

# Northland Regional Council Summary Annual Report 2006



# The Council Group

The Northland Regional Council is a local authority pursuant to the Local Government Act 2002. For the purposes of financial reporting the Northland Regional Council is a public benefit entity. The Council's group comprises the Council and its subsidiary entities, namely:

1. Northland Port Corporation (NZ) Limited and its subsidiaries.
2. Northland Regional Council Community Trust and its subsidiaries.

## Mission Statement

The Northland Regional Council will provide policies, guidance and resources which encourage and enable the Northland community to manage and enhance its environment in a sustainable manner.

Ka whakatakotohia e te Kaunihera A Rohe O Te Tai Tokerau ngaa kaupapa ture, nga kaupapa hei arataki me nga rawa hei whakahau kia taea ai e nga tangata o te Tai Tokerau te whakahaere me te whakatairanga a ukauka i te taiao.

## Directory

### MAIN OFFICE

Street Address: 36 Water Street, Whangarei  
Postal Address: Private Bag 9021, Whangarei 0140.  
Telephone No: 09 438 4639  
Facsimile No: 09 438 0012  
Email: mailroom@nrc.govt.nz  
Freephone: 0800 002 004  
24/7 Environmental Hotline: 0800 504 639  
Website: www.nrc.govt.nz

### OPUA OFFICE

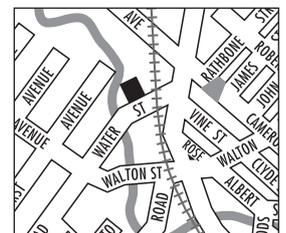
Address: Unit 10, Opuia Marine Park, Opuia 0200.  
Telephone No: 09 402 7516  
Facsimile No: 09 402 7510

### DARGAVILLE OFFICE

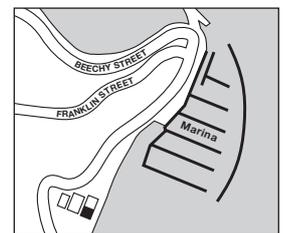
Address: 61B Victoria Street, Dargaville 0310.  
Telephone No: 09 439 3300  
Facsimile No: 09 439 3301

### KAITAIA OFFICE

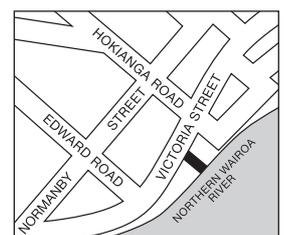
Address: 192 Commerce Street, Kaitaia 0410.  
Telephone No: 09 408 6600  
Facsimile No: 09 408 6601



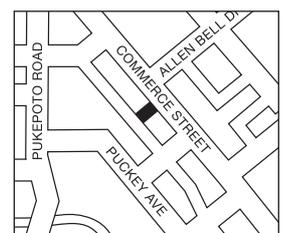
Whangarei



Opuia



Dargaville



Kaitaia

**The full version of the Annual Report 2006 may be obtained from Council Offices or from the Council's website [www.nrc.govt.nz](http://www.nrc.govt.nz)**

**Cover Photographs** (clockwise from top left):  
Flax, near Kerikeri; Baby skink, Limestone Island, Whangarei Harbour;  
Rocky foreshore, Te Puna Inlet; Students checking stream water  
quality at Motatau; Entrance to wharf, Bay of Islands;  
Visual Soil Assessment demonstration at Lake Omapere.

# Your Regional Councillors



## **MARK FARNSWORTH, Chairman**

Mark Farnsworth has represented the Kaipara constituency since 1992 and was elected Council Chairman in October 2001.

Cr Farnsworth has a Master's Degree in Geography and a forestry and farming background. He is a past National President of the New Zealand School Trustees Association and operates a small management partnership. He is also a Justice of the Peace.

## **PETER JENSEN, Deputy Chairman**

Peter Jensen has represented the Whangarei constituency since 1992. He is a businessman who has been involved in the clothing industry for most of his working life. A former member of the Whangarei City Council, he has served on a number of commercial and community organisations. Cr Jensen is also a member of the Northland District Health Board.

## **CRAIG BROWN**

Craig Brown is a former Mayor of the Whangarei District Council and is serving his first term on the Regional Council. He is a former policeman, and has been involved in farming and real estate. He has been heavily involved on school boards of trustees since their instigation, for which he received an award for services to education from the New Zealand School Trustees Association. Cr Brown was on the Whangarei District Council for 12 years, six of them as Mayor. His aim has been to advance the region's economic growth in a sustainable way.

