a minimum of 30 up-to-date trained responders	Maintain a minimum of 30 responders at all times	33 responders - achieved 2022/23: 35 responders - achieved

2.5 Harbour safety and navigation

Performance measure and target

2.5 Regional navigational safety is maintained, and marine activities are safely managed

Performance measure	Target	2023/24 result
Marine activities are safely managed, with nationally compliant harbour safety management systems that comply with the Port and Harbour Marine Safety Code operational safety management system ¹	100%	90% - not achieved The Channel Infrastructure safety management system has still not been approved by Maritime NZ, however is in progress following the changes of moving from a refinery to a storage facility. This result is therefore outside of council's control. 2022/23: 95% not achieved

1 Compliance with the Port and Harbour Marine Safety Code is measured by conducting an annual self-assessment and periodic peer review

2.6 Transport

Performance measures and targets

2.6 A resilient transport network is planned for and implemented, including passenger transport services

Performance measure	Target	2023/24 result
Percentage of passengers surveyed on the Whangārei, Kaitaia and Mid-North bus services that are satisfied with the overall service provided	90% or more from 3/3 measures	No information available NZTA requires that these surveys are completed every two years. The last survey was undertaken in the 2022/2023 financial year; therefore, no survey was required for the 2023/2024 financial year. 2022/23: not achieved
Achievement of key Northland Transport deliverables, measured as an aggregated score, for: <ul style="list-style-type: none"> » road safety » capital works programmes » maintenance programmes » response to customer service requests 	Aggregated score for achievement of deliverables is greater than 75%	No information available With the recent decision to disestablish the Northland Transportation Alliance and return to individual transportation departments, the consolidated information related to this measure is no longer available. 2022/23: 74.2% - not achieved

Manawaroa te hāpori | Flood protection

Funding Impact Statement

<i>For the period ending 30 June</i>	Long Term Plan 2022/23 \$000	Long Term Plan 2023/24 \$000	Actual 2023/24 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	-	-	60
Targeted rates	4,581	4,714	4,760
Subsidies and grants for operating purposes	5,140	-	3,223
Fees and charges	-	-	36
Internal charges and overheads recovered	5	4	65
Local authorities fuel tax, fines, infringement fees and other receipts	84	122	55
TOTAL OPERATING FUNDING	9,810	4,840	8,199
Applications of operating funding			
Payments to staff and suppliers	1,601	1,683	2,377
Finance costs	522	501	463
Internal charges and overheads applied	585	597	586
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	2,708	2,781	3,426
Surplus/(deficit) of operating funding	7,102	2,059	4,773
Sources of capital funding			
Subsidies and grants for capital purposes	-	-	-
Increase/(decrease) in debt	3,567	-	6,100
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	3,567	-	6,100
Applications of capital funding			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	8,784	4	7,296
to replace existing assets	-	-	-
Increase/(decrease) in reserves	6,257	1,068	(3,338)
Increase/(decrease) of investments	(4,372)	988	6,915
TOTAL APPLICATIONS OF CAPITAL FUNDING	10,669	2,059	10,873
Surplus/(deficit) of capital funding	(7,102)	(2,059)	(4,773)
FUNDING BALANCE	-	-	-

Manawaroa te hapori | Flood protection

Major variances compared to Year 3 (2023/24) of the Long Term Plan 2021-2031

Operating Funding

Operating funding is \$3.36 million (m) more than the long term plan predominantly due to:

- » \$3.2m of subsidies for Flood infrastructure and mitigation programmes

Application of Operational Funding

Application of the operating funding is \$645 thousand (k) higher than the long term plan predominantly due to:

- » Higher than planned river clearance work programmes

Sources of Capital Funding

Sources of capital funding is \$6.10m higher than the long term plan predominantly due to:

- » Higher than planned borrowing for flood infrastructure programs

Capital Expenditure

Capital Expenditure is \$7.29m higher than the long term plan predominantly due to:

- » Higher than planned flood infrastructure works.

Manawaroa te hapori | Community resilience

Funding Impact Statement

<i>For the period ending 30 June</i>	Long Term Plan 2022/23 \$000	Long Term Plan 2023/24 \$000	Actual 2023/24 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	-	-	98
Targeted rates	7,793	8,728	8,306
Subsidies and grants for operating purposes	4,169	5,102	6,630
Fees and charges	1,640	1,727	2,748
Internal charges and overheads recovered	-	-	142
Local authorities fuel tax, fines, infringement fees and other receipts	-	22	105
TOTAL OPERATING FUNDING	13,602	15,579	18,029
Applications of operating funding			
Payments to staff and suppliers	11,042	11,949	10,641
Finance costs	113	138	90
Internal charges and overheads applied	1,838	1,879	1,895
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	12,993	13,966	12,626
Surplus/(deficit) of operating funding	609	1,613	5,403
Sources of capital funding			
Subsidies and grants for capital purposes	-	-	1,743
Increase/(decrease) in debt	4,500	1,000	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	4,500	1,000	1,743
Applications of capital funding			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	4,500	1,685	49
to replace existing assets	2,618	38	4,548
Increase/(decrease) in reserves	297	977	932
Increase/(decrease) of investments	(2,306)	(87)	1,617
TOTAL APPLICATIONS OF CAPITAL FUNDING	5,109	2,613	7,146
Surplus/(deficit) of capital funding	(609)	(1,613)	(5,403)
FUNDING BALANCE	-	-	-

Manawaroa te hapori | Community resilience

Major variances compared to Year 3 (2023/24) of the Long Term Plan 2021-2031

Operating funding is \$2.45 million (m) more than the long term plan predominantly due to:

- » Higher than planned subsidies for the Joint Emergency Co-Ordination centre
- » Unplanned subsidies for Flood Resilience Co Investment not in the long term plan

Application of Operational Funding

Application of the operating funding is \$1.34m less than the long term plan predominantly due to:

- » Lower than planned cost on contribution to Northern Transport Alliance costs
- » Lower than planned personnel costs

Sources of Capital Funding

Sources of capital funding is \$743 thousand (k) higher than the long term plan predominantly due to;

- » Grants for Tsunami Siren upgrade programme being classified as capital funding.

Offset by;

- » No borrowings for Joint Emergency Co-ordination centre planned in the long term plan.

Capital Expenditure

Capital expenditure is \$2.87m higher than the long term plan predominantly due to;

- » Higher than planned flood infrastructure programmes
- » Higher than planned Tsunami siren upgrade programmes

Hautūtanga ā rohe

Regional leadership

Mā e huru huru, ka rere te manu

With support, anything can be accomplished

This group includes the following activities:

- » Governance
- » Māori partnerships
- » Economic development
- » Community engagement
- » Customer services
- » Corporate services.

The activities contribute to the following council community outcomes:

- » Healthy waters for the environment and our people
- » Protected and flourishing native life
- » Resilient, adaptable communities in a changing climate
- » A strong and sustainable regional economy
- » Meaningful partnerships with tangata whenua
- » Safe and effective transport networks connecting our region.

There's a lot we do that our community can see, touch and experience, such as trapping pests, planting plants or riding buses. But many of the things we do are less visible, yet critical to the successful operation of council. Having a good understanding of the wants and needs of Northland's people to inform strong leadership and decision-making, ensuring that we're ahead of the game with statutory obligations to Māori, and that we're transparent and accessible – this underpins all that we do as regional leaders.

The regional leadership group of activities sets out what we're doing in these areas, and encompasses the essential corporate and support functions required to ensure we're running in the most efficient, accountable and legislatively compliant manner. It also captures the work we're doing to promote sustainable economic development for Northland.

Changes to levels of service

In the regional leadership group of activities, levels of service within each activity remained the same. However, performance measures and targets have not been well achieved with only two of eight performance targets met. Of the six targets not met, one of these was due to a variety of reasons including administration/oversight errors and two were due to resident/customer satisfaction. The remaining three measures not achieved were due to circumstances outside of council's control or due to a specific decision made by council as recorded in the tables below.

What we did

Meaningful relationships with tangata whenua

Our work with Māori is outlined in section one of this report titled 'Meaningful relationships with tangata whenua'

Economic development

A major focus of work for 2023/2024 was supporting the Joint Regional Economic Development Committee (JREDC). The JREDC was established by Northland Regional Council, Far North District Council and Kaipara District Council to work together on economic development related activities, including the joint shareholder responsibilities for Northland Inc such as the development of a statement of intent.

In 2023/2024 this work included engagement with Whangarei District Council (WDC) to consider becoming a joint and equal shareholder of Northland Inc. WDC consulted on this issue and on 16 July 2024 WDC adopted its 2024-2034 Long Term Plan, which included a decision to become a shareholder and provide funding into the Investment and Growth Reserve (IGR). Another important piece of work undertaken by JREDC was to work with Northland Inc, councils and iwi to identify some initial regional growth opportunities for funding through the Regional Infrastructure Fund (RIF).

A loan of \$1.35M was provided to Te Tai Tokerau Water Trust (TTTWT) under a funding agreement to support the construction of the Kaipara Water Scheme near Dargaville.

A non-binding term sheet was signed with TTTWT covering council's funding commitment from the Regional Projects Reserve to support the construction of the Mid North Water Scheme. Funding is expected to be provided in 2024/2025.

Support was also given to Northland Inc to finalise a regional economic development strategy called Te Rerenga. This co-designed and Te Tiriti o Waitangi based strategy takes an intergenerational perspective and was developed in partnership with iwi and hapū, communities and industry sectors, alongside local and central government.

Council continued to lobby central government for improved infrastructure, including digital connectivity, marine industry development, and transport networks such as the Marsden Point Rail Link and the Northland Expressway. Four issues of the Northland Economic Quarterly were published. Work was also undertaken to improve the understanding of the Māori economy in Northland.

Community engagement

A new Community Engagement Strategy 'He Toa Takitini' was developed in 2024 to help guide and improve the way we engage with our communities. This strategy will be brought to life over the course of the next three years.

Funding and awards

The 2024 Tu i te ora Scholarships were awarded to six Northland students. Each recipient receives \$4000 financial assistance, plus paid work experience at council from November 2024 – February 2025. Recipients will join the Governance and Engagement, Biosecurity, Community Resilience, and Environmental Services groups.

The fifth Whakamānawa ā Taiao – Environmental Awards celebration event was held in July 2023 in Whangārei. The awards are about recognising and celebrating individuals and groups that are making a difference to help Taitokerau thrive. These awards will now be held every second year with the next awards scheduled for 2025.

The Environmental Leaders Fund supports schools and early childhood centres in projects that enhance environmental knowledge and passion, building climate resilience in their communities. This year, ELF focused more on climate action, funding projects in biodiversity improvement, onsite water processing, kai growing, alternative energy, and water protection. A total of \$35,000 was allocated to 20 projects, with half partially funded and half fully funded.

Events

A key objective this event season was to provide the community an opportunity to ask questions about the draft Freshwater Plan Change. Highlights included Northland Agricultural Field Days and Waitangi Day.

At the Northland Agricultural Field Days, council engaged with around 2500 visitors over three days. Partnering with NorthTec | Te Pūkenga cookery students, we reintroduced

our wild food giveaway, featuring venison bruschetta. Our site showcased freshwater management, pest control, biodiversity conservation, and climate action, earning us the Best Outdoor Site award.

This year's Waitangi Day commemorations attracted around 80,000 attendees. The focus was to support elected members, highlight regional challenges and priorities, and enhance stakeholder relationships. This was supported with social media and links with LGNZ, and FNDC. Council staff from freshwater policy, civil defence, rāhui moana, and events engaged with over 500 individuals at our community site.

Supporting the business

Key areas of focus this year included three major consultations: the draft Freshwater Plan Change, the Long Term Plan, and the Regional Land Transport Plan review. Our support included developing informative materials, launching multi-channel campaigns to raise awareness and encourage participation, and managing a schedule of hui and events across the rohe during the feedback periods. Other highlights included a Good to Go campaign over summer, which pulled together several priority areas for council targeting communication and behaviour change initiatives towards recreational boat users.

Education

This year, the team ran a teachers' professional learning and development workshop on marine pests, and two collaborative events incorporating EcoSolutions and Garden to Table – both for schools and early childhood. The biennial 'Find Your Future' interactive careers events featured an on-farm location, for the first time, in the Far North. A total of \$7K of Toimata-sourced One Billion Trees funding was distributed to 16 Enviroschools for Wai Restoration projects and increasing biodiversity purposes. Council's NCEA-based courses – Project Pest Control and Wai Fencing – ran throughout the region and continue to prove popular. Property managers, principals and teachers from Kaitaia to Te Kopuru participated in a Caretaker workshop in the mid north, focusing on litta traps, plant and animal pest control, growing kai and waste management. Due to increasing demand for the Enviroschools Programme and static capacity, an email group – 'Friends of Enviroschools' was launched to enable sustainability information and access to events to be made available to more schools and centres. On average, Enviroschools Facilitators visited and provided bespoke support to 50 Enviroschools per month – in person or online.

Customer services

The total number of incoming calls through customer services was 19,612 and 99.4% of these were answered within 30 seconds. The mailroom processed 8467 items of mail.

Corporate services

Section 17a service delivery reviews

The following section 17a service delivery reviews were completed and considered this year: Biosecurity, Climate Action, Emergency Management, Hydrology, Land Management, Biodiversity, Rivers & Natural Hazards, and Northland Inc.

It was determined that the current predominantly insourced model demonstrates the best options for cost effective delivery of these services at this time.

Transport as part of National Transportation Alliance (NTA) was reviewed by an external party with several recommendations to follow.

Regional Sporting Facility Rate allocation

Council completed the full disbursement of \$1.4M of Regional Sporting Facility Rate funding to Kaikohe and Districts Sportsville for the creation of the new Multisport Complex at Lindvart Park, Papa Hawaii, in Kaikohe. This was officially opened on 27 April 2024.

Council also paid out the \$205,600 grant in full to the Kerikeri Squash Club rebuild project, design and construction providing a new four court facility. This included a moveable wall for a doubles court. Membership is now nearing 300, making it the largest squash club serving Northland. The official opening celebrations were held on 10 February 2024.

Council signed a funding agreement and distributed the first tranche of a total of \$1.8M of Regional Sporting Facility Rate funding to the Tikipunga Association Football Club. They are a joint funder for the provision of a regional facility for player, coach and referee development and facilities of a scale and quality appropriate for hosting regional and national football tournaments. The build is intended to be completed mid-2025.



3.1 Governance

Performance measures and targets

3.1 Council maintains effective, open and transparent democratic processes

Performance measure	Target	2023/24 result
Percentage of official information requests that are responded to within 20 working days	100%	99.2% - not achieved Of the 365 LGOIMA requests received for the financial year, only three were not responded to within the required timeframe. One was due to the time it took to gather the information, one was an administrative error, and one was an unintentional oversight. 2022/23: 97% - not achieved
Percentage of time that elected members attend council meetings	90%	95.6% - achieved 2022/23: 97.25% - achieved

3.2 Māori partnerships

Performance measures and targets

3.2 Regional leaders have the capabilities and skills to support council's enduring relationships and active engagement with Māori

Performance measure	Target	2023/24 result
An independent Treaty health check is completed annually	Annual completion	Not achieved A recommendation was made and approved/endorsed by both council and TTMAC to undertake the Treaty Health Check bi-annually, to focus on the recommendations made and implementation alignment with Tāiki ē. The completion of the Health Check is therefore scheduled for the end December 2024. This result is therefore due to a specific decision made by council. 2022/23: incomplete - not achieved
All councillors and executive leadership team participate in annual core cultural competency training	100%	100% - achieved 2022/23: 100% - achieved

3.3 Economic development

Performance measure and target

3.3 Northland's economic wellbeing is enhanced by the coordination and delivery of economic development services, activities and funding across Northland

Performance measure	Target	2023/24 result
Percentage of key performance indicators set out in Northland Inc's draft annual report that are achieved by 30 June each year	100%	88% - not achieved Two of the 16 indicators were not met, being that related to the number of businesses and organisations supported to improve their climate resilience journey, and related to the number of high impact projects that are implemented. The climate resilience indicator was not met due to the delay in starting the responsible tourism programme, which was caused by a switch in focus and resourcing to the promotion of Northland, considering the SH1 Brynderwyn's closure. The high impact projects indicator was not met due to the delay caused by the election of a new coalition government in October 2024. This result is therefore outside of council's control. 2022/23: 88% - not achieved

3.4 Community engagement

Performance measure and target

3.4 Communities are well informed about council's work, know how to get involved, and are engaged in council processes

Performance measure	Target	2023/24 result
Percentage of residents surveyed who are satisfied with overall communication, community involvement and engagement	Maintain or increase	33% - not achieved Of the 133 people that responded to this question, 44 were either very satisfied or satisfied, 59 were neither satisfied nor dissatisfied, and 30 were either dissatisfied or very dissatisfied. 2022/23: 35% - achieved (33% baseline)

3.5 Customer services

Performance measure and target

3.5 Council provides efficient and meaningful customer service

Performance measure	Target	2023/24 result
Percentage of customers surveyed who are satisfied with the quality of service received following an interaction with council	Maintain or increase	65% - not achieved There were 117 complaints and/or compliments lodged during the year. Of these, 23 were received in relation to an interaction with council; 8 were not satisfied and 15 were satisfied. It is acknowledged that this is a small sample set and staff are currently undertaking a review of the methodology used to capture this information. 2022/23: 69.5% - achieved (2021/2022: 68.9%, baseline: 58%)

3.6 Corporate services

Performance measure and target

3.6 Corporate systems and investment are efficient and forward-thinking to support council activities

Performance measure	Target	2023/24 result
Key project milestones for the council's technology solutions are met as per the project plan	2023/24 - Benefits realisation report completed	Not achieved 40% of Enterprise System modules have been implemented. The balance of modules will not be implemented due to the functionality not meeting requirements to deliver the outcome council sought. The benefits realisation report is therefore not able to be completed as the project has stopped. This result is therefore outside of council's control. 2022/23: 60% - not achieved (100% of enterprise system modules implemented)

Hautūtanga ā rohe | Regional leadership

Funding Impact Statement

<i>For the period ending 30 June</i>	Long Term Plan 2022/23 \$000	Long Term Plan 2023/24 \$000	Actual 2023/24 \$000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	-	-	129
Targeted rates	8,110	9,412	9,864
Subsidies and grants for operating purposes	387	492	965
Fees and charges	151	154	662
Internal charges and overheads recovered	13,253	13,549	13,604
Local authorities fuel tax, fines, infringement fees and other receipts	11,623	12,245	12,859
TOTAL OPERATING FUNDING	33,524	35,852	38,083
Applications of operating funding			
Payments to staff and suppliers	24,553	29,337	28,176
Finance costs	422	511	701
Internal charges and overheads applied	1,591	1,626	1,324
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	26,566	31,474	30,201
Surplus/(deficit) of operating funding	6,958	4,378	7,882
Sources of capital funding			
Subsidies and grants for capital purposes	-	-	-
Increase/(decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	-	-	-
Applications of capital funding			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	2,492	507	1,578
to replace existing assets	419	454	790
Increase/(decrease) in reserves	(1,521)	(3,152)	4
Increase/(decrease) of investments	5,568	6,567	5,510
TOTAL APPLICATIONS OF CAPITAL FUNDING	6,958	4,378	7,882
Surplus/(deficit) of capital funding	(6,958)	(4,378)	(7,882)
FUNDING BALANCE	-	-	-

Hautūtanga ā rohe | Regional leadership

Major variances compared to Year 3 (2023/24) of the Long Term Plan 2021-2031

Operating funding is \$2.23million (m) more than the long term plan predominantly due to:

- » Higher than planned rates income for the financial year,
- » Unplanned subsidies for extreme weather recovery activities,
- » Unplanned cost recoveries from tenancies

Application of Operational Funding

Application of the operating funding is \$1.27m less than the long term plan predominantly due to:

- » Higher than planned costs for extreme weather recovery activities

Partially offset by

- » Lower than planned regional economic development grants
- » Lower than planned personnel costs

Capital Expenditure

Capital Expenditure is \$1.40m more than the long term plan predominantly due to:

- » Higher than planned council property improvements costs
- » Higher than planned commercial property development costs

Financial prudence

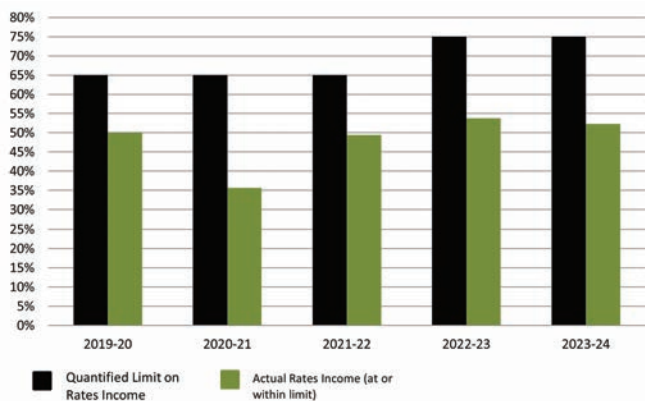
Rates affordability benchmarks

The council meets the rates affordability benchmark if:

- » Its actual rates income equals or is less than each quantified limit on rates (no more than 75% total revenue); and
- » Its actual rates increases equal or are less than each quantified limit on rates increases.

