

Northland Regional Council Annual Report 2006



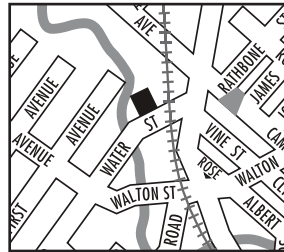
Caring for Northland and its environment

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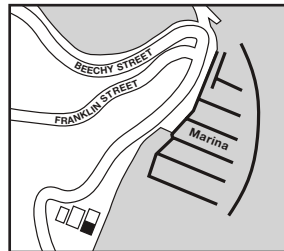
Northland Regional Council

MAIN OFFICE

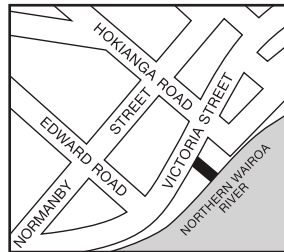
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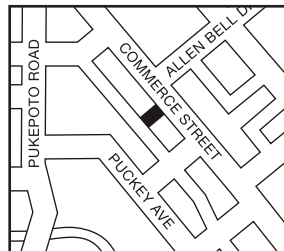
WHANGAREI



OPUA



DARGAVILLE



KAITAIA

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Cover Photographs

Northland Regional Council
Annual Report 2006



Caring for Northland and its environment



1. Flax, near Kerikeri.
2. Baby skink, Limestone Island, Whangarei Harbour.
3. Entrance to wharf, Bay of Islands.
4. Visual Soil Assessment demonstration at Lake Omapere.
5. Rocky foreshore, Te Puna Inlet.
6. Students checking stream water quality at Motatau.

Northland Regional Council Annual Report 2006

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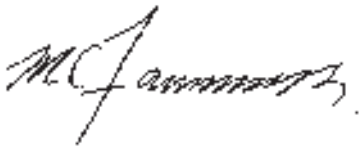
Northland Regional Council

Annual Report

For the Year Ended 30 June 2006

Statement of Compliance

1. The Council and its officers are responsible for preparing this report and financial statements and confirm that all statutory requirements of the Local Government Act 2002 have been complied with.
2. 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 2006.



M C Farnsworth
Chairman



A G Phipps
Acting Chief Executive Officer

20 September 2006

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.

Highlights of the Year

NRC ONLINE! Check it out: www.nrc.govt.nz

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, Paparua, 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.

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 in September.

Highlights of the Year continued

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

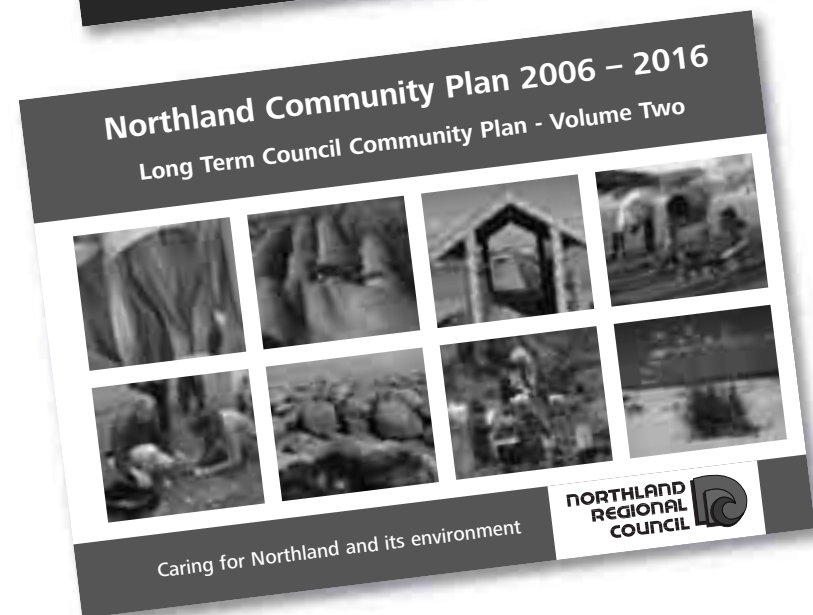
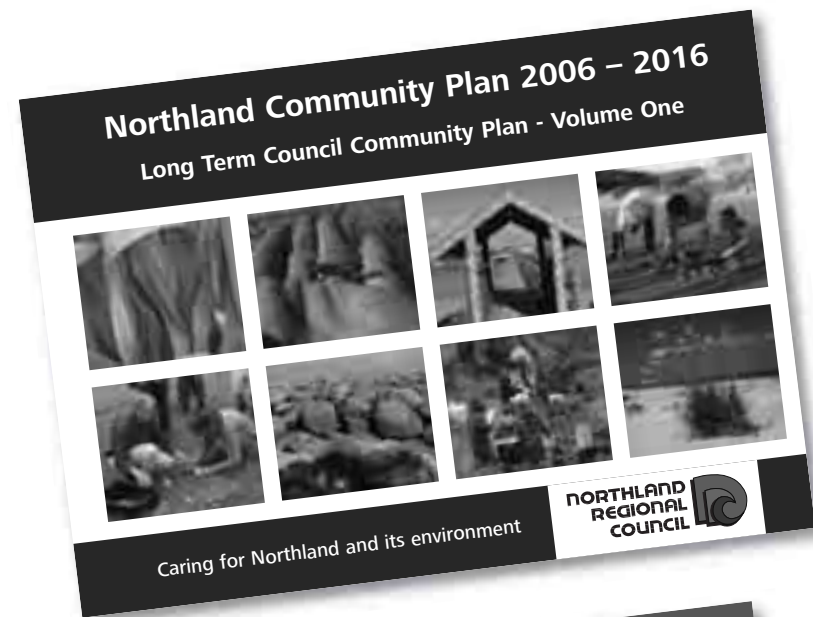
During 2005-2006, the Northland Regional Council achieved a milestone by completing 'The Northland Community Plan 2006-2016' - its first full Long Term Council Community Plan. The Plan sets out the activities and their associated costs for the Council over the next ten years. This was a major project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