## **LORRAINE HILL**

Lorraine Hill, QSM, has been active in local government in the Far North for 23 years and is now serving her third term on the Regional Council. She serves on various community committees, is a Community Representative for the Ministry of Social Development and is also a member of the Ministerial Advisory Committee for recreational fishing.

*Back from left: Ian Walker, Jim Peters, Bill Rossiter, Stan Semenoff, Craig Brown. Front from left: Peter Jensen (Deputy Chairman), Mark Farnsworth (Chairman), Lorraine Hill.*

## **JIM PETERS**

Jim Peters has represented the Far North constituency as a Regional Councillor since 1989 and was Chairman of the Council from 1995 to 2001. From 2002 to 2005 Cr Peters was a member of the Local Government and Environment Select Committee. He has a BA degree and a Diploma in Teaching, and was Principal of Northland College. He has been involved in education, farming, forestry and a number of community organisations, and is part of the University of Auckland Community Group.

## **BILL ROSSITER**

Bill Rossiter is serving his third term on the Regional Council. He previously served as a Whangarei District Councillor. Cr Rossiter is a Northpower Trustee and until recently was the Road Safety Co-ordinator for RoadSafe Northland. He is active in community organisations, including Rotary. Cr Rossiter is also chairman of the Maunu Children's Health Camp.

## **STAN SEMENOFF**

Stan Semenoff is a former Mayor of the Whangarei District Council between 1989 and 1998, and has been Deputy Chairman of the Northland Regional Council and Northland Port Corporation. He rejoined the Northland Regional Council as a Whangarei representative in 2001 after a break of nine years. Cr Semenoff was a member of the Northland Harbour Board. He is owner of a substantial trucking business in Whangarei, has an interest in a sand supply company and is a large-scale sheep and beef farmer.

## **IAN WALKER**

Ian Walker is a farmer, horticulturist and businessman. He is currently President of Northland Federated Farmers. This is his second term as a Regional Councillor.

# Highlights for the Year

## ENVIRONMENT FUND

The Council's Environment Fund celebrated its 10th anniversary in 2006. Together with the community, this fund has now helped more than 300 landholders to enhance their local environment for future generations through diverse projects including fencing and planting. The fund has now contributed more than \$1.5 million to a myriad of environmental enhancement projects, matched by at least equal contributions from individuals, community groups and other agencies. Over the last two years the fund has been extended from \$100,000 annually to \$286,000 for the 12 months covered in this report. The fund is expected to grow still further to roughly \$500,000 in the 2006-2007 financial year.

## LAKE OMAPERE

Significant progress was made during the year on collaborative efforts to improve the health of the region's biggest lake – the 1200 ha Lake Omapere near Kaikohe. The Council and Lake Omapere Trustees are currently finalising a detailed Restoration and Management Strategy for the lake and continuing to work closely with catchment landowners on riparian planting and fencing aimed at improving the lake quality.

## AWANUI FLOOD SCHEME

The 2005-2006 year saw the Council begin a several-year, \$900,000 upgrade of the century-old Awanui Flood Scheme, which is designed to help protect Kaitaia and surrounding farmland from flooding. Work to date – funded via a special rate on approximately 5000 properties that make up the Awanui Scheme catchment - has included the removal of trees and other debris as well as tonnes of accumulated silt from riverbanks. Hydrologists estimate these improvements mean the scheme can already carry almost 12 percent extra water before there is a serious flooding risk to Kaitaia.

## POSSUM CONTROL

The 2005-2006 year marked the first year of pest plant and pest animal management under the Council's Community Pest Control Areas programme. Council worked with 39 landowners to successfully establish these areas over a total of 6840 hectares at Oneriri, Paparoa, Maungaraho and Te Kuri. Meanwhile 65,000 hectares of land were treated for possum control during the year, bringing to 1.2 million hectares the amount treated since the Council's possum control programme began in 1990.

## REGIONAL MULTI-EVENTS CENTRE

Regional Councillors agreed to fund a one-off \$13 million (via a recreational facilities rate) contribution towards a \$39.3 million regional multi-use events centre proposed for Whangarei. The development of the events centre will be overseen and managed by an independent charitable trust to be set up by the Whangarei District Council.

## CONSENTS

Many new applications have resulted from ongoing new development proposals and growth across the region. This is particularly evident along the eastern seaboard, with land subdivision and industrial developments including marina and jetty facilities and foreshore works. The associated development or upgrades of public infrastructure such as storm water, sewerage, water supply, roading and quarrying have all contributed to a very busy year's work. Eight hundred and sixty seven consents have been received and processed during the last year. Overall, 98.3% of all consent applications were completed within legal time constraints.