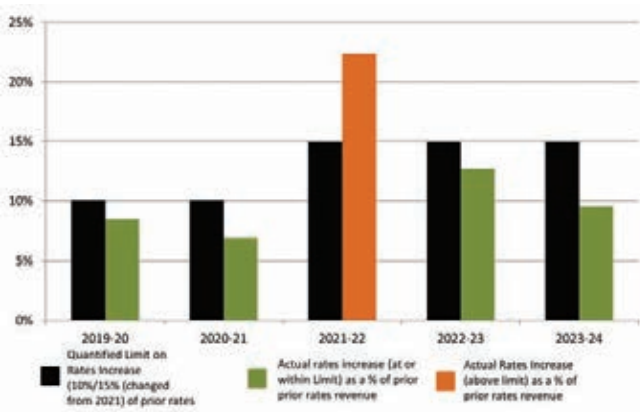
Rates income affordability

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's Long Term Plan 2021-2031. The quantified limit is no more than 75% of total revenue in 2023-24, but prior to 2021-22 it was 65%.



Rates increase affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases in the financial strategy included in the council's Long Term Plan 2021-2031. The quantified limit is 15% for 2023-24, but prior to 2021-22 years it was 10%.



In 2021-22 council decided to breach its quantified limit on rates rises in order to undertake programmes that allow it to meet community and central government expectations. This is considered an exceptional year and an opportunity to position council for the medium to long term.

Debt affordability benchmarks

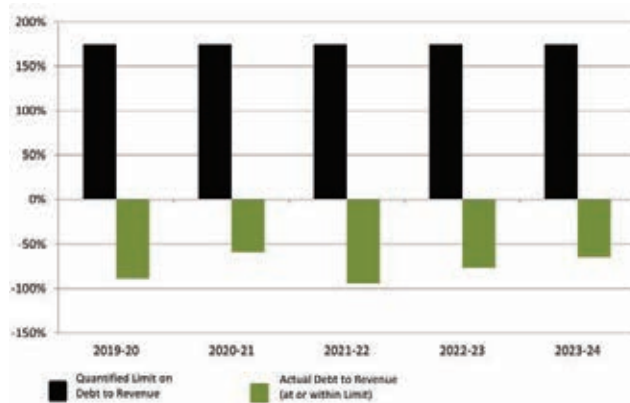
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graphs compare the council's actual borrowing with quantified limits on borrowing stated in the financial strategy included in the council's Long Term Plan 2021-2031.

Northland Regional Council has \$24.46M of external debt.

Net debt to total revenue

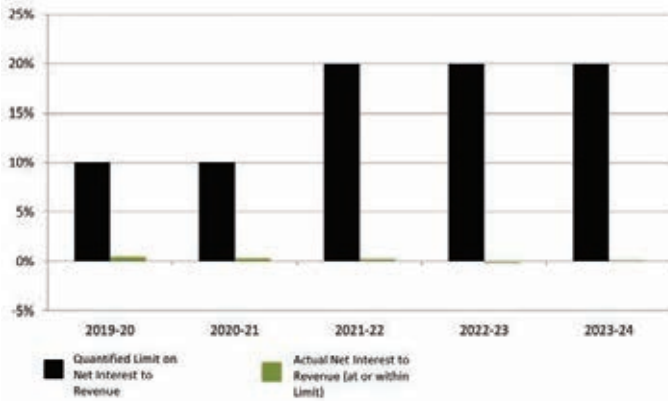
The quantified limit for net debt as a proportion of total revenue is 175%.



Northland Regional Council carries significant investments categorised as non-current assets that could be liquidated if required.

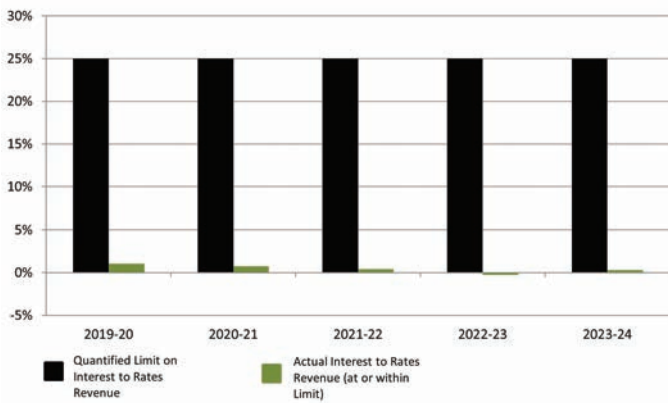
Net interest to total revenue

The quantified limit for net interest as a proportion of total revenue is 20% for 2023-24 and 2021-22 and 10% for previous financial years.



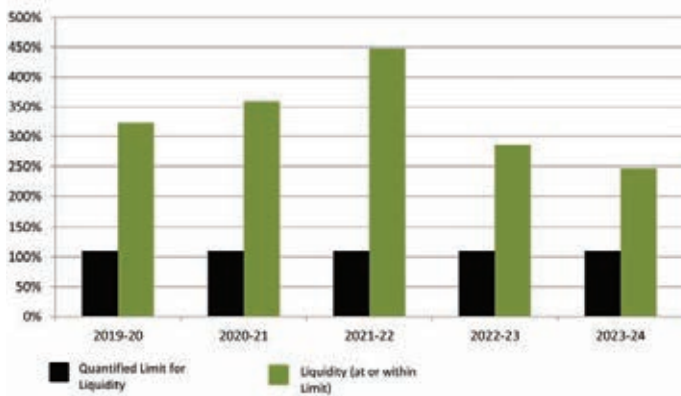
Net interest to annual rates revenue

The quantified limit for net interest as a proportion of annual rates revenue is 25%.



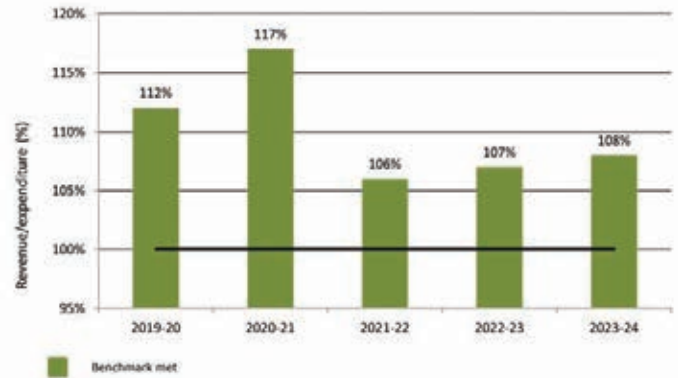
Liquidity

Council measures liquidity as total externally managed funds over total external borrowings. The quantified limit for liquidity is set as a minimum of 110%. From 2021-22 the total externally managed funds excludes any private equity funds.



Balanced budget benchmark

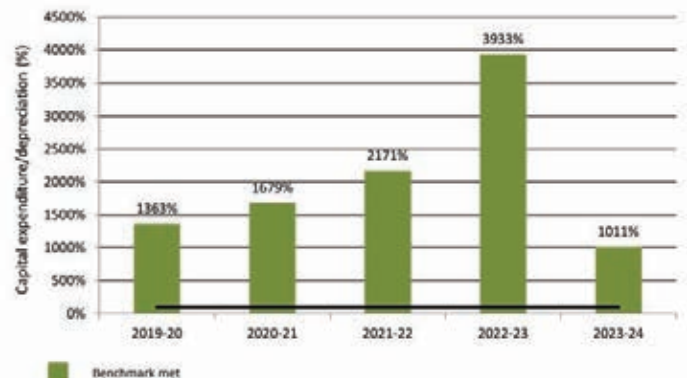
This graph shows council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The totals used in the graph do include gains or losses on disposal of property, plant, or equipment. Council meets this benchmark if its revenue equals or is greater than its operating expenses. The benchmark is represented by the black line.



Essential services benchmark

This graph shows the council's capital expenditure on network services (flood protection) as a proportion of depreciation on network services.

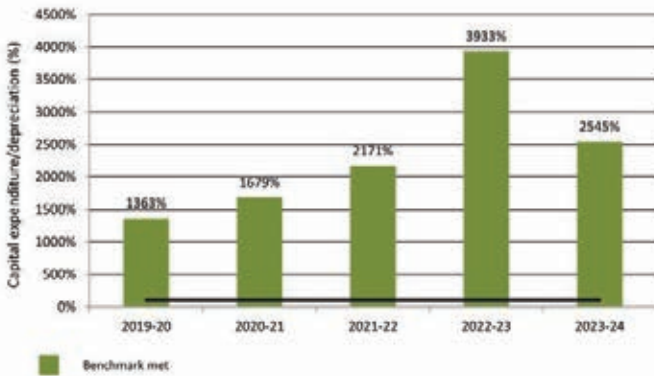
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. The benchmark is represented by the black line.



Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the population served by the council will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. The benchmark is represented by the black line.

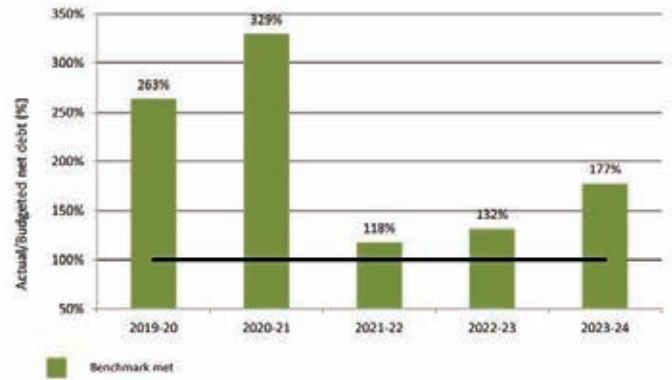


Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

Northland Regional Council has low external debt, so therefore has planned to have net assets in all the years represented in the following graph. Financial assets (excluding trade and other receivables) were planned to exceed its financial liabilities.

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt. For the purposes of this measure 100% equals planned net assets and an amount higher than 100% represents lower net debt than planned. The benchmark is represented by the black line.

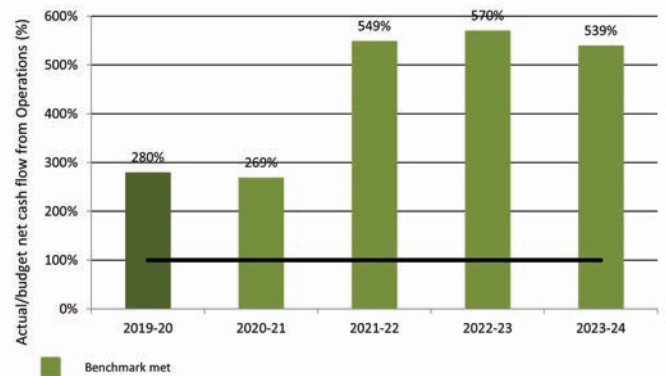


2019-20 and 2020-21 reflect lower actual net debt due to the sale proceeds of the MPRL JV being held in council's investment portfolio, lower than planned financial assets being required to fund development projects that were delayed due to COVID-19, and lower than planned borrowings required for capital works.

Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations. For the purposes of this measure 100% equals planned net cash flow. The benchmark is represented by the black line.



Wāhanga tuatoru: Tauākī pūtea

Section three: Financial statements



Statement of comprehensive revenue and expense

For the year ended 30 June 2024	Note	Council 30-Jun-24 \$000	Annual Plan 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Revenue						
Rates		47,676	47,280	43,515	47,676	43,515
Fees and charges	2(iv)	7,612	6,887	5,907	9,959	8,973
Subsidies and grants		22,217	10,791	16,870	22,217	16,870
Revenue from activities		-	-	-	44	20
Interest revenue		732	433	669	766	672
Other revenue	2(ii)	7,316	8,082	6,982	12,817	11,184
Other gains	2(iii)	5,552	3,490	6,985	5,577	6,756
TOTAL REVENUE	1	91,105	76,963	80,928	99,056	87,990
Expenses						
Personnel costs	3	28,068	29,819	25,283	30,244	27,106
Depreciation and amortisation expense	13	2,182	2,235	1,734	2,744	2,280
Finance costs		852	1,151	555	2,702	2,180
Other expenses	4	51,619	43,724	41,308	61,034	48,143
TOTAL EXPENSES	1	82,721	76,929	68,880	96,724	79,709
Share of associate and joint venture company surplus/(deficit)	12(i),(ii)	14	-	51	7,960	8,186
SURPLUS/(DEFICIT) BEFORE TAX		8,398	34	12,099	10,292	16,467
Income tax expense	5	-	-	-	(488)	(25)
SURPLUS/(DEFICIT) AFTER TAX		8,398	34	12,099	9,804	16,442
SURPLUS/(DEFICIT) ATTRIBUTABLE TO:						
Northland Regional Council		8,398	34	12,099	7,766	12,784
Non-controlling interest					2,038	3,658
Other comprehensive revenue and expense						
<i>Items that will be reclassified to surplus/(deficit):</i>						
Net hedging movement	16(ii)	-	-	-	(643)	423
<i>Items that will not be reclassified to surplus/(deficit):</i>						
Gains/(loss) on property revaluations (other than investment properties)		(745)	-	282	(2,306)	(5,962)
Gains/(loss) on forestry carbon credit revaluation	14	245	-	(629)	245	(629)
Gains/(loss) on Infrastructure Asset revaluations	20	-	-	2,559	-	2,559
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE		(500)	-	2,212	(2,704)	(3,609)
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		7,898	34	14,311	7,100	12,833
TOTAL COMPREHENSIVE REVENUE AND EXPENSE ATTRIBUTABLE TO:						
Northland Regional Council					6,084	11,876
Non-controlling interest in Marsden Maritime Holdings Limited					1,016	957
					7,100	12,833

The financial statements should be read in conjunction with the Statement of accounting policies and Notes to the financial statements.

Major variances compared to the Annual Plan 2023-2024 (in thousands)

Revenue

Revenue is \$14,142 more than annual plan, mainly due to;

- » Higher than budgeted rates of \$395
- » Higher than budgeted RMA application fees of \$555
- » Higher than budgeted consents and monitoring fees of \$138
- » Higher than budgeted incident response fees of \$186
- » Higher than budgeted contributions from councils for collaborative projects of \$2,937
- » Unbudgeted subsidies for emergency recovery activities of \$100
- » Higher than budgeted subsidies for Hill Country Erosion programmes of \$383
- » Unbudgeted subsidies for Caulerpa and marine incursion response of \$3,618
- » Higher than budgeted subsidies for Kauri protection activities of \$200
- » Higher than budgeted subsidies for council environment support services of \$209
- » Higher than budgeted subsidies for Whangārei Urban Awa projects of \$80
- » Higher than budgeted subsidies for Maritime NZ Boating fund of \$56
- » Unbudgeted subsidies for extreme weather events of \$253
- » Higher than budgeted subsidies for River and Flood mitigation, modelling and infrastructure programmes of \$1,886
- » Unbudgeted subsidies for the joint emergency co-ordination centre of \$1,037
- » Unbudgeted subsidies for flood resilience and mitigation of \$1,007
- » Higher than budgeted subsidies for biosecurity pest control programmes of \$205
- » Higher than budgeted subsidies for Kawakawa deflection works of \$140
- » Higher than budgeted interest earned on cash deposits of \$212
- » Higher than budgeted interest earned on externally managed funds of \$268
- » Higher than budgeted interest earned on loans of \$220

- » Higher than budgeted investment property revenue of \$53
- » Higher than budgeted gains on forestry assets of \$87
- » Higher than budgeted gains on externally managed funds of \$1,715
- » Higher than budgeted gains on disposal of council assets \$366

Partially offset by:

- » Lower than budgeted Bus revenue of \$119
- » Lower than budgeted NZTA subsidies of \$810
- » Lower than budgeted interest earned on related party loans of \$106
- » Lower than budgeted dividends of \$533
- » Lower than budgeted income from forest harvesting of \$263
- » Lower than budgeted revaluation of financial investments of \$106

Expenditure

Expenditure is \$5,792 higher than the annual plan, mainly due to:

- » Higher than budgeted expenditure on the funded Caulerpa response of \$3,580
- » Higher than budgeted expenditure on funded Kauri protection activities \$431
- » Higher than budgeted expenditure on funded extreme weather event recovery of \$253
- » Higher than budgeted expenditure for the flood resilience investment programmes of \$575
- » Higher than budgeted hearing and commissioner costs for consent applications of \$375
- » Higher than budgeted expenditure for stopbank and river clearing programmes of \$417
- » Higher than budgeted expenditure for regional sporting grants of \$391
- » Higher than budgeted expenditure on project resources for council enterprises systems of \$258
- » Higher than budgeted expenditure on pest control programmes of \$440
- » Higher than budgeted expenditure for public education and promotion of \$168
- » Higher than budgeted expenditure for the Hill Country Erosion project of \$258
- » Higher than budgeted costs on council owned and occupied properties of \$594

- » Higher than budgeted payments to Northland Inc of \$96
- » Unbudgeted impairment of investment property of \$3,126

Partially offset by:

- » Lower than budgeted personnel cost of \$1,578 and ACC costs of \$59
- » Lower than budgeted financing costs of \$298
- » Lower than budgeted expenditure on Transport programmes of \$1,702
- » Lower than budgeted expenditure on forestry harvesting of \$193
- » Lower than budget grants for environmental fund of \$205
- » Lower than budgeted expenditure on council IT and software costs of \$1,144
- » Lower than budgeted council members and committee member costs of \$99

Statement of changes in equity

For the year ended 30 June 2024	Note	Accumulated funds \$000	Reserves \$000	Total Council \$000	Annual Plan \$000
Council					
Balance at 30 June 2022		139,015	70,923	209,938	216,446
Total comprehensive revenue and expense for the year		14,311	-	14,311	4,354
Net transfers in special reserves	20	7,862	(7,862)	-	-
Net transfers in other reserves		(2,212)	2,212	-	-
Balance at 30 June 2023		158,976	65,273	224,249	220,800
Total comprehensive revenue and expense for the year		7,898	-	7,898	34
Net transfers in special reserves	20	791	(791)	-	-
Net transfers in other reserves		500	(500)	-	-
Balance at 30 June 2024		168,165	63,982	232,147	220,834

For the year ended 30 June 2024	Note	Accumulated funds \$000	Reserves \$000	Subtotal Group \$000	Non-controlling interest \$000	Total Group \$000
Group						
Balance at 30 June 2022		179,056	111,313	290,369	77,528	367,897
Total comprehensive revenue and expense for the year		11,876	-	11,876	957	12,833
Net transfers in special reserves	20	7,862	(7,862)	-	-	-
Net transfers in other reserves		908	(908)	-	-	-
Dividends paid		-	-	-	(3,064)	(3,064)
Balance at 30 June 2023		199,702	102,543	302,245	75,421	377,666
Total comprehensive revenue and expense for the year		6,084	-	6,084	1,016	7,100
Net transfers in special reserves	20	791	(791)	-	-	-
Net transfers in other reserves		1,682	(1,682)	-	-	-
Dividends paid		-	-	-	(2,587)	(2,587)
Balance at 30 June 2024		208,259	100,070	308,329	73,850	382,179

The financial statements should be read in conjunction with the Statement of accounting policies and Notes to the financial statements.

Statement of financial position

As at 30 June 2024	Note	Council 30-Jun-24 \$000	Annual Plan 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
EQUITY						
Accumulated funds	20	168,165	180,933	158,976	208,259	199,702
Reserves	20	63,982	39,901	65,273	100,070	102,543
Total equity attributable to Northland Regional Council		232,147	220,834	224,249	308,329	302,245
Non-controlling interest	20				73,850	75,421
TOTAL EQUITY		232,147	220,834	224,249	382,179	377,666
ASSETS						
Current assets						
Cash and cash equivalents	6	10,150	986	7,477	10,363	7,550
Receivables	7	10,803	7,594	8,436	11,739	8,929
Inventory	8	361	270	276	445	383
Assets held for sale	9	857	-	-	857	-
Other financial assets	10	6,399	13,741	11,442	6,399	11,442
Derivative financial instruments	16(i)	-	-	-	379	-
TOTAL CURRENT ASSETS		28,570	22,591	27,631	30,182	28,304
Non-current assets						
Investment property	11	81,994	90,064	84,153	191,754	194,100
Other financial assets	10	67,135	56,018	61,307	67,372	61,699
Investment in subsidiaries (excluding council control organisations) and joint venture company	12(i)	7,828	7,828	7,828	54,581	57,185
Investment in Council Controlled Organisations	12(ii)	406	282	392	406	392
Property, plant and equipment	13	69,846	78,075	64,362	98,580	91,332
Capital projects in progress	13	13,152	-	7,410	13,313	7,813
Intangible assets	14	115	1,149	880	115	880
Forestry assets	15	4,330	4,242	4,242	4,330	4,242
Derivative financial instruments	16(i)	-	-	-	-	968
TOTAL NON-CURRENT ASSETS		244,806	237,659	230,574	430,451	418,611
TOTAL ASSETS		273,376	260,250	258,205	460,633	446,915

As at 30 June 2024	Note	Council 30-Jun-24 \$000	Annual Plan 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
LIABILITIES						
Current liabilities						
Payables and deferred revenue	17	12,842	9,995	12,042	14,338	13,114
Employee entitlements	18	3,285	3,072	3,242	3,372	3,291
Borrowings and other financial liabilities	19	-	-	-	-	-
TOTAL CURRENT LIABILITIES		16,127	13,067	15,284	17,710	16,405
Non-current liabilities						
Payables and deferred revenue	17	625	610	296	2,453	2,445
Employee entitlements	18	19	21	18	19	18
Deferred tax liability		-	-	-	374	73
Borrowings and other financial liabilities	19	24,458	25,717	18,358	57,898	50,308
TOTAL NON-CURRENT LIABILITIES		25,102	26,348	18,672	60,744	52,844
TOTAL LIABILITIES		41,229	39,415	33,956	78,454	69,249
NET ASSETS		232,147	220,834	224,249	382,179	377,666

The financial statements should be read in conjunction with the Statement of accounting policies and Notes to the financial statements.

