

financial summary

This summary provides an overview of the council and group's financial results for the period.

The council reports its financial results in accordance with New Zealand International Financial Reporting Standards (NZ IFRS). These standards collectively represent generally accepted accounting practice in New Zealand. They tell us how to recognise and disclose all financial transactions in our financial statements.

Understanding the council's reported surplus for the year ended 30 June 2011

The council has consistently operated within a sound financial position. The continuing and prolonged economic recession has continued to negatively impact on the level of interest revenue earned compared with budget and the "fair value" of council's investment properties.

Council posted an operating deficit, before tax of \$2.193 million for the year ended 30 June 2011 compared to a budgeted surplus of \$733,000. Total Comprehensive Income saw a deficit of \$921,000 against a budgeted surplus of \$733,000.

There are a number of extraordinary or one-off non-operating items contributing to this variance (see below) and if these are removed, the true operating surplus would be about \$1.7 million. The actual financial result is good and reflects council's prudent financial management and also that a number of work programmes were not completed during the year as anticipated. Council has approved the carry forward, or making available of \$569,000 from this surplus towards operating expenditure in the 2011-2012 financial year to enable outstanding work programmes to be completed as planned. The work programmes include, environment fund awards, the mangrove removal programme, the Regional Policy Statement and economic development promotion initiatives. A further \$420,000 was taken to special reserves, with \$127,000 transferred to the Hātea River Reserve, to be available for dredging works and \$293,000 repaying funds previously advanced for the priority rivers work programme and Awanui River Management Scheme.

The deficit and the variance of actual results against budget is largely due to

council's contribution towards the Northland Events Centre of \$1.52 million. This was budgeted to occur in the 2009-2010 financial year. The Northland Events Centre contract is a fixed price design-build contract. The \$13 million contribution made by council is to be funded from revenue collected from the Recreational Facilities Rate over an approximate 15 year period (the Recreational Facilities Rate commenced on 1 July 2006). The outstanding liability as at 30 June 2011 is \$9.57 million.



The operating deficit of \$2.193 million includes a \$2.4 million deficit in other gains/(losses). This is made up of a decrease of \$2.795 million in the fair value of investment property (including \$527,000 decrease relating to land purchased for the proposed Marsden Point to Oakleigh rail corridor), a \$361,000 decrease in the fair value of owner occupied buildings and a \$40,000 loss on the sale of property plant and equipment. These losses were offset slightly by the \$435,000 increase in the fair value of council's forestry assets and the \$359,000 reversal of impairment previously recognised for council's investment in subsidiary, the Northland Regional Council Community Trust. Under NZ IFRS certain fair value and impairment movements are recognised as income in our financial statements even though the council has not actually received or paid any additional cash. Council budgeted fair value increases in the value of forestry assets of

\$93,000. Gains and losses resulting from fair value movements do not represent additional cash collected or paid by the council and therefore the surplus or losses are not used to offset or increase rates or to fund council's planned expenditure for future financial years.

Council recognised a further \$1.27 million in other comprehensive income. This other comprehensive income is made up of \$1.1 million fair value increase of the Awanui River Management Scheme asset, a fair value increase of our financial assets of \$233,000 and a decrease in the land of our owner occupied properties of \$58,000.

The financial summary

The council is a regional authority constituted by the Local Government Act 2002. The Northland Regional Council is a public benefit entity for reporting purposes. The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice and comply with New Zealand Equivalents to IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The financial statements include a Statement of compliance to this effect.

The Long Term Council Community Plan numbers are those approved by the council at the beginning of the year after a period of consultation with the public.

A summary report cannot be expected to provide a comprehensive understanding of council's activities as the full document. Copies of the Annual Report 2010-2011 are available at the Council Offices, or online www.nrc.govt.nz/annualreport, or by calling 0800 002 004.

The Annual Report has been audited by Audit New Zealand and has received an unmodified audit opinion. The Annual Report complies with all relevant International Financial Report Standards as appropriate for public benefit entities. The summary financial report has been examined by Audit New Zealand for consistency with the full financial report and has received an unmodified audit opinion.

In this financial summary we provide a summary of council's financial performance during the 2010-2011 financial year.

In the summary financial statements the "Council" column includes the Northland Regional Council. The "Consolidated" column includes Northland Regional Council Community Trust and Northland Port Corporation (NZ) Limited. The summary financial statements are presented in New Zealand dollars rounded to the nearest dollar, unless otherwise stated.

Statement of Comprehensive Income and Changes in Equity

The Summary Statement of Comprehensive Income and Summary Statement of Changes in Equity present the final performance and equity movements of the council and the group. These statements summarise operating income and expenditures as well as other financial transactions that have impacted on the council's and group's net equity.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2011

	Council 30-Jun-11 \$	Annual Plan 30-Jun-11 \$	Council 30-Jun-10 \$	Consolidated 30-Jun-11 \$	Consolidated 30-Jun-10 \$
OPERATING INCOME	23,303,845	25,080,370	28,744,206	30,882,679	38,003,331
Operating Expenses (excluding Finance Expense)	25,458,937	24,346,389	36,162,138	29,625,643	43,473,964
Finance expense	37,710	1,000	–	50,963	36,820
TOTAL OPERATING EXPENDITURE	25,496,648	24,347,389	36,162,138	29,676,606	43,510,784
NET SURPLUS/(DEFICIT)	(2,192,803)	732,981	(7,417,932)	1,206,073	(5,507,452)
Taxation Credit/(Expense)	–	–	80,732	109,982	85,866
NET SURPLUS/(DEFICIT) AFTER TAXATION	(2,192,803)	732,981	(7,337,200)	1,316,055	(5,421,586)
Other Comprehensive Income					
Gains/(Loss) on Property Revaluations	(58,000)	–	(111,157)	(8,371,389)	(3,984,622)
Financial Assets at "fair value" through Other Comprehensive Income	223,326	–	195,886	223,326	195,886
Gains/(Loss) on Infrastructure Asset (Awanui River Management) revaluation	–	1,106,411	–	–	–
Net Hedging Movement (Associate)	–	–	–	104,391	152,976
Total Other Comprehensive Income	1,271,737	–	84,729	(8,043,672)	(3,635,760)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(921,065)	732,981	(7,252,471)	(6,727,617)	(9,057,346)
Total Comprehensive Income attributable to:					
Northland Regional Council				(4,006,053)	(8,785,308)
Non-controlling interest in surplus of Northland Port Corporation (NZ) Limited				(1,615,152)	(272,038)
				(5,621,205)	(9,057,346)