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

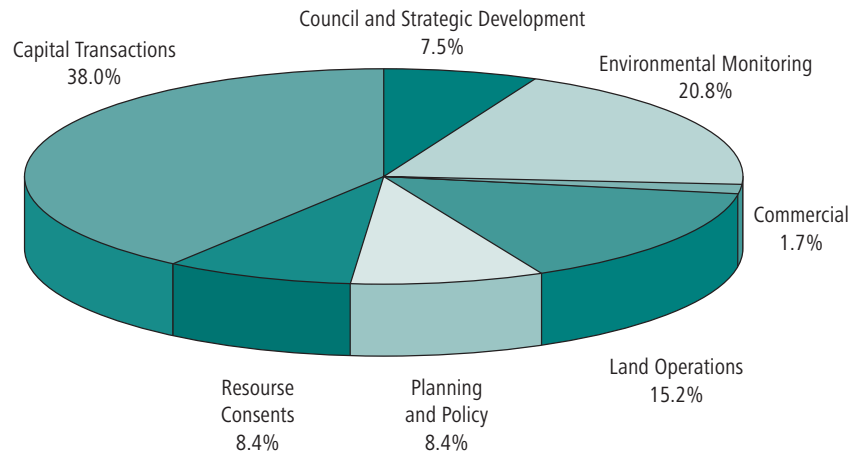
The Regional Council remains in a strong financial position and is well placed to continue to support future environmental challenges and community expectations.



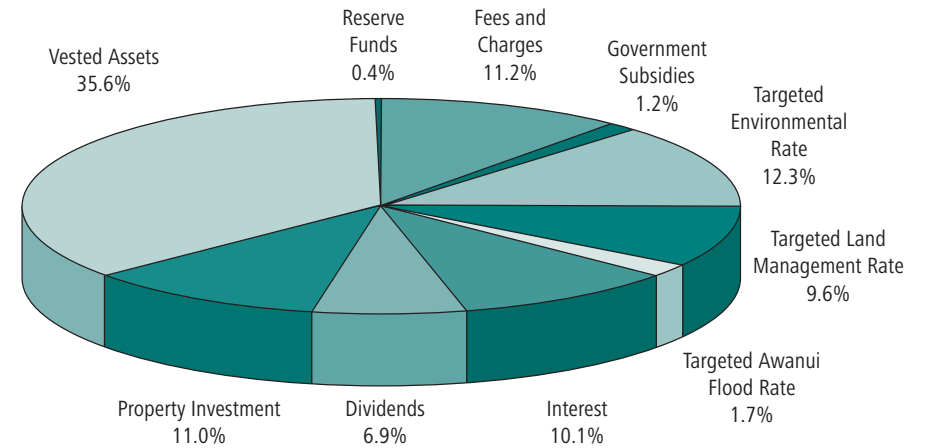
Financial Highlights

For the Year Ended 30 June 2006

Expenditure on Activities



Sources of Revenue and Funding



Expenditure

	\$
Council and Strategic Development	1,783,974
Environmental Monitoring	4,921,488
Commercial	394,843
Land Operations including Emergency Management	3,584,426
Planning and Policy	1,986,208
Resource Consents	1,995,212

Operating Total	14,666,151
Capital Transactions	9,001,138

Total Expenditure	23,667,289
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Funding

	\$
Fees and Charges	2,580,792
Government Subsidies	267,312
Targeted Environmental Rate	2,851,821
Targeted Land Management Rate	2,218,022
Targeted Awanui River Flood Management Rate	387,693
Interest	2,326,976
Dividends	1,596,264
Property Investment	2,529,080

Operating Total	14,757,960
Vested Assets	8,230,656
Reserve Funds	93,981

Total Funding	23,082,597
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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 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. 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.