Major variances compared to the Annual Plan 2023-2024 (in thousands)

Asset variances

Current

Cash and cash equivalents are \$9,164 higher than the annual plan predominantly due to:

- » Holding higher than normal amounts of cash due to short term cashflow requirements.

Receivables are \$3,209 higher than the annual plan due to:

- » Higher levels of outstanding general and rates debtors at year end than planned.

Inventories are \$90 higher than the annual plan due to:

- » Higher than planned levels of consumable inventory on hand at the end of the financial year.

Assets held for resale are \$857 higher than the annual plan due to;

- » Unplanned transfer of Emission Trading Scheme assets from intangible asset classification.

Other financial assets are \$7,341 lower than the annual plan primarily due to:

- » A lower balance of short-term investments held due to the timing of cashflow requirements.

Non-current

Investment Property is \$8,070 lower than the annual plan due to:

- » Higher than planned loss on revaluation of investment property,
- » Lower than planned expenditure on commercial property development,

Other financial assets are \$11,117 higher than the annual plan due to;

- » Higher than planned gains on the long-term investment funds for the year,
- » Higher than planned loans for infrastructure projects.

Property, plant and equipment are \$8,229 lower than the annual plan due to;

- » The deferred development of commercial properties planned for the year,
- » The deferred expansion of the Nursery,
- » Lower than planned capital computer equipment due to leasing computer equipment.

Capital projects in progress is \$13,152 more than the annual plan due to:

- » A number of partial assets not able to be fully capitalised at year end, including investment property redevelopment,
- » Delay in property development for Joint Emergency Co-ordination centre not yet started.

Forestry assets are \$88 more than the annual plan predominantly due to;

- » Gains on the revaluation of forestry assets for this year.

Intangible assets are \$1,034 lower than the annual plan predominantly due to;

- » Unplanned transfer of Emission Trading Scheme assets to asset held for sale.

Liability variances

Current

Payables and deferred revenue is \$2,847 higher than the annual plan due to:

- » High number of invoices payable at the end of this financial year, including capital work invoices
- » Higher than planned levels of funding received in advance for work programmes not undertaken this year

Employee entitlements are \$213 more than the annual plan due to:

- » An increase in employee leave balances
- » Increase in total employees for the year

Non-current

Borrowings and other financial liabilities is \$1,259 less than the annual plan due to:

- » Reduced borrowing required for capital assets and flood infrastructure, due to funding available from early settlement of a loan to NEST,
- » Reduced borrowing for Tsunami Siren upgrade due to unplanned subsidies.

Equity variances

Accumulated funds are \$12.8m less than the annual plan predominantly due to:

- » The 2023/24 annual plan budget being prepared in advance of the 30 June 2023 retained earnings being finalised. The 30 June 2024 Annual plan retained earnings balance of \$181m incorporates the 30 June 2022 actual reported opening balance of \$139m plus \$42m of budgeted operational and capital movements used in the preparation of the 2022/23 Annual Plan plus a further \$34k budgeted operating surplus for the 2023/24 financial year.

Reserves are \$24,081 more than the annual plan, predominantly due to:

- » Revaluation reserves are lower than budgeted due to the fair value movements on councils' infrastructure assets, land and buildings being lower than planned.
- » Unbudgeted gains not utilised in 2023/24 are set aside in a reserve to fund future council identified projects.
- » At year end the balance of the CDEM Facilities Reserve is higher than budgeted due funding for the Joint

Emergency Co-ordination centre not required as anticipated.

- » At year end the balance of the property reinvestment reserve is higher than budgeted due to funds not required for commercial developments this financial year.

- » At year end the balance of the land management reserve is higher than budgeted due to funds not required, for the nursesey expansion and freshwater farm planning programme.

Statement of cash flows

For the year ended 30 June 2024	Council 30-Jun-24 \$000	Annual Plan 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Cash flows from operating activities					
Receipts from rates revenue	46,243	45,566	41,846	46,243	41,846
Receipts from customers	9,736	13,545	8,637	20,212	19,349
Interest received	661	394	499	695	502
Dividends received	2,989	3,542	3,543	7,105	8,440
Subsidies and grants received	21,250	11,695	18,333	21,250	18,333
Payments to suppliers and employees/members	(73,130)	(79,852)	(66,780)	(81,552)	(75,354)
Interest paid	(777)	(1,151)	(555)	(2,627)	(2,180)
Income tax paid	-	-	-	(23)	(27)
Net goods and services tax received/(paid)	191	4,152	(442)	191	(442)
Net cash from operating activities	7,163	(2,109)	5,081	11,494	10,467
Cash flows from investing activities					
Receipts from sale of property, plant and equipment	582	-	681	758	681
Receipt from the sale of investments	47,787	14,791	45,385	47,787	45,385
Loan repayments received	1,976	-	1,005	1,976	1,005
Loans made	(1,350)	-	-	(1,350)	-
Purchase of property, plant and equipment and intangible assets	(14,425)	(9,445)	(13,793)	(14,733)	(14,078)
Purchase of investment property	(964)	(5,519)	(7,431)	(3,926)	(10,025)
Purchase of financial investments	(44,196)	(2,694)	(32,379)	(44,196)	(32,379)
Disposal of investment in subsidiary	-	-	-	-	-
Net cash from investing activities	(10,590)	(2,867)	(6,532)	(13,684)	(9,411)
Cash flows from financing activities					
Proceeds received from ASB facility	-	-	-	1,490	400
Dividends paid	-	-	-	(2,587)	(3,064)
Proceeds from borrowings	6,100	7,359	4,400	6,100	4,400
Repayment of borrowings	-	-	-	-	-
Net cash from financing activities	6,100	7,359	4,400	5,003	1,736
Net increase (decrease) in cash, cash equivalents and bank overdrafts	2,673	2,383	2,949	2,813	2,792
Cash, cash equivalents and bank overdrafts at the beginning of the year	7,477	(1,397)	4,528	7,550	4,758
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR	10,150	986	7,477	10,363	7,550

Reconciliation of net surplus after tax to the cash flows from operations

For the year ended 30 June 2024	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Surplus/(deficit) after tax	8,398	12,099	9,804	16,442
Add/(less) non cash items				
Depreciation & amortisation expense	2,182	1,734	2,744	2,280
Share of associate companies' (surplus)/loss	(14)	(51)	(899)	234
Fair value adjustments	3,252	(3,019)	6,274	(2,790)
Non cash (gain)/loss on externally managed funds and loans	(5,074)	(3,940)	(5,074)	(3,940)
Other non-cash items	(30)	(36)	(30)	(36)
Total non cash items	316	(5,312)	3,015	(4,252)
Add/(less) items classified as investing or financing activities				
(Gains)/loss on sale of property plant and equipment	(365)	(21)	(384)	(21)
Total items classified as investing or financing activities	(365)	(21)	(384)	(21)
Add/(Less) movements in working capital				
Decrease (increase) in trade and other receivables	(2,223)	(1,794)	(2,656)	(2,051)
Decrease (increase) in prepayments	(144)	(281)	(154)	(255)
Decrease (increase) in inventory	(85)	(6)	(62)	41
(Decrease) increase in tax payable	-	-	301	80
(Decrease) increase in trade and other payables	1,160	(1,010)	1,048	(1,432)
(Decrease) increase in revenue received in advance	(31)	(44)	184	(44)
(Decrease) Increase in employee entitlements accrual	44	232	84	234
Investing capital items included in working capital movements	93	1,218	314	1,725
	(1,186)	(1,685)	(941)	(1,702)
Net cashflows from operating activities	7,163	5,081	11,494	10,467

Statement of accounting policies

Reporting entity

Northland Regional Council is a local authority established under, and governed by, the Local Government Act 2002 and the Local Government (Rating) Act 2002.

The group consists of the ultimate parent, Northland Regional Council and its subsidiary Marsden Maritime Holdings Limited (53.61% owned). The council's equity share of its associates, Northland Inc. Limited (33.3%) and Regional Software Holdings Limited (16.75% for the IRIS programme; 10.87% for the IRIS Next Generation programme), is equity accounted into the parent entity financial statements.

Northland Regional Council and its subsidiary and associates are incorporated, domiciled and operate in New Zealand.

The primary objective of Northland Regional Council is to provide goods or services and perform regulatory functions for the community benefit rather than making a financial return. Accordingly, Northland Regional Council has designated itself and the group as Public Benefit Entities for financial reporting purposes.

Reporting period

The financial statements of the council and group are for the year ended 30 June 2024. The financial statements were authorised for issue by council on 24 September 2024.

Basis of preparation

The financial statements have been prepared on the going concern basis, and accounting policies have been applied consistently throughout the period.

Statement of Compliance

The financial statements of the council and group have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements comply with PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, which is the functional currency of Northland Regional Council and all values are rounded to the nearest thousand dollars (\$000).

Changes in Accounting Policies

2022 Omnibus Amendments to PBE Standards

The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards.

The revised PBE standards were adopted in the year ending 30 June 2024 and have not had any significant impact on the parent or group financial statements.

There have been no other changes in accounting policies during 2024.

Standards issued but not yet effective

PBE IFRS 17 Insurance Contracts

PBE IFRS 17 Insurance Contracts for public sectors was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted.

Council has not assessed in detail the effect of the new standard and will adopt the standard in the year ending 30 June 2027.

Disclosure of Fees for Audit Firms' Services – (Amendments to PBE IPSAS 1)

Disclosure of Fees for Audit Firms' Services (the amending Standard) was issued in May 2023. This amending standard updates the required disclosures for fees relating to services provided by the entity's audit or review firm. The fees must be disaggregated into specified categories and there is guidance to assist entities in determining the types of services to include in each category.

This standard is effective for reporting periods beginning on or after 1 January 2024 with early adoption permitted.

There will be no financial effect on the financial statements as the amendment only requires greater disclosure of incurred expenditure. Council will adopt this amending standard in the year ending 30 June 2025.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate;

Significant accounting policies that do not relate to a specific note are outlined below;

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows of entities in the group on a line by line basis. All intra-group balances, transactions, revenues and expenses are eliminated on consolidation.

Foreign currency transactions

Foreign currency transactions (including those for which forward exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus/deficit, except when deferred in equity as qualifying cash flow hedges.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables, and creditors and other payables, which are stated on a GST inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position;

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows;

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The 2024 budget figures are those approved by the council in its 2023/2024 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Council and group investment property and owner occupied property (land and buildings) are revalued annually by independent valuers. The fair value of the investment

properties is based on the market values, being the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction. Due to the relatively low level of recent transactions in some areas, these valuations are inherently subjective. The estimates and assumptions that have a significant risk of causing a material adjustment to the fair value of investment property and owner occupied property are provided in Notes 11 and 13 respectively.

Council's infrastructure assets are revalued by an independent valuer at regular intervals, with the most recent infrastructure valuation, undertaken in 2023. There are a number of estimates and assumptions exercised when valuing the individual elements (stop banks, floodgates, spillways) of infrastructure assets, such as estimating the age, condition, optimisation and remaining life of each element. A comparison of the carrying value of infrastructure assets and the fair value of infrastructure assets using market-based evidence is undertaken annually. In assessing generic market changes there is inherent uncertainty, and actual results may vary from estimates and these variations may be significantly more or less favourable than assumed depending on the asset class in question. Further detail is provided in Note 13.

Council's forestry assets are revalued annually by an independent valuer. There are a number of estimates and assumptions exercised when valuing forestry assets such as estimating the discount rates to determine future tree crop cash flows. Further detail is provided in Note 15.

The estimation of the useful lives of assets has been predominantly based on historical experience. Useful lives are reviewed on an annual basis and adjustments are made when considered necessary.

Marsden Maritime Holdings Limited has determined that it is appropriate to only recognise tax losses in the financial statements to a level that directly offsets the deferred tax liability. Further detail is provided in Note 5.

Climate Change

In preparing the parent and group financial statements, council has considered the impact of climate change including climate change scenarios on the estimates and judgments used in preparing the financial statements.

The following impacts were assessed in the financial statements:

- » The impact of climate change on the residual values, useful life, and indication of impairment of infrastructure Assets in Note 13.

It is reasonable to expect that for the year ended 30 June 2024 there is no material impact on financial reporting judgements and estimates arising from climate change, and as a result the valuations of assets and liabilities have

not been significantly impacted by climate change to the point where it would qualitatively influence stakeholders' decisions.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2024.

Council's investment in Regional Software Holdings Limited has been treated as an associate as it is considered that council holds significant influence over the financial and operating policies of Regional Software Holdings Limited due to the fact that a member of council's executive leadership team is on the board of directors of Regional Software Holdings Limited.

Councils' investment in Northland Inc. Limited has been treated as an associate as it is considered that council holds significant influence over the financial and operating policies of Northland Inc. Limited due to the fact that council shares joint control of Northland Inc. Limited with Kaipara District Council (33.3%) and Far North District Council (33.3%).

Notes to the financial statements

Note 1: Summary revenue and expenditure for groups of activities

Accounting policy

Northland Regional Council has derived the cost of service for each significant activity of the council using the cost allocation system outlined below. Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant operating activities using appropriate cost drivers such as staff numbers. There have been no changes to the cost allocation methodology during the year.

Breakdown of summary revenue and expenditure for group of activities:

	Council 30-Jun-24 \$000	Annual Plan 30-Jun-24 \$000	Council 30-Jun-23 \$000
Revenue			
Community Resilience	19,772	16,522	15,178
Natural Environment	38,462	32,843	32,114
Flood Protection	8,199	4,889	9,690
Regional Leadership	38,083	36,196	34,465
Total activity revenue and rates as per activity funding impact statements	104,516	90,450	91,447
Internal charges and overheads recovered	(13,889)	(13,487)	(13,564)
Other gains not attributable to an activity	478	-	3,045
Total revenue as per statement of comprehensive revenue and expense	91,105	76,963	80,928
Expenses			
Community Resilience	12,626	13,574	12,336
Natural Environment	44,819	41,479	37,537
Flood Protection	3,426	2,903	2,606
Regional Leadership	30,201	30,225	28,197
Total activity expenses as per activity funding impact statements	91,072	88,181	80,676
Internal charges and overheads recovered	(13,889)	(13,487)	(13,564)
Other expenses not attributable to an activity	3,356	-	34
Depreciation and amortisation	2,182	2,235	1,734
Total expenses as per statement of comprehensive revenue and expense	82,721	76,929	68,880

BREAKDOWN OF DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY	Note	Council 30-Jun-24 \$000	Annual Plan 30-Jun-24 \$000	Council 30-Jun-23 \$000
Community Resilience		207	358	151
Natural Environment		719	321	517
Flood Protection		288	266	240
Regional Leadership		968	1,290	826
TOTAL DEPRECIATION AND AMORTISATION EXPENSE	13	2,182	2,235	1,734

Note 2: Revenue

Accounting policy

Revenue is measured at fair value of the consideration received or receivable.

Rates revenue: Rates are set annually by a resolution of council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised and brought to account when the rates are payable based on the council's best estimate of what is expected to be collected. Rate penalties arising from late payment are recognised as revenue when rates become overdue. Rates remissions are recognised as a reduction of rates revenue when the council has received an application that satisfies its rates remission policy. These transactions are classified as non-exchange transactions.

Fees and charges: Fees and charges are recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services provided. The majority of this type of revenue is exchange transactions.

Grants and subsidies: Grants and subsidies are recognised as revenue when the primary conditions of entitlement have been met. These are non-exchange revenue transactions. Where a transfer is subject to conditions that, if unfulfilled, require the return of transferred resources, council recognises a liability until the condition is fulfilled.

Sales of goods: Revenue from the sale of goods is recognised when a product is sold to a customer.

Interest: Interest income is recognised using the effective interest method.

Other revenue – Dividends: Dividends are recognised when the right to receive payment has been established. Dividend income is recorded at the cash amount received, being net of taxation imputation credits.

Rental revenue: Rental revenue from investment property is recognised in the surplus or deficit on a straight-line basis over the term of the lease. Any short term rent relief provided is fully recognised in the period in which it occurs.

Funds collected for other organisations: Funds are collected for other organisations, including central government. Any funds held at balance date are included in term and current liabilities. Amounts collected on behalf of third parties are not recognised as revenue, except for the commissions or fees earned.

Vested assets: Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the council are recognised as revenue when the control over the asset is obtained.

Infringement fees and fines: Infringement fees and fines are recognised when the infringement notice is issued.

Externally managed investment fund gains: Externally managed investment funds are measured at fair value, and any gains or losses on re-measurement are recognised in the surplus or deficit.

2(i) Rates remission, penalties, early payment discounts

Rates revenue is shown net of rates remissions and postponements. The Northland Regional Council's rates remission policies allow it to remit approved rates as per the Rates Remission Policies of the Territorial Authorities that collect Northland Regional Council's rates on its behalf.

2(ii) Breakdown of other revenue

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Rental revenue from investment properties	4,327	3,439	12,817	11,184
Dividend revenue - Marsden Maritime Holdings Limited	2,989	3,543	-	-
Total other revenue	7,316	6,982	12,817	11,184

Operating leases as lessor

The future aggregate minimum lease payments to be collected under non-cancellable operating leases at year end are as follows:

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Not later than one year	3,175	3,267	7,985	7,383
Later than one year and not later than five years	6,080	5,676	16,499	15,267
Later than five years	2,747	2,552	9,391	10,177
Total non-cancellable operating leases	12,002	11,495	33,875	32,827

Council

Operating leases relate to investment properties owned by Northland Regional Council. The majority (in terms of numbers) of council's investment property portfolio is made up of leasehold properties. These leasehold properties have perpetual lease terms of 20 or 21 years. The lessee has the option to renew the lease at the completion of each term. All leases contain market review clauses at varying cycles or upon renewal. The lessee does not have a right to purchase the property at the expiry of the lease. Council has four residential properties with fixed or periodic tenancies and owns 37 freehold commercial properties, of which eight are owner occupied, six are vacant for redevelopment, and the remaining have lease terms of between one month and 12 years.

Marsden Maritime Holdings Limited

Marsden Maritime Holdings Limited leases land and buildings to a variety of customers within close proximity to the port. These non cancellable leases have remaining terms of between one month and 24 years. All leases include a clause to enable upward revision of the rental charge on contractual rent review dates according to prevailing market conditions.

No contingent rents have been recognised during the year.

2(iii) Breakdown of other gains:

	Note	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Gain on revaluation of investment property	11	-	2,839	-	2,566
Gain on revaluation of forestry assets	15	88	180	88	180
Gain on disposal of property, plant and equipment		365	21	388	21
Total non-financial instruments gains		453	3,040	476	2,767
Externally Managed Investment Funds		5,074	3,940	5,074	3,940
Gain on fair value adjustment of financial investments		-	-	2	44
Reversal of impairment		25	5	25	5
Total financial instruments gains		5,099	3,945	5,101	3,989
Total other gains		5,552	6,985	5,577	6,756

2(iv) Breakdown of subsidies and grants

	Note	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Central government ministries and departments		7,660	8,735	7,660	8,735
Territorial local authorities		5,788	2,699	5,788	2,699
Predator Free 2050		2,951	1,843	2,951	1,843
NZ Transport Agency Waka Kotahi		2,891	2,828	2,891	2,828
National Emergency Management Agency		1,037	121	1,037	121
Other subsidies and grants		1,890	644	1,890	644
Total other subsidies and grants		22,217	16,870	22,217	16,870

There are no unfulfilled conditions or other contingencies attached to subsidies and grants recognised.

Note 3: Personnel costs

Accounting policy

Personnel costs includes salaries, wages, leave and other employee-earned compensation. Employer contributions to KiwiSaver and the National Provident Fund; Pension National Scheme, and Lump Sum National scheme are accounted for as defined contribution plans and are recognised in the surplus or deficit as incurred.