Consolidated Statement of Changes in Equity

For the year ended 30 June 2011

	Council 30-Jun-11 \$	Annual Plan 30-Jun-11 \$	Council 30-Jun-10 \$	Consolidated 30-Jun-11 \$	Consolidated 30-Jun-10 \$
Balance at 1 July - as restated	117,842,550	121,717,029	125,095,020	239,572,624	249,685,726
Less Dividends Paid	–	–	–	(1,050,400)	(1,055,755)
Total Comprehensive Income	(921,065)	732,981	(7,252,470)	(5,621,206)	(9,057,346)
Balance at 30 June	116,921,484	122,450,010	117,842,550	232,901,018	239,572,624
Total Comprehensive Income attributable to:					
Northland Regional Council	116,921,484	122,450,010	117,842,550	175,466,969	179,470,900
Minority interest	–	–	–	57,434,049	60,101,725
Balance at 30 June	116,921,484	122,450,010	117,842,550	232,901,018	239,572,624
Equity is made up of the following components:					
Retained Earnings	111,967,951	113,437,534	108,561,310	127,762,960	127,914,564
Asset Revaluation Reserve	2,025,201	976,790	704,966	45,060,650	48,469,047
Financial Assets at "fair value" through Equity	419,212	195,886	–	419,212	195,886
Special Reserves	2,509,118	3,232,338	7,424,075	2,224,146	2,891,402
Minority Interest	–	–	–	57,434,049	60,101,725
	116,921,482	117,842,548	116,690,351	232,901,018	239,572,624

Previously reported Retained Earnings has been adjusted by a debit of \$2,431,369 at 1 July 2009 and a credit of \$429,966 at 30 June 2010 for the correction of a prior period error. This adjustment is detailed in Note 37 of the full 2010-2011 Annual Report.

Variances to budget can be explained as follows:

Operating revenue is \$1.8 million less than budget due to:

- Council receiving a \$721,000 greater than budget in fees and charges. This is offset in part by a decrease in grants and subsidies of \$150,000. The increased in fees and charges relates to additional revenue received for consent applications, funds to administer the manchurian wild rice national programmes, fees for emergency management contract work undertaken on behalf of the Whāngārei District Council and increased maritime fees.
- Council received an additional \$437,000 in rates revenue due to penalties charged on unpaid rates.
- Others gains/(losses) was \$2.5 million less than budget. The decrease largely relates to the \$2.8 million "fair value" decrease in the value of council's investment property and a \$361,000 decrease in the "fair value" of council's owner occupied buildings. This is offset in part by an increase in the value of council's forestry holdings of \$435,000 and an impairment loss reversal of \$359,000.

Operating expenditure is \$1.1 million greater than budget due to:

- Expenditure on the Northland Events Centre of \$1.52 million which was budgeted to occur in the previous financial year transpired in the current financial year. The final payment towards the Northland Events Centre was made in September 2011. The total cost of the Northland Events Centre has come in on budget.
- Expenditure on Activities is less than budget due to some work programmes not been completed during the year. Council has approved the carry forward, or making available of \$569,000 from this surplus towards operating expenditure in the 2011-2012 financial year to enable outstanding work programmes to be completed as planned. The work programmes include, environment fund awards, the mangrove removal programme, the Regional Policy Statement and economic development promotion initiatives. A further \$420,000 was taken to special reserves, with \$127,000 transferred to the Hātea River Reserve, to be available for dredging works and \$293,000 repaying funds previously advanced for the priority rivers work programme and Awanui River Management Scheme.

Financial Position

The Summary Statement of Financial Position shows what assets we own and what liabilities we owe to other parties and our net worth. The council's position remains very strong with liabilities representing only 5 percent of total assets.

Consolidated Statement of Financial Position

As at 30 June 2011

	Council 30-Jun-11 \$	Annual Plan 30-Jun-11 \$	Council 30-Jun-10 \$	Consolidated 30-Jun-11 \$	Consolidated 30-Jun-10 \$
Current Assets	11,541,131	22,842,940	13,569,456	14,489,100	16,005,780
Non-Current Assets	111,317,768	105,389,022	110,081,673	224,983,082	230,753,645
Total Assets	122,858,899	128,231,962	123,651,129	239,472,183	246,759,425
Current Liabilities	(5,888,559)	(5,669,921)	(5,685,665)	(6,518,822)	(7,060,657)
Non-Current Liabilities	(48,858)	(112,031)	(122,917)	(52,342)	(126,142)
Total Liabilities	(5,937,417)	(5,781,952)	(5,808,581)	(6,571,164)	(7,186,798)
NET ASSETS/EQUITY	116,921,483	122,450,010	117,842,548	232,901,019	239,572,626
Equity attributable to:					
Northland Regional Council				175,466,970	179,470,902
Minority Interests				57,434,049	60,101,725
				232,901,019	239,572,626

Variances to budget can be explained as follows:

- Current Assets are less than budget and Non-Current Assets are greater than budget primarily due to financial assets being invested in long-term investments (greater than 12 months).
- Total Equity is less than budget largely as a result of "fair value" decreases in the value of investment property and as a result of lower than expected opening balance resulting from the previous years deficit.