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 NRC 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 2004-05 financial year, which was largely attributable to a \$21.87 million profit on the sale of shares in the Northland Port Corporation.

Operating receipts for interest income exceeded budget by \$74,000 owing to the gradual rise in interest rates over the last twelve months. Rents, bylaw fees, biosecurity contracts and consent processing fees also exceeded budget and more than offset minor shortfalls for Government subsidies, monitoring fees, sundry income and maritime pilotage. The additional operating income of \$376,000 was complemented by under expenditure of approximately 0.5%, being a net saving across a wide range of projects and activities. Members' expenses exceeded budget by \$193,111. This variance was largely due to the high costs of resource consent hearings, in particular \$189,648 paid to the independent Commissioners and consultants who heard an application to re-fire the Marsden B power station. Costs were largely recovered from the applicants. An increase in administration costs and statute barred rates amounted to \$135,000.

Overall, the net result puts the Council in a strong financial position as the additional funds 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 operative. They are also now 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 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.

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.

The Marsden Point Air Quality Strategy was finalised and a plan change to the Regional Air Quality Plan has been prepared to implement it. Notification of the plan change was put on hold owing to priority being placed on resourcing the Regional Policy Statement review.

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 including a Sustainable Management Scholarship (for University Master's level study), two Environmental Management Scholarships (for Polytechnic students) and Environmental Curriculum Awards to ten Northland schools.

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

Following changes to land transport management legislation, a major redrafting of Northland's Regional Land Transport Strategy was completed. This process included a number of workshops with the Regional Land Transport Committee and, separately, with organisations with an active role in transport systems, including Transit NZ and the region's three District Councils. Submissions on the draft Strategy are being 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 passenger numbers for the year (214,000) roughly the same as for the previous year (215,000). 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 with the agreement of the funding parties. 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. A review of projects yet to be completed was also commissioned in readiness for the Government's proposed review of this funding in the 2006-2007 financial year.

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, for which new or replacement consents are now required.

The Council processed 867 applications for resource consents through to a decision during the year. Of these 9.5% (82) were notified either publicly or by using the "limited notified" provisions. The Council's practice of endeavouring to resolve matters between applicants and submitters informally at pre-hearing meetings resulted in 70% (of the 31 held) being successfully resolved. Hearings were held for 41 applications, either by independent commissioners or, more usually, Councillors who have been accredited in decision making good

practice. Appeals were lodged against 20 of these decisions. A wide range of decisions consequently came before the Environment Court, and many were still in process at year end.

The balance of 785 consents decisions (mostly non-notified applications) were made by Council officers under delegation.

It is very pleasing to see that the Council exceeded its target of 98% compliance with the statutory timeframes for applications processing during the year (actual 98.3%). The implementation of Telarc Registration (AS/NZS ISO 9001:2000) of consent procedures and processes has led to a further increase in customer satisfaction, with results showing a 30% increase in satisfaction rankings in the very good/outstanding overall performance.

New 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

Civil Defence and Emergency Management in Northland has been managed under the Northland Civil Defence Emergency Management (CDEM) Group Plan since December 2004. The CDEM Group and its supporting Co-ordinating 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.

Following the joint decision by the Northland Regional Council and the Far North District Council to transfer responsibility for the Awanui River Flood Management Scheme to the Northland Regional Council, discussions continued on the final transfer of the scheme. A Memorandum of Understanding between the two Councils was signed in December 2005. The Regional Council commenced 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. 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.

Work to control the pest plant spartina continued to expand considerably during 2005-2006 with regrowth of infestations in the Kaipara Harbour given a third treatment. Infestations in Parengarenga Harbour and some of the infestations in Rangaunu and Mangonui Harbours, the Bay of Islands and Taipa Estuary were treated for the second time and spraying commenced in the Hokianga Harbour. The Department of Conservation helped to fund work in Parengarenga Harbour.