## FARM DAIRY EFFLUENT

Figures for the 2005-2006 dairy season generally show improved compliance rates, with increasing numbers of Northland farmers improving their dairy effluent treatment and playing by the rules. All 742 Northland dairy farms with resource consents to discharge treated effluent to water were monitored between 20 August 2005 to 31 January 2006. Of those 279 (38%) were compliant with all consent conditions, while another 286 (39%) showed minor non-compliance. However, 177 farms (23%) were significantly non-compliant. While this 23% significant non-compliance rate is higher than is acceptable, it is a welcome improvement on the 2004-2005 season when 34% of monitored farms were significantly non-compliant with consent conditions.

## ENVIRONMENTAL INCIDENTS AND COMPLIANCE

A total of 1026 environmental incidents were reported by Northlanders to the Council and 2054 compliance assessment events were undertaken during the 2005-2006 reporting year. Enforcement action is taken where significant non-compliance with environmental rules or consent conditions has occurred, resulting in 158 formal abatement notices and 119 infringement notices being issued and eleven prosecutions were made or are still in progress in the Courts.



### **NORTHLAND COMMUNITY PLAN**

During 2005-2006, the Northland Regional Council achieved a milestone by completing 'The Northland Community Plan 2006-2016' - its first full Long Term Council Community Plan. The Plan sets out the activities and their associated costs for the Council over the next ten years. This was a major project encompassing widespread consultation with stakeholders and the community.

### **CIVIL DEFENCE EMERGENCY MANAGEMENT (CDEM) GROUP PLAN**

The five-year Civil Defence Management Plan for Northland was implemented during the course of the last year. The CDEM Group focuses on risk reduction, planning, recovery and response. Its initial focus has been on tsunami, storm surge and coastal erosion risks in Northland.

### **STATE OF THE ENVIRONMENT**

An annual report detailing the environmental monitoring activities and results will be published on [www.nrc.govt.nz](http://www.nrc.govt.nz) in September.

### **PLANNING**

Significant progress was made on a further plan change to provide for future aquaculture development in Northland and a major re-drafting of Northland's Regional Land Transport Strategy (RLTS) was also completed. The Draft RLTS aims to identify future transport needs in the region until 2016 and tries to find the safest and most cost-effective ways of meeting these. A process for a five-yearly review of the efficiency and effectiveness of the Council's Regional Policy Statement was agreed by the region's three District Councils. This is now underway. Similarly, all four of the Regional Council's resource management planning documents (the Regional Policy Statement, Coastal Plan, Water and Soil Plan and Air Quality Plan) are being reviewed for effectiveness or being refined through the plan change process.

### **FINANCIAL POSITION**

The Regional Council remains in a strong financial position and is well placed to continue to support future environmental challenges and community expectations.

# Chairman and Chief Executive Officer's Overview

## Introduction

During 2005-2006, the Northland Regional Council achieved a milestone by completing its first full Long Term Council Community Plan. The 'Northland Community Plan' sets out Council activities and costs for the next 10 years. This was a major project encompassing widespread consultation with stakeholders and the community. Major Regional Outcomes agreed by Northlanders were:

- Northland residents are safe and healthy;
- Northland's infrastructure is developed in a sustainable way;
- Northland's natural environment is sustainably managed;
- Northland is prosperous;
- Northland residents are educated and skilled;
- Northland has cohesive communities;
- Northland retails and enhances its regional identity; and
- Northland residents have access to recreational and leisure opportunities.

Though not binding, these Regional Community Outcomes are intended to guide the planning processes of the Council and other organisations. Part of the Plan included a proposal to introduce a new Recreational Facilities Rate to contribute to a Regional Events Centre in Whangarei and to other recreational facilities throughout the region.

Despite this work, Northland's environmental sustainability and improvement remained a key focus for Council activities. As well, Northland's economy continues to perform well and the Northland Regional Council is keen to help where it can and take a lead where a regional voice or action is needed.

## Financial

The Northland Regional Council has posted a \$8,322,464 net surplus for the financial year ended 30 June 2006, compared with a budgeted deficit of \$682,100. The main reason for this difference is a paper profit – or 'notional revenue gain' – of \$6,925,283 on the Awanui River Flood Management

Scheme assets, and an increase in the value of the Northland Regional Council Community Trust of \$1,305,373. The former is the book value of the Awanui River Flood Management Scheme which the Regional Council took over from the Far North District Council on 1 July 2005. Although no money changed hands, new Financial Reporting Standards require the value of the scheme to be recorded in the Statement of Financial Performance.

