

Ripoata Pōtitanga

Pre-election Report 2022



He Mihi

*Ka nukunuku, ka nekeneke, ka nukunuku, ka nekeneke
Titiro ki ngā Tai o Tokerau e hora nei ki tua, me he pipiwharaua takoto te pai, takoto te pai!
E ngā reo, e ngā mana, e ngā karangaranga maha, tēnā koutou katoa
E mihi ana ki te whenua, e tangi ana ki ngā mate
Haere atu rā ki te ūkaipō, haere, haere, oti atu
Rātou ki a rātou, tātou ki a tātou
Ka titiro whakamuri, kokiri whakamua
Anei ko te Tumuaki o Te Kaunihera ā-rohe o Te Taitokerau e tū whakaiti nei
Nō reira Mauri tū, Mauri ora!*

*Things shift, things change, like the ever-changing world
Look to tides of the Northern Region that is before us and beyond
Like the shining cuckoo, may we land safely, may we land with strength
All voices, all authorities and to the many affiliations*

Greetings

*We acknowledge the land, and we grieve for our loved ones who have passed,
We bid them farewell back to their final resting place,
We must look to the past for guidance to navigate the future,
As the Chief Executive of the Northland Regional Council I am humbled
and acknowledge the place and people of Te Taitokerau, Northland.
No reira, tēnā koutou, tēnā koutou, tēnā tātou katoa.*



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TOITŪ TE WHENUA
IF THE LAND IS WELL

TOITŪ TE MOANA
IF THE SEA IS WELL

TOITŪ TE TANGATA
THE PEOPLE WILL THRIVE



He Karere mai i te Tumuaki

Message from the CEO

As a new electoral cycle approaches, it's an opportunity to review our progress over the past three years – which have been a uniquely demanding period for everyone. This is also a time to look ahead to the significant challenges and opportunities our region is likely to face over the next three years, and further into the future.

As Chief Executive Officer of Northland Regional Council, I'm pleased to present this, my final pre-election report, marking the end of my tenure as CEO for Northland Regional Council. A new CEO – Tumuaki, Jonathan Gibbard, takes the helm in October 2022. It has been an absolute pleasure serving Northland and its communities over the past 10 years, and I have thoroughly enjoyed helping our region grow, adapt and thrive.

This report gives my perspective on council's place in shaping Northland's future.



Continuing to resource and fund all this vital work amid local government reforms will be a significant challenge – but we know it's worth the effort.”

TIMES ARE CHANGING

The past three years have been, to say the least, extraordinary times. Our collaboration with iwi and local government leadership enabled us to implement a successful Covid response for Northland, and our economy is performing well despite worldwide challenges.

Council has also shown remarkable resilience throughout the pandemic, but as with many organisations, the services we deliver have been affected – particularly when the Omicron variant began spreading. We continue to work to ensure we focus on delivering our most important services.



Climate change continues to erode our environmental health, and the nation's water quality is under scrutiny. Central government is responding with the largest reforms since the 1800s, which will change the fabric of our society. This will present additional challenges for council as we re-think how we do things, but we remain committed to our mission to work together to create a healthy environment, strong economy and resilient communities for all Northlanders.

Council remains dedicated to fulfilling its obligations under Te Tiriti, and our relationships with iwi and hapū grow and evolve at all levels across the organisation. Over the past three years, adopting 50:50 representation on council's working parties has helped create further opportunities for effective decision making between council and hapū and iwi. We are working on implementing a partnership model with Māori and continue to build meaningful relationships with mana i te whenua.

Co-governance initiatives such as Te Oneroa-a-Tōhe/Ninety Mile Beach Board and the Kaipara Moana Remediation Programme joint committee continue important mahi over large areas of our natural taonga. Iwi and hapū representatives from across Northland continue to join with council on Te Taitokerau Māori and Council Working Party, ushering in a new era that builds on a commitment of co-governance on a range of environmental projects.

Collaborating on issues such as climate change and economic development creates opportunities for Northlanders to be part of the democratic process – and help make decisions on matters that affect their lives.



STAYING RESILIENT

Our regional climate change strategy; Ngā Taumata o te Moana, is at the heart of our mahi to reduce our impact on climate change and increase Northland's resilience. Northland communities are particularly exposed to climate change with many of our settlements, town centres and roads sitting on coastal floodplains, exposed to sea level rise and increased flooding. With coastal erosion and inundation becoming more prevalent along our region's coastline, difficult but important discussions surrounding coastal retreat are needed to manage the risk of community displacement.

NRC leads the Civil Defence Emergency Management Group's shared service, where councils, police, the fire service and other agencies collaborate to deliver our region's emergency response. Plans for a centralised emergency response base are well underway. The increasing number of adverse weather events and recurring lockdowns has stretched our emergency management team's capacity, so we've been joining with community organisations to improve our region's readiness for emergency situations.

Our flood work is also providing greater protection to Northland communities. Since the Hopua te Nihotetea dam was completed in 2015, it has held back up to 400,000 cubic metres of flood waters on eight occasions, preventing serious flood damage in Whangārei's CBD. We have invested \$2.3 million in the Awanui River Flood Management Scheme, and it's already proved its worth: improved river and stopbank management prevented floodwaters from reaching the main street in Kaitaia in 2020, when the river was in its highest flow since 1958.

Over the past three years, \$28 million has been invested in council's biosecurity work, including \$1.2 million for Predator Free Whangārei Heads, helping to completely remove possums from over 9,000 hectares in Whangārei Heads by 2025. Building on the success of hard-working community groups in the area, council has established more than 200 landowner agreements and liaised with landcare groups to work towards landscape-scale predator control. The kiwi population at Whangārei Heads has increased from 80 to 1,080, and the possum eradication project helps protect and restore our native forests, improving resilience and foraging conditions for our native taonga species.

Council has also invested \$2.1 million in marine biosecurity. Under our Regional Pest and Marine Pathway Management Plan, council has inspected approximately 10,000 visiting and local vessels in Northland's waters, identifying marine pests in more than 100 vessels, and preventing the spread of pests to preserve Northland's high-value marine ecosystems.



Our regional climate change strategy, Ngā Taumata o te Moana, is at the heart of our mahi to reduce our climate impact and increase Northland's resilience.”

ECONOMY AND INFRASTRUCTURE

Our work above is largely supported by our communities via the rates we collect – but we also contribute to important projects from our investment income. Council's Investment and Growth Reserve has financially supported the Hundertwasser Art Centre, Manea Footprints of Kupe, and cycle tracks in Kawakawa and Whangārei's Pohe Island. Returns from other investments, such as the Kensington Crossing development, Dargaville service centre and NIWA aquaculture project, provide short and long-term income to support council's activities.

The Northland Transport Alliance – a collaboration between local government and Waka Kotahi NZ Transport Agency – has helped successfully deliver more than \$300 million of maintenance and capital (altered or new) works on Northland's transportation infrastructure, which is jointly

owned by the region's councils. The alliance also managed the delivery of the post-pandemic Te Taitokerau. Worker Redeployment Package, which provided new employment for more than 100 Northlanders – through work creating additional footpaths, clearing roadsides of vegetation, and collecting litter by roadsides and waterways.

Council's presence across the region has increased, with service centres now in Waipapa, Kaitaia and Dargaville. However, we know we're one part of a jigsaw. Collaboration, strong working relationships and strategic alliances with our communities, local government and like-minded organisations are key to delivering positive, sustainable outcomes for Northland. Continuing to resource and fund all this vital work amid local government reforms will be a significant challenge – but we know it's worth the effort.