Infestations of African feathergrass and nassella tussock have been reduced to low levels on the west and east coasts. African feathergrass is considered to have been eradicated on 17 of the original 63 sites on the west coast. Only 33 nassella tussock plants were found on the 39 previously infested properties, 50% fewer than 2004-2005. Twenty-four properties have now been free of nassella for more than three years.

Environmental Monitoring & 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.

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. This continuing programme has resulted in consent holders upgrading effluent treatment systems that must inevitably lead to improved water quality.

The community made good use of the Council's 24/7 Environmental Hotline (0800 504 639) and incident response system. During the year, 1026 incidents were reported, compared with 1008 for the previous year. All incidents were recorded and, where possible, action taken to minimise contamination or environmental damage and to ensure compliance with Regional Plans and environmental standards.

The Council's region-wide waste hazardous chemical 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 used to assist with the scheduled maintenance of navigation aids in the Whangarei and Mangawhai Harbours before returning to the Bay of Islands for pilot vessel duties for the thirteen cruise ships that visited during the summer season. 'Waikare' was subsequently relocated to the west coast to commence a significant upgrade of

aids to navigation in the Kaipara Harbour, including the installation of 12 self-contained navigation lights.

Harbour safety promotions continued through various forms of advertising, and 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, an improvement that reflects the success of a long-term education campaign targeting small vessel operations.

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. The transits of three crude oil tankers and one coastal tanker were delayed during the 12 months to the end of June due to the swell conditions at the time.

ISO accredited quality management systems were maintained for the Council's laboratory and sampling, hydrometric data collection, incident response, marine oil spill response, compliance monitoring, waste chemical collection and harbour aids to navigation.

Commercial Property

The Council's commercial property portfolio provided a significant contribution to annual income with returns exceeding budget. This portfolio was enhanced during the year through the ongoing development of the Council's Water Street headquarters, part of which is leased to a third party.

Forestry

Maintenance of the Council's forestry blocks was conducted during the year in accordance with the Forest Management Plan. All harvested areas have been replanted as required.

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 NRC 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 demands of changing modern technology.

The project plans and the first two stages for implementing International Financial Reporting Standards (IFRS) from 1 July 2006 were completed. The Northland Community Plan which has been prepared and adopted for the years 2006-2016 is fully compliant with IFRS rules.

While this 2006 Annual Report has been prepared and published under current financial reporting rules, the results will be converted following balance date, in order to apply IFRS to the opening balances for the new reporting year that commenced on 1 July 2006 for the comparative results to be reported in the Annual Report 2007.

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.

Impact of NZ IFRS on Accounting Policies

The key differences in the adoption of accounting policies that are compliant with and arise on the adoption of NZ IFRS from 1 July 2006 are:

- a. Investment property will be revalued annually to fair value in place of the GAAP method of net current value. Fair value will represent current market value without adjusting for the potential costs of disposal. The increase or decrease in value will be accounted for in the Income Statement, in lieu of the current method of transferring changes in value to the Asset Revaluation Reserve which will be closed to equity on 1 July 2006.
- b. The Council's forest assets will be accounted for under the rules applying to biological assets and agricultural produce. Changes in fair value (less estimated sale costs) will be accounted for in the Income Statement for each accounting period.
- c. The Council's financial assets will be revalued to fair value and stock discounts and premiums on the acquisition of financial assets will no longer be recognised. Changes in value will be accounted for in the Income Statement each year.
- d. Provisions for certain contingencies, recognised at 30 June 2006 will be closed and changes accrued staff benefits, including sick leave, will be recognised in the Income Statement.

Strategic and Regional Development

The Council's commitment to Health and Safety has continued to strengthen during the year, as preparations are made to upgrade to tertiary level of the ACC's Workplace Safety Management Programme.

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. In accordance with the Local Government Act 2002, 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

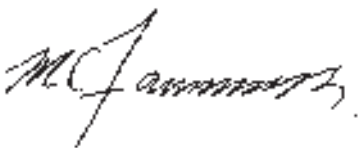
The Northland Regional Council is pleased to report a high level of achievement of its work programmes and related targets, and a sound financial position.

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.

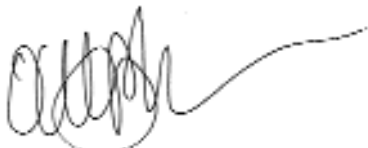
We thank all those who have worked hard and contributed to achieving Council's successes over the last year; the community, our colleagues in the three District Councils and their agencies, and in particular, our Councillors and staff.

He Korero Whakamutunga

Ahakoā nga pāweraweratanga
Ahakoā nga piki me nga heke
Ahakoā awangawangatanga
Ahakoā nga whakahoā rautaki
I te mutunga, ka hoki mai ki a tatou o
Taitokerau te whakaoti, te whakatuturu.