The current surplus compares with a surplus of \$25.2 million for the 2004-2005 financial year, which was largely attributable to a \$21.87 million profit on the sale of shares in the Northland Port Corporation. Overall, the Council is in a strong financial position that will continue to support the environmental challenges and community expectations over the next three years.

## Planning and Policy

### Resource Management Planning

All four of the Regional Council's resource management planning documents are being reviewed for effectiveness or being refined through the plan change process. These four Plans are:

- Regional Policy Statement
- Regional Coastal Plan
- Regional Water and Soil Plan
- Regional Air Quality Plan

The process for the five-yearly review of the efficiency and effectiveness of the Regional Policy Statement was agreed by the region's three District Councils. This is now underway.

Submissions on three plan changes to the Regional Coastal Plan were heard and Council decisions made. These are now all in the appeal stage. The plan changes are targeted at refining provisions for moorings and marinas, mangrove management and Whangarei Harbour zoning. Significant progress was made on a further plan change to provide for future aquaculture development in Northland.



*Agricultural consultant, author and former soil scientist Graham Shepherd demonstrates a Visual Soil Assessment during a Northland Regional Council-organised workshop in the Lake Omapere area.*

Plan Change 1 to the Regional Water and Soil Plan was notified and submissions received. Hearing of these will occur in September 2006. Further preliminary work was undertaken on a second, comprehensive plan change due to be notified in late 2006.

### **Education and Public Communication**

In the 2005-2006 financial year, the Council's public education and communications initiatives included five public seminars and workshops; eight new or updated publications and pamphlets; 56 school visits; a Youth Summit, and displays at eight shows and field days. Use of the Council's website again increased through the year and a new online payment facility was added to this.

The Council presented a number of education awards for schools and tertiary students.

The Ballance Farm Environment Awards were promoted within Northland for the first time, with the Northland Regional Council as regional partner. Following a rigorous judging process, a range of awards were presented at a formal ceremony in April

2006, including the Council-sponsored Water Quality Enhancement Award.

### **Transport Planning**

A major redrafting of Northland's Regional Land Transport Strategy was completed. Submissions on the draft Strategy were called for and hearings will be held in the 2006-2007 financial year.

The Whangarei urban bus service, administered by the Regional Council, continues to operate very successfully with 214,000 passengers carried during the year. Meanwhile, the Total Mobility Scheme was also operated successfully within the Whangarei urban area, though the set budget of \$150,000 was exceeded by \$19,000. Both the bus service and Total Mobility Scheme are funded by the Whangarei District Council and Land Transport NZ and managed by the Northland Regional Council.

An annual review was completed on forestry roading projects eligible for 100% Regional Development funding. This review was done in collaboration with the region's three District Councils and the forestry industry.

## Resource Consents

Many new applications have resulted from ongoing new development proposals and growth across the region. This is particularly evident along the eastern seaboard, with land subdivision and industrial developments including marina and jetty facilities and foreshore works. The associated development or upgrades of public infrastructure such as storm water, sewerage, water supply, roading and quarrying have all contributed to a very busy year's work.

In the rural areas there has been a focus on new water and irrigation proposals particularly for avocado production and completing a consents programme for unauthorised farm dairy discharges. Further development of electric generation and timber processing proposals leading to formal hearings added to the work of the Regional Council.

Reviews of conditions of approximately 124 marine farm consents transferred from Ministry of Fisheries in January 2005 were commenced. A review was also initiated of consents for all discretionary moorings that lie outside of designated mooring areas, and for which new or replacement consents are now required.

*Summer checks for freshwater insect life in Kaipara's Manganui River.*



The Council processed 867 applications for resource consents through to a decision during the year. The Council exceeded its target of 98% compliance with the statutory timeframes for applications processing during the year (actual 98.3%).

Responsibilities resulting from the new 2004 Building Act requirements for Regional Councils to administer functions for dams are presently being worked through in collaboration with the other Regional Councils.

## Land Operations

### Hazard Management

The Northland Civil Defence Emergency Management (CDEM) Group and its supporting Coordinating Executive Group have concentrated on planning for specific hazards during 2005-2006. These included commencing work to identify risks from tsunami and storm surge and the development of response mechanisms. As well, work is underway to developing community-specific response plans for events such as flooding, loss of road access and wild fire.

The Northland Regional Council assumed responsibility for the Awanui River Flood Management Scheme during the 2005-2006 year and began works to restore the scheme in January 2006.