Breakdown of personnel costs and further information:

	Note	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Salaries and wages		27,142	24,383	29,279	26,204
Employer contributions to defined contribution plans		882	668	882	668
Increase/(decrease) in employee benefit liabilities	18	44	232	83	234
Total personnel costs		28,068	25,283	30,244	27,106

Chief Executive remuneration

The Chief Executive of the council was appointed in accordance with section 42 of the Local Government Act.

The total remuneration (including any non financial benefits) paid or payable for the year ended 30 June 2024 to the Chief Executive was \$378,742 (2023: \$442,954).

In the year ending 30 June 2023, there was a change in the Council's Chief Executive. The total Chief Executive remuneration paid in the year ending 30 June 2023 included a \$20,000 bonus and \$82,792 of accrued and untaken leave both paid to the departing Chief Executive.

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000
Salary	355	337
Accrued and untaken leave paid on termination	-	83
Vehicle - FBT cost	9	12
Kiwisaver employer contribution	14	10
Memberships and allowances	1	1
Total remuneration	379	443

Elected representatives

Elected representatives received the following remuneration:

	Note	Salary 30-Jun-24 \$000	Non-salary 30-Jun-24 \$000	Total Council Remuneration 30-Jun-24 \$000	Total Council Remuneration 30-Jun-23 \$000
Geoff Crawford, Chair		106	4	110	46
Tui Shortland, Deputy Chair, ex Chair		105	1	106	91
Jack Craw, ex Deputy Chair		76	3	79	75
John Blackwell		71	12	83	50
Joe Carr		72	15	87	48
Peter-Lucas Jones		71	5	76	48
Amy Macdonald		71	5	76	69
Marty Robinson		71	11	82	75
Rick Stolworthy		71	9	80	75
Penny Smart, ex Chair		-	-	-	38
Justin Blaikie, ex Deputy Chair		-	-	-	26
Terry Archer, ex Councillor		-	-	-	24
Colin Kitchen, ex Councillor		-	-	-	21
Joce Yeoman, ex Councillor		-	-	-	22
Total elected representatives' remuneration	4	714	65	779	708

With the enactment of the Local Government Act 2002, the Remuneration Authority is responsible for setting the remuneration levels for elected members. The council monetary remuneration (salary) detail above was determined by the Remuneration Authority. Councillors are able to claim an allowance for mileage, child care, travel time and communications. These allowances are set by the Remuneration Authority and paid to Councillors based on claims approved by the council chair and chief executive.

Council employee remuneration by band

The annual remuneration by band for council employees as at 30 June 2024 is detailed below. For employees receiving remuneration of \$60,000 or more, they are grouped into \$20,000 bands as presented below. For any \$20,000 bands with five or fewer employees in the band, they are combined upwards with the next banding as stipulated in the Local Government Act 2002.

Total annual remuneration by band for employees at 30 June:	Council 30-Jun-24	Council 30-Jun-23
< \$60,000	53	43
\$60,000 - \$79,999	101	103
\$80,000 - \$99,999	114	98
\$100,000 - \$119,999	45	27
\$120,000 - \$139,999	12	11
\$140,000 - \$159,999	7	8
\$160,000 - \$199,999	7	6
\$200,000 - \$279,000	5	4
\$340,000 - \$369,999	1	1
Total employees	345	301

Total remuneration includes any non financial benefits provided to employees.

At 30 June 2024, the council employed 288 (2023: 266) full time employees with the balance of staff representing 27.12 (2023: 15.33) full time equivalent employees. A full time employee is determined on the basis of a 37.5, and 40 hour where applicable, working week.

Severance payments

For the year ending 30 June 2024, the council made one severance payment to an employee of \$8,000 (2023: one payment of \$20,000).

Note 4: Other expenses

Accounting Policy

Expenditure is recognised when goods and services have been received.

Grant expenditure: Non-discretionary grants are those grants that are awarded when the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where the council has no obligation to award the grant on receipt of the grant application and are recognised as expenditure when the grant conditions have been satisfied.

Operating leases: An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. All the leases of the council and group are operating leases.

Breakdown of other expenses and further information:

	Note	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Fees to external auditors:					
Fees to Deloitte for audit and review services		190	179	190	179
Fees to Deloitte for other assurance services		113	-	113	-
Fees to Deloitte for other services*		41	37	41	37
Fees to OAG for audit of financial statements		18	11	18	11
Fees to EY for the audit of the Marsden Maritime Holdings Group		-	-	122	109
Directors'/Councillors' fees and trustee remuneration	3	779	708	1,170	1,274
Donations		1,982	1,609	1,984	1,626
Operating lease payments		340	296	355	311
Current year rates written off		127	52	127	52
Impairment of receivables	7	1,090	1,071	1,069	1,127
Operating grants to Northland Inc. Limited		1,972	1,824	1,972	1,824
Other payments to Northland Inc. Limited		368	226	368	226
Payments to Regional Software Holdings Limited		959	800	959	800
Loss on fair value adjustment of financial investments		126	34	126	34
Loss on revaluation of investment property assets	11	3,128	-	6,152	-
Loss on revaluation of forestry carbon credit assets held for sale	9	86	-	86	-
Other operating expenses		40,300	34,461	46,182	40,533
Total other expenses		51,619	41,308	61,034	48,143

* The fees paid to Deloitte for other services for the year ending 30 June 2024 were for detection analytics and awareness training in respect to fraud and corruption.

Council acts as an agent in relation to the Kaipara Moana Remediation Programme (KMRP) and accordingly costs and funding are not recorded in council's financial statements. However for completeness we note Deloitte undertakes an agreed procedures engagement for the KMRP and the fee for 2023-24 is expected to be approximately \$12,000.

The loss on revaluation of investment property and forestry carbon credits resulted from the annual revaluation of these investment assets.

Operating leases as lessee

The future aggregate minimum lease payments payable under non-cancellation operating leases existing at year end are as follows:

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Not later than one year	333	267	333	267
Later than one year and not later than five years	376	286	376	286
Total non-cancellable operating leases	709	553	709	553

Note 5: Taxation

Accounting policy

The income tax expense includes both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expense or directly in equity.

Breakdown of taxation and further information:

	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Components of tax expense		
Current tax expense/(credit)	188	25
Deferred tax asset	300	
Tax expense	488	25
Relationship between tax expense and accounting surplus		
Surplus/(deficit) before tax	10,292	16,467
Taxation at 28%	2,882	4,611
Plus (less) tax effect of:		
Non-deductible expenditure	949	-
Imputation dividend receipts	(1,977)	(3,735)
Non-taxable income	(1,516)	(928)
Tax paid on joint venture company earnings	(248)	83
Tax depreciation on building	301	-
Prior year adjustment	44	-
Carried forward losses derecognised/(recognised)	53	(6)
Tax expense/(benefit)	488	25
Deferred tax		
Balance at 1 July	(73)	7
Items charged to profit and loss	(301)	(80)
Balance at 30 June	(374)	(73)
Represented by:		
Investment property	(2,593)	(2,207)
Property plant and equipment	(496)	(188)
Financial instruments	(106)	(271)
Provisions	35	33
Deferred tax liability	(3,160)	(2,633)
Deferred tax asset (tax effect of losses carried forward)	2,786	2,560
Net deferred tax asset / (liability)	(374)	(73)

Council's net income subject to income tax consists of its assessable income net of related expenses derived from the Marsden Maritime Holdings Group, and any other council controlled organisations. All other income currently derived by Northland Regional Council is exempt from income tax.

A deferred tax asset has not been recognised in relation to tax losses in Northland Regional Council of \$15,345,995 (2023: \$15,341,995) as council considers it unlikely that the benefit of these losses will be utilised against future taxable income.

The ability to claim tax depreciation deductions on buildings with an estimated useful life of 50 years or more will be removed from the start of the 2024/25 income tax year. Marsden Maritime Holdings Limited has reviewed the assets that may be included in this category and has provided for all such buildings that meet the IRD's definition of buildings and this has resulted in an increase to tax expense and a movement in deferred tax of \$300,543.

As at 30 June 2024 Marsden Maritime Holdings Limited group has taxation losses amounting to \$9,949,502 of which the tax effect is \$2,785,861 (2023: losses \$9,144,510 tax effect \$2,560,463) subject to Inland Revenue Department confirmation. Due to the timeframe in which assessable income is anticipated to be available to offset such losses, MMH has determined that it is appropriate to only recognise losses in the financial statements to a level that directly offsets the deferred tax liability.

Note 6: Cash and Cash Equivalents

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Cash on hand and at trading banks *	1,666	1,310	1,879	1,383
Cash on hand and at trading banks held as part of the Long Term Fund	26	26	26	26
Term deposits, held as part of the Short Term Fund - with maturities of less than 3 months acquisition	8,432	3,000	8,432	3,000
Term deposits, held as part of the Long Term Fund - with maturities of less than 3 months acquisition	26	3,141	26	3,141
Other Term deposits - with maturities of less than 3 months at acquisition	-	-	-	-
Total cash and cash equivalents	10,150	7,477	10,363	7,550

Although cash and cash equivalents at year end are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

* The council holds unspent funds included in cash on hand and at trading banks of \$83,552 relating to marine farm bonds that are subject to restrictions (2023: \$90,545 marine farm bonds and commercial bonds). At year end there was no cash or cash equivalents relating to retention monies withheld under commercial construction contracts (2023: \$0).

Note 7: Current receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (CL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

- » when remitted in accordance with the Council's rates remission policy; and
- » in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off:

- » when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than six years overdue.

Prepayments comprise significant items of expenditure having a benefit to more than one accounting period and are expensed over the period to which they relate.

Breakdown of receivables and further information

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Rates receivables	7,649	6,564	7,649	6,564
Other receivables	7,069	5,096	7,828	5,499
GST receivable	1,006	988	1,072	988
Receivables from subsidiaries and associates	10	-	-	-
Prepayments	863	719	1,019	865
Gross debtors and other receivables	16,597	13,367	17,568	13,916
Less allowance for credit losses	(5,794)	(4,931)	(5,829)	(4,987)
Total current receivables	10,803	8,436	11,739	8,929
Total current receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements and fees and charges that are partly subsidised by rates	7,149	5,484	7,361	5,630
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	3,654	2,952	4,378	3,299
	10,803	8,436	11,739	8,929

Expected Credit Losses (ECL)

The ECL rates applicable for other receivables and rates receivables at 30 June 2024 are based on the payment profile of revenue on credit over the prior two years for other receivables, and three years for rates receivables, at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

The allowance for credit losses based on council and the group's credit loss matrix is as follows:

	1 to 30 days	30 to 60 days	Current receivable past due		Total
			60 to 90 days	More than 90 days	
Council - 30 June 2024					
Rates receivable					
Expected credit loss rate	0.0%	-	-	79.3%	-
Gross receivable amount (\$,000)	1,051	-	-	6,598	7,649
Lifetime ECL (\$,000)	-	-	-	5,233	5,233
Other receivable					
Expected credit loss rate	0.22%	0.35%	65%	94%	-
Gross receivable amount (\$,000)	5,793	521	21	564	7,079
Lifetime ECL (\$,000)	13	2	14	532	561
Total Rates and Other Receivable Lifetime ECL (\$,000)	13	2	14	5,765	5,794
Council - 30 June 2023					
Rates receivable					
Expected credit loss rate	0.0%	-	-	79.4%	-
Gross receivable amount (\$,000)	1,074	-	-	5,490	6,564
Lifetime ECL (\$,000)	-	-	-	4,359	4,359
Other receivable					
Expected credit loss rate	0.8%	6.0%	65%	100%	-

Gross receivable amount (\$,000)	4,170	406	14	506	5,096
Lifetime ECL (\$,000)	33	24	9	506	572
Total Rates and Other Receivable Lifetime ECL (\$,000)	33	24	9	4,865	4,931
Group - 30 June 2024					
Rates receivable					
Expected credit loss rate	0.0%	0.0%	0.0%	79.3%	-
Gross receivable amount (\$,000)	1,051	-	-	6,598	7,649
Lifetime ECL (\$,000)	-	-	-	5,233	5,233
Other receivable					
Expected credit loss rate	0.20%	0.35%	65%	95%	-
Gross receivable amount (\$,000)	6,687	521	21	600	7,828
Lifetime ECL (\$,000)	13	2	14	567	596
Total Rates and Other Receivable Lifetime ECL (\$,000)	13	2	14	5,800	5,829
Group - 30 June 2023					
Rates receivable					
Expected credit loss rate	0.0%	0.0%	0.0%	79.4%	-
Gross receivable amount (\$,000)	1,074	-	-	5,490	6,564
Lifetime ECL (\$,000)	-	-	-	4,359	4,359
Other receivable					
Expected credit loss rate	0.7%	6.0%	65%	100%	-
Gross receivable amount (\$,000)	4,517	406	14	562	5,499
Lifetime ECL (\$,000)	33	24	9	562	628
Total Rates and Other Receivable Lifetime ECL (\$,000)	33	24	9	4,921	4,987

	Note	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Movements in the allowance for credit losses are as follows:					
Opening balances for credit losses at 1 July		4,931	4,070	4,987	4,070
Additional provisions made during the year	4	1,090	1,071	1,069	1,127
Provisions reversed during the year		-	-	-	-
Rate arrear receivables written off during the year		(220)	(185)	(220)	(185)
Other receivables written off during the year		(7)	(25)	(7)	(25)
Balance at 30 June		5,794	4,931	5,829	4,987

The council and group holds no collateral as security or any other credit enhancements over receivables that are either past due or impaired.

Note 8: Inventory

Accounting policy

Inventories such (as stores, chemicals and materials) held for distribution or for use in the provision of goods and services that are not supplied on a commercial basis are measured at the lower of cost, or cost adjusted when applicable, for any loss of service potential.

Inventories held for use in the provision of goods and services on a commercial basis are measured at the lower of cost and net realisable value.

Breakdown of inventory and further information:

	Note	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Stores and materials		361	276	445	383
		361	276	445	383

There has been no write-down of inventory. No inventory is pledged as security for liabilities.

Note 9: Assets held for sale

Accounting policy

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Investment property classified as assets held for sale are recognised at fair value. Any gains/losses on investment property held for sale are recognised in surplus/deficit.

Breakdown of assets held for sale and further information:

	Note	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Balance at 1 July		0	987	0	987
Transfers from/(to) investment properties	11	-	(987)	-	(987)
Transfer of forestry carbon credits from/(to) intangible assets	14	943	-	943	-
Fair value (loss) on revaluation of forestry carbon credits	4	(86)	-	(86)	-
Total assets held for sale		857	0	857	0

Council

During the year, council transferred 17,460 carbon credits (NZU'S) to an Emission Trading Scheme Management Consultant in an endeavour to sell these units in the domestic carbon market. At the end of the financial year, the market value of a NZU was \$50.25 and the fair value of council's carbon credit holding less the estimated cost to sell of \$20,166 was \$857,199.

Note 10: Other financial assets

Accounting policy

Other financial assets are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- » amortised cost;
- » fair value through surplus and deficit (FVTSD);
- » fair value through other comprehensive revenue and expense (FVTOCRE).

Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Instruments in this category include term deposits and loans. Where applicable any interest accrued is included as a current receivable.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Councils short-term and Long-term managed fund are portfolio's of financial assets that are actively traded with the intention of making profits. Therefore, after initial recognition, the managed fund is measured at fair value, with gains and losses recognised in the surplus or deficit.

Breakdown of other financial assets and further information:

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
CURRENT PORTION				
Term deposits, and other securities *	2,036	3,041	2,036	3,041
Term deposits held as part of the Short Term Fund	1,945	1,019	1,945	1,019
Term deposits held as part of the Long Term Fund	135	2,041	135	2,041
Short term investment fund	2,283	5,341	2,283	5,341
Total current portion	6,399	11,442	6,399	11,442
NON-CURRENT PORTION				
Other loans	1,226	1,922	1,226	1,922
Term deposits and other securities	526	373	763	765
Long Term Fund	65,383	59,012	65,383	59,012
Total non-current portion	67,135	61,307	67,372	61,699
TOTAL OTHER FINANCIAL ASSETS	75,534	72,749	73,771	73,141

* includes \$227,171 (2023: \$441,874) of term deposits held as retentions under commercial construction contracts and subject to restrictions

Fair value

The carrying amount of term deposits approximates their fair value. No Expected Credit losses have been recognised for term deposits as all of councils Term deposits are held with banks that have a long-term AA- investment grade credit rating, which indicates the bank has a very strong capacity to meet its financial commitments.

Other loans

During the year, Northland Emergency Services Trust (NEST) fully repaid their loan balance of \$1,951,214. The associated fair value of this loan was \$1,922,427 and the non-cash fair value adjustment of \$28,787 was unwound and recognised through this year's interest revenue.

During the year, council opened a credit facility of \$2,500,000 for Te Tai Tokerau Water Trust (TTTWT) to support the construction of the Te Waihekeora water storage reservoir and associated water distribution network. On 18 October 2023, TTTWT drew down \$1,350,000 of this credit facility at a fixed interest rate of 6.3% pa fully repayable by 17 October 2027. At year end there remains an available credit facility balance of \$1,150,000 with an applicable commitment fee of 0.25% pa. The expiry date to make any further drawdowns from this facility is 26 October 2024.

The carrying amount of the amount drawn down by TTTWT is \$1,225,874 reflecting a non-cash fair value adjustment of \$107,521 to account for the fact the interest rate is below an assessed market rate of 9.0%. The fair value adjustment of \$107,521 will be unwound through interest revenue until the repayment date. In addition an estimated credit loss (ECL) of \$16,605 has been recognised on the credit facility amount drawn down by TTTWT to reflect the Reserve Bank of New Zealand's non performing loan ratio applicable to Small and Medium Enterprises.

Fonterra Cooperative Group Limited Shares

As at 30 June 2024, Marsden Maritime Holdings Limited and its Group held 79,956 co-operative shares in Fonterra Co-operative Group Ltd having a disclosed fair value of \$2.96 per share (2023: total holding of 119,935 shares at an average of \$3.27 per share) recognising a total fair value increase for the year of \$2k (2023: fair value increase \$44k) - refer Note 2(iii).

Externally managed investment funds

Eriksen and Associates Limited are appointed as council's investment advisors for 2 externally managed investment funds (2023: 2) providing independent overarching investment guidance for these funds. Council's externally managed funds are classified as financial assets at fair value through surplus or deficit as Eriksen and Associates Limited evaluate and report the performance of each fund on a fair value basis (monthly) in accordance with council's Statement of Investment Policy and Objectives (SIPO). This designation is consistent with the investment strategy in council's finance strategy, as the managed funds are managed prudently against the SIPO with a view to prudently maximising and managing returns over the long term within a diverse portfolio that preserves and maintains the capital value of each fund. The Long Term Fund is presented as non current as council does not expect to dispose of it within 12 months of the balance date.

The fair value and carrying value of each fund is calculated using the net market values based upon the listed market values at Balance Date adjusted for any realisation expenses.

Investment commitments

Breakdown of fund managers with uncalled committed investments at year end	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000
Continuity Capital Fund (No.2)	70	80
Continuity Capital Fund (No.4)	140	190
Continuity Capital Fund (No.5)	720	978
Continuity Capital Fund (No.6)	900	1,200
Continuity Capital Fund (No.7)	1,418	1,629
CPE Capital (No.9)	382	380
Direct Capital Fund (No.6)	1,047	1,378
Milford PE Fund (No.3)	365	365
MLC Private Equity fund (No.2)	151	150
MLC Private Equity fund (No.3)	98	206
MLC Private Equity fund (No.4)	2,181	-
Oriens Fund (No.2)	420	610
Pioneer Capital Partners Fund (No.3)	44	64
Pioneer Capital Partners Fund (No.4)	345	359
	8,281	7,589

Externally managed investment fund performance (12 month return to 30 June 2024, net of fees)	Council and Consolidated 30-Jun-24	Council and Consolidated 30-Jun-23
Long Term fund	8.10%	5.70%
Short Term fund	5.80%	5.90%

Weighted average effective interest rates	Council and Consolidated 30-Jun-24	Council and Consolidated 30-Jun-23
Term deposits	5.55%	2.64%
Other securities	4.02%	3.66%

Note 11: Investment property

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at balance date. Fair Value is the price at which a property could be exchanged by knowledgeable and willing parties in an arm's length transaction. Fair Value is determined annually by the valuation undertaken by independent valuers that hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment properties being valued. Values for investment properties valued under PBE IPSAS 16 have been assessed primarily on a market related basis where sufficient data is available. For commercial properties, rentals, investment return rates and land improvement levels have been related directly to a wide range of Northland sales evidence, while for rural blocks direct sales analysis has been used.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Breakdown of investment property and further information:

	Note	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Balance at 1 July		84,153	74,370	194,100	182,749
Additions		969	5,957	3,811	7,634
Transfers from/(to) assets held for sale	9	-	987	-	987
Transfers from/(to) property plant and equipment - buildings	13	-	-	15	26
Movement in lease incentives		-	-	(20)	138
Fair value gains/(losses) on valuation	4/2(iii)	(3,128)	2,839	(6,152)	2,566
Balance at 30 June		81,994	84,153	191,754	194,100

Investment properties valuation - Council

The annual valuation of council's investment properties was performed by CBRE Limited (2023: Telfer Young (Northland) Limited). The valuation is effective as at 30 June 2024.