Mark Farnsworth
Chairman



Tony Phipps
Acting Chief Executive Officer

Closing Statement

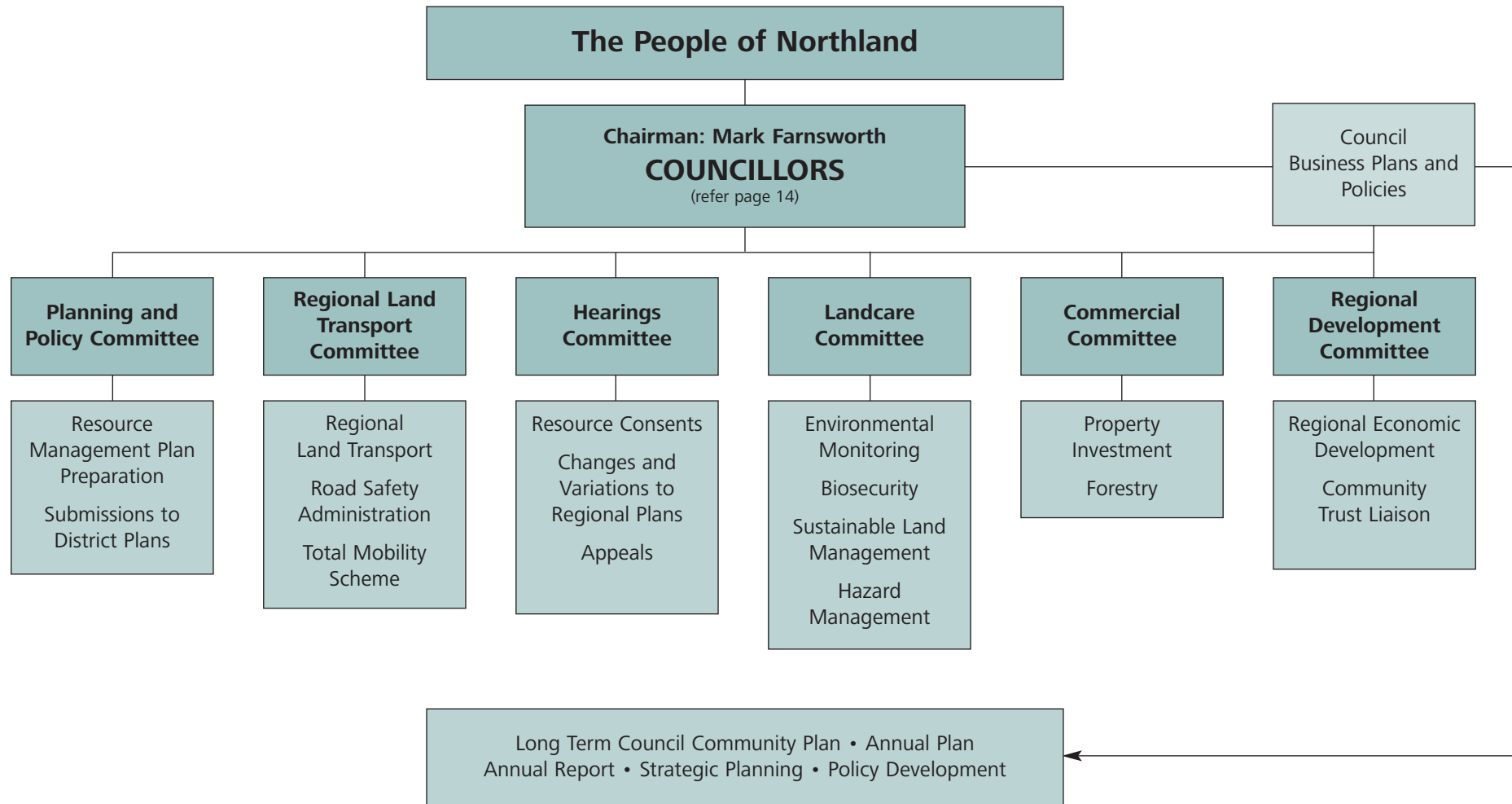
In spite of all our sweat
In spite of all our ups and downs
In spite of all our worries
In spite of all our unified strategies
In the end, it all comes back to us the
people of Taitokerau for completion and
implementation.