Council's Assets

The major components of our assets include:

- Current Assets (including investments with maturities less than 12 months, Cash and Trade Receivables) – \$11.54 million;
- Investment Property (including forestry assets) – \$49.9 million;
- Property, plant and equipment (including operational assets such as council-occupied land and buildings and river management schemes) – \$20.13 million;
- Investment in Subsidiaries and Associates (including investment in the Northland Regional Council Community Trust \$10.5 million and shares held in Northland Port Corporation (NZ) Limited \$7.8 million. Our investment in Northland Port Corporation (NZ) Limited is reflected at original cost in the council financial statements in accordance with applicable reporting standards. However, the investment in the Northland Regional Council Community Trust reflects the impaired value, with the original cost being \$12.14 million); and
- Other Non-Current Investments (including Other Receivables and Investments in Stocks and Other Securities) – \$22.9 million.

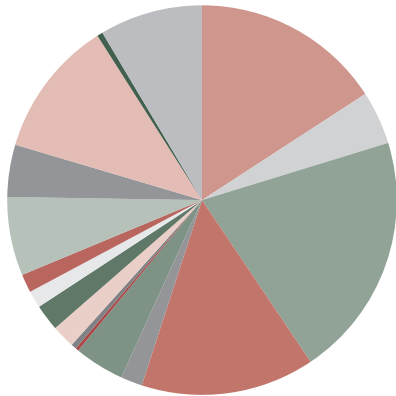
Council's Liabilities

- Current Liabilities (including Trade and Other Payables, Employee Benefits and Tax Liability) – \$5.9 million.
- Non-Current Liabilities (made up of Non-Current Employee Benefit Liabilities) – \$49,000.

Our sources of income

The following graph shows the various sources of the council's \$23.3 million income during 2010-2011. The largest contribution to revenue was provided by rates. While rates continues to be the main source of income, the council also received income from a number of other sources including from government grants and subsidies, user fees and charges and investment income.

Revenue and Funding 2010-2011

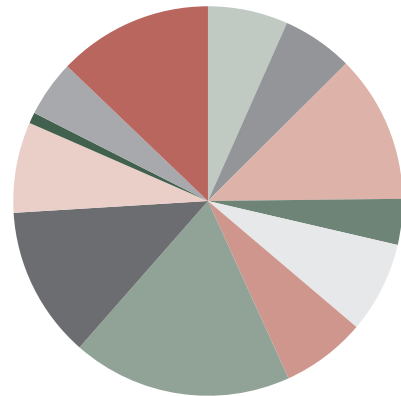


Sources of Funding and Revenue	%	\$
Fees and Charges	19.09	4,448,624
Government Subsidies	5.35	1,245,795
Targeted Council Services	24.09	5,613,643
Targeted Land Management Rate	17.82	4,152,755
Targeted Awanui River Management Rate	2.16	504,393
Targeted Recreational Facilities Rate	5.02	1,170,534
Targeted Kaihū River Management Rate	0.31	72,130
Targeted Kaeo River Management Rate	0.54	124,933
Regional Infrastructure Rate	2.32	540,668
Rescue Helicopter Services Rate	2.64	615,626
Transport Rate	1.72	400,365
Rate Penalties	1.84	429,102
Interest	7.87	1,834,238
Dividends	5.23	1,218,460
Investment Income	13.74	3,201,458
Emission Trading Scheme	0.57	133,191
Other Gains/(Losses)	-10.31	(2,402,069)
TOTAL SOURCES OF FUNDING AND REVENUE		23,303,845

Our expenditure

The following graph shows the allocation of our \$27.4 million of expenditure by activity. The council's expenditure is guided by the priorities identified in our 2010-2011 Annual Plan.