The Draft Interim Kaihu River Management Plan was publicly notified in March 2006 with almost 100 submissions received. The interim plan has a term of three years. Consultation on the proposal to transfer responsibility of the Kaihu River Scheme from the Kaipara District Council to the Northland Regional Council took place as part of the Long Term Council Community Plan process, and the Scheme has now been transferred to the Regional Council. The floodplain of the Kaihu River has been surveyed and additional telemetered flow gauging equipment has been installed. Over the next three years, investigations will be undertaken and an options document will be prepared for ongoing management of the river and its floodplain.

Council officers have continued to work closely with landholders and representatives of the Lake Omapere Trustees to fence, exclude stock and plant riparian areas around the Lake Omapere foreshore and along tributary streams.



*Significant progress was made during the year on collaborative efforts to improve the health of the region's biggest lake – the 1200 ha Lake Omapere near Kaikohe. The Council, Lake Omapere Trustees, catchment landowners, the Department of Conservation and an army of volunteers continued to work together to carry out riparian planting and fencing.*

Almost all landholders have now agreed to undertake this work as a critical part of a strategy to improve water quality in the lake itself and in the Utakura River that drains from it. As well as riparian fencing, farmers have been assisted to prepare Environmental Management Plans for their land, including the adoption of Nutrient Management Plans.

The Council's Environment Fund was increased from \$130,000 in 2004-2005 to \$286,000 in 2005-2006, of which \$75,000 was specifically for pest management. An additional \$50,000 was made available to support pest control work by other agencies such as the Queen Elizabeth II National Trust, Forest Heritage Trust and the Kiwi Foundation.

The 2005-2006 year was the first year of pest plant and pest animal management under the Council's Community Pest Control Areas programme. A total of 6840 hectares of land at Oneriri, Paparoa, Maungaraho and Te Kuri had been put under integrated pest animal management by year's end.

## **Environmental Monitoring and Maritime Management**

Monitoring the state of the region's environment and compliance with the environmental standards in the Council's Regional Plans and resource consents remain core functions for the Council. In response to increasing community expectations and demands for higher environmental standards, the Council has again substantially increased resourcing this area of work.

Since late 2004, the Council has taken over hazardous substances monitoring and incident response on a trial basis in Northland. This new activity has proven to be successful and Council has recently signed a new three year contract with the Department of Labour.

The State of the Environment monitoring network includes region-wide rainfall, river flow, lake, and groundwater and tide level measurement. Coastal hazard surveying, summer freshwater and coastal bathing water quality surveys are carried out each year.



*Northland Regional Council's Maritime Team installing equipment as part of a \$50,000-plus upgrade of Kaipara harbour's navigation aids.*

Resource consent compliance monitoring involved inspecting thousands of earthworks, coastal works and structures, marine farms, sewerage, farm waste and industrial discharges. Water and air quality tests, river flow and groundwater measurements were recorded. Enforcement action was taken where there was significant non-compliance with consent conditions. During the past financial year, discharge monitoring alone included 1,930 inspections, more than 2,434 water quality samples were taken, and over 110 abatement notices were issued to require improved treatment and/or compliance with consent conditions. Additionally, several dozen infringement notices (fines) were issued for non-compliance.

During the year, 1026 incidents were reported to the Council's 24/7 Environmental Hotline (0800 504 639) compared with 1008 for the previous year.

The Council's region-wide hazardous chemical waste collection facilities continued to be well used. That, combined with a free mobile service run throughout the region, collected more than 5.2 tonnes of chemicals for safe treatment, disposal or destruction. The Ministry for the Environment funded this free service.

The Council's workboat 'Waikare' was temporarily relocated to the west coast to commence a significant upgrade of navigation aids in the Kaipara Harbour, including the installation of 12 self-contained navigation lights.

New navigation information signs were installed at key sites in Kaipara and Far North District harbours.

Safety and bylaw enforcement patrols were carried out during summer in co-operation with the network of Harbour Wardens, who assist with advice and local knowledge. Two hundred and seventy eight maritime safety and navigation incidents were reported and, where possible, responded to.

The number of marine oil spills reported during the year continued to fall, with 29 incidents reported and, where possible, responded to. This compares with 35 oil spills in the previous 12 months.

The Council continued implementing the New Zealand Port and Harbour Marine Safety Code for the region's two highest priority harbours, Whangarei and the Bay of Islands. The Whangarei Harbour risk assessment was completed and approved by Maritime New Zealand and the Bay of Islands risk assessment is nearing completion. The Council continued to play a key role in improving the state-of-the-art system for managing deep draught vessel transits of the Whangarei Harbour entrance channel.

### **Commercial Property**

Income from the Council's commercial property portfolio once again exceeded budget.