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

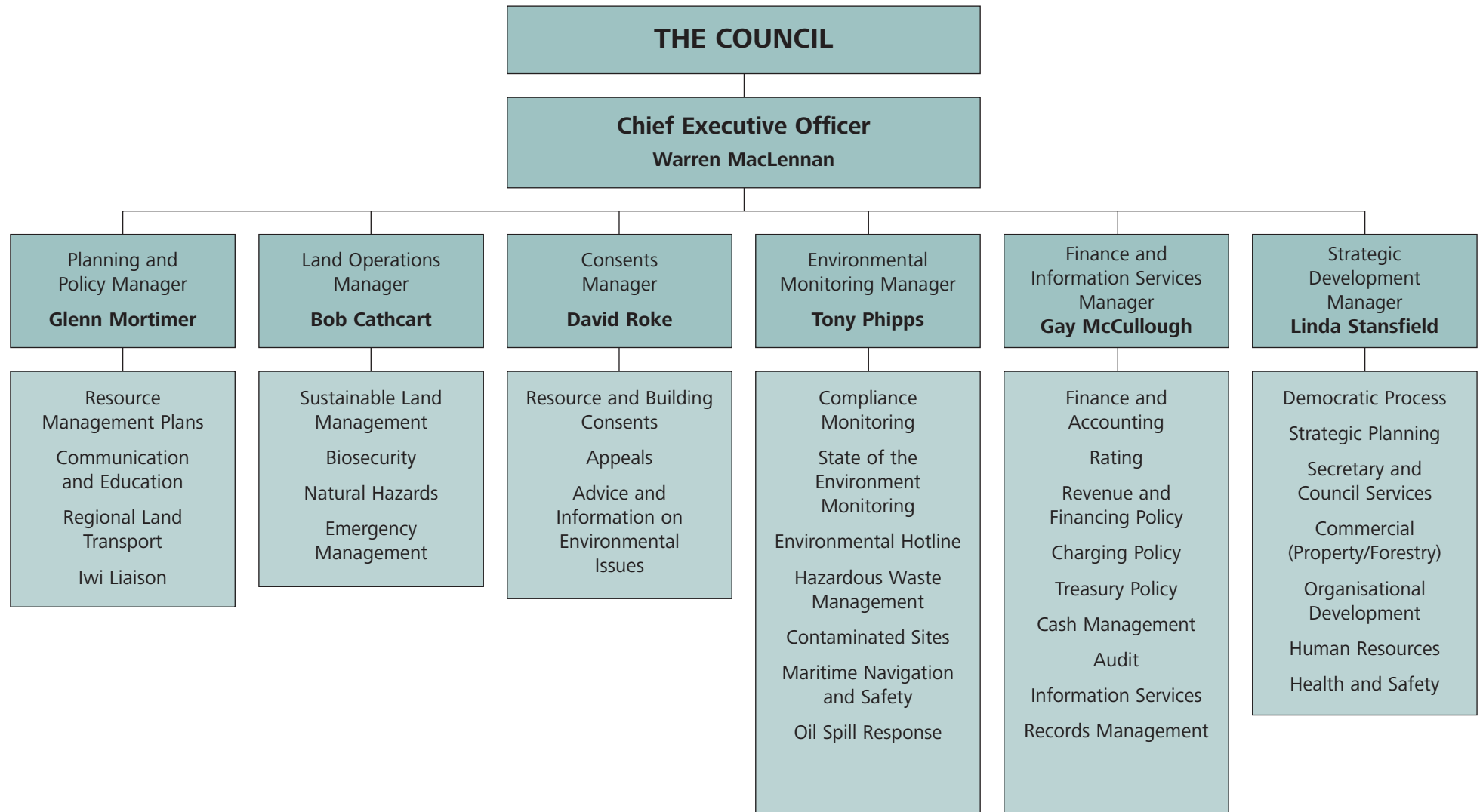
Council and Management Structure

Political Structure



Full details of all Council's Governance arrangements and processes are contained in its Governance Statement.
A copy of Northland Regional Council's Governance Statement is available on request, or by visiting the website: www.nrc.govt.nz.

Council Management Structure



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.

Contact phone: 09 431 5438

E-mail: markf@nrc.govt.nz



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.

Contact phone: 09 437 6386

E-mail: peterje@clear.net.nz



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.

Contact phone: 09 432 7575

E-mail: cae@xtra.co.nz



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.

Contact phone: 09 403 7504

E-mail: lorrainehill8@xtra.co.nz



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.

Contact phone: 09 401 0911

E-mail: jimpeters@xtra.co.nz



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.

Contact phone: 09 437 2807

E-mail: billr@igrin.co.nz



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.

Contact phone: 09 437 6226

E-mail: stan.sem@xtra.co.nz



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.