Expenditure on Activities 2010-2011

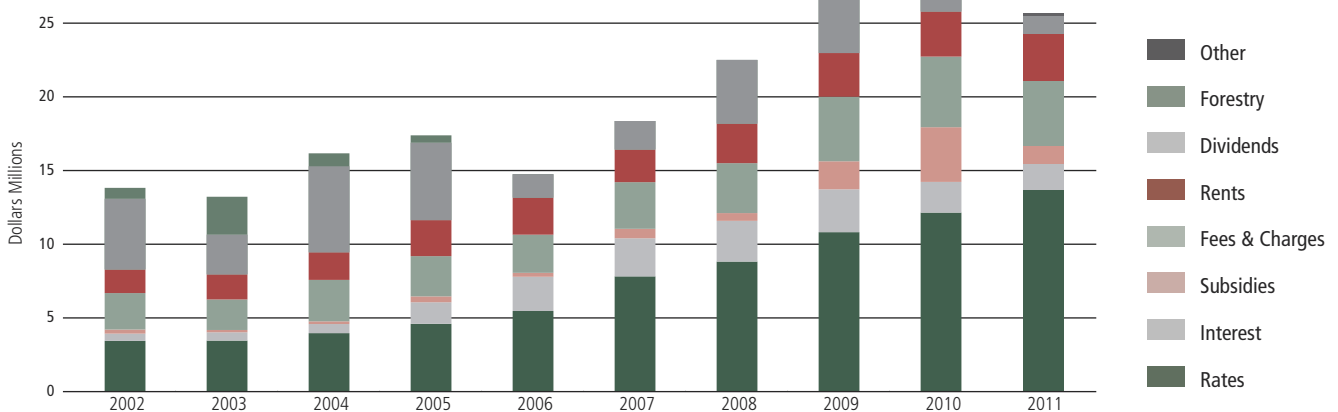


Expenditure on Activities	%	\$
Democracy and Corporate Services	7.25	1,994,420
Regional Information and Engagement	6.43	1,767,275
Regional Economic Development	11.01	3,029,533
Resource Management Planning	4.15	1,142,012
Transport	8.27	2,273,450
Consents	7.65	2,104,568
Environmental Monitoring	19.91	5,477,196
Land and Rivers	13.71	3,770,756
Biosecurity	8.22	2,260,404
Emergency Management	0.99	271,669
Maritime	5.11	1,405,365
Operating Total	92.70	25,496,647
Capital Expenditure	7.30	2,007,831
TOTAL EXPENDITURE	100.00	27,504,479

Revenue Trends

Rating revenue since 2005-2006 reflects the introduction of targeted rates to fund the Regional Events Centre and extra land and emergency management initiatives. In the 2009-2010 financial year council introduced a targeted transport rate to fund the Whāngārei Bus Passenger transport services. These were previously funded by the Whāngārei District Council. Council also introduced the targeted rescue helicopter services rate to provide funding certainty to the Northland Emergency Services Trust.

Ten Year Revenue Trends



Cash Flows

The Summary Statement of Cash Flows shows how we generated and used cash. The overall net increase or decrease represents the change in our cash and cash equivalents arising from operating, investing and financing activities. Our operating activities generate cash inflows, mainly from rates and user charges. Investing activities relate to the sale and purchase of property, plant and equipment and cash and property investments.

Consolidated Statement of Cash Flows

For the year ended 30 June 2011

	Council 30-Jun-11 \$	Annual Plan 30-Jun-11 \$	Council 30-Jun-10 \$	Consolidated 30-Jun-11 \$	Consolidated 30-Jun-10 \$
Net Cash Flows from Operating Activities	1,481,850	1,237,893	(8,126,191)	3,823,752	(7,299,205)
Net Cash Flows from Investing Activities	(2,274,169)	(1,725,580)	9,765,081	(2,204,393)	9,196,462
Net Cash Flows from Financing Activities	–	–	–	(1,059,544)	(1,076,296)
NET INCREASE (DECREASE) IN CASH HELD	(792,319)	(487,687)	1,638,890	559,815	820,960
Cash, Cash Equivalents and Bank Overdrafts at the beginning of the year	4,310,520	948,390	2,671,630	4,885,467	4,064,506
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR	3,518,201	460,703	4,310,520	5,445,282	4,885,466

Other financial information

As at 30 June 2011, council commitments included an agreement to provide \$202,000 (2010: \$2.3 million) towards the establishment of the Northland Events Centre to bring the total contribution made by council to \$13 million. Council also approved spending \$384,000 on the Integrated Regional Information System Project.

Significant Related Party Transactions

Northland Regional Council is the ultimate parent of the group and controls two entities, being Northland Port Corporation (NZ) Limited (53.61% owned) and Northland Regional Council Community Trust (100% owned). It also has significant influence over a number of other entities by way of direct investments in these entities by its subsidiary, Northland Port Corporation (NZ) Limited.

The following transactions were carried out with related parties:

	Council 30-Jun-11 \$	Council 30-Jun-10 \$
Northland Port Corporation (NZ) Limited		
Dividend received by council	1,217,860	1,217,860
North Tugz Limited		
Payments received by the council for services provided in the normal course of business	145	75
Payments made from the council for services provided in the normal course of business	16,784	15,459
Northland Port Corporation (NZ) Limited		
Payments received by the council for services provided in the normal course of business	12,415	2,245
Accounts receivable from the council for services provided in the normal course of business	440	Nil
Enterprise Northland		
Payment made from the council for services provided in the normal course of business	16,839	25,218
Grant received from the council	1,282,196	10,365,679
Accounts payable to Enterprise Northland for operating grant received from the council	Nil	7,500
Destination Northland Limited		
Payment made from the council for services provided in the normal course of business	Nil	700
Grant received from the council	100,000	100,000
Northport Limited		
Payments received by the council for services provided in the normal course of business	198,660	231,998
Payments made from the council for services provided in the normal course of business	18,563	20,981
Accounts payable to the council for services provided in the normal course of business	Nil	38,438
Accounts receivable from the council for services provided in the normal course of business	Nil	7,336
Northland Stevedoring Services (UJV)		
Payments received by the council for services provided in the normal course of business	70	Nil

Full information on council's Commitments, Contingencies and Significant Related Party Transactions can be found in the full 2010-2011 Annual Report.

Other financial information continued

Contingent Assets and Liabilities

The council had no Contingent Liabilities as at 30 June 2011 (30 June 2010: nil). However, the group held Contingent Liabilities for bonds \$75,000 (2010: \$75,000), Share of Associated Companies' Contingent Liabilities \$675,000 (30 June 2010: \$675,000) and Postponed Rates \$93,526 (30 June 2010: \$93,526). Council held Contingent Assets of \$193,268 (30 June 2010: nil) for Emissions Trading Scheme Credits it expects to received in 2013 subject to their being no change in legislation.