THE CHALLENGES WE FACE

In such challenging economic and societal times, it takes a lot of effort just to keep up with change. But not striving for more would be irresponsible. Over the past 10 years, Northland's demographics have changed significantly. There's continued tension between the desires for economic growth and environmental sustainability, and the areas of focus for Te Taitokerau have shifted over time.

Northland faces challenges around poor water quality from natural and human-induced processes, the impacts of climate change, adverse weather events, coastal erosion and degrading biodiversity – and the expectations of our communities are ever-increasing. It's an ongoing challenge for council to balance the desires of central government and the community, which are often at odds. But we're determined to deliver equitable outcomes and keep rates fair and affordable so all of Te Taitokerau can thrive in the face of challenge.

Although much of council's work is required by legislation from central government, Northland's communities have the power to influence council's activities and guide future change. The regional council is a voice for Northland and Northlanders, and our success lies in working together.

Northlanders have the opportunity to elect leaders who can engage the community and communicate Northland's needs, so council can deliver efficient and sustainable results.

I finish with the following whakatauaiki which speaks to communities working together in collaboration to sustain our people and region:

*Nāu te rourou, nāku te rourou, ka ora ai te iwi
With your food basket, with my food basket, the
people will thrive.*

Malcolm Nicolson
Chief Executive Officer





“

The regional council
is a voice for Northland
and Northlanders,
and our success lies
in working together.
This is your council
and we need you to
participate.”

Ngā Whakatutukitanga

What we have achieved

2013



2014

Kāeo flood bank completed
Te Taitokerau Maori Advisory Committee established



2013

Northland Inc established
Northland's Civil Defence Emergency Management Group alliance founded
Signed MoU with Te Uri O Hau



2015

Northland | Forward Together collaboration with district councils launched
Hopua te Nihotetea detention dam completed

2017

Granted significant loan to Northland Emergency Services Trust for two rescue helicopters
Northland Regional Pest and Marine Pathway Management Plan approved



2016

Northland Transport Alliance established
The Orchard Business & Event Hub opened
Launch of Predator Free Whangārei Heads project



Population
151,692
(29.6% Māori)



GDP
\$5.6
billion



Median household income
\$46,900



Unemployment
9.7%

2022

2019

113m-long Woods Road, Whangārei flood wall completed

Climate Change Working Party established

NRC Environmental Awards established

Whanaunga ki Taurangi signed by Iwi Chairs and Mayors



2018

Major works began on Awanui River Flood Management Scheme

2020

400m-long spillway improvement works completed for Awanui River Flood Management Scheme

Kaipara Moana Remediation Programme launched

Mana Whakahono-ā-Rohe signed with two hapū



2021

Kensington Crossing development completed

Launch of NRC's climate change strategy

Two new dedicated Māori seats on council

2022

Kaipara Service Centre opened

Construction of land-based Finfish Farm commenced, in joint venture with NIWA



Population

198,000

(36% Māori)



GDP

\$8.8

billion



Median household income

\$90,978



Unemployment

4%

Tō tātou tirohanga me ngā whāinga

Our vision at a glance

VISION

Ka whai hua tātou
to tātou Taitokerau

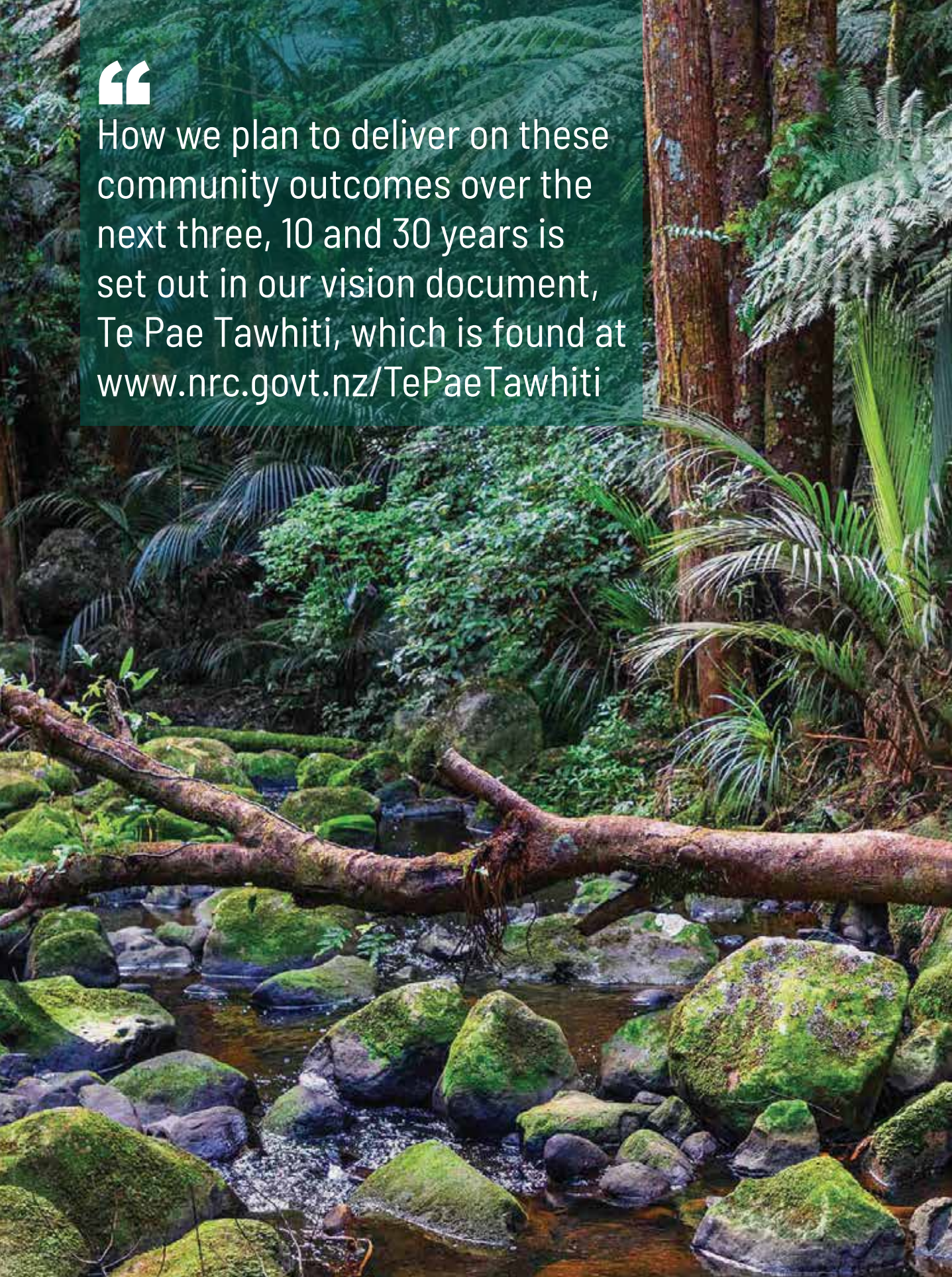
Our Northland
together we thrive

MISSION

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



How we plan to deliver on these community outcomes over the next three, 10 and 30 years is set out in our vision document, Te Pae Tawhiti, which is found at www.nrc.govt.nz/TePaeTawhiti





Tō tātou tirohanga me ngā whāinga

Our vision at a glance

Safe and effective transport networks connecting our region

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

Protected and flourishing native life

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

Healthy waters for the environment and our people

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

A strong and sustainable regional economy

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

Meaningful partnerships with tangata whenua

Strong outcomes for Māori through enduring relationships between iwi/hapū and council.