Contact phone: 09 408 0072

E-mail: ian@nzfarmers.com

Council Committees and Advisers

The Chairman, Mark Farnsworth, is an ex-officio member of all committees.

Planning and Policy Committee

Councillors Peter Jensen (Chairman), Mark Farnsworth, Lorraine Hill, Jim Peters, Craig Brown, Ian Walker, Bill Rossiter and Stan Semenov

Mayor Yvonne Sharp representing the Far North District Council
Mr Greg Martin representing the Whangarei District Council
Mayor Peter King representing the Kaipara District Council
Yet to be appointed representing Iwi

Landcare Committee

Councillors Craig Brown (Chairman), Mark Farnsworth, Jim Peters, Peter Jensen and Ian Walker

Mr Joe Carr representing the Far North District Council
Ms Ann Shaw representing the Whangarei District Council
Mr Neil Tiller representing the Kaipara District Council
Mr Wayne Ward representing the farming community and Federated Farmers
Mr Terry Higginson representing environmental interest groups
Mr Chris Jenkins representing the Department of Conservation
Yet to be appointed representing NZ Forest Owners Association
Yet to be appointed representing Iwi

Regional Land Transport Committee

Councillors Bill Rossiter (Chairman), Mark Farnsworth, Jim Peters, Craig Brown and Stan Semenov

Mr Tom Baker representing the Far North District Council
Mr Wally Redwood representing the Whangarei District Council
Mr Richard Alspach representing the Kaipara District Council
Mr Peter Kippenberger representing Land Transport NZ

Representing Economic Development:

Mr Paul Scott NZ Transport Association
Mr Phil McQueen Ontrack
Mr Peter Morris Toll New Zealand

Representing Safety and Personal Security:

Inspector Rob Lindsay New Zealand Police
Mr Peter Spies Transit New Zealand

Representing Access and Mobility:

Mr John Williamson Automobile Association
Mr Gavin Roberts NZ Bus and Coach Association

Representing Public Health:

Ms Lynette Stewart Northland Health

Representing Environmental Sustainability:

Mr Steve Westgate

Representing Cultural Interests:

Mr Erima Henare

Commercial Committee

Councillors Stan Semenov (Chairman), Mark Farnsworth, Bill Rossiter and Peter Jensen

Hearings Committee

Councillors Lorraine Hill (Chairperson), Mark Farnsworth, Peter Jensen, Craig Brown, Jim Peters, Bill Rossiter and Ian Walker.

Any two (or more) of the above Councillors may be appointed by the Committee, (or the Council), to conduct hearings and make decisions on behalf of the Council under the Resource Management Act 1991. The Committee (or the Council) similarly may appoint any individual member/s or other independent person/s as Commissioner/s pursuant to Section 34(1) of the Resource Management Act 1991 (RMA), to conduct a hearing in any particular case. The Committee (or the Council) may also revoke such a delegation at any time, by notice to the delegate.

Regional Development Committee

Councillors Ian Walker (Chairman), Mark Farnsworth, Peter Jensen, Jim Peters, Craig Brown and Stan Semenov

Mayor Pamela Peters representing the Whangarei District Council
Mayor Peter King representing the Kaipara District Council
Mayor Yvonne Sharp representing the Far North District Council

Northland Regional Council Community Trust

The Northland Regional Council Community Trust was established on 25 March 1996 using the proceeds from the sale of some of the Northland Regional Council's majority shareholding in the Northland Port Corporation.

The current Trustees are Mike Simm (Chairman), Cameron Bell, Allan Pivac, Richard Drake, Ross Provan, William Shepherd, Gloria Herbert and Jane Hindle.

Representation – Other Organisations

Northland Provincial Patriotic Council – Councillor Bill Rossiter

Northland Civil Defence Emergency Management Group – Councillor Peter Jensen (Chairman)

Advisers

Auditor: Audit New Zealand on behalf of the Auditor-General

Bankers: ASB Bank
Bank of New Zealand

Solicitors: Chapman Tripp Sheffield Young, Auckland
Crown Property Services, Whangarei
DeGraaf & Company Limited, Auckland
John A Burns, Auckland
Karenza de Silva, Auckland
Laurene Holley, Auckland
Simpson Grierson, Auckland
Thorne Dallas & Partners
Webb Ross Johnson, Whangarei

Northland Regional Council Management Team



From left: David Roke (Consents Manager), Bob Cathcart (Land Operations Manager), Gay McCullough (Finance and Information Services Manager), Tony Phipps (Monitoring Manager), Linda Stansfield (Strategic Development Manager), Glenn Mortimer (Planning and Policy Manager), Warren MacLennan (Chief Executive Officer).