### **Iwi Liaison**

Close liaison with Maori continued through the resource consent notification process and special projects such as the Lake Omapere restoration project and the Te Uri O Hau-led integrated Kaipara Harbour management project.

A one year trial was commenced with Te Roopu Piritahi, a non-representational Maori facilitation group, in order to improve Maori participation in Council decision-making processes. The group, working with Council management and staff, will help promote improved relationships with Maori as well as increasing Maori understanding and involvement in projects such as the Regional Policy Statement review.

### Finance and Information Services

The Council's integrated software systems were further upgraded during the year to ensure ongoing compatibility with emerging technology. This included several enhancements to communications systems, the integration of telephone, fax and desktop workstations and the further development of internet and intranet services. A feasibility study for an integrated information and document management project was completed and staff up-skilled to meet the changing demands of modern technology.

The Council also renegotiated its Northland Rates Collection agreement with the region's three District Councils in order to continue the administratively efficient and satisfactory arrangement for levying and collecting the regional rate in Northland.

For the current year ending 30 June 2007, the Council's financial statements must be fully compliant with International Financial Reporting Standards which will result in movements in property and forest assets being reported in the Income Statement.

### Strategic and Regional Development

The Regional Development Committee continued to successfully promote regional and infrastructure development.

Enterprise Northland has continued its role of promoting and encouraging sustainable economic development for the benefit of the people of Northland. Enterprise Northland prepared its Statement of Intent for the 2005-2006 financial year outlining its objectives and performance standards for the coming year's activities. Core areas of activity include Maori economic development, skills development, small and medium sized business development, regional marketing, the major regional initiative – Activate Northland, communications and enterprise education.

Destination Northland Limited has continued to successfully promote Northland as a tourist destination resulting in an increase in Northland visitor numbers and visitor nights when compared with the previous year.

### Conclusion

The Northland Regional Council is pleased to report a high level of achievement of its work programmes and related targets, and a sound financial position.

The Northland Regional Council, via the Northland Community Plan 2006-2016, has a clear direction – and substantial work programmes - to implement over the next three years and onwards.

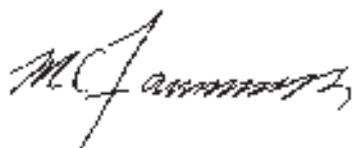
We thank all those who have worked hard and contributed to achieving Council's successes over the last year; the community, our colleagues in the three District Councils and their agencies, and in particular, our Councillors and staff.

### Te Reo Maori

Ahakoā nga paueraweratanga  
 ahakoā nga piki me nga heke  
 ahakoā awangawangatanga  
 ahakoā nga whakahoā rautaki  
 I te mutunga  
 ka hoki mai ano ki a tatou o Taitokerau  
 Te whakaoti, te whakatuturu

### Closing Statement

In spite of all our sweat  
 In spite of all our ups and downs  
 In spite of all our worries  
 In spite of all our unified strategies  
 In the end, it all comes back to us the people of  
 Taitokerau for completion and implementation



**Mark Farnsworth**

CHAIRMAN



**Tony Phipps**

ACTING CHIEF EXECUTIVE OFFICER

# Summary of Financial Results

*The financial results for the year ended 30 June 2006 are reported in the summarised charts and the consolidated financial statements on the following pages.*

The Council budgeted for an operating deficit of \$682,100, but is pleased to report that an actual operating net surplus of \$91,809 was realised and a net surplus of \$8,322,464 as a result of the transfer of the Awanui River Flood Management Scheme assets to the Council from the Far North District Council, and an increase in the value of the capital and assets of the Northland Regional Council Community Trust amounting to \$1,305,373. Both these increases in assets comprise unrealised (or notional) income that Financial Reporting Standards require to be reported as revenue in the Statement of Financial Performance.



## Income

Gross income amounted to \$22,988,615 which compared with budget of \$14,381,282, with the major items comprising the following:

- An increase in fees and charges of \$188,200 was largely attributable to a major industrial consent that was processed during the year.
- Investment and sundry income increased by \$140,000 and \$64,000 respectively. Interest rates increased during the year and rents were reviewed on some leased properties.
- The large increase in reported revenue mainly represents the value of vested assets as explained above.

## Expenditure

Gross expenditure of \$14,661,152, was \$397,230 under budget, as follows:

- The consulting, legal costs and biosecurity contract budgets were underspent by \$214,000.
- Biosecurity contracts were under budget by \$486,000 owing to the transfer of work to Community Pest Control Areas, where the Council supplies pest and plant poisons and land owners undertake the labour content under agreements. These shortfalls in budgeted expenditure more than offset an increase in vehicle running costs owing to higher fuel prices, as well as the following two cost increases:
- Members' hearing expenses increased by \$188,000 over budget but these were recovered by the additional consent fees reported above.
- Administration costs were over budget by \$136,000 owing to the write down of statute barred rates in the Far North constituency.