Council's investment properties are valued at fair value comprising of ground leases of \$35,071,000 (2023: \$36,698,000); freehold, and lessee's interest investment properties (land, buildings and improvements) of \$46,922,666 (2023: \$47,455,000).

The fair value of council's investment property has been determined in accordance with PBE IPSAS16 using the income capitalisation method for freehold properties and a commercial development property, the discounted cashflow method for leasehold properties, the market based comparison approach for two properties in the vicinity of the Kotuku Street Retention Dam. These methods are based upon assumptions including capitalisation rates, future ground lease rental rates, future land value, and an appropriate discount rate.

Capitalisation rate range 5.75% to 10.00% (2023: 5.27% to 9.36%)

Future market rents

+5.60% for five-yearly ground lease rent reviews (2023: 5.60%)

+5.85% for seven-yearly ground lease rent reviews (2023: 5.85%)

+6.90% for 21-yearly ground lease rent reviews (2023: 6.85%)

Annual inflation on land values: 1.75% (2023: 1.75%)

Discount rate: 7.25% (2023: 7.5%)

Investment properties valuation – Marsden Maritime Holdings Limited

Fair value has been determined based on valuations performed as at 30 June 2024, by Brad Sworn of CBRE, industry specialists in valuing these types of assets (2023: Brad Sworn Telfer Young (Northland) Limited).

Fair Value has been determined by using the discounted cash-flows method, Income capitalisation method, and direct comparative approach for freehold properties, and the discounted cash-flows method for the Marsden Cove marina and commercial complex.

These methods are based upon assumptions including lease values, appropriate discount rate, capitalisation rates, exit yields, and annual rental cash-flows.

Land available for lease range*: \$35 – \$250 per square metre (2023: \$40-\$280 per square metre)

Discount rate range: 6.75% – 12.50% (2023: 7.25% – 12.50%)

Capitalisation rate range: 6.75% – 7.50% (2023: 6.25% – 7.50%)

Exit yield range: 7.00% – 8.00% (2023: 6.75% – 8.25%)

Annual Rental cash flow: \$761,838 – \$886,817 (2023: \$620,000 – \$1,019,000)

* Excludes undeveloped land and land designated for a transport corridor which has a value of \$5 per m² (2023: \$5 per m²).

With the exception of a portion of land designated for a transport corridor, the Group has no restrictions on the realisability of its investment property.

Capital Commitments

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Investment Property	-	-	810	10,000
Total capital commitments	-	-	810	10,000

Marsden Maritime Holdings Limited capital commitments at 30 June 2024 amounted to \$810,000 relating to the 2 projects which are currently under contract (2023: \$10,000,000 which relates to the purchase of land under the proposed Oruku Landing conference and multi-events centre, subject to confirmation of Government funding for the project to proceed).

Note 12(i): Investments in subsidiary (excluding CCOs) and joint venture company

Accounting policy

Northland Regional Council consolidates as subsidiaries in the group financial statements all entities over which the council may direct the governance policies so as to obtain benefits from the activities of the entity. This power generally exists where Northland Regional Council has an interest of 50% or more of council-controlled organisations or more than one-half of the voting rights on the governing body.

The investment in subsidiaries is carried at cost in the council's parent entity financial statements.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The group recognises its investment in its jointly controlled entity (NorthPort Limited) using the equity method. Under the equity method, the investment in a jointly controlled entity is initially recognised at cost and the carrying amount is increased or decreased to recognise the group's share of the surplus or deficit of the jointly controlled entity after the date of acquisition. The group's share of the surplus or deficit of the jointly controlled entity is recognised in the surplus or deficit. Investments in jointly controlled entities are carried at cost in council's parent entity financial statements.

For jointly controlled assets the council recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its shares of liabilities and expenses incurred jointly, and revenue from the sale or use of its share of the output of the joint venture.

Breakdown of investments in subsidiary (excluding CCOs) and joint venture company:

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Investment in joint venture company	-	-	54,581	57,185
Shares in Marsden Maritime Holdings Limited (22.14 million shares)	7,828	7,828	-	-
Total investments in subsidiaries (excluding CCOs) and joint venture company	7,828	7,828	54,581	57,185

Council - Investment in Marsden Maritime Holdings Limited

Marsden Maritime Holdings Limited is a listed company. The fair value of these shares, as per the market price at 30 June 2024 is \$3.45 per share (2023: \$4.97 per share). The shares are held at historical cost of \$0.35 cents per share. Council shareholding in Marsden Maritime Holdings Limited is 53.61%.

Summarised financial information of the joint venture company, Northport Limited, is presented below:

	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Current assets	4,979	5,739
Non-current assets	158,451	163,739
Current liabilities	4,221	4,233
Non-current liabilities	47,455	48,283
Net assets	111,754	116,962
Group share of net assets (50%)	55,877	58,481
Other consolidation adjustments	(1,296)	(1,296)
Total Investment in joint venture company	54,581	57,185
Opening carrying value	57,185	61,448
Share of after tax surplus	7,946	8,135

Dividends paid	(7,061)	(8,420)
Share of land revaluation movement	(3,271)	(4,188)
Share of hedge reserve movement	(218)	210
Closing carrying value	54,581	57,185
Revenue	40,722	40,545
Net surplus	15,892	16,247
Current period write back in respect of previous inter-entity asset sales	-	12
Total share of joint venture company net surplus (50%)	7,946	8,135

Joint venture commitments and contingencies

Details of any commitments and contingent liabilities arising from the group's involvement in associated companies are disclosed separately in Notes 13 and 21.

Note 12(ii): Investments in council-controlled organisations

Accounting policy

The council's associate investment is accounted for in the group financial statements using the equity method. An associate is an entity over which the council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of the surpluses only after its share of the surpluses equals the share of deficits not recognised.

When the group transacts with associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investment in the associate is accounted for using the equity method in the council's parent entity financial statements.

Breakdown of investments in council-controlled organisations and further information:

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Investment in Northland Inc Limited (Associate)	66	64	66	64
Investment in Regional Software Holdings Limited (associate)	340	328	340	328
Total investments in council controlled organisations	406	392	406	392

Northland Inc Limited (Associate)

Northland Inc Limited is a Limited Company incorporated and registered under the Companies Act 1993 and is a council controlled organisation as defined in section 6 of the Local Government Act. Northland Inc Limited is an associate of council with a primary objective to develop the economy of Northland and review funding opportunities for the Investment and

Growth Reserve. Northland Inc Limited is classified as an associate as it is considered that council holds significant influence over the financial and operating policies of Northland Inc Limited due to the fact that council shares joint control of Northland Inc Limited with Kaipara District Council (33.3%) and Far North District Council (33.3%).

Summarised financial information of Northland Inc Limited presented on a gross basis:

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000
Assets	2,708	2,120
Liabilities	2,508	1,929
Revenue	6,042	14,589
Expenditure	6,035	14,573
Accumulated funds	199	192
Total equity	199	192
Council's interest in associate	33.33%	33.33%
Council investment in Associate (before impairment)	66	64
Council impairment in investment in Associate	-	-
Council's investment in Regional Software Holdings Limited in Council parent financial statements	66	64

Regional Software Holdings Limited (Associate)

Regional Software Holdings Limited (RSHL) is a Limited Company incorporated and registered under the Companies Act 1993 and is a council controlled organisation as defined in section 6 of the Local Government Act.

RSHL is an associate of council with a primary objective to provide a framework for collaboration between the shareholders across the regional sector, supporting the procurement or development of shared solutions in a manner that generates consistency and provides a more cost effective alternative than individual councils can achieve on their own.

During the year, RSHL was restructured and adopted a new shareholders agreement and constitution. As part of the RSHL restructure the existing ordinary shares were converted to Class B Shares, and a new single class A share was issued to the existing shareholders and 3 new shareholders; namely Bay of Plenty Regional Council, Gisborne District Council and Hawkes Bay Regional Council.

Council also has 1 Class A share representing a 10.00% (2023: 11.11%) shareholding in the IRIS NextGen programme and the other collaborative projects delivered by the Sector Financial Management System.

Council has a 1675 Class B shares representing a 16.75% shareholding in the rights and ownership of the IRIS asset.

RSHL is classified as an associate of council as a member of council's executive leadership team is on the Board of Directors of Regional Software Holdings Limited, and as such it is considered that council has significant influence over the operating and financial policies of Regional Software Holdings Limited.

Summarised financial information of Regional Software Holdings Ltd presented on a gross basis:

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000
Assets	7,605	9,612
Liabilities	3,192	5,084
Revenue	13,225	11,165
Expenditure	15,503	10,808
Share capital	5,149	5,149
Accumulated funds	(673)	(622)
Total equity	4,476	4,527
Council's effective interest in Associate	11.63%	13.07%

Council investment in Associate (before impairment)	520	592
Council impairment in investment in Associate	(180)	(264)
Council's investment in Regional Software Holdings Limited in Council parent financial statements	340	328

Note 13: Property, plant and equipment

Accounting policy

Property, plant and equipment consists of:

Operational assets – these include land, buildings, plant and equipment, vehicles and vessels.

Infrastructure assets – infrastructure assets are the assets that comprise the Awanui River flood management system and other river management schemes as they are developed, including stopbanks and floodgates.

Buildings and infrastructure assets are measured at fair value less accumulated depreciation. Forest land subject to the Emissions Trading Scheme is the land under the forestry asset and is valued at historical cost. All other land is measured at fair value.

All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation: Owner occupied freehold land and buildings and infrastructure assets are re-valued with sufficient regularity to ensure that their carrying value does not differ materially from fair value and at least every three years.

Net revaluation results: Net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be first recognised in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions: The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to the council and exceeds \$2000 (GST excl), and the cost of the item can be measured reliably. Capital projects in progress are recognised at cost less impairment and are not depreciated.

In most instances an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the council and group and the cost of the item can be measured reliably. The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Disposals: Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the surplus or deficit. When re-valued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation: Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation and amortisation rates of major classes of assets have been estimated as follows:

- Buildings	5-50 years	1-20%
- Plant, equipment, vehicles and vessels	2-100 years	1-50%
- Infrastructure assets	20-190 years	0.5-5%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Infrastructural assets components include gates, pipes, outlets and stopbanks. Depreciation is not provided for on stopbank components of the infrastructure assets. An asset management plan has been prepared for these schemes.

Impairment of property, plant and equipment: Property, plant and equipment that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount the total impairment is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non cash generating assets: Non cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets: Cash generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Movements in the carrying value for each class of property, plant and equipment are as follows:

COUNCIL	Freehold Land \$000	Forestry Land \$000	Buildings \$000	Infrastructure \$000	Plant, equipment, vehicles and vessels \$000	TOTAL \$000	Capital work in progress \$000
Year ended 30 June 2023							
Opening net book value	5,085	707	14,665	30,521	4,816	55,794	1,592
Additions	-	-	188	6,290	1,599	8,077	5,818
Disposals* and divested assets	-	-	(595)	-	(65)	(660)	-
Revaluation movement	95	-	187	2,559	-	2,841	-
Depreciation expense	-	-	(295)	(231)	(1,164)	(1,690)	-
Closing net book value	5,180	707	14,150	39,139	5,186	64,362	7,410
At 30 June 2023							
Assets at cost/valuation	5,180	707	14,150	39,139	14,807	73,983	7,410
Accumulated depreciation	-	-	-	-	(9,621)	(9,621)	-
Net book value	5,180	707	14,150	39,139	5,186	64,362	7,410
Year ended 30 June 2024							
Opening net book value	5,180	707	14,150	39,139	5,186	64,362	7,410
Additions	-	-	209	2,897	5,429	8,535	5,742
Disposals* and divested assets	-	-	-	-	(216)	(216)	-

Revaluation movement	370	-	(1,115)	-	-	(745)	-
Depreciation expense	-	-	(284)	(287)	(1,519)	(2,090)	-
Closing net book value	5,550	707	12,960	41,749	8,880	69,846	13,152
At 30 June 2024							
Assets at cost/valuation	5,550	707	12,960	42,036	19,321	80,574	13,152
Accumulated depreciation	-	-	-	(287)	(10,441)	(10,728)	-
Net book value	5,550	707	12,960	41,749	8,880	69,846	13,152

Depreciation and amortisation expense			Council 30-Jun-24	Council 30-Jun-23
Property, plant and equipment			2,090	1,690
Intangibles		Note 14	92	44
Total			2,182	1,734

* disposals are reported net after accumulated depreciation

CONSOLIDATED	Freehold Land \$000	Forestry Land \$000	Freehold Land - Port \$000	Buildings and amenities \$000	Infrastructure \$000	Plant, equipment, vehicles and vessels \$000	TOTAL \$000	Work in progress \$000
Year ended 30 June 2023								
Opening net book value	5,085	707	18,525	23,573	30,521	6,672	85,083	1,831
Additions	-	-	-	263	6,290	1,761	8,314	6,057
Disposals* and divested assets	-	-	-	(595)	-	(66)	(661)	-
Transfer between asset classes	-	-	-	-	-	48	48	(75)
Revaluation movement	95	-	(2,355)	485	2,559	-	784	-
Transfer to operations	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	(634)	(231)	(1,371)	(2,236)	-
Closing net book value	5,180	707	16,170	23,092	39,139	7,044	91,332	7,813
At 30 June 2023								
Assets at cost/valuation	5,180	707	16,170	24,701	39,139	18,038	103,935	7,813
Accumulated depreciation	-	-	-	(1,609)	-	(10,994)	(12,603)	-
Net book value	5,180	707	16,170	23,092	39,139	7,044	91,332	7,813
Year ended 30 June 2024								
Opening net book value	5,180	707	16,170	23,092	39,139	7,044	91,332	7,813
Additions	-	-	-	553	2,897	5,429	8,879	6,190
Disposals* and divested assets	-	-	-	-	-	(246)	(246)	-
Transfer between asset classes	-	-	-	-	-	302	302	(660)
Revaluation movement	370	-	1,505	(910)	-	-	965	-
Transfer to operations	-	-	-	-	-	-	-	(30)
Depreciation expense	-	-	-	(627)	(287)	(1,738)	(2,652)	-
Closing net book value	5,550	707	17,675	22,108	41,749	10,791	98,580	13,313
At 30 June 2024								
Assets at cost/valuation	5,550	707	17,675	24,059	42,036	22,731	112,758	13,313
Accumulated depreciation	-	-	-	(1,951)	(287)	(11,940)	(14,178)	-
Net book value	5,550	707	17,675	22,108	41,749	10,791	98,580	13,313

Depreciation and amortisation expense		Consolidated 30-Jun-24	Consolidated 30-Jun-23
Property, plant and equipment		2,652	2,236
Intangibles	Note 14	92	44
Total		2,744	2,280

* disposals are reported net after accumulated depreciation

Valuation of freehold land and buildings

The most recent valuation of council's freehold land and buildings was performed by CBRE Limited (2023: Telfer Young (Northland) Limited) and is effective as at 30 June 2024.

Council's freehold land and buildings are valued at fair value of \$18,510,000 (2023: \$19,330,000) using a market-based approach based on a highest and best use approach, whereby the potential market rentals are capitalised to derive a market value of the property. Significant assumptions in the 30 June 2024 valuations include market rentals and capitalisation rates.

- » Market rents range from: \$133.64 to \$325 per square metre
- » Capitalisation rates are market based rates of returns, ranging from 6.41% to 9.50%

If council's freehold land and buildings were measured at depreciated replacement cost, the carrying amount would be \$16,415,000 (2023: \$18,020,000). Council has no restrictions on the realisability of its freehold land and buildings.

Valuation of Freehold Land - Marsden Maritime Holdings Limited

The most recent valuation of Marsden Maritime Holding Limited's freehold land was performed by independent registered valuers, CBRE Limited (2023: Telfer Young (Northland) Limited) and is effective as at 30 June 2024.

Marsden Maritime Holdings Limited freehold land is valued at fair value of \$17,675,000 (2023: \$16,170,000) using a market comparison method based on a highest and best use approach considering various market outcomes for land in the Marsden Point area, together with limited, recent sales evidence for the area.

Significant assumptions in the 30 June 2024 valuations include estimated prices per hectare of freehold land in the Marsden Point area.

Price per hectare: \$90,000 to \$190,000 (2023: \$70,000 to \$170,000).

If Marsden Maritime Holdings Limited's freehold land and buildings were measured at depreciated replacement cost the carrying amount would be \$7,487,063 (2023: \$7,487,063).

With exception of a portion of land designated for a transport corridor, Marsden Maritime Holdings Limited has no restrictions on the realisability of its freehold land.

Valuation of Buildings - Marsden Maritime Holdings Limited

The most recent valuation of Marsden Maritime Holdings Limited's buildings was performed by independent registered valuers CBRE Limited (2023: Telfer Young (Northland) Limited) and is effective as at 30 June 2024.

Marsden Maritime Holdings Limited buildings are valued at fair value of \$2,800,000 (2023: \$2,650,000). As there is no general market to assist in determining the market value of the buildings, the optimised depreciated replacement cost approach methodology was used to establish the cost to replace the buildings having regard to current building costings, and then an allowance for depreciation was deducted.

Valuation of Infrastructure assets - council

The most recent valuation of council's infrastructure assets was performed by independent registered valuers AON Valuation Services. The valuation is effective as at 30 June 2023.

Flood protection assets are valued using the depreciated replacement cost (DRC) method. In using the DRC methodology, age, condition, location, remaining life, optimisation and modern equivalent replacement cost information were collated on individual elements of the flood protection assets (i.e. stop banks, floodgate, spillway, retaining wall, culverts and bridge). Replacement costs were based on the current replacement cost of modern equivalent assets and reviewed by AON staff and compared with contract rates.

In determining the fair value of associated infrastructure land, land has been valued as vacant with assessments to comparable market evidence taking into consideration adjustments for size, contour, location, zoning and designation, current and potential uses. Where it is identified that the land is designated reserve, an appropriate adjustment has been made to reflect the retrieved nature of any future development potential. The basis when valuing designated land is that the land may not be used for any other purpose than is designated with an adjustment made to reflect the value of the chance of any permission being obtained for some other use at some future time.

The remaining life of elements is based on a standard expected economic life for each element type with adjustments dependent on age and condition for each individual element, which may vary from one asset to another.

Infrastructure assets have been classed as being fully optimised and no discount has been applied to account for any spare capacity.

To ensure the carrying value of council's infrastructure assets do not differ materially from their fair value, AON Valuation Services undertake an annual high-level review of movements in selected relevant markets. Based on the market increases in the replacement costs of flood protection assets and increases in civil construction over the 12 months to 30 June 2024 it was assessed that there was no material difference between the carrying value and fair value of councils Infrastructure assets, and a revaluation was not required.

Core infrastructure disclosure

Included within the council infrastructure assets are the following core council assets:

	Closing Book Value \$000	Additions: constructed by Council \$000	Additions: transferred to Council \$000	Most recent replacement cost estimate for revalued assets \$000
2024				
Whangarei Urban Rivers Flood Protection Scheme	8,881	0	0	8,875
Awanui River Flood Protection Scheme	30,594	2,882	0	31,247
Kaeo-Whangaroa Flood Protection Scheme	1,066	15	0	1,127
Panguru Flood Protection Scheme	1,208	0	0	1,233
Total	41,749	2,897	0	42,482
2023				
Whangarei Urban Rivers Flood Protection Scheme	8,975	15	0	8,875
Awanui River Flood Protection Scheme	27,898	6,231	0	31,247
Kaeo-Whangaroa Flood Protection Scheme	1,058	32	0	1,127
Panguru Flood Protection Scheme	1,208	12	0	1,233
Total	39,139	6,290	0	42,482

Capital Commitments

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Property plant and equipment	22	2,152	101	2,902
Total capital commitments	22	2,152	101	2,902

Capital Commitments represent capital expenditure contracted for at year end but not yet incurred.

Note 14: Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the council's website are recognised as an expense when incurred.

Carbon Credits

Compensation units received at no cost from the Crown are recognised at fair value at the date of receipt. The credits are recognised when they have been received and are recognised in the surplus.

New Zealand Units are revalued annually with reference to market prices. The net revaluation result is credited or debited to other comprehensive revenue and expense and accumulated to an asset revaluation reserve in equity.

Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the NZU. Gains and losses on disposals are reported in the surplus or deficit.

If at the end of any financial year there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. Council's Forest Management Plan prescribes that replanting will always take place subsequent to any harvest.

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use.

Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually. The cost of an easement is capitalised as part of the asset to which they relate.