Resilient, adaptable communities in a changing climate

Communities are well prepared for the growing effects of climate change and the hazards our region faces, such as droughts and floods.

Te Taiao

Natural environment



PROJECTS

FRESHWATER MANAGEMENT

Council is developing new policies and rules for freshwater management, in response to new government requirements. Increasing Māori participation in this mahi is vital, so we're consulting with and employing iwi and hapū to undertake work externally, and increase roles in council's workforce that have Māori technical expertise and understanding of a te Ao Māori worldview.

Grant funding is increasing to support the catchment work of landowners and tangata whenua, and we're also carrying on with

our erosion control programme by selling subsidised poplar and willows. We continue to participate in and support the Kaipara Moana Remediation Programme, an ambitious cross-regional programme in conjunction with central government, Auckland Council and Kaipara Uri, to restore the health and mauri of the Kaipara Harbour. The Waimā Waitai Waiora project is in its final year, and we're working alongside partners to implement sustainable land management practices around the Northern Kaipara Catchment.



“

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and employing iwi and
hapū to undertake
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council's workforce.”

MONITORING NATURAL RESOURCES

We have recently reviewed the way we monitor our natural resources, and are making changes to how and where we monitor our environment, to gain a better understanding of our natural taonga.

Council is deploying new sensors across the region's land, rivers and lakes, and investing in systems using remote sensing (airplanes, radars and satellites) to continuously record and capture large volumes of valuable data. This helps to track storms, predict water quality at swimming sites, and map soil and river networks across Te Taitokerau.

COASTCARE

Council and community groups continue to meet their CoastCare planting targets, despite the impacts of Covid restrictions on planting events, and that mahi continues at good speed.

Hapū-led kaitiaki ranger programmes are established in Far North coastal areas, and approximately 40 community groups are undertaking dune restoration supported by our regional CoastCare programme.



We continue to put a lot of resource into biosecurity through our kauri dieback and Predator Free programmes, and more than 200,000 hectares of land are now under pest project management for kiwi and forest protection. ”





BIOSECURITY

Implementing the Northland Lakes Strategy continues to be a large project, with expanding nutrient management, ecological monitoring, pest weed and pest fish control, and weed surveillance on and around Northland's lakes.

We continue to put a lot of resource into biosecurity through our kauri dieback and Predator Free programmes, and more than 200,000 hectares of land are now under pest project management for kiwi and forest protection.

PARTNERSHIPS

All of our projects are undertaken in partnership with other agencies, hapū and landowners, and so far more than 700 students have experienced dune lake education through council's Enviroschools programme.

These partnerships and ongoing community support are key to council's positive impact on te taiao (the environment), and our achievements are shared across the region.



CHALLENGES

LEGISLATIVE CHANGES

There is increasing demand from central government and communities to do more to protect Northland's natural environment, and we agree more needs to be done in this space.

The Resource Management Act is being replaced by three new acts, which will bring about the biggest change in more than 30 years to the way we manage natural resources. Local government legislation is also under significant review, which provides an opportunity for rebalance of the roles between central and local government, a change in current funding models, and how we give effect to Te Tiriti o Waitangi. Three waters legislative reform will also impact our mahi, shifting focus from delivery to kaitiakitanga of water services. Managing the impact of these reforms on council and changes to our service delivery will be difficult, given council's resources are already stretched in these challenging times.

ACCESS AND RELATIONSHIPS

Although we have made good progress with biodiversity initiatives that support the health of te taiao (the natural environment), there remain ecologically precious pockets of land, particularly in western Northland, which are geographically difficult to manage and require significant community input. Continuing to build relationships with landowners, communities and tangata whenua is essential.

NATURAL ENVIRONMENT

	TOTAL INDICATIVE COST OF PROJECT				
	2022/23	2023/24	2024/25	2025/26	\$28.843M
HEALTHY WATERS FOR THE ENVIRONMENT AND PEOPLE					
Improve environmental data going to the community	\$180K	\$115k	\$115k	\$25k	\$1.15M
Upgrade dune lake monitoring programme	\$462K	\$244k	\$256k	\$413k	\$2.83M
Update freshwater monitoring networks	\$551k	\$720k	\$287k	\$175k	\$2.53M
Implement Te Mana o te Wai	\$205k	\$250k	\$250k	\$250k	\$2.25M
Move from farm plans to catchment management	\$841k	\$1.06M	\$840k	\$350k	\$6.731M
PROTECTED AND FLOURISHING NATIVE LIFE					
Kauri dieback management	\$442k	\$536k	\$822k	\$886k	\$7.112M
Predator Free 2050	\$380k	\$300k	\$450k	\$450k	\$3.83M
Feral deer project	\$190k	\$190k	\$290k	\$290k	\$2.41M

Manawaroa te hāpori

Community resilience



Community Resilience

\$31.6
MILLION



Natural Environment

\$28.8
MILLION



Regional Leadership

\$18.8
MILLION

PROJECTS

CLIMATE CHANGE AND ADAPTATION

As we said in our Long Term Plan 2021-2031, we are implementing Ngā Taumata o te Moana, council's strategy for tackling climate change. www.nrc.govt.nz/climatechangestrategy

There is ongoing collaboration with district councils and experts to undertake risk assessments across Northland, and establish a strategy that aligns our adaptation responses for greater efficiency and impact.

We have released updated river flood maps, and continue to invest significant resource in planning for the natural hazards Northlanders already face. Work is ongoing for our five major flooding infrastructure projects in Awanui, Kāeo and Whangaroa, Whangārei, Kerikeri and Waipapa, and Taumārere; the spillway at Otiria/Moerewa is our next major project.



“

There is ongoing collaboration with district councils and experts to undertake risk assessments across Northland, and establish a strategy that aligns our adaptation responses for greater efficiency and impact.”

Council is working hard toward its own 'netzero' emission target by significantly reducing its use of fossil fuels in operations and infrastructure, investing in renewable energy and zero-emissions technology, and encouraging our region to transition to a net-zero emissions economy.

EMERGENCY RESPONSE

In partnership with other agencies and iwi, we're expanding our emergency response plans to reduce the risk of major natural hazards having a significant negative impact on the region. Responding to emergencies has been challenging for council staff while working remotely, but

development of a dedicated joint emergency coordination centre is underway so all agencies can collaboratively respond to emergencies, and provide what our communities need, quickly and efficiently.

PUBLIC TRANSPORT

Even though Covid lockdowns reduced passenger numbers on our regional transport services, there are now additional bus services for Whangārei students and residents – a direct response to the needs of the community.

CHALLENGES

NATURAL HAZARDS ON THE RISE

The challenge of adapting to climate change and its impacts will affect all of council's activities. There is still a lot of work to be done around how to manage the growth of Northland's at-risk flood zones, and the increased need for our region's civil defence response; both are necessary to protect our communities from extreme climate events. Flood work supports our civil defence response, but since the effects of climate change are increasing, so is our work to ensure the impacts of natural hazards are reduced.