Operating Leases Commitments

The group leases property, plant and equipment in the normal course of business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	NPC 30-Jun-11 \$	NPC 30-Jun-10 \$	NRCCT 30-Jun-11 \$	NRCCT 30-Jun-10 \$	Consolidated 30-Jun-11 \$	Consolidated 30-Jun-10 \$
Not later than one year	197,913	200,112	42,022	50,527	239,935	250,639
Later than one year and not later than five years	599,591	571,172	26,829	11,293	626,420	582,465
Later than five years	1,014,789	1,596,376	–	–	1,014,789	1,596,376
Total Operating Leases	1,812,293	2,367,660	68,851	61,820	1,881,144	2,429,480

Accounting Standards issued but not yet effective

There are number of accounting standards which have been issued but are not yet effective. Full details of these accounting standards can be found in the accounting policies included in the Annual Report.

Events after Balance Date

Subsequent to balance date, Northland Port Corporation (NZ) Limited declared a fully imputed dividend of 4 cents per share with payment made 23 September 2011. There were no other significant events after balance date.

Independent Auditor's Report

To the readers of
Northland Regional Council and Group's
Summary of the Annual Report
for the year ended 30 June 2011

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

We have audited the Summary of the Annual Report (the summary) as set out on pages 2 to 27, which was derived from the audited statements in the Annual Report of the Northland Regional Council (the regional council) and group for the year ended 30 June 2011 on which we expressed an unmodified audit opinion in our report dated 4 November 2011.

The summary comprises:

- the summary statement of financial position as at 30 June 2011, and summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the regional council and group's non-financial performance information and summaries of other information contained in its Annual Report.

Opinion

In our opinion, the information reported in the summary complies with FRS-43: Summary Financial Statements and represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

Basis of opinion

The audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand).

The summary and the audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 18 October 2011 on the audited statements.

The summary does not contain all the disclosures required for audited statements under generally accepted accounting practice in New Zealand. Reading the summary, therefore, is not a substitute for reading the audited statements in the Annual Report of the regional council and group.

Responsibilities of the council and the Auditor

The Council is responsible for preparing the summary in accordance with FRS-43: Summary Financial Statements. We are responsible for expressing an opinion on the summary, based on the procedures required by the Auditor-General's auditing standards and the International Standard on Auditing (New Zealand) 810: Engagements to Report on Summary Financial Statements.

Other than the audit and in conducting the audit of the Long Term Plan, we have no relationship with or interest in the regional council or any of its subsidiaries.



F Caetano
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand
4 November 2011

our performance

The regional council measures its performance against a range of indicators. These Activity Performance Indicators measure the things that we have a high degree of control over. A summary of indicators for the 11 areas of the council are included here – for a full list of measures refer to the full 2010-2011 Annual Report.

Democracy and Corporate Services

PERFORMANCE MEASURE AND TARGET

Provide democratic local decision-making and action on behalf of the community.

- All council decisions made in an effective and accountable manner. *Zero council decisions overturned as a result of judicial review annually.*

Achieved (2010: Achieved).

No judicial reviews initiated in the period to 30 June 2011.



Manage and maximise the return on commercial property with consideration to the requirements of the council and the public.

- Maintain or increase the level of return from investment properties. *Achieve an annual return of at least 4.9% on the total value of investment properties.*

Achieved (2010: Achieved).

The return including the properties purchased along the proposed Marsden Point Rail link (MPRL) is 6.6%. If the MPRL properties are excluded, the return is 6.9%. This compares favourably with the return to 30 June 2010 which was 6.18%. Council's commercial properties are a low risk investment primarily comprised of leasehold properties vested to council following the 1989 restructure of councils. The investment properties provide a sound financial return.

Regional Economic Development

PERFORMANCE MEASURE AND TARGET

Support economic development initiatives that align with the Regional Growth Programme and/or benefit Northland.

- Negotiate an Annual Statement of Intent and rolling three-year business plan with the Northland Regional Council Community Trust. *Receipt of quarterly performance reports from the Trust detailing actual results compared to the objectives contained in the Statement of Intent and Business Plan.*

Achieved (2010: Achieved).

Quarterly reports have been received for the periods April to June, July to September, October to December 2010 and January to March 2011. Councillors requested an improved report format for Enterprise Northland which was presented for the first time for the October to December report.

Northland Regional Council Community Trust's two subsidiaries performed well to budget. Enterprise Northland had a net surplus of \$64,219 against a budget of nil surplus/deficit and Destination Northland Ltd had a small net loss of \$7892 against a budget of nil surplus/deficit. The trust had a net surplus of \$302,494 (2010 surplus: \$321,729).

Highlights have included the preparations for the Rugby World Cup, the Waikare Oyster rehabilitation project funding and the aerial minerals survey.

The main issue of concern noted in the reports was the low economic performance of the region compared to the rest of New Zealand. Enterprise Northland reiterates that the recipe for growth will only come with regional leadership and the whole community taking responsibility for economic development. To make a difference the region needs step changes and many of them.





Regional Information and Engagement

PERFORMANCE MEASURE AND TARGET

Ensure that the regional community is well informed about council issues and activities through a co-ordinated Communications Strategy.

- Survey community awareness to ensure that the council is effectively communicating information on council activities and programmes. *Achieve at least 80% community awareness of Northland Regional Council and its services in an annual survey.*

Achieved (2010: Achieved).

Community awareness of specific functions is measured. Survey results from November 2010 show respondents have good awareness of what the council does with an average awareness rate of 80%.

When prompted with functions 94% (2010: 94%) identified council involvement in planning, monitoring and consents; 84% (2010: 83%) in plant and pest control; 82% (2010:85%) in flood management and civil defence; 78% (2010: 70%) were aware of roles in infrastructure planning, development and regional transport; 74% (2010: 68%) identified the council as responsible for harbour navigation and safety; 69% (2010: 70%) were aware of our involvement in economic development and growth.

Ensure that the community has 24/7 access to up-to-date information on council activities and real-time environmental data.