Amortisation

Intangible assets that have an indefinite useful life, or are not yet available for use are not subject to amortisation and are tested annually for impairment.

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for major classes of intangible assets have been estimated as follows:

Computer software: 3-5 years 20-33%

Breakdown of intangible assets and further information:

	Note	Council and Consolidated 30-Jun-24 \$000	Council and Consolidated 30-Jun-23 \$000
Computer software			
Cost - opening balance		1,712	1,703
Accumulated amortisation		(1,530)	(1,631)
Computer software opening carrying amount		182	72
Additions		25	154
Net disposals*		-	-
Amortisation charge		(92)	(44)
Total computer software closing balance		115	182
Cost		1,737	1,712
Accumulated amortisation		(1,622)	(1,530)
Total computer software closing balance		115	182
Forestry Carbon Credits - New Zealand Units (NZU's)			
Opening balance		698	1,327
Gain/(loss) on revaluation of Emission Trading Scheme - NZU's	20	245	(629)
Transfer to Assets held for Sale	9	(943)	-
Forestry Carbon Credits - New Zealand Units (NZU's) - Closing Balance		-	698
Total Intangible Assets		115	880

*Disposals are reported net after accumulated depreciation.

Note 15: Forestry assets

Accounting policy

Forestry assets are independently revalued, annually, at fair value less estimated point of sale costs.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs, and from a change in fair value less estimated point of sale costs, are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Breakdown of forestry assets and further information:

	Note	Council and Consolidated 30-Jun-24 \$000	Council and Consolidated 30-Jun-23 \$000
Balance at 1 July		4,242	4,062
Gain/(Loss) arising from changes in fair values less estimated point-of-sale costs	2iii	88	180
Balance at 30 June		4,330	4,242

Northland Regional Council owns 295.7 hectares (2023: 311 hectares) of radiata pine forest which are at varying stages of maturity, ranging from 4 to 33 years. The reduction in the number of hectares from the previous year is due to poor stocking.

Valuation assumptions

Independent registered forestry industry consultants, Forme, have valued forestry assets at fair value less estimated selling costs as at 30 June 2024.

In 2024 (and 2023) the fair value of the forest was derived by using the crop expectation value method. Under the crop expectation value approach, the net present value of the forest is calculated by discounting the projected future net cash flow of the tree crop to the valuation date (30 June 2024). The calculated net present value is linked to sales evidence through the application of a discount rate of 7.8% (2023: 8.0%) derived with consideration to the cost of capital of a similar investment and consistent with the 2021 discount rate survey published in the NZ Journal of Forestry Vol67, No.2. The valuation also uses the standard set of conventions (time, cost, area market) as recommended by the NZ Institute of Forestry. In applying this approach PBE IPSAS 27 requires exclusion of financing, funding and costs related to subsequent crops. Costs and prices are held constant in 2024 NZ dollars, i.e. the net impact of inflation is assumed to be zero.

Note 16: Derivative financial instruments

Accounting policy

Marsden Maritime Holdings Limited use derivative financial instruments such as interest rate swaps to hedge risk associated with interest rate fluctuation.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Designated Cash Flow Hedges

Marsden Maritime Holdings Limited documents at the inception of the transaction the relationship between hedging instrument and hedged item, as well as the risk management objective and strategy for undertaking the transactions. Marsden Maritime Holdings Limited also documents its assessment, both at hedge inception and on an ongoing basis of whether the derivatives that are being used in hedging transactions are highly effective throughout the financial reporting period(s) for which they were designated.

At each reporting period, all designated cashflow hedges are tested for effectiveness. The effective portion of the gain or loss on a hedging instrument is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which a fair value hedge accounting is applied, the associated gains or losses that were recognised in other comprehensive revenue and expense will be recognised in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, or exercised without replacement or roll over or it no longer meets the criteria for hedge accounting, the cumulative gain or loss previously recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately in equity until the forecast transaction occurs.

The fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

Derivatives that do not qualify for hedge accounting

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

Note 16(i) Derivative financial instruments:

	Note	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Current asset portion					
Interest rate swaps - cash flow hedge		-	-	379	-
Total current asset portion		-	-	379	-
Non current asset portion					
Interest rate swaps - cash flow hedge		-	-	-	968
Total non current asset portion		-	-	-	968
Total derivative financial instrument assets		-	-	379	968

Marsden Maritime Holdings Limited

As at 30 June 2024 Marsden Maritime Holdings Limited had interest rate swaps in place covering approximately 60% (2023: 63%) of the loan principal of \$33,440,000 (2023: \$31,950,000) outstanding with the Bank of New Zealand with interest rates of between 6.66% and 6.94%.

The fair value of interest rate swaps are determined from valuations prepared by independent treasury advisors using Level 2 valuation techniques. These are based on the present value of estimated future cash flows accounting for the terms and maturity of each contract and the current market interest rates at reporting date. Fair values also reflect the current creditworthiness of the derivative counterparty.

Note 16(ii) Cash flow hedge reserve:

	Note	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Movement in Marsden Maritime Holdings Limited (parent) hedging		-	-	(589)	296
Movement in share of joint venture hedging reserve		-	-	(304)	291
Total movement in hedging reserve before tax		-	-	(893)	587
Taxation on above items		-	-	250	(164)
Total movement in hedging reserve after tax		-	-	(643)	423
Balance 1 July				1,164	741
Balance 30 June		-	-	521	1,164
Balance 30 June - Attributable to controlling interest in Marsden Maritime Holdings Ltd	20	-	-	278	623

The cashflow hedge reserve represents the effective portion of the cumulative net change in the fair value of derivatives designated as cash flows hedges.

Note 17: Payables and deferred revenue

Breakdown of payables and deferred revenue and further information:

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
CURRENT PORTION				
Payables and deferred revenue under exchange transactions				
Payables and accruals	5,282	3,655	6,597	4,751
Revenue received in advance	583	614	791	614
Amounts due to subsidiaries and associates	27	36	-	-
	5,892	4,305	7,388	5,365

Payables and deferred revenue under non-exchange transactions				
Grants payable	500	12	500	12
Other grants and deferred revenue received subject to conditions not yet met	5,913	7,396	5,913	7,396
Other taxes	537	329	537	341
	6,950	7,737	6,950	7,749
Current total payables and deferred revenue	12,842	12,042	14,338	13,114
NON-CURRENT PORTION				
Payables and deferred revenue under non-exchange transactions				
Other grants received and deferred revenue subject to conditions not yet met	625	296	2,453	2,445
Non-current total payables and deferred revenue	625	296	2,453	2,445

Trade and other payables are non-interest bearing and are normally settled on terms varying between seven days and 20th of the month following the invoice date. Therefore, the carrying value of trade and other payables approximates their fair value.

Note 18: Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits that are expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are anticipated to be taken. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that council anticipates it will be used by staff to cover those future absences.

Council recognises a liability and an expense for bonuses where contractually obliged, or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement have been calculated on an actuarial basis. The calculations are based on the present value of the estimated future cash flows.

Presentation of employee entitlements

Retirement gratuities for employees up to the age of 60 are classified as a non-current liability. All other employee entitlements are classified as a current liability.

Breakdown of employee entitlements and further information:

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Annual leave	1,797	1,993	1,885	2,042
Accrued salaries and wages	1,113	936	1,113	936
Other leave	394	331	393	331
	3,304	3,260	3,391	3,309
Represented by:				
Current benefit liabilities	3,285	3,242	3,372	3,291
Non-current benefit liabilities	19	18	19	18

Note 19: Borrowings

Accounting policy

Borrowings on normal commercial terms are initially recognised at their fair value plus any transaction costs.

Borrowing costs are recognised as an expense in the period in which they are incurred.

After initial recognition, borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Breakdown of borrowings and further information:

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Non-current				
Local Government Funding Agency - Bond Issuance	24,458	18,358	24,458	18,358
Secured Loans	-	-	33,440	31,950
Total non-current borrowings	24,458	18,358	57,898	50,308

Council

As at 30 June 2024 council has 7 bond issuances (2023: 6) with the Local Government Funding Agency. The first being a \$2,800,000 fixed coupon bond issued at a fixed annual interest rate of 4.86%, maturing on 13 August 2032. The second a \$3,811,000 fixed coupon bond issued at a fixed annual interest rate of 4.77%, maturing on 14 February 2033. The third a \$1,931,000 fixed coupon bond issued at a fixed annual interest rate of 4.72%, maturing on 14 February 2033. The fourth a \$1,016,000 fixed coupon bond issued at a fixed annual interest rate of 4.0%, maturing on 14 February 2033. The fifth a \$4,400,000 fixed coupon bond issued at a fixed annual interest rate of 1.98%, maturing on 14 April 2033. The sixth a \$4,400,000 fixed coupon bond issued at a fixed annual interest rate of 5.25% maturing on 14 May 2028, and the seventh, a \$6,100,000 fixed coupon bond issued at a fixed annual interest rate of 5.32% maturing on 20 April 2029. Council secures its fixed coupon bonds by granting a security interest in its rates revenue set and assessed under the Local Government Rating Act 2002.

The total fair value of council's debentures and bond issuances at 30 June 2024 is \$23,683,734 (2023: \$17,285,992).

There are a number of covenants included within the loan agreement with LGFA. No breach of these loan covenants has occurred during the year.

Marsden Maritime Holdings Limited

As at 30 June 2024 Marsden Maritime Holdings Limited has access to funding facilities with the BNZ totalling \$45,500,000 (2023: \$40,500,000) of which \$33,440,000 (2023: \$31,950,000) was drawn down at this date. The remainder of the loan facility is able to be drawn down on request subject to the company being in compliance with undertakings in respect to the facility. A \$30,000,000 tranche of the funding facility is due to mature on 31 December 2026.

Interest rates are determined by reference to prevailing money market rates at the time of draw-down plus a margin. Interest rates (excluding establishment and line fees) paid during the year ranged from 6.66% to 6.90% (2023: 3.88% to 6.93%).

The loan facility is secured by a first ranking mortgage over all of Marsden Maritime Holdings Ltd's property interests.

Note 20: Equity

Accounting policy

Equity is the community's interest in the council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

- » Accumulated funds
- » Reserves
 - » Asset revaluation reserve
 - » Fair value through other comprehensive revenue and expense reserve
 - » Hedging reserve
 - » Special reserves.

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the council.

The Asset revaluation reserve relates to the revaluation of property, plant and equipment and intangible assets to fair value.

The fair value through other comprehensive revenue and expense reserve comprises the cumulative net change in fair value of assets classified as fair value through other comprehensive revenue and expense.

Hedging reserve comprises the effective portion of the cumulative net change in fair value of derivatives designated as cash flows hedges.

Special reserves include reserves established by the council (and may be altered at the discretion of council) to isolate funds put aside for a specific purpose, and other reserves restricted by law and reflect targeted rates that must be applied to the specific activities for which the rates were collected.

Breakdown of equity and further information:

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Accumulated funds				
As at 1 July	158,976	139,015	199,702	179,056
Surplus/(deficit) for year	8,398	12,099	7,766	12,784
Net transfers from/(to) special reserves	791	7,862	791	7,862
As at 30 June	168,165	158,976	208,259	199,702

Reserves	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Asset revaluation reserve				
As at 1 July	9,212	7,000	45,859	46,994
Revaluation gains/(losses) - buildings and amenities	(1,115)	187	(1,005)	347
Revaluation gains/(losses) - land	370	95	(577)	(3,412)
Revaluation gains/(losses) - infrastructure assets	-	2,559	-	2,559
Revaluation gains/(losses) - forestry carbon credits	245	(629)	245	(629)
As at 30 June	8,712	9,212	44,522	45,859
Asset revaluation reserve attributable to:				
Land	3,352	2,982	38,777	39,354
Buildings and amenities	444	1,559	829	1,834
Infrastructure assets	4,106	4,106	4,106	4,106
Forestry carbon credits	810	565	810	565
Total Asset revaluation reserve	8,712	9,212	44,522	45,859
Special reserves				
As at 1 July	56,061	63,923	56,061	63,923
Transfers from/(to) accumulated funds	(791)	(7,862)	(791)	(7,862)
As at 30 June	55,270	56,061	55,270	56,061
Cashflow hedge reserve				
As at 1 July	-	-	623	397
Fair value gains/(losses) recognised	-	-	(345)	226
As at 30 June	-	-	278	623
Total Reserves	63,982	65,273	100,070	102,543
Non-controlling interest	-	-	73,850	75,421
Total Equity	232,147	224,249	382,179	377,666
Non-controlling interest				
Balance at 1 July			75,421	77,528
Share of total comprehensive revenue and expense attributable to the non controlling interest in Marsden Maritime Holdings Limited			1,016	957
Dividends paid			(2,587)	(3,064)
Balance at 30 June			73,850	75,421

Information about reserve funds held for a specific purpose is provided below:

Note 20 continued	Activities to which the reserve relates	Balance at 30 June 2024 \$000	Balance at 30 June 2023 \$000
Land Management reserve	Land and Biodiversity	3,194	1,784
Awanui River reserve	River management	198	126
Kaihū River reserve	River management	42	93
Kāeo-Whangaroa Rivers reserve	River management	344	290
Whangārei Urban Rivers reserve	River management	(6,530)	(7,074)
Property Reinvestment reserve	Economic development	24,503	26,105
Equalisation reserve	All	2,814	4,884
Hātea River Maintenance reserve	Harbour safety and navigation	45	19
Investment and Growth reserve	Economic development	160	189
Economic Development reserve	Economic development	18,520	17,845
Regional Projects reserve	All	13,100	14,345
Whangārei Transport reserve	Transport	1,066	430
Emergency Services reserve	Community representation and engagement	213	117
Approved Carry Forwards reserve	All	773	552
Flood Infrastructure reserve	River management	(7,116)	(3,212)
Kāeo-Whangaroa Flood Infrastructure reserve	River management	285	68
Awanui Flood Infrastructure reserve	River management	(1,375)	(852)
Whangārei Flood Infrastructure reserve	River management	215	154
Taumārere Flood Infrastructure reserve	River management	88	(103)
Far North Transport reserve	Transport	674	559
Regional Sporting Facilities reserve	Economic development	1,747	2,021
Operational reserve	All	5,042	1,752
Capital Subsidy reserve	All	0	828
Kaipara Moana Remediation reserve	Kaipara Moana remediation programme	60	290
Enterprise System reserve	Enterprise System	(3,582)	(3,687)
Vessel Replacement reserve	Harbour safety and navigation	(2,656)	(1,951)
IRIS Next Generation reserve	IRIS Next Generation	660	-
CDEM Joint Emergency Centre reserve	CDEM joint emergency centre	2,355	489
Biosecurity Pest Incursions Response Reserve	Biosecurity	431	-
Total Special Reserves		55,270	56,061

Purpose of each reserve fund:

Land Management Reserve

This reserve was created to set aside Land Management rates collected but not fully used in any given year. While the land management reserve maintains a positive balance, it can be used to fund emergency events such as remedial storm expenditure on a case-by-case basis. This reserve will be renamed in 2024/25 to Land and Freshwater Management Reserve.

River and Flood Infrastructure Reserves

The Awanui, Kaihu, Kāeo -Whangaroa, Kerikeri-Waipapa and Whangārei urban and Taumārere river reserves and flood infrastructure reserves represent accumulated targeted river management rates and targeted flood infrastructure rates collected and unspent in any given year to cover:

- » Any future funding shortfalls in respect to the maintenance and operation of existing river flood management schemes (river reserves)
- » Any future funding shortfalls relating to the development, maintenance and operation of new flood infrastructure schemes (flood infrastructure reserves)

This keeps the surpluses/ deficits in the appropriate activity separate from other activities. Any deficit balance in these reserves will be restored to a positive balance from future targeted river management and flood infrastructure rates collected from the rate payers within the area of benefit identified in the respective flood management plans.

Property Reinvestment Reserve

This reserve was established to represent the proceeds of commercial property sales and acquisitions and includes the proceeds of a special dividend (capital) payment made by the Marsden Maritime Holdings Limited. This reserve represents general funds invested in council's long term and short term investment funds that are set aside to be reinvested in income-producing assets, pending the identification of approved property investments.

Equalisation Reserve

This reserve was created to represent accumulated surplus forestry income (after accounting for the cost of any forestry maintenance) arising in any year. These reserved funds are intended to provide future funding of councils general operating activities with a view to smoothing future rating increases. It is further intended that these reserved funds be used to fund the self insurance of forestry infrastructure and the cost of forestry operations in non-harvesting years.

Hātea River Maintenance Reserve

This reserve was created to represent a component of the council services rate specifically levied across the Whangārei constituency, which is set aside to ensure funding is in reserve and immediately available if dredging of the Hātea river is required. The funds may be applied to the following:

1. Ongoing maintenance and dredging
2. Disposal of dredged spoil material
3. The provision of an annual hydrographic survey of the river.

The reserve is to be maintained at a targeted fund of up to \$400,000.

Investment and Growth Reserve

This reserve was created to represent the investment income set aside and held in reserve to fund activities and projects that contribute towards economic well-being in accordance with set criteria.

Economic Development Reserve

This reserve was established to represent funds held in council's long-term investment fund that are reserved to support Northland's economic development activities including investment in community infrastructure.

Civil Defence and Emergency Management (CDEM) Joint Emergency Centre Reserve

This reserve represents the shortfall in funding relating to the CDEM joint emergency centre. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term. This reserve will be renamed in 2024/25 to Civil Defence Emergency Management (CDEM) Multi Agency Coordination Centre Reserve.

Vessel Replacement Reserve

This reserve represents the balance of the borrowing remaining on the replacement for the Waikare, which will be funded from future rates. In addition this reserve will hold rates collected over the life of the vessel to fund the next replacement vessel.

Regional Projects Reserve

This reserve was established to represent funds invested in council's long-term investment fund, and earmarked for approved infrastructure and economic development investments, with a view to stabilising the impact of large irregular infrastructure projects on council's income and capital requirements. This reserve helps manage and spread the costs of approved infrastructure and economic development investment projects and is also intended to provide more flexibility around when such large capital intensive projects can commence. The income from this reserve represents funds available for operational spend for other activities where needed.

Whangārei and Far North Transport Reserves

This Whangārei transport reserve and the Far North transport reserve represent accumulated targeted Whangārei transport and Far North transport rates collected and unspent in any given year to cover any future funding shortfalls of their respective transport services. Any deficit balance in these reserves will be restored from future targeted rates collected from ratepayers in the Whangārei district (Whangārei transport rates) and Far North district (Far North transport rates).

Emergency Services Reserve

This reserve represents any accumulated targeted Emergency Services rates collected and unspent in any given year, and held in reserve to cover any future funding shortfalls of Emergency Services funding. This reserve will be renamed in 2024/25 to the Regional Rescue Services Reserve.

Approved Carry Forwards Reserve

This reserve represents amounts approved to be carried forward from one financial year to the next to enable specific work programmes to be completed. All carry forwards are approved by way of council resolution.

Flood Infrastructure Reserve

This reserve was created to hold any targeted flood infrastructure rates relating to new flood protection capital programmes, identified in the infrastructure strategy, that were collected and unspent in any given year. These unspent rates will cover any future funding shortfalls in the new flood protection capital programmes.

Regional Sporting Facilities Reserve

This reserve represents accumulated targeted regional sporting facilities rates collected and unspent in any given year, and held in reserve to contribute to any future funding shortfalls of regional sporting facilities funding.

Operational Reserve

This reserve, formerly known as the OPEX Reserve, was established to represent the term deposits held to ensure the stability of work-programmes, employment, and council's ongoing day to day operations, by ensuring that a portion of annual operating costs that is intended to be funded from council's investment returns (dividends and managed fund gains) is in reserve. This will cover any unanticipated loss in council's funding arising from adverse economic conditions or volatility in financial markets.

Capital Subsidy Reserve

This reserve represents capital subsidies received by council to offset the future costs associated with capital projects.

Kaipara Moana Remediation Reserve

This reserve represents the shortfall in funding relating to the required contribution to the Kaipara Moana Remediation program. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.

Enterprise System Reserve

This reserve represents the shortfall in funding relating to the enterprise system. Any deficit in this reserve will be restored to a positive balance from future rates collected. From then on, any rates collected over the life of the programme will accumulate and be held to repay the borrowing at the end of the loan.

IRIS Next Generation Reserve

This reserve represents the shortfall in funding relating to the IRIS Next Generation Project. Any deficit balance in this reserve will be restored to a positive balance from future rates collected.

Biosecurity Pest Incursion Response Reserve

The purpose of this reserve is to represent accumulated annual surpluses that may be called upon to immediately fund the response to any new incursion of pests that pose a risk to Northlands economy, environment, cultural and social values. The Reserve may also be called upon to fund preventative measures for specific species of national concern such as Freshwater Clam that are not currently present and excluding them will prevent significant damage to the economy, environment, cultural and social values.