TRANSPORT AND MARINE

We continue to look at more efficient, environmentally friendly ways to enable people to move around our region. But balancing affordability, access and legislative requirements remains challenging, often due to Northland's large rural population and relatively low population density.

With inflation and the cost of living on the rise, we are also mindful of the need to manage the increasing number of people who choose to live on boats and the associated negative effects on maritime safety and our environment. The return of cruise ships to our region will also reintroduce work in this space, and careful management of risk will be needed to limit the environmental risks associated with Marsden Point's tanker terminal being changed to a storage terminal.

CLIMATE CHANGE

Growing urgency around climate change, and requirements from central government, means our workload in this space is growing quickly, and council is working hard to keep up. Getting communities involved in creating, managing and owning their emergency response and climate change plans is key to our region's ongoing resilience.



“

The challenge of adapting to climate change and its impacts will affect all of council’s activities.”



COMMUNITY RESILIENCE

	TOTAL INDICATIVE COST OF PROJECT				
	2022/23	2023/24	2024/25	2025/26	\$31.573M
RESILIENT, ADAPTABLE COMMUNITIES IN A CHANGING CLIMATE					
Flood management					\$20.8M
Awanui flood scheme					\$15M
Otiria-Moerewa flood scheme	\$551k	\$720k	\$287k		\$5M
Kawakawa			\$550k		\$0.55M
Whangārei					\$0.251M
Multi-agency emergency coordination centre	\$4.5M	\$1.685M	\$90k		\$6.85M
Development of community climate change risk plans	\$479k	\$683k	\$683k		\$3.923M

Hautūtanga ā rohe

Regional leadership



PROJECTS

MĀORI RELATIONSHIPS

Te Taitokerau has a dynamic and complex Māori landscape. The region's Māori population is growing, and forecast to reach 50% in Far North areas in the near future. Council's partnerships with iwi, hapū, communities and landowners are essential for our mahi, and our relationships with Māori require an ongoing commitment if Northland is to thrive.

Māori representation across council's activities has historically been lower than desired. Although, this is being addressed under council's commitment to building enduring relationships and partnerships

with Māori there is a lot of work to be done to establish kāwanatanga (governance) and rangatiratanga (self-determination) in council's processes, successfully expand co-governance within local government and strengthen decision making powers for Māori.

Central government reform will require council to have meaningful engagement with iwi and hapū on environmental matters, but there is still inequitable funding and resource allocation to address the environmental and economic issues that directly affect Māori. Resourcing all this work is beyond the capacity of local government alone, and there needs to be a shared commitment with central government to get this right.

“

Council's partnerships with iwi, hapū, communities and landowners are essential for our mahi, and our relationships with Māori require an ongoing commitment if Northland is to truly thrive.”



“

Council are committed to building meaningful relationships with tangata whenua which are reflective of Te Tiriti o Waitangi and we are proactively working to strengthen, resource and adapt our structures and processes to develop relevant responses for Māori.”



IN PROGRESS MĀORI INITIATIVES:

FIRST

council in Northland to vote for Māori seats, subsequently forming two dedicated Māori seats for the next election cycle.

COMMITTED

to the Te Taitokerau Māori and Council Working Party (TTMAC) Strategic Intent – Te Pai Tawhiti 2040 and Whaingā, providing guidance for council on partnership of tino rangatiratanga and kawanatanga for the well-being of te taiao and our hapori.

ENSURING

Māori representation on the Joint Climate Change Adaption Committee.

ESTABLISHMENT

of the Tangata Whenua Water Advisory Group in response to Mana o Te Wai.

NGĀ WHAKAMAHERE O TE TAIAO

Iwi Hāpu Environmental Management Plans (IHMP) funding to support iwi and hapū to create and/or review plans that identify cultural values and taonga.

SUPPORTING:

Mana Whakahono-ā-rohe agreements to ensure more opportunities for tangata whenua involvement in processes.
The Ngāti Whātua iwi Treaty of Waitangi negotiations over Kaipara Moana.

ALLOCATING

four of the eight regional Tū i te ora Scholarships to Māori scholars, supporting students to undertake study, research or training aligned to council's vision and mission.

PARTNERING

with tangata whenua on freshwater improvement and biosecurity projects.

CORE CULTURAL COMPETENCY TRAINING

programme including workshops, noho marae and wānanga to resource and support staff and councillor engagement with Te Ao Māori.

As we said in our Long-Term Plan 2021-2031, we are also undertaking a 'Te Tiriti health check' using the Te Arawhiti Framework to ensure recommendations to improve council's cultural competency are implemented across our organisation. Council also has a Memorandum of Understanding with Te Kahu o Taonui (a collective of all 12 Taitokerau iwi), continuing to work with Iwi Chairs and Chief Executives to address the significant challenges that are impacting the region.



REGIONAL ECONOMIC DEVELOPMENT

With guidance from the Joint Regional Economic Development Committee, we're preparing a Regional Economic Development Strategy for Te Taitokerau. This will provide a clear strategic vision and focus for regional aspirations, build economic resilience in a changing world, and guide investment with central government, iwi and hapū, the private sector and our communities.

On 1 July 2022, Northland Inc, the region's economic development agency, became jointly and equally owned by NRC, FNDC and KDC, with all councils providing funding to the Investment and Growth Reserve (IGR). A Joint Regional Economic Development Committee, consisting of two elected members from each of the three councils, is responsible for managing the council shareholder responsibilities and distributing funds from the IGR. Whangarei District Council is yet to participate, but it may like to reconsider following the elections so this initiative can have the greatest impact on our region.

INFORMATION MANAGEMENT, LOCALLY AND NATIONALLY

With council's growing workload and personnel, we are upgrading the technology which supports council's operations and activities with the implementation of a new information technology system: Enterprise.

Enterprise will update many of council's systems and help us operate more efficiently as we grow. It will allow for better information flow, and provide high-level technical functions across council's financial, budgeting, procurement, supply chain management, human resources, and asset management activities. There is still a lot of work to be done towards the Enterprise roll-out, but we are confident it will be worth it to enable centralised, timely access to accurate information, which will benefit our communities.

Council's work with Regional Software Holdings Limited provides inter-regional solutions, support and development of regional shared services and products. The newly formed Te Uru Kahika, an entity consisting of 16 regional and unitary councils, will work together to apply local expertise and knowledge, and input into national direction, for the wellbeing of our environment and communities.



Our most recent successes are the vibrant Kensington Crossing development and the newly opened Kaipara Service Centre.”