- Provide real-time environmental data on the council's website. *At least 90% of new data posted on the council website within 24 hours.*

Achieved (2010: Achieved).

The council's real-time data consists of river and rainfall data (updated automatically every two hours) and the Kaeo River webcam (updated automatically every four hours).

Resource Management Planning

PERFORMANCE MEASURE AND TARGET

Develop and publish strategic planning documents to manage Northland's natural and physical resources.

- Undertake a full review of the RPS, including consideration of the potential implications of climate change. *Provide quarterly progress reports via the CEO's report to the council.*

Achieved (2010: Achieved).

Progress on developing the new RPS has been reported monthly via the CEO's report to the council. The RPS 10-year review was completed and presented to the December 2009 council meeting. Council released the New Regional Policy Statement Discussion Document for public comment in mid October 2010. Climate change was included as a significant issue for the region. Council received 164 (including late) submissions. A summary of submissions is available on council's website www.nrc.govt.nz/newRPS. A media release and newsletter (sent to all submitters and key stakeholders) was circulated in early April, to ensure Northlanders are aware of the availability of the summary and report cards and a follow-up item appeared in the Regional Report.



Transport

PERFORMANCE MEASURE AND TARGET

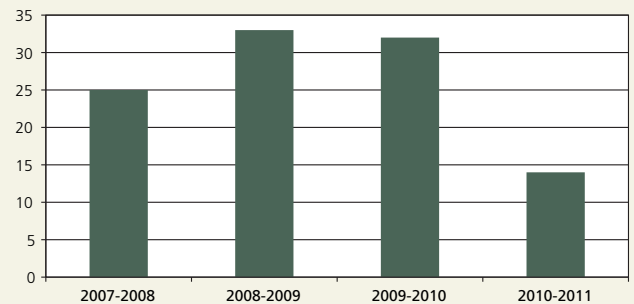
Develop strategic approaches in regional transport and road safety.

- Reduce the number of road deaths and hospitalisations as a result of motor vehicle accidents in Northland. *No more than 440 road deaths and hospitalisations per annum.*

Achieved for number of road deaths; data not available for hospitalisations (2010: Not achieved).

In 2010-2011 there were 14 fatalities which is a 30 year record low for the number of deaths for Northland. The target has been a nationally set figure which is no longer applicable under the recently released "Safer Journeys to 2020".

Number of road deaths in Northland



Regional road safety initiatives continue to aim toward the reduction of fatalities and hospitalisations in Northland through the "Northland Regional Road Safety Plan 2009-2012".



Review and respond to legislative changes, proposed National Environmental Standards (NES), and proposed National Policy Statements (NPS).

- Prepare submissions or comments on any proposed legislative changes, NES, and/or NPS, where they impact on the council's responsibilities and resources. *Submissions/comments prepared and lodged within timeframes specified by requesting agency and reported in the CEO's report to the council and recorded on the council's submission files.*

Achieved (2010: Achieved).

Submissions and comments were made within specified timeframes, reported to council and recorded on the council's submission files. Council made submissions or comments on the following legislative changes, NES and NPS within the reporting period: Amendment to NES Air Quality; Proposed NES for Plantation Forestry; Draft NPS Biodiversity. The submission highlighted technical difficulties regarding offsetting and sought alignment with other NPS; Aquaculture Legislation Amendment Bill (No 3); Marine and Coastal Area (Takutai Moana) Bill 2010; RMA Phase II Reform; Offshore petroleum health, safety and environmental legislation review; Forestry schemes; Emissions Trading Scheme Review; National Policy Statement for Renewable Energy Generation.

The intent of these submissions is to represent Northland's interests at a national level and to add value to national proposals. As described above staff investigate the effects of law changes, national policy statements, such as the New Zealand Coastal Policy Statement, the National Policy Statement for Freshwater management and the National Policy Statement of renewable energy, for their impact on council and its plans, the new RPS etc and its operations.



Administer a cost effective passenger transport service.

- Effectively administer the Whāngārei Total Mobility Scheme to meet the needs of its customers. *At least 75% of customers rate the overall service provided by the total mobility scheme as either very good or excellent.*

Achieved (2010: Achieved, 80%).

The annual customer satisfaction survey, as required by the NZ Transport Agency was undertaken in May 2011. 80% of respondents rated the service at very good or excellent.



Consents

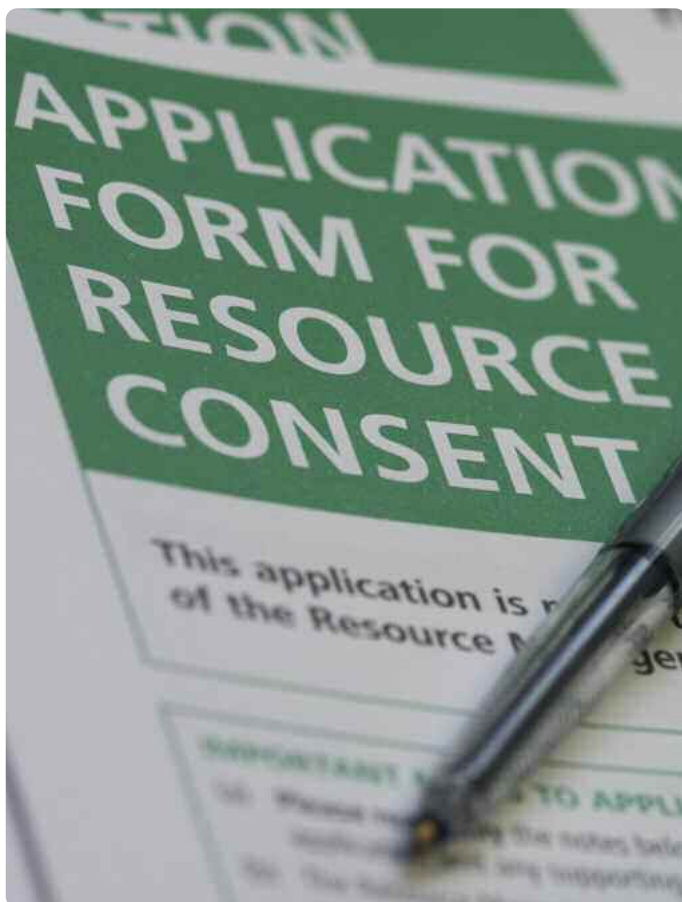
PERFORMANCE MEASURE AND TARGET

Process resource consent applications.