Note 21: Contingencies

21(i): Contingent liabilities

	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Bonds	-	-	75	75
	-	-	75	75

Council

Northland Regional Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Standard and Poor's Global Ratings of AAA and a foreign currency rating of AA+ and a local currency rating and foreign currency rating of AA+ from Fitch.

Accounting Standards require the council to initially recognise the guarantee liability by applying the 12-month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of financial

year, the council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore, the council have not recognised a liability.

As at 30 June 2024, the Council is one of 72 local authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2024, NZLGFA had borrowings totalling \$23,030m (2023: \$17,684m).

The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- » We are not aware of any local authority debt default events in New Zealand; and
- » Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

At year end, council was involved in a shared cost arrangement to fund 50% of the costs arising from a subdivision that is subject to the construction of a rail spur connecting the main trunk line to Marsden Point.

Legal Claims

During the year, a complicated civil claim was lodged against Council, and 4 other parties, seeking damages of \$3.5m for alleged negligence in performing its responsibilities regarding the granting and monitoring of a resource consent.

Council is defending the claim and in June 2024, the high court issued a direction that a case management conference be convened on the first available date after the 18 October 2024.

The outcome of these proceedings and any financial exposure for this claim is uncertain at the end of the reporting period. Council intends to approach its insurers to cover any resulting damages.

Disclosing a contingent liability does not represent either an admission that the claim is valid or an estimation of the possible amount of any award against the council.

Other legal claims

At year end the Council was a respondent or defendant in a number of other legal proceedings against council that had not been heard before the court or ruled upon which may result in a liability should council not successfully defend the proceedings. Consistent with the nature of the Council's activities, these legal claims predominantly involve Environment, Māori Land, High and District court proceedings resulting from decisions made by the Council as a planning and consenting authority under the Resource Management Act. The amount claimed or the maximum potential exposure for the council is not considered material and excludes any interest or costs that may be claimed if these cases were decided against council.

Marsden Maritime Holdings Limited

At Balance Date, Marsden Maritime Holdings Limited was aware of the following Contingent Liabilities:

1. To the Bank of New Zealand for a \$75,000 (2023: \$75,000) Bond given by them to the New Zealand Stock Exchange.

21(ii): Contingent assets

At 30 June 2024 the group has no contingent assets (2023: Nil).

21(iii): Investment commitments

At 30 June 2024 council had uncalled committed capital relating to its investment in private equity fund managers of \$8,280,886 (2023: \$7,589,239).

Note 22: Related party transactions

Related party disclosures have not been made for transactions with entities with the council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between entities and are on normal terms and conditions for such group transactions.

There are no related party transactions with any associate, subsidiary or key management personnel requiring disclosure.

Key Management Personnel Compensation

Key management personnel includes all the elected and independent (non-elected) representatives of council, the chief executive and senior management leadership team. Due to the difficulty in determining the full time equivalent for councillors and the independent members of council, the full time equivalent figures are taken as the number of councillors and independent members.

	Note	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
Key management personnel compensation					
Directors/councillor remuneration	4	779	708	1,170	1,274
Independent (non elected) members of the Council remuneration		83	40	83	40
Senior management team including the Chief Executive remuneration		1,466	1,543	2,699	2,583
Total key management personnel compensation		2,328	2,291	3,952	3,897
Councillors - full time equivalent members					
Councillors - full time equivalent members		9	9		
Independent (non elected) members of the Council - full time equivalent		3.5	2		
Senior management team including the Chief Executive - full time equivalent		7.00	6.90		
Total key management personnel full time equivalent		19.50	17.90		

The contract of one Independent (non elected) member of Council ended in December 2023.

Note 23: Events after balance sheet date

Subsequent to balance date, Marsden Maritime Holdings Limited declared a fully imputed dividend of 5.75 cents per share to be paid on 30 September 2024.

There were no other significant events after balance date.

Note 24: Financial instruments

Note 24A: Financial instrument categories

	Note	Council 30-Jun-24 \$000	Council 30-Jun-23 \$000	Consolidated 30-Jun-24 \$000	Consolidated 30-Jun-23 \$000
FINANCIAL ASSETS					
Derivatives that are hedge accounted					
Derivative financial instrument assets	16(i)	-	-	379	968
Financial assets at amortised cost					
Cash on hand and at trading banks	6	1,692	1,336	1,905	1,409
Term deposits	6,10	12,574	12,242	12,574	12,242
Local government funding agency borrower notes	10	526	373	526	373
Debtors and other receivables	7	10,803	8,436	11,739	8,929
Other loans	10	1,226	1,922	1,226	1,922
Total financial assets at amortised cost		26,821	24,309	27,970	24,875
Financial assets at fair value through surplus or deficit					
Other financial assets:					
Income funds	10	23,987	23,941	23,987	23,941
Equity Funds	10	43,502	40,381	43,502	40,381
Listed shares	10	-	-	237	392

Total financial assets at fair value through surplus or deficit		67,489	64,322	67,726	64,714
FINANCIAL LIABILITIES					
Financial liabilities measured at amortised cost					
Creditors and other payables	17	13,467	12,338	16,791	15,559
Borrowings:					
Local government funding agency - bond issuance	19	24,458	18,358	24,458	18,358
Bank loan	19	-	-	33,440	31,950
Total financial liabilities measured at amortised cost		37,925	30,696	74,689	65,867

Note 24B: Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- » Quoted market price (level 1) - Financial instruments with quoted prices for identical instruments in active markets.
- » Valuation technique using observable inputs (level 2) - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- » Valuation techniques with significant non-observable inputs (level 3) - Financial instruments valued using models where one or more significant inputs are not observable.

Financial assets at fair value through surplus or deficit and financial assets at fair value through other comprehensive revenue and expense are classified as level 1.

Note 24C: Financial instrument

The council's and group's activities expose it to a variety of financial instrument risks including market risk, credit risk, interest rate risk and liquidity risk. The council and group has a series of policies to manage the risks associated with financial instruments and its treasury activities.

The council has an approved Treasury Risk Management Policy including a liability management policy and an investment policy for its investments. These policies do not allow any transactions that are speculative in nature to be entered into and manages council's exposure in respect to liquidity risk, credit risk, price risk and interest rate risk.

The council also has investments in externally managed funds and administers these funds with overarching independent investment advice from Eriksens Global Limited. These two funds are administered in accordance with council's Statement of Investment Policies and Objectives (SIPO). The SIPO and any changes to it are approved by council. Monthly performance reporting on the two funds is prepared by Eriksens Global Limited, and any breach of compliance with the SIPO is also reported monthly to council's Audit, Risk and Finance committee.

Price risk

Price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments. For council this only includes security investments in its externally managed funds. Price risk can be minimised through diversification. At 30 June 2024 council's externally managed investment funds were diversified over 19 fund managers (2023: 17). The use of a wide range of fund managers with different mandates and different asset allocations asset allocations, and that no single fund manager is permitted to hold more than 20% of the aggregated sum of the Long-Term Investment fund mitigates council's price risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council's exposure to currency risk is provided below:

	Council & Consolidated 30-Jun-24 \$000	Council & Consolidated 30-Jun-23 \$000
Long Term Fund: Investments in		

Blackrock Fixed Income Global Opportunities Fund	604	598
Continuity Capital Fund (No.5) & (No.7)	2,855	2,406
MLC Private Equity Fund (II) & (III) & (IV)	1,515	1,523
Schroders Real Return +5% Fund	3,562	3,562
Federation Alternative Fund	1,219	1,200
Ferret ILS Fund	869	671
Nanuk New World Fund	1,302	972
CPE Capital (No.9)	105	135
Total exposure to currency risk	12,067	11,067

Currency risk is mitigated by limiting investments in non-NZD denominated funds to a maximum of 20% of the aggregated sum of the Long-Term Investment fund. Council (via its CEO) manages currency risk associated with non-NZD denominated investments (currently AUD) with consideration to the views of council's independent risk advisor and independent investment advisor.

Marsden Maritime Holdings Limited foreign exchange risk is considered minimal.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Northland Regional Council's exposure to fair value interest rate risk is limited to its interest-bearing investments within the portfolio and its \$24.5m borrowings in the form of Local Government Funding Agency fixed coupon bonds.

Interest rate risk

Interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates expose the council and group to cash flow interest rate risk.

Council's long-term borrowing and long-term deposit investments are at a fixed rate. Marsden Maritime Holdings Limited exposure to interest rate risk stems from its portion of long-term debt obligations that are uncovered by hedging arrangements and therefore have a floating interest rate. At 30 June 2024 the unhedged portion of its long term debt obligations was \$13,648,000. Interest rates paid during the year on this amount ranged from 6.66% to 6.90%.

Marsden Maritime Holdings Limited also has an indirect exposure to variable interest rate risk via its holding in joint venture company Northport Limited. This entity periodically enters into cashflow hedges to hedge the risk associated with fluctuations in interest rates.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the council and group, causing it to incur a loss. Due to the timing of council's cashflows and outflows, surplus cash is invested into term deposits and externally managed funds.

The council's investments in term deposits, are invested in accordance with its Treasury Risk Management Policy as determined by the Standard and Poor's credit ratings. Where relevant, the minimum long term credit rating can be no lower than BBB and the maximum exposure of a counter party rated less than A- is \$1m.

The council is exposed to credit risk as a guarantor of all of NZLGFA's borrowings. Information about this exposure is explained in note 21.

The credit risk associated with council's externally managed funds is minimised by setting maximum portfolio limits on each class of investment and specific limits on each Fund Manager. Council's SIPO ensures credit risk of each fund manager and the overall fund is managed within acceptable parameters.

Marsden Maritime Holdings Limited manages its credit exposure by only trading with recognised, credit-worthy parties and by limiting the amount of funds placed with any one financial institute at any one time. Accordingly, the group has no significant concentrations of credit risk.

Maximum exposure to credit risk

The council and group's maximum credit risk exposure for each class of financial asset is the carrying value set out in the table in Note 24A.

Debtors and other receivables arise mainly from the council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and the council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through the investment portfolio. The council's treasury risk management policy ensures the sum of external debt, liquid funds and available committed bank facilities are at least 110% of external debt.

The council is exposed to liquidity risk as a guarantor of all of NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 21.

Marsden Maritime Holdings manages its exposure to liquidity risk by maintaining a balance continuity of funding and flexibility through the use of bank loans, overdrafts and committed available credit lines. As at 30 June 2024 Marsden Maritime Holdings Limited had access to BNZ funding totalling \$45.5m of which \$33.44m was drawn down at year end (2023: \$31.95m).

Contractual maturity of financial liabilities

The table below analyses council and group's financial liabilities into relevant maturity groupings, based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments. The council's treasury risk management policy limits the level of borrowing that matures within the next three years to 60% of the total borrowing, unless any borrowings are funded by a specific targeted rate in which case the corresponding maximum maturity profile in any one year is 100%.

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1 - 2 Years \$000	2 - 5 Years \$000	More than 5 Years \$000
Council 2024						
Creditors and other payables	13,467	13,467	12,842	625	-	-
Local Government Funding Agency - Bond Issuance	24,458	31,492	1,092	2,185	12,900	15,315
Total	37,925	44,959	13,934	2,810	12,900	15,315
Group 2024						
Creditors and other payables	16,791	16,791	14,338	2,453	-	-
Secured bank facility	33,440	40,210	2,489	37,721	-	-
Local Government Funding Agency - Bond Issuance	24,458	31,492	1,092	2,185	12,900	15,315
Total	74,689	88,493	17,919	42,359	12,900	15,315
Council 2023						
Creditors and other payables	12,338	12,338	12,042	296	-	-
Local Government Funding Agency - Bond Issuance	18,358	24,600	768	1,536	6,444	15,852
Total	30,696	36,938	12,810	1,832	6,444	15,852
Group 2023						
Creditors and other payables	15,559	15,559	13,114	2,445	-	-
Secured bank facility	31,950	34,434	1,277	33,157	-	-
Local Government Funding Agency - Bond Issuance	18,358	24,600	768	1,536	6,444	15,852
Total	65,867	74,593	15,159	37,138	6,444	15,852

Sensitivity analysis

The table below illustrates the potential effect on the surplus/deficit and equity (excluding accumulated funds) for reasonably possible market movements with all other variables held constant based on the council's and group's financial instrument exposures at balance date.

Sensitivity analysis	2024				2023			
	+100bps		-100bps		+100bps		-100bps	
	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000
COUNCIL								
Total sensitivity to interest rate risk	825	-	(825)	-	783	-	(783)	-
	2024				2023			
	+100bps		-100bps		+100bps		-100bps	
	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000
GROUP								
Total sensitivity to interest rate risk	711	-	(711)	-	674	-	(674)	-

Borrowings

Council has \$24.5m of external borrowings in the form of Local Government Funding Agency fixed coupon bonds. The rate of interest payable is fixed for the life of the borrowings and is not affected by rising or falling interest rates.

Note 24D: Capital management

The council's capital is its equity (or ratepayers' funds), which comprises accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the council to manage its revenues, expenses, assets, liabilities investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the council. Intergenerational equity requires today's ratepayers to meet the costs of using the council's assets and not expecting them to meet the full costs of long term assets that will benefit ratepayers in future generations. Additionally, the council has in place asset management plans for major classes of assets, detailing renewal and maintenance programs to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the council to make adequate and effective provision in its long term plan and its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out under funding and financial policies in council's long term plan.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves. Refer to Note 20 for a list of council's reserves. Self-insurance reserves are built up annually from regional-wide or sometimes targeted rates and are made available for specific unforeseen events. The release of these funds is approved by council.

Wāhanga tuawha: Ngā Whakaturanga ā Ture

Section four: Legislative disclosures



Other legislative disclosures

Rating base information

The following rating base information for Northland Regional Council is disclosed based on the rating base information at the end of the preceding financial year:

	TOTAL	
	30-Jun-24	30-Jun-23
The number of rating units within council's region at 30 June:	103,035	101,541
The total capital value of rating units within council's region at 30 June:	\$86,430,596,182	\$72,951,752,332
The total land value of rating units within council's region at 30 June:	\$46,383,974,332	\$38,332,982,482

Insurance of assets

At 30 June 2024 council had assets covered by full replacement insurance of \$153,793,312 (2023: \$127,621,799) and indemnity insurance of \$70,000 (2023: \$70,000). At 30 June 2024 there are no assets self insured.

Internal borrowings

S112(b)(iii) of the Local Government Act defines borrowing as the use for any purpose, of funds received or invested by the local authority for any other purpose. Schedule 10(27) requires council to disclose internal borrowing, including the amount of the borrowings, funds borrowed and repaid during the year and the amount of any interest paid (if any) in relation to the internal borrowing by each group of activity.

At 30 June 2024 council had no internal borrowing (2023: nil).

Council funding impact statement

Period ending 30 June 2024

	Annual Plan 2022/23 \$000	Actual 2022/23 \$000	Annual Plan 2023/24 \$000	Actual 2023/24 \$000
Sources of operating funding				
General rates, uniform annual general charges, and rates penalties	-	559	-	608
Targeted rates	42,795	42,956	47,280	47,068
Subsidies and grants for operating purposes	15,559	11,072	10,791	20,387
Fees and charges	4,310	5,907	6,887	7,612
Interest and dividends from investments	3,709	8,152	3,975	8,795
Local authorities fuel tax, fines, infringement fees and other receipts	7,803	3,439	8,030	4,327
TOTAL OPERATING FUNDING	74,176	72,085	76,963	88,797
Applications of operating funding				
Payments to staff and suppliers	66,334	66,558	73,543	76,331
Finance costs	1,102	555	1,151	852
Other operating funding applications	-	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	67,436	67,113	74,694	77,183
Surplus/(deficit) of operating funding	6,740	4,972	2,269	11,614
Sources of capital funding				
Subsidies and grants for capital purposes	-	5,799	-	1,830
Increase/(decrease) in debt	13,596	4,400	7,359	6,100
Gross proceeds from sale of assets	-	595	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	13,596	10,794	7,359	7,930
Applications of capital funding				
Capital expenditure:				
to meet additional demand	-	-	-	-
to improve levels of service	25,530	16,869	12,789	9,427
to replace existing assets	3,332	3,709	2,175	5,844
Increase/(decrease) in reserves	7,856	(7,862)	34	(791)
Increase/(decrease) of investments	(16,382)	3,050	(5,370)	5,064
TOTAL APPLICATIONS OF CAPITAL FUNDING	20,336	15,766	9,628	19,544
Surplus/(deficit) of capital funding	(6,740)	(4,972)	(2,269)	(11,614)
FUNDING BALANCE	-	-	-	-

Reconciliation to the statement of comprehensive revenue and expense

Period ending 30 June 2024

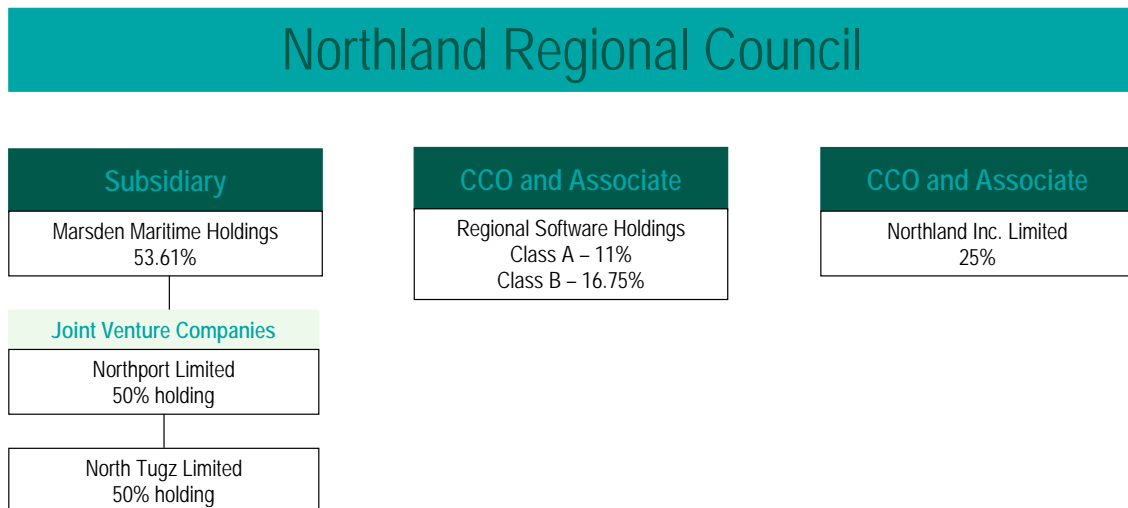
	Annual Plan 2022/23 \$000	Annual Report 2022/23 \$000	Annual Plan 2023/24 \$000	Actual 2023/24 \$000
Capital expenditure included above, not in comprehensive revenue and expense	28,861	20,578	14,964	15,271
Investment movements included above not in comprehensive revenue and expense	(16,381)	3,050	(5,370)	5,064
Other gains/(losses) included in Other Comprehensive Revenue and expense not included above	-	2,212	-	(500)
Gross proceeds included above, but not in comprehensive revenue and expense	-	(595)	-	-
Gains on asset disposals included in comprehensive revenue and expense	-	21	-	365
Financial assets fair value adjustments included in comprehensive income but not above	(1)	(34)	-	(142)
Revaluation adjustments not included above, but in comprehensive revenue and expense	-	3,019	-	(3,126)
Infrastructure asset revaluation adjustments included in comprehensive income but not above	-	-	-	-
Share of associate surplus/(deficit) and impairment included in comprehensive income but not above	-	51	-	14
Reversal of impairment included in comprehensive income but not above	-	5	-	25
Proceeds from borrowing included above not in comprehensive revenue	-	-	-	-
Transfers to/from special reserves included above, but not in comprehensive revenue and expense	7,856	(7,862)	34	(791)
Increase/(decrease) in debt included above but not in comprehensive income	(13,596)	(4,400)	(7,359)	(6,100)
Depreciation and amortisation expense not included above, but in comprehensive revenue and expense	(2,385)	(1,734)	(2,235)	(2,182)
Total comprehensive revenue and expense per the statement of comprehensive revenue and expense	4,354	14,311	34	7,898

Wāhanga tuarima: CCOs me ngā Kamupene

Section five: CCO's and Subsidiaries



Group structure



A council-controlled organisation (CCO) is a company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. A council-controlled trading organisation (CCTO) is a company or organisation that operates a trading operation for the purpose of making a profit.

CCOs and CCTOs are required to complete a Statement of Intent and report against their policies, objectives and performance in their annual reports unless an exemption has been granted.

This section provides the information required under the Local Government Act 2002 for Northland Inc. Limited and Regional Software Holdings Limited. Marsden Maritime Holdings Limited is also a subsidiary organisation but is exempt from the CCO provisions of the Local Government Act 2002 and is not required to publish a Statement of Intent.

Marsden Maritime Holdings Limited

Company operations and ownership

Marsden Maritime Holdings Ltd (known as Northland Port Corporation (NZ) Ltd until August 2014) is a designated port company formed under the Port Companies Act 1988, which required harbour boards to form companies to take over commercial, port-related assets of the Boards. In Northland's case, the company's assets include substantial land-holdings at Marsden Point.