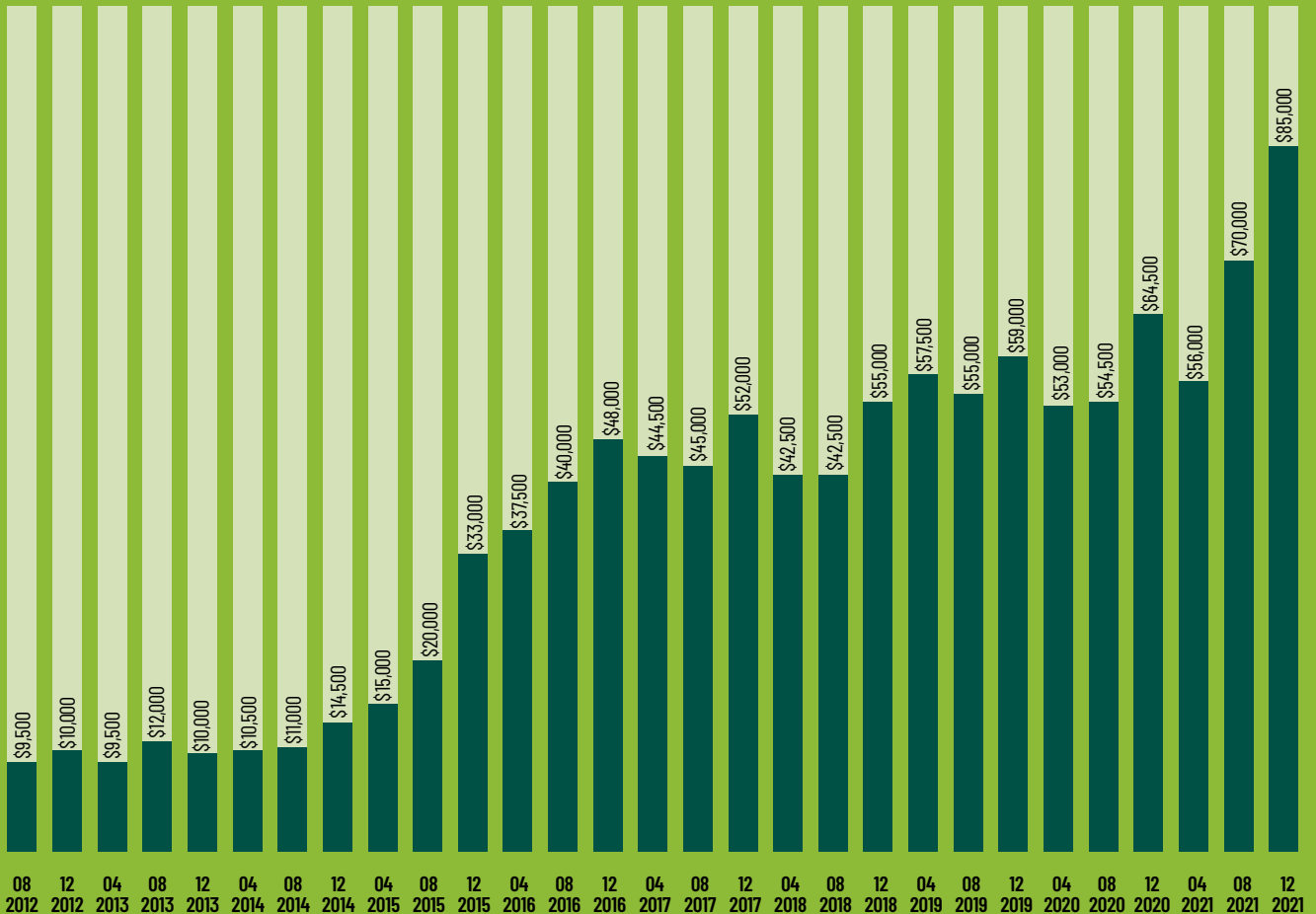


INVESTMENT SUCCESSES

Council continues to encourage investment and economic activity through targeted asset growth. Our most recent successes are the vibrant Kensington Crossing development and the newly opened Kaipara Service Centre. Construction has also recently commenced on our region's new Finfish Farms, thanks to an ambitious joint venture between council and NIWA. Over the next three years, we will be working on constructing a shared-purpose building in Waipapa, which will enhance the town's presence in the mid-north and provide rental return.

Under council's investment policy, we aim to achieve a net return of at least 7% per annum across our portfolio. We have a mix of long-term and short-term investments, including equities, property, cash and cash equivalents, forestry, externally managed funds, and a shareholding in Marsden Maritime Holdings Limited. Council investments need to evolve alongside environmental, social and governance criteria, with a clear and sound strategic direction so the region's economy can keep growing.

FUNDS UNDER MANAGEMENT: ROLLING MONTHLY TIME SERIES (X \$1,000)



CHALLENGES

ECONOMIC DEVELOPMENT

The Joint Regional Economic Development Committee has been working well, but for sustainable economic growth, we need to ensure it continues to work into the future, and remains stable after local body elections. Northland's tourism sector has been hit hard by the pandemic, so our work in this space is essential for our economy to thrive.

We need to ensure our relationships with central government agencies are maintained and coordinated to advance Northland's infrastructure investments, such as rail and port expansion. Strong and sound strategic approaches are needed to develop council's economic investments. We will also be working to integrate Māori and the business community into our joint economic agency, Northland Inc, so our region's businesses can grow and succeed.

DATA MANAGEMENT

Legislation has increased council's obligations around environmental mahi, information management, health and safety, and data management. Although implementing Enterprise, our new information technology system, is under way, there is still much work to be done to ensure public information is gathered, stored and retrieved in efficient, economical ways while complying with all of council's legal obligations.

Our work with Regional Software Holdings Limited, and its five other member councils, continues long-term maintenance and development of the Integrated Regional Information System (IRIS) product. As the current IRIS product reaches the end of its technical useful life, RSHL is looking at a cloud-based, sector-wide software solution (IRIS

Next Generation). This initiative delivers agreed best-practice processes, shared resources and training, and continuous improvement, creating a well-functioning cross-council technological resource across regions, that's critical to the future success of our region.

ENGAGEMENT

We're proud of the level of engagement we have with Northlanders and tangata whenua, and we are continually trying to improve this to better understand the needs of our region.

Each Long Term Plan has a 10 year horizon, but our work plans go even further. Council's vision document, Te Pae Tawhiti sets out council's plans across the region for the next three, 10 and 30 years to deliver on community outcomes which are developed through ongoing engagement with our communities. With this future-focus, fostering better connections with our youth so they can have a say in plans that affect their future is essential.





“

We're proud of the level of engagement we have with Northlanders and tangata whenua o Te Taitokerau and we are continually trying to improve this to better understand the needs of our region. ”

REGIONAL LEADERSHIP

	TOTAL INDICATIVE COST OF PROJECT				
	2022/23	2023/24	2024/25	2025/26	\$18.841M
MEANINGFUL PARTNERSHIPS WITH TANGATA WHENUA					
Improve council cultural capacity and Māori partnerships	\$263k	\$263k	\$263k	\$288k	\$3.87M
Strong and Sustainable Regional Economy					
Preparation of a Regional Economic Development Strategy for Te Taitokerau					\$0.2M
Customer services – expanding regional service centre and implementing Regional Accessibility Strategy	\$10k	\$130k	\$35k		\$0.825M
IT improvements and upgrades (Enterprise)	\$1.205M	\$1.153M	\$1.65M		\$13.946M

Pūrongo pūtea

Financial statements

Prospective statement of cash flows

The cash flow statement shows how cash has flowed in and out of the council business over each year. It shows where cash has come from, and what it has been applied to. Over the past three years, cash flows have fluctuated in accordance with the financial demands of council's operational work programmes, capital replacement and improvement projects, and investment strategy.



Council investments need to evolve alongside environmental, social and governance criteria, with a clear and sound strategic direction so the region's economy can keep growing.”