Northland Regional Councillors



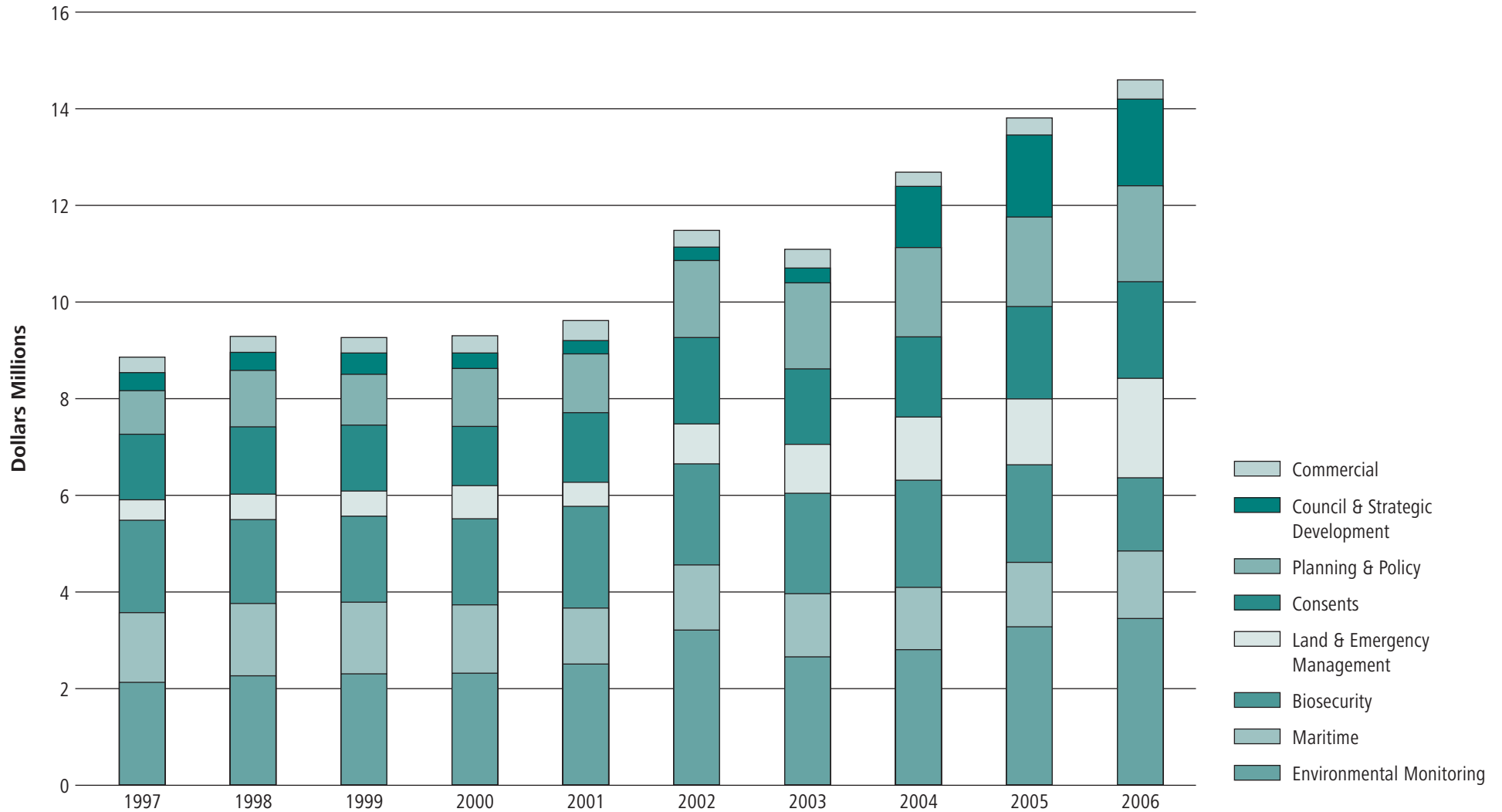
Back row from left: Ian Walker, Jim Peters, Bill Rossiter, Stan Semenov, Craig Brown.

Front row from left: Peter Jensen (Deputy Chairman), Mark Farnsworth (Chairman), Lorraine Hill.

The Chief Executive Officer is responsible for setting the direction of the Council within the policy framework provided by Councillors. The Management team is accountable to him, and he is accountable to the Council. Mr MacLennan resigned from this position on 4 August 2006.

Financial Highlights

Ten Year Expenditure Trends



Ten Year Revenue Trends