The company is registered under the Companies Act 1993 and is domiciled and incorporated in New Zealand. In 1992 the company's shares were listed on the New Zealand Stock Exchange. Northland Regional Council currently holds 53.61% of the share capital, whilst Ports of Auckland Ltd holds 19.9%. The balance of shares is held by members of the public. The council may review its shareholding in the company as part of its triennial long-term planning process.

In 2002, in a 50/50 joint venture with Port of Tauranga, associate company Northport Ltd was formed and a new cargo terminal at Marsden Point was developed. Northport Ltd operates the deep water commercial port facility situated at the entrance to Whangārei Harbour, making it the northern-most multi-purpose port in New Zealand, and the closest port to the majority of New Zealand's international markets. More information about Northport Ltd is available at www.northport.co.nz

In 2014, the company purchased the Marsden Cove Marina, comprising 236 berths, adjoining commercial buildings, and land. Marsden Maritime Holdings Ltd (MMHL) is a stakeholder of Marsden Cove Canals Management Ltd (MCCML), which administers the waterways within the Marsden Cove marina development. MCCML is an IRD approved charitable entity with budgeted expenditure met by dividing costs across all canal users. Due to the nature of this entity it has not been consolidated with MMHL in its financial statements.

The Board of Directors of MMHL is elected by the shareholders to supervise the management of the company and its associates in the best interests of shareholders. The Board has several key functions which are:

- » The establishment of business objectives, strategies and policies.
- » The approval of annual capital and operating budgets.
- » The appointment of a Chief Executive to manage the day to day operations of the company within the established framework.
- » The ongoing monitoring of management performance in relation to the goals established for that purpose.

The Board currently has six members. Under the company's constitution, one-third (or the number nearest to one third) of the directors retire by rotation each year. Northland Regional Council participates in the process of appointing directors by:

- » Identifying potential candidates;
- » Nominating candidates for election; and
- » Voting for preferred candidates at the company's annual general meeting.

Current information about the company's Board of Directors, governance structure and its organisation framework is available

at www.marsdenmaritime.co.nz/about/

Company financial data

MMHL is deemed a "strategic asset" of the council, as provided for in section 5 of the Local Government Act 2002, but the Act also specifically provides that designated port companies and their subsidiaries are not council-controlled organisations. MMHL is therefore not required to provide to the council a statement of corporate intent nor submit budget estimates.

Company	Holding at 30 June 2023	Main activity
Northport Limited	50.0%	Port operating company

Marsden Maritime Holdings Ltd

53.61% Northland Regional Council
 19.90% Ports of Auckland Ltd
 26.49% other Shareholders

Northport Ltd

50% Marsden Maritime Holdings Ltd
 50% Port of Tauranga Ltd

North Tugz Ltd

50% Northport Ltd
 50% Ports of Auckland Ltd

FLOWCHART NOTES

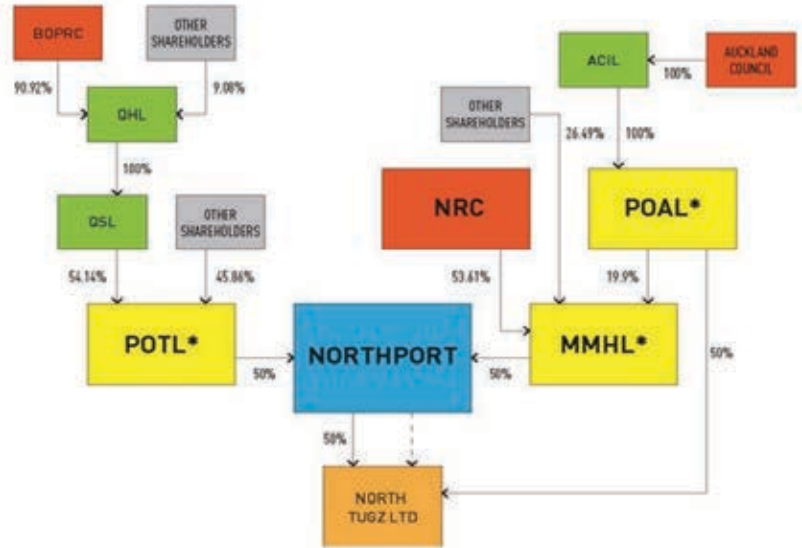
—————> Ownership (in whole or part)
 - - - - -> Customer relationship

Abbreviations

BOPRC = Bay of Plenty Regional Council
 QHL = Quayside Holdings Ltd
 QSL = Quayside Securities Ltd
 ACIL = Auckland Council Investments Ltd
 POTL = Port of Tauranga Ltd
 MMHL = Marsden Maritime Holdings Ltd
 POAL = Ports of Auckland Ltd
 NRC = Northland Regional Council

Percentages shown indicate how much the parent entity owns of the connected entity.
 Not all minor shareholders are shown.

* Designated port companies



Northland Inc Limited

About this council-controlled organisation (CCO)

Northland Inc Limited, established in July 2012, is the region's economic development agency and regional tourism organisation. Prior to 1 July 2021, it was 100% owned by Northland Regional Council. Since 1 July 2021, it is equally and jointly owned by NRC, Kaipara District Council and Far North District Council (together referred to as the shareholder councils).

Northland Inc Limited is primarily funded by an operational contribution from its shareholder councils delivered through NRC's Investment and Growth Reserve (IGR). It is project funded through other public and private agencies, with central government being the next largest contributor. The organisation has a governance board of professional directors, each appointed by the shareholder councils. Operational activity is led by a chief executive officer.

Policies and objectives

The mission of Northland Inc Limited is to identify and focus on activities and relationships that will strengthen, diversify and grow the economy of Te Tai Tokerau Northland to help achieve equity and environmental sustainability. Six key pou are set out in the 2023-26 Statement of Intent as the organisational objectives.

Pou	Objective
Pou Tahī: 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 and Marketing	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 teams are respectful and supportive of one another; our histories, our whānau, and our aspirations.

Investment and Growth Reserve

Northland Inc Limited's activities include a focus on finding economic development projects that qualify for funding through the IGR. The objective of the reserve is to provide a fund that shareholder councils can use to support strategic investments that lift the long-term growth of the Northland economy that support strong communities and environmental sustainability. All three shareholder councils contribute funding to the IGR, and through their membership of the Joint Regional Economic Development Committee, have responsibility for allocating funding from the IGR. The main criteria for allocation are as follows:

- » The reserve provides operational expenditure for Northland Inc Limited.
- » Up to \$300,000 per annum can be used for project development funding.
- » Responsibility for allocating project development funding of up to \$100,000 is delegated to the Board of Northland Inc Ltd.

- » The reserve can be used to provide enabling investment funding for projects that lift the economic performance of Northland through the construction of public or community held infrastructure or the development of regionally strategic sectors. The strategic sectors identified in the 2023-26 Statement of Intent are aquaculture, agriculture and horticulture, digital, tourism, ship and boat building and repair services.
- » Any project that is determined to potentially have significant adverse impacts on social, environmental, economic, or cultural well-being will not be eligible for funding, regardless of the positive impacts.
- » Decisions on enabling investment funding must have been considered and evaluated for funding by the Board of Northland Inc Ltd.
- » Applications for enabling investment funding must be accompanied by a robust business case.

Key performance measures and targets

This section summarises the results of Northland Inc Limited's activities during 2023/24 against the 16 key performance indicators set for five of the six pou (objectives). Key performance indicators were not set for the sixth pou: organisational culture.

Māori economic development

The 2023/24 key performance targets and results for this objective are:

Measure	2023/24 performance target	Result
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	18	Achieved, 18
Proportion of Māori organisations that are satisfied with Northland Inc support	>50%	Achieved, 80%

Environmental sustainability

The 2023/24 key performance targets and results for this objective are:

Measure	2023/24 performance target	Result
Number of businesses and organisations supported to improve their climate resilience journey	20	Achieved, 28
Proportion of projects funded through Project Development that have identified their pathway to low emissions	80%	Achieved, 100%
Change in carbon footprint of Northland Inc	10% reduction in footprint relative to revenue 66,079 kgCO2/yr	Achieved 61,862 kgCO2/yr

Regional Investment

The 2023/24 key performance targets and results for this objective are:

Measure	2023/24 performance target	Result
Number of unique businesses assisted (reporting by TA and industry)	250	Achieved, 379
Proportion of those businesses assisted that are Māori (by TA and industry)	35%	Achieved, 36%
Number of inward delegations hosted	3	Achieved, 4
Client satisfaction with businesses assistance provided by Northland Inc as measured by Net Promotor Score	NPS>50	Achieved, 62
Value of grant funding and investment facilitated for Māori businesses	\$130,000	Achieved, \$176,000
Number of high impact projects that are implemented (reporting by regional strategic sectors)	4	Not achieved, 1

There were no enabling investment project allocations made in 2023/24 by the Joint Regional Economic Development Committee. Five projects received project development funding totalling \$125,000.

Destination management and marketing

The 2023/24 key performance targets and results for this work programme are:

Measure	2023/24 performance target	Result
Number 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	Achieved, 3
Number of actions under implementation from the Destination Management Plan	6	Achieved, 8

Profile and advocacy of economic development

The 2023/24 key performance targets and results for this work programme are:

Measure	2023/24 performance target	Result
Number of regional economic development updates or reports released	6	Achieved, 7
Number of media features that profile the region	24	Achieved, 41
Number of media activity that references Northland Inc	52	Achieved, 103

Regional Software Holdings Limited

Regional Software Holdings Ltd (RSHL) is the Shared Services organisation of Te Uru Kahika. ¹ All 16 Regional and Unitary Councils in New Zealand are customers of RSHL.

RSHL delivers a wide range of Digital, Operational and Financial programmes, on behalf of Te Uru Kahika, and participating councils.

In the 12 months to 30 June 2024, RSHL made excellent progress in a challenging environment for the sector. In the current economic and political climate, shared services, collaborative undertakings and new ways of working are more important and valuable than ever. RSHL's major technology programmes, such as IRIS NextGen and Environmental Data Management System (EDMS), will provide long-term operational efficiencies and cost savings to councils as well as the wider Aotearoa New Zealand well-beings.

In November 2023 RSHL welcomed the appointment of the Executive Director – Te Uru Kahika. This role is intended to provide strategic leadership of Te Uru Kahika under the direction of the RCEOs Forum and Regional Sector Group. The focus of the regional sector office has been on supporting the regional sector to respond to the changes in policy driven by the incoming government. RSHL has worked with Te Uru Kahika to develop a new Memorandum of Agreement which clearly defines the services that RSHL provides to Te Uru Kahika.

The IRIS NextGen Programme is preparing to start testing of the solution from October onwards in preparation for the Pilot in 2025. Demonstrations of the product have been well received. Council staff have participated in more than 30 good practice workshops. It is pleasing to note the strong alignment across councils on good practice. Financially, the IRIS NextGen Programme is on-budget.

During the year RSHL continued the rollout of the WellsNZ solution, with three councils now live. RSHL are preparing to onboard more councils into this shared programme in FY25. The Environmental Data Management System Programme is nearing the end of the procurement process. Alongside these established programmes RSHL are working with councils on business cases for the addition of collaborative programmes to RSHL in the public transport and Data Emissions modelling space.

RSHL is running at a loss predominantly due to the depreciating value of the investment in the original IRIS product. Expenditure on the original IRIS solution is no longer being treated as a capital investment. As a result, the book value of the asset is depreciating rapidly. This is appropriate as the product nears the end of its life and

RSHL look to reinvest in IRIS NextGen. The other significant additional expense was \$1.9M for a LIDAR survey of some areas of the North Island affected by Cyclone Gabrielle. This work was entirely funded by central government.

Cash balances remain healthy as the net losses are resulting from depreciation rather than trading activities.

The shareholding of the Company as at 30 June 2024 is as follows.

Shareholding

Organisation	Class A (Control) Shares	Class B (IRIS) Shares
Waikato Regional Council	1	3,275
Northland Regional Council	1	1,675
Horizons Regional Council	1	1,550
Taranaki Regional Council	1	1,550
Southland Regional Council	1	1,550
West Coast Regional Council	1	400
Bay of Plenty Regional Council	1	
Gisborne District Council	1	
Hawkes Bay Regional Council	1	
Otago Regional Council	1	

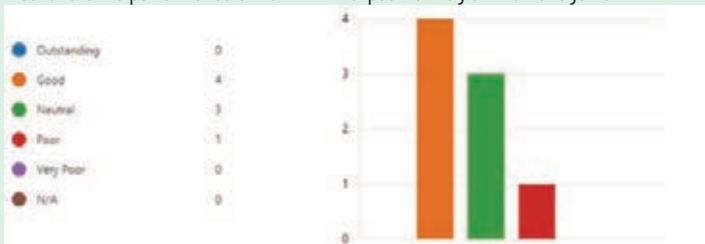

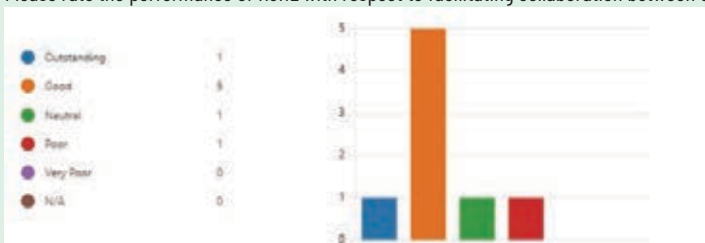
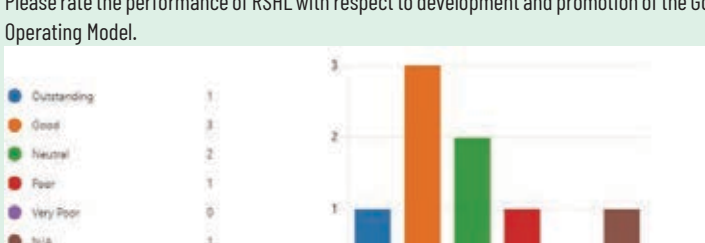
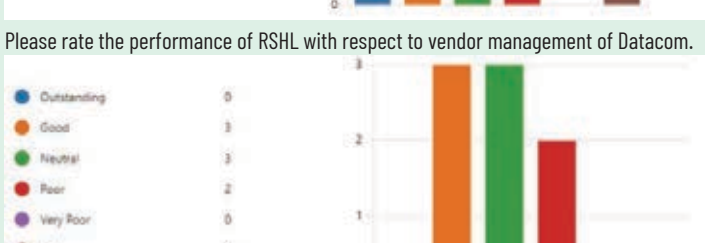
Our council's experience

For Northland, the increasing focus on collaboration to projects continues to bring together the best ideas, practices and experiences into solutions that are fit for purpose, perform well and achieve more through working together for the sector.

¹ Te Uru Kahika is the collective of the 16 regional councils and unitary authorities that make up the regional sector.

Performance Measures

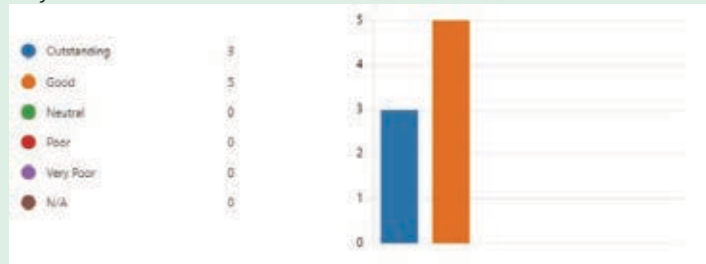
The following performance measures were incorporated into the Statement of Intent for the 2023-24 financial year.

Non-financial	1 July 2023 - 30 June 2024
<p>Undertake an annual survey of IRIS NextGen users in Participating Councils in relation to product performance, Datacom support and RSHL Programme Management.</p> <p>Provide a summary of the survey results in the annual report, including performance against the baseline.</p> <p>Survey results to be the same or better than the previous year.</p>	<p>Achieved.</p> <p>The baseline survey for IRIS NextGen was completed in June 2024, with results presented to the Steering Group in July.</p> <p>For each survey topic the council was asked to rate the performance of RSHL on this scale:</p> <ul style="list-style-type: none"> • Outstanding • Good • Neutral • Poor • Very Poor • N/A <p>Responses were received from 8 out of 9 councils, and results were generally good or better. Comments were also collected on each survey point.</p> <p>Please rate the performance of RSHL with respect to Programme Management.</p>  <p>Please rate the performance of RSHL with respect to Communication.</p>  <p>Please rate the performance of RSHL with respect to facilitating collaboration between councils.</p>  <p>Please rate the performance of RSHL with respect to development and promotion of the Good Practice Operating Model.</p>  <p>Please rate the performance of RSHL with respect to vendor management of Datacom.</p> 

Please rate the performance of RSHL with respect to management of the process to develop the Datascape Regional Sector Template.



Please rate the performance of RSHL with respect to management of the logistics of the IRIS NextGen Programme.



Please rate the performance of RSHL with respect to management of the financials of the IRIS NextGen Programme.



Please rate the performance of Datacom with respect to their approach to Partnering with councils and RSHL.



Please rate the performance of Datacom with respect to collaboration with the councils.



Please rate the performance of Datacom with respect to delivery to the IRIS NextGen Programme.



<p>Budgets for IRIS support and development are approved by the IRIS Advisory Group and Board by 30 June each year. Delivery within these budgets is effectively managed by the Advisory Group and the Chief Executive.</p>	<p>Achieved. The DRAFT IRIS budget was approved as planned in February 2024 and the final budget was approved as part of the SOI Process in June 2024. For FY23. The IRIS Programme Budget was effectively managed, with a surplus of \$0.33M. This surplus will be expended before any additional funding is collected from councils.</p>
<p>Be an effective service delivery vehicle for regional council sector shared programmes under the Sector Financial Management System. Revenue and Expenditure for SFMS Programmes are within budget, with any variations approved by the RCEOs. Annual Survey of Programme Leads in relation to SFMS Management presented to RCEOs in June. Survey results to be the same or better than the previous year.</p>	<p>Achieved. SFMS Funds collected were as agreed with the RCEOs. Reporting on financial position was provided to RCEOs on a quarterly basis. Total funding collected in the period was \$6.9M of which \$2.5M was from central government. Total expenses for the year were \$8.7M. The net loss of \$1.8M is due to expenses for the Cyclone Gabrielle response LIDAR Surveys. The funding for this work was collecting in the previous financial year but spent in FY24. Ten Te Uru Kahika Programme Leads were surveyed on the performance of RSHL with respect to delivery of the SFMS. 5 responses were provided.</p>
	<p>All responses rated RSHL Good or Outstanding on the following survey questions:</p> <ul style="list-style-type: none"> ● Please rate the performance of RSHL with respect to: ● Sourcing and Procurement ● Contract Management. ● Financial/Operations Management. ● Employment of Staff/Contractors. <p>This is a pleasing result, which we will seek to build on in the following years.</p>
<p>Effectively support the activities of the Te Uru Kahika through the Regional Sector Office. Annual survey of RCEOs in relation to performance of the sector office presented to RCEOs in June. Survey results to be the same or better than the previous year.</p>	<p>Not Achieved. Over the course of FY2024, RSHL went through a process to better define the role of RSHL in support of Te Uru Kahika. As a result of that work, a new Memorandum of Agreement (MoA) has been created which clearly defines the roles of RSHL and Te Uru Kahika. That MoA includes service definitions and measures. This the most effective way of measuring the performance of RSHL in support of Te Uru Kahika. The Te Uru Kahika Virtual Team, led by the Te Uru Kahika Executive Director is accountable to the RCEOs Forum for the performance of the Regional Sector Office.</p>
<p>Budgets for EMAR are approved by the EMAR Steering Group by 30 June each year, and delivery within these budgets is effectively managed by the EMAR Project Manager.</p>	<p>Achieved. Additional topics and upgrades to LAWA have been completed on time and to budget. The EMAR Programme operated within budget for the FY24 Year.</p>
<p>Be a service delivery vehicle for wider regional council sector and related bodies information management programmes and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the relevant regional sector group.</p>	<p>Partially Achieved. RSHL has effectively managed the SFMS. Revenue and expenditure are consistent with the amounts documented in the SFMS Briefing Paper. RSHL has more than 50 contracts in place with service providers for support of Te Uru Kahika work programmes. RSHL has effectively managed the Integrated National Farm Data Platform (INFDP) Programme under the guidance of the Steering Group. The programme has remained within budget and timetable and been well managed despite significant changes in policy direction. Environmental Data Management Platform (EDMS) is a long-running and complex programme. RSHL has been working with the Te Uru Kahika Environmental Data and Digital Solutions Groups to complete the procurement process for this programme. This has taken longer than planned. In FY204 we started development with a consortium of councils on a Data Emissions Platform Programme, we expect to progress to a formal partnership agreement before the end of the year. RSHL is also working with the Regional Integrated Ticketing Systems Programme to transition that team from Otago Regional Council to RSHL.</p>

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