Periods Ending 30 June	Actual 2019-20 \$	Actual 2020-21 \$	Estimated 2021-22 \$
Cash Flows From Operating Activities			
Receipts from rates revenue	29,472,966	30,663,767	37,093,519
Receipts from customers	3,766,500	10,838,393	9,512,067
Interest received	451,242	227,842	161,471
Dividends received	3,542,865	3,542,865	3,100,007
Subsidies and grants received	14,889,709	13,637,449	15,659,227
Net goods and services tax received	(235,005)	(247,838)	3,702,977
Payments to suppliers and employees/members	(46,419,055)	(54,442,149)	(76,662,989)
Interest paid	(830,918)	(580,379)	(746,547)
Net Cash From Operating Activities	4,638,303	3,639,950	(8,180,269)
Cash Flows From Investing Activities			
Receipt from sale of property, plant and equipment	134,850	247,338	-
Receipts from sale of assets held for sale and investment property	13,234,122	-	30,379,115
Receipt from sale of investments	54,927,419	69,535,875	16,282,353
Receipt of loan repayments	4,754	250,000	-
Purchase of property, plant and equipment	(5,206,369)	(4,859,848)	(11,464,337)
Purchase of investment property	(7,793,289)	(7,833,788)	(3,809,207)
Purchase of investments	(56,638,795)	(51,191,499)	(33,112,212)
Net cash from investing activities	(1,337,309)	6,148,077	(1,724,288)
Cash Flows From Financing Activities			
Proceeds borrowed	-	4,290,000	5,532,726
Dividends paid	-	-	-
Loans Made	-	-	-
Loans Repaid	-	-	-
Repayments of borrowings	-	(10,000,000)	-
Net Cash From Financing Activities	-	(5,710,000)	5,532,726
Net Increase (Decrease) in Cash, Cash Equivalents and Bank Overdrafts	3,300,994	4,078,027	(4,371,831)
Cash, cash equivalents and bank overdrafts at the beginning of the year	605,874	3,906,868	7,984,895
Cash, cash equivalents and bank overdrafts at the end of the year	3,906,868	7,984,895	3,613,065

Prospective funding impact statement

The prospective funding impact statement is stated excluding GST. The funding impact statement shows how council funds its activities, including where the funding comes from (including income from rates), the amount each source is expected to produce, and how the funds will be applied.

Periods ending 30 June (excl GST)		Actual 2019-20 \$	Actual 2020-21 \$	Estimated 2022-23 \$	Annual Plan 2023-24 \$	LTP 2023-24 \$	LTP 2024-25 \$	LTP 2025-26 \$
Source of operating funding								
General rates, uniform annual general charges, rates penalties		455,981	404,866	-	-	-	-	-
Targeted rates (other than targeted water rates)		29,041,232	31,137,609	37,574,120	42,797,202	46,688,235	49,107,400	49,867,264
Subsidies and grants for operating purposes		11,980,305	10,329,663	14,332,683	15,535,634	8,030,009	6,091,449	4,466,390
Fees, charges and targeted rates for water supply		4,842,245	4,504,771	4,446,465	4,272,931	4,947,035	5,012,138	5,197,824
Interest and Dividends from Investments		6,924,507	12,533,068	3,261,478	3,702,468	3,869,921	3,717,223	3,717,223
Local authorities fuel tax, fines, infringement fees and other receipts		4,763,035	3,131,685	12,263,839	7,802,494	8,528,252	8,551,151	8,723,743
Total Operating Funding		58,007,304	62,041,661	71,878,585	74,110,730	72,063,452	72,479,371	71,972,444
Applications of Operating Funding								
Payments to staff and suppliers		49,316,862	52,988,117	67,796,539	66,233,857	69,866,585	64,330,413	63,353,755
Finance costs		930,729	580,379	746,547	1,101,640	1,179,312	1,270,234	1,319,334
Other operating funding applications		-	-	-	-	-	-	-
Total Application of operating Funding		50,247,591	53,568,496	68,543,086	67,335,497	71,045,898	65,600,647	64,673,089

Surplus/(Deficit) of Operating Funding	7,759,713	8,473,165	3,335,499	6,775,233	1,017,555	6,878,724	7,299,355
Sources of Capital funding							
Subsidies and grants for capital purposes	27,414	2,492,952	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	(5,600,000)	2,468,207	10,067,456	1,000,000	600,000	250,000
Gross proceeds from sale of assets	7,310,562	247,690	30,379,115	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-
Total Sources of Capital Funding	7,337,976	(2,859,358)	32,847,322	10,067,456	1,000,000	600,000	250,000
Applications of capital funding							
Capital expenditure							
To meet additional demand	-	-	-	-	-	-	-
To improve levels of service	7,849,020	12,580,817	13,591,621	25,529,607	2,670,225	868,172	1,169,868
To replace existing assets	4,921,903	977,082	1,681,923	3,331,759	827,908	684,500	737,104
Increase/(decrease) in reserves	9,007,705	(9,243,503)	33,823,095	4,372,708	(1,585,990)	4,244,030	4,646,714
Increase/(decrease) of investments	(6,680,940)	1,299,411	(12,913,818)	(16,391,385)	105,412	1,682,022	995,869
Total applications of capital funding	15,097,689	5,613,807	36,182,821	16,842,689	2,017,555	7,478,724	7,549,355
Surplus/(deficit) of capital funding	(7,759,713)	(8,473,165)	(3,335,499)	(6,775,233)	(1,017,555)	(6,878,724)	(7,299,355)
Funding balance	(0)	(0)	0	0	-	0	-

LTP: This data has been taken from our 2021-2031 Long Term Plan and has not been updated.

Prospective statement of financial position

The statement of financial position shows what assets we own, what liabilities we owe to other parties and our net worth. The council's position remains very strong, with liabilities representing only a small percentage of total assets.

As at 30 June	Actual 2020-20 \$	Actual 2020-21 \$	Estimated 2022-23 \$	Annual Plan 2023-24 \$	LTP 2023-24 \$	LTP 2024-25 \$	LTP 2025-26 \$
Equity							
Accumulated funds	115,702,307	157,889,501	131,669,783	153,778,000	131,749,796	132,451,403	133,458,177
Other reserves	41,843,501	33,058,590	64,557,130	47,390,340	43,337,540	46,981,571	50,778,286
Total equity attributable to northland regional council	157,545,808	190,958,091	196,226,913	201,168,340	175,087,336	179,432,974	184,236,463
Non-controlling interest	-	-	-	-	-	-	-
Total equity	157,545,808	190,958,091	196,226,913	201,168,340	175,087,336	179,432,974	184,236,463
Current assets							
Cash and Cash Equivalents	3,906,868	7,984,895	3,613,065	842,686	836,607	846,253	870,205
Receivables	7,089,773	6,596,501	6,596,501	7,468,694	7,857,543	7,980,711	8,283,926
Inventory	483,133	271,247	271,247	271,247	203,133	203,133	203,133
Asset held for sale	715,000	29,335,001	-	715,000	715,000	715,000	715,000
Other Financial Assets	20,297,744	18,022,965	22,025,170	16,042,846	11,280,548	12,987,420	13,596,789
Total Current Assets	32,482,518	62,210,609	32,505,983	25,340,473	20,892,831	22,732,517	23,869,053
Total current assets	36,330,943	25,249,000	12,147,623	12,504,214	12,956,000	13,453,000	13,954,000