## Net Result

\$8,322,464 surplus compared with a budgeted deficit of \$682,100.

# Financial Highlights

For the Year Ended 30 June 2006

## Expenditure

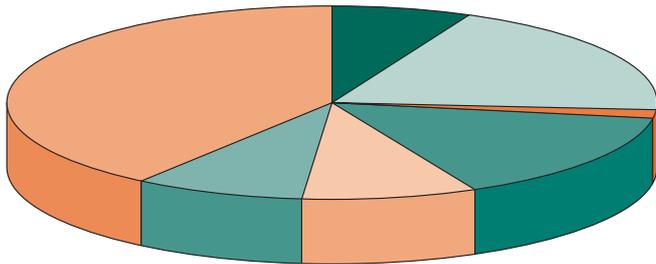
			\$
■ Council and Strategic Development	7.5%		1,783,974
■ Environmental Monitoring	20.8%		4,921,488
■ Commercial	1.7%		394,843
■ Land Operations *	15.2%		3,584,426
■ Planning and Policy	8.4%		1,986,208
■ Resource Consents	8.4%		1,995,212

\* includes Emergency Management

**Operating Total** 14,666,151

■ Capital Transactions 38.0% 9,001,138

**Total Expenditure** 100.0% 23,667,289



## Funding

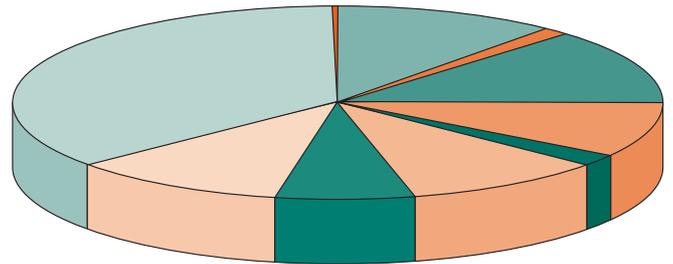
			\$
■ Fees and Charges	11.2%		2,580,792
■ Government Subsidies	1.2%		267,312
■ Targeted Environmental Rate	12.3%		2,851,821
■ Targeted Land Management Rate	9.6%		2,218,022
■ Targeted Awanui River Flood Man. Rate	1.7%		387,693
■ Interest	10.1%		2,326,976
■ Dividends	6.9%		1,596,264
■ Property Investment	11.0%		2,529,080

**Operating Total** 14,757,960

■ Vested Assets 35.6% 8,230,656

■ Reserve Funds 0.4% 93,981

**Total Funding** 100.0% 23,082,597



Looking towards Sentinel Rock, Mangawhai.