- Process all consent applications efficiently. *At least 98% of all applications are processed within statutory timeframes annually as indicated by the council's consents database.*

Achieved (2010: Achieved, 98.8%).

99.4% of all decisions (1284 decisions issued up to 30 June 2011) were processed within statutory timeframes.



Environmental Monitoring

PERFORMANCE MEASURE AND TARGET

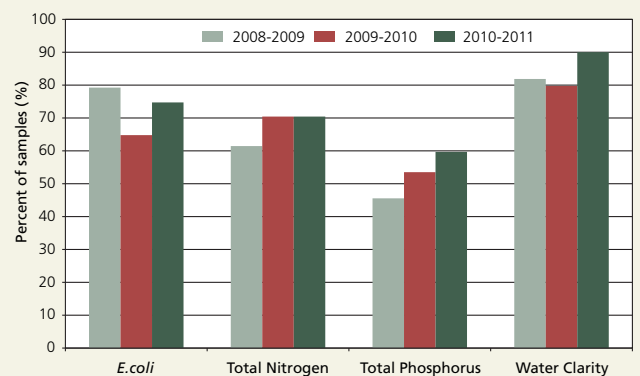
Monitor and identify significant environmental issues and trends in the region.

- Operate a region-wide quality network for the measurement, recording and reporting of groundwater, river and lake water quality trends and soil quality trends. *Annual % compliance of rivers with relevant guidelines for five key parameters.*

Achieved (2010: Achieved).

All parameters were greater than 2007 baseline. This is supported by trends published in the Northland River Water Quality Monitoring Network: State and Trends 2010 report.

Percentage of samples that met, or were better than guidelines values



Trends are calculated for sites with more than five years worth of data (currently 17 sites). There are improving trends for: total phosphorus at 65% of sites; total nitrogen at 18% of sites; and water clarity at 29% of sites. There were no significant trends (either improving or declining) for bacteria at 16 sites, and only one declining trend. Further detail is available in the annual monitoring report at www.nrc.govt.nz/amr

Parameters	2007-2008	2009-2010	2010-2011
Bacteria	81%	84%	84%
Water clarity	85%	87%	100%
Dissolved oxygen	100%	100%	100%
Total nitrogen	61%	81%	77%
Total phosphorus	45%	61%	58%

Monitor and enforce compliance with resource consent conditions, regional rules and relevant statutory requirements.

- Documentation and implementation of monitoring programmes for water, land and air consents. This includes monitoring of:
 - Emission testing and/or appropriate off-site monitoring of major industrial discharges to air;
 - Effluent and receiving water quality testing of sewage, industrial and landfill discharges;
 - Land clearance, earthworks, and river works that are the subject of resource consents;
 - Bore construction; and
 - Farm dairy effluent treatment and disposal systems.

100% of all significant non-compliances are followed up and enforcement action taken where necessary.

Not achieved (2010: Not achieved, 87%).

There were 332 significant non-compliances for the year. 105 farm dairy effluent (FDE) significant non-compliances were not followed-up resulting in 69% follow up. This was due to a resignation and subsequent gap in resources while recruitment was completed. Priority was given to six prosecutions and achieving the "Best Practicable Option" farm visits for consent renewals. There is now full FDE staffing and all follow-ups for the coming year will be achieved.

Provide a 24-hour, seven day environmental incident reporting system.

- Respond to calls received on the environmental hotline. 100% of significant incidents responded to by Northland Regional Council and assessed annually for compliance with regional rules or consent.

100% achieved (2010: 100%, 979 incidents)

992 incidents responded to in the period and assessed for compliance; 21 incidents were categorised as significant.

Facilitate the safe handling and lawful storage of hazardous substances and management of waste hazardous substances.

- Provide an on-call 24 hour, seven day a week service for responding to incidents involving hazardous substances. 100% response rate to all calls involving hazardous substances.

100% achieved (2010: 100% achieved)

21 hazardous substance incidents were reported and followed-up over the year.



Land and Rivers

PERFORMANCE MEASURE AND TARGET

Reduce risk from natural hazards.

- Prioritise actions arising from flood risk reduction plans and implement accordingly. Actions prioritised and implementation commenced by 30 June 2011. Progress reported six monthly to the Environmental Management Committee.

Achieved (2010: Not applicable).

Prioritisation commenced with community consultation meetings held to discuss draft plans and seek community input. Several priority actions have been identified and proposed in the 2011-2012 Annual Plan, including proposed flood scheme works for Kaeo and urban Whāngārei rivers. These initiatives will assist to reduce river flood risk to people and assets. A Kerikeri-Waipapa River Liaison Committee has also been established to assist with the development and implementation of this catchments plan.

A report to the June Environmental Management Committee meeting contained a schedule of draft River Management Plan priorities for implementation. Progress reported to Environmental Management Committee in July, September, December (council meeting), April and June. This work enables identification of flood risk and measures to reduce risk to assets and communities.