Non-current Assets									
Receivables	-	-	-	-	-	-	-	-	-
Investment property	60,361,000	62,516,001	65,281,093	75,170,861	52,799,696	52,799,696	52,799,696	52,799,696	53,399,696
Other financial assets	47,514,498	39,995,765	65,070,180	61,683,303	74,722,637	79,464,718	84,819,813	84,819,813	84,819,813
Investment in subsidiaries (excluding CCOs) and joint venture company	7,827,563	7,827,563	7,827,563	7,827,563	7,827,563	7,827,563	7,827,563	7,827,563	7,827,563
Investment in Council Contolled Organisations	862,683	486,146	486,146	737,526	686,000	586,000	586,000	586,000	586,000
Infrastructure, property, plant and equipment	35,914,453	40,293,839	51,880,489	68,019,275	64,079,153	63,327,259	62,268,821	62,268,821	62,268,821
Capital projects in progress	4,499	392,497	392,497	-	-	-	-	-	-
Intangible assets	789,774	827,500	705,187	830,383	1,117,521	989,000	858,345	858,345	858,345
Forestry assets	3,157,000	3,703,000	3,703,000	3,703,000	3,157,000	3,157,000	3,157,000	3,157,000	3,157,000
Total non-current assets	156,431,470	156,042,311	195,346,155	217,971,911	204,389,570	208,151,236	212,917,238	212,917,238	212,917,238
Total assets	188,923,988	218,252,920	227,852,139	243,312,384	225,282,401	230,883,753	236,586,291	236,586,291	236,586,291
Current liabilities									
Payables and deferred revenue	8,884,074	10,277,199	10,552,958	7,371,489	7,446,982	7,536,111	7,618,496	7,618,496	7,618,496
Employee entitlements	2,311,603	2,537,493	2,588,243	2,588,243	2,443,391	2,445,957	2,448,601	2,448,601	2,448,601
Borrowings and other financial liabilities	10,000,000	-	-	-	-	-	-	-	-
Total current liabilities	21,195,677	12,814,692	13,141,200	9,959,732	9,890,373	9,982,068	10,067,097	10,067,097	10,067,097
Non-current liabilities									
Payables and deferred revenue	608,104	505,518	505,518	610,000	610,000	610,000	610,000	610,000	610,000
Borrowings and other financial liabilities	9,558,000	13,958,000	17,958,000	31,553,805	39,673,831	40,837,831	41,651,831	41,651,831	41,651,831
Employee entitlements	16,399	16,618	20,507	20,507	20,861	20,880	20,899	20,899	20,899
Total non-current liabilities	10,182,503	14,480,136	18,484,025	32,184,312	40,304,692	41,468,711	42,282,730	42,282,730	42,282,730
Total liabilities	31,378,180	27,294,828	31,625,225	42,144,044	50,195,065	51,450,779	52,349,827	52,349,827	52,349,827
Total net assets	157,545,808	190,958,091	196,226,912	201,168,340	175,087,336	179,432,974	184,236,463	184,236,463	184,236,463

LTP: This data has been taken from our 2021-2031 Long Term Plan and has not been updated.

REPORT AGAINST OTHER TARGETS

Rate limits

Council signals its rates revenue and rate increase limits in its financial strategy. Total rates will not exceed 75% of total revenue, and total region-wide rate increases will not exceed 15% on average SUIP1 in any one year. The limits are based on the need to address the range of issues facing the region and increased community and government expectations, enabling council to maintain a strong and sustainable financial position while remaining ever mindful of the affordability of rates for the community.

The table below shows these limits, and the council's performance for the years ending 30 June 2020 and 2021. It also shows the estimated outcomes for 2021/22, and forecasts for years 2022 to 2026.

As at 30 June	Actual 2019-20 \$	Actual 2020-21 \$	Estimated 2021-22 \$	Draft Annual Plan 2022-23 \$	LTP 2023-24 \$	LTP 2024-25 \$	LTP 2025-26 \$
Projected total rates	\$29,497,212	31,542,475	\$37,574,120	\$42,797,202	\$46,688,235	\$49,107,410	\$49,867,264
Projected total rate revenue increase (\$)	2,294,134	2,045,263	\$6,031,646	\$5,223,082	\$3,891,033	\$2,419,175	\$759,854
Total rates increase limit	10.0%	10.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Projected total rate revenue increase (%)	8.4%	6.9%	20.7%	13.8%	9.2%	5.2%	1.6%
Rates as a % of revenue limit	65.0%	65.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Projected rates as a % of revenue	67.3%	74.1%	83.3%	87.2%	93.9%	95.7%	95.1%
Projected total expenditure (operating and capital)	\$63,018,515	67,126,395	\$83,816,630	\$96,196,863	\$74,544,030	\$67,153,320	\$66,579,861

¹ SUIP = separately used or inhabited part of a rating unit.

LTP: This data has been taken from our 2021-2031 Long Term Plan and has not been updated.

Debt limits

Council set its debt covenants in the Long Term Plan 2021-2031. These represent limits as expressed in the Local Government (Financial Reporting and Prudence) Regulations 2014.

The current limits are

Debt Covenant	Limit
Net debt/total revenue	<175%
Net interest/total revenue	<10%
Liquidity	>110%

Northland Regional Council has borrowed funds since 2015 to fund infrastructure assets. This borrowing was beneficial in reducing rates for ratepayers. Given the council has liquid funds significantly exceeding the level of borrowing, none of the above can be sensibly calculated and council is well within these limits. Actual percentages displayed above have been taken from our Annual Plan 2022/23. The changing financial landscape and increasing interest rates will likely require us to review this policy position.

Council objectives for holding and managing investments

Council maintains a diverse range of investments, which include

- » shareholding in Marsden Maritime Holding Limited
- » investment property – freehold and endowment properties
- » forestry holdings
- » cash, stocks and bonds
- » managed funds.

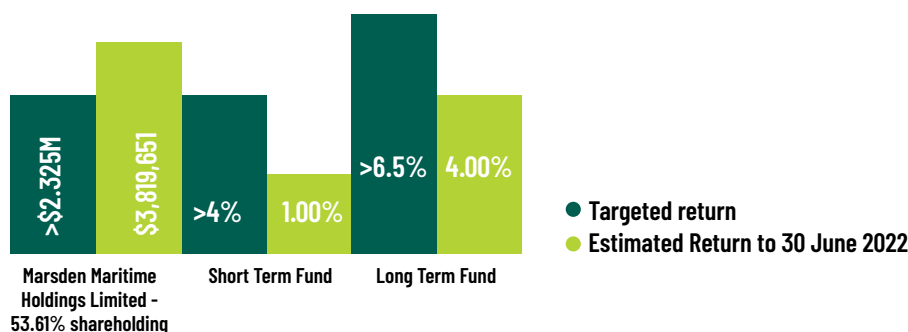
The table below shows the targeted returns as defined in council's financial strategy and the estimated returns achieved to 30 June 2022.