# Summary Financial Report

For the Year Ended 30 June 2006

	Council 30-Jun-06 \$	Annual Plan 30-Jun-06 \$	Council 30-Jun-05 \$	Consolidated 30-Jun-06 \$	Consolidated 30-Jun-05 \$
<b>Consolidated Statement of Financial Performance</b>					
Operating Revenue	14,757,961	14,381,281	39,040,075	22,533,893	49,281,500
Operating Expenses	14,666,152	15,063,381	13,823,266	21,363,335	21,615,131
<b>NET SURPLUS (DEFICIT) FROM OPERATIONS</b>	<b>91,809</b>	<b>(682,100)</b>	<b>25,216,809</b>	<b>1,170,558</b>	<b>27,666,369</b>
Add Unrealised or Notional Revenue					
Vested assets - Awanui Flood Scheme	6,925,282			6,925,282	
Increase in value of NRC Community Trust	1,305,373				
<b>NET SURPLUS (DEFICIT)</b>	<b>8,322,464</b>	<b>(682,100)</b>	<b>25,216,809</b>	<b>8,095,840</b>	<b>27,666,369</b>
Plus Northland Port Corporation (NZ) Limited's share of associates' retained surplus (loss)				396,545	526,867
<b>Total surplus (deficit) before taxation</b>				<b>8,492,385</b>	<b>28,193,236</b>
Less tax expense				(92,090)	33,528
<b>NET SURPLUS (DEFICIT) AFTER TAXATION</b>				<b>8,400,295</b>	<b>28,226,764</b>
Including minority interests in surplus of Northland Port Corporation (NZ) Limited				948,564	3,866,667
<b>Consolidated Statement of Movements in Equity</b>					
Net surplus (deficit) for the year	8,322,464	(682,100)	25,216,809	8,400,295	28,226,764
Increases (decreases) in revaluation reserves	7,368,021		3,524,301	21,232,110	24,024,301
<b>Total recognised revenues and expenses</b>	<b>15,690,485</b>	<b>(682,100)</b>	<b>28,741,110</b>	<b>29,632,405</b>	<b>52,251,065</b>
Consolidation adjustments due to increases in minority interests and equity in Northland Port Corporation (NZ) Limited					(6,995,758)
Share Issue					2,621,500
Minority Interest in contributions from/distributions to owners				(1,447,542)	(33,319)
Other movements in minority interests					6,437,801
<b>Movements in equity for the year</b>	<b>15,690,485</b>	<b>(682,100)</b>	<b>28,741,110</b>	<b>28,184,863</b>	<b>54,281,289</b>
Equity at start of year	96,336,330	88,976,729	67,595,220	198,216,984	143,935,695
<b>EQUITY AT END OF YEAR</b>	<b>112,026,815</b>	<b>88,294,629</b>	<b>96,336,330</b>	<b>226,401,847</b>	<b>198,216,984</b>
<b>Consolidated Statement of Financial Position</b>					
Current assets	22,748,048	6,266,988	33,515,147	36,137,941	38,480,832
Current liabilities	(3,319,868)	(4,530,358)	(3,141,689)	(4,442,644)	(4,484,412)
Non Current Assets	92,728,999	86,777,017	66,085,424	200,363,504	166,502,946
Non Current Liabilities	(130,364)	(219,018)	(122,552)	(5,656,953)	(2,282,382)
<b>NET ASSETS/ EQUITY</b>	<b>112,026,815</b>	<b>88,294,629</b>	<b>96,336,330</b>	<b>226,401,847</b>	<b>198,216,984</b>
Including minority interests in surplus of Northland Port Corporation (NZ) Limited				58,236,981	52,141,319
<b>Consolidated Statement of Cash Flows</b>					
Net cash flows from operating activities	2,094,075	527,900	4,193,952	117,364	(1,249,066)
Net cash flows from investing activities	(14,583,573)	(27,299,212)	16,639,797	(15,573,454)	23,543,917
Net cash flows from financing activities	404,664	650,000	2,286,315	2,666,898	1,451,166
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(12,084,834)</b>	<b>(26,121,312)</b>	<b>23,120,064</b>	<b>(12,789,192)</b>	<b>23,746,017</b>

# Notes to the Financial Summary

- (a) The information contained in the above summary has been extracted from the Northland Regional Council Annual Report 2006. This summary does not provide as complete an understanding as the Annual Report, which may be viewed on our website at [www.nrc.govt.nz](http://www.nrc.govt.nz), or obtained from Council offices.
- (b) The Northland Regional Council Annual Report was audited by Audit New Zealand, which provided an Unqualified Opinion. This summary report has also been examined by Audit New Zealand for consistency with the full report, and also given an Unqualified Opinion.
- (c) Consolidated Contingent Liabilities at balance date were \$9,750,000 (2005 - \$9,755,000); and Consolidated Capital Commitments amounted to \$10,385,879 (2005 - \$14,001,094).
- (d) Events after balance date: the Northland Port Corporation (NZ) Limited declared a final dividend of 3.5 cents per share.

## Audit Report

**AUDIT REPORT  
TO THE READERS OF  
NORTHLAND REGIONAL COUNCIL'S  
SUMMARY ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2006**

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

We have audited the summary annual report.

**Unqualified opinion**

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements complies with FRS-39: Summary Financial Reports and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 20 September 2006, on:

- the full financial statements; and
- Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

**Basis of opinion**

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which include New Zealand Auditing Standards. Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the Regional Council or any of its subsidiaries.

**Responsibilities of the Council and the Auditor**

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.



John Scott, Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand.  
20 September 2006



## Caring for Northland and its environment

WHANGAREI: 36 Water Street, Private Bag 9021, Whangarei 0140; Phone 09 438 4639, Fax 09 438 0012.

OPUA: Unit 10, Industrial Marine Park, Opuā 0200; Phone 09 402 7516, Fax 09 402 7510.

DARGAVILLE: 61B Victoria Street, Dargaville 0310; Phone 09 439 3300, Fax 09 439 3301.

KAITAIA: 192 Commerce Street, Kaitaia 0410; Phone 09 408 6600, Fax 09 408 6601.

Freephone: 0800 002 004 24/7 Environmental Hotline: 0800 504 639 Website: [www.nrc.govt.nz](http://www.nrc.govt.nz)