Land and Rivers continued

- Undertake beach profiling, representative of summer and winter conditions at priority sites, and as required following erosion or accretion at secondary sites. *Priority beach profile sites monitored twice yearly and reported within two months to the council in the CEO's report.*

Achieved (2010: Achieved).

Priority beach profile sites were monitored during August/September 2010 and May/June 2011 and reported in the November 2010 and June 2011 CEO's report. Beach profile monitoring results are primarily used during the review of coastal hazard zones from which to assess long-term trends and fluctuations in shoreline evolution and as such an annual review of results is not undertaken.



- Develop coastal hazard risk reduction plans for priority coastal communities. *Coastal hazard risk reduction plans commenced for priority coastal communities by November 2010 and continued in 2011. Progress reported six monthly to the Environmental Management Committee.*

Not achieved (2010: Not applicable).

Tsunami modelling and mapping for priority coastal communities and Whāngārei Harbour have been completed. This work will enable communities to be better informed of the potential tsunami risk.

A risk screening of 55 coastal communities was undertaken in order to establish priorities for risk reduction plan preparation. However, given the need to further progress with the Priority Rivers Project, the development of risk reduction plans has not commenced. Officers intend to address the future priorities formally with the council during 2011-2012.

Biosecurity

PERFORMANCE MEASURE AND TARGET

Reduce the adverse impacts of pests on the environment, economy and human health.

- Develop, implement and enforce animal, plant and insect pest management strategies for land, freshwater and marine pests. *All African feather grass sites under management by 31 December 2010 and 90% eradicated by 31 December 2012.*

Achieved (2010: Not applicable).

100% of all African feather grass sites are under management and the annual spraying was completed. We do not predict to see any completely eradicated sites until 2012 but expect the 90% target will be met.

- Conduct annual monitoring on tropical grass webworm and report webworm larval presence to property owners as appropriate. *Notify property owner if webworm larvae is present in more than 50m² of pasture monitored.*

Achieved (2010: Not applicable).

Monitoring of seven sites was completed and results showed a very high number of webworm present this year. Advanced warning of this pest can help farmers prepare for its impact. A dozen farmers were contacted in person to advise of the risk and methods for managing the problem.

- Actively pursue opportunities for partnerships with the community, crown and other pest agencies via community pest plans (CPCA) and other agreements.

Establish at least one new partnership with a pest agency and five new community pest plans (CPCA) annually and reported to the Environmental Management Committee.

Achieved (2010: Achieved).

Eight new CPCA plans have been approved during 2010-2011, three more than anticipated, and there is further demand for community plans for the coming year. A new partnership with a forestry company, Landcare Trust, DOC and local community was established in 2010-2011 to target wild goats near Whāngārei. A report to the Environmental Management Committee was completed for August 2011.





Emergency Management

PERFORMANCE MEASURE AND TARGET

Increase the community's capability to respond to, and recover from, Civil Defence emergencies.

- Develop and implement training and exercise programmes for all agencies across the CDEM sector in Northland. *Provide a minimum of three Co-ordinated Incident Management courses per year.*

Achieved (2010: Achieved).

Four courses were provided in 2010 with 99 personnel attending. Training plan for 2010-2011 was provided to all agencies and included seven courses and a national exercise, Tangaroa. Training and exercise needs analysis was completed.

- Respond to Civil Defence emergencies in accordance with the approved CDEMG Emergency Operations Centre Activation Plan. *Within one month of each activation, hold a formal debrief and report the outcome to the CDEM Group meeting within three months.*

Achieved (2010: Achieved).

Four events during the year required activation or partial activation of the Group Emergency Operations Centre and included Cyclone Wilma, Japan's tsunami, Exercise Tangaroa, weather related emergencies and the Kermadec tsunami alert.

Debriefs were held for each event within one month of the event occurring and reports on the outcomes were provided to the CDEM Group with opportunities for improvement included into the annual work programme.

Maritime Operations

PERFORMANCE MEASURE AND TARGET

Respond to marine oil spills in the Northland region.

- Maintain a team of trained oil spill responders. *Maritime NZ training is carried out on an ongoing as required basis cycle and a 24/7 roster is maintained.*

Achieved (2010: Achieved).

Response personnel received scheduled training on Maritime New Zealand courses. The maritime response roster, supported by the regional on-scene commander roster, was in place throughout the year providing 24/7 coverage.

Promote safe navigation on all Northland harbours and coastline.

- Provide and maintain aids to navigation as required for safe navigation on Northland harbours. *Six-year rolling maintenance programme is undertaken and activity reported monthly in the CEO's report to council.*

Achieved (2010: Achieved).

Aids to navigation provided and maintained in accordance with the six-year rolling maintenance plan. Response to failures and maintenance activities reported to council monthly. Aids to navigation maintenance completed on Whāngārei Harbour as per the six year plan, including the rebuilding of three beacons. Kaipara and Hokianga maintenance scheduled for 2011-2012 are being completed early (by mid April 2011) due to an extended cruise season in 2011-2012. Kaipara maintenance included the upgrade to a new design buoy for high currents.



- Update the risk assessment and safety management systems for the Whāngārei and Bay of Islands harbours. *Annually reviewed and reported monthly in the CEO's report to council.*

Achieved (2010: Achieved).

Whāngārei and Bay of Islands risk assessments and safety management systems are continually reviewed. Both systems were audited and accepted by Maritime New Zealand on 4 November 2010. The annual review by stakeholders, following the Maritime New Zealand audit, was held on 9 December 2010.



Putting Northland first

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

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

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

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

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

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

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

Facebook: www.facebook.com/NorthlandRegionalCouncil

Twitter: www.twitter.com/NRCEXpress