Council's Long Term Fund (LTF) and Short Term Fund (STF) have both outperformed their respective three and five-year targets. The LTF

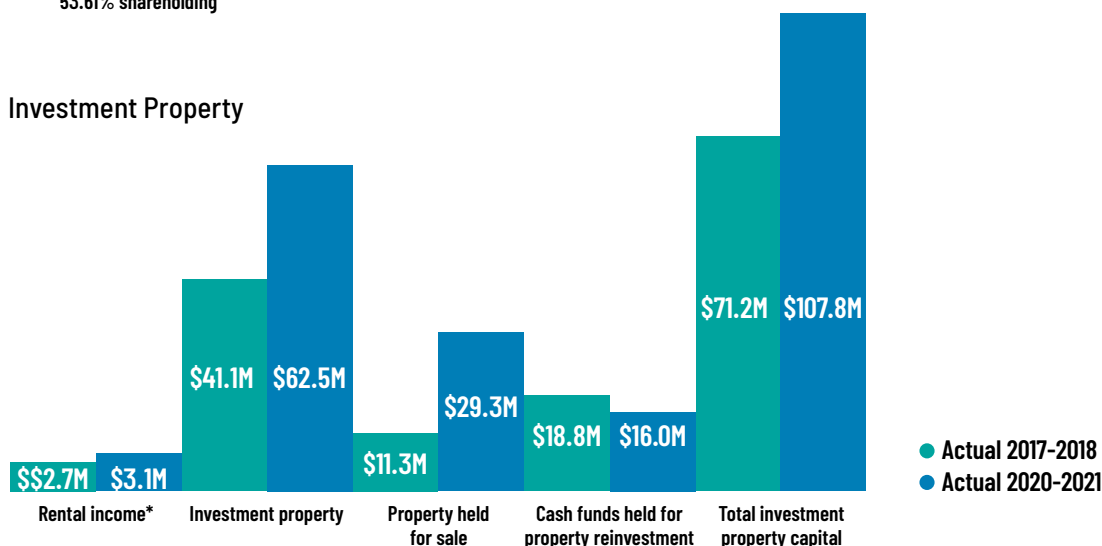
returned an average 8.9% per annum over three years and 7.9% per annum over five years; the STF returned an average of 5.1% per annum over three years and 6.0% per annum over five years.

High levels of geopolitical and geo-economic risks, and the fear of low economic growth, have created severe volatility in the current financial markets. As a result, the STF and LTF have not achieved their targets over the past 12 months: the LTF returned 3.3% over the past year and STF 0.2%. Management and councillors continue to work with council's independent investment advisors to optimise the funds allocations to cash, income and growth assets, to try and maximise future returns in line with the current risk tolerance and liquidity settings.

Investments

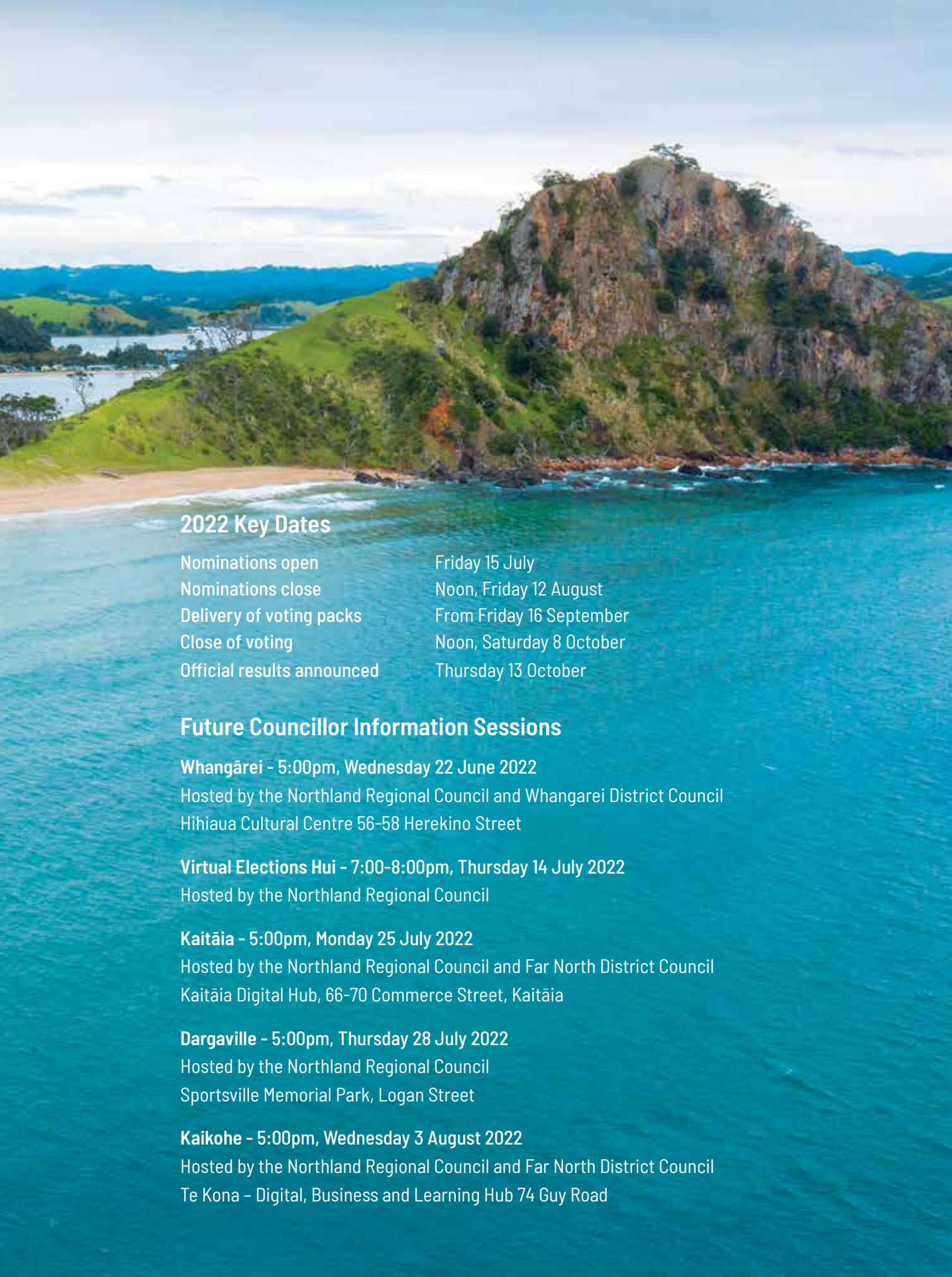


Investment Property



*Does not include interest or dividends from cash funds held. Return on investments at least 7% per annum.





2022 Key Dates

Nominations open	Friday 15 July
Nominations close	Noon, Friday 12 August
Delivery of voting packs	From Friday 16 September
Close of voting	Noon, Saturday 8 October
Official results announced	Thursday 13 October

Future Councillor Information Sessions

Whangārei - 5:00pm, Wednesday 22 June 2022

Hosted by the Northland Regional Council and Whangarei District Council
Hihiaua Cultural Centre 56-58 Herekino Street

Virtual Elections Hui - 7:00-8:00pm, Thursday 14 July 2022

Hosted by the Northland Regional Council

Kaitiāia - 5:00pm, Monday 25 July 2022

Hosted by the Northland Regional Council and Far North District Council
Kaitiāia Digital Hub, 66-70 Commerce Street, Kaitiāia

Dargaville - 5:00pm, Thursday 28 July 2022

Hosted by the Northland Regional Council
Sportsville Memorial Park, Logan Street

Kaikohe - 5:00pm, Wednesday 3 August 2022

Hosted by the Northland Regional Council and Far North District Council
Te Kona - Digital, Business and Learning Hub 74 Guy Road

To find out more about council's activities, visit:

www.localelections.co.nz

Find out more about local elections.

www.nrc.govt.nz/tepaetawhiti

Learn how we are achieving our goals
in community engagement.

www.nrc.govt.nz/LTP

Te Mahere Roa | Long Term Plan 2021-2031
our plan for Northland for the next 10 years.

www.nrc.govt.nz/maoripartnership

Read the Te Taitokerau Māori and Council Working
Party Strategic Intent framework 2021-2040.