

**Northland**  
REGIONAL COUNCIL  
Te Kaunihera ā rohe o Te Taitokerau

# Pūrongo ā Tau Whakarāpopototanga 2022

Annual Report Summary 2022



# Ihirangi

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# Kia ora and welcome

He Kupu Whakataki nā te Heamana rāua ko te Tumuaki



The 2021-22 year was the latest in a series of challenging years both for council and the wider Northland community, once again much of this could be attributed to the ongoing COVID-19 pandemic.

COVID-19 impacted widely across council's operations, affecting everything from the increased number of visiting boaties to decreased passenger numbers on buses, despite this staff and councillors alike continued to show remarkable adaptability to the new environment we have found ourselves working in. We've taken all practical and pragmatic steps to ensure we are serving our community as best and as sustainably as we can to offer the same standards of service as we did pre-COVID-19.

Both at a governance and operational level we have continued to develop and advance our relationships with tangata whenua and communities throughout Te Taitokerau.

We would like to recognise the continued environmental protection and restoration efforts of our various communities and tangata whenua throughout Te Taitokerau. Much of our work as a council would not be possible without

the active support of a large number of individuals and groups.

A historic milestone for our council is the upcoming introduction of a new 'at large' Māori constituency – Te Raki – that will deliver two new representatives for Māori at this year's elections to be held in October. Alongside the other three councils in Te Taitokerau, we voted in favour of introducing Māori constituencies/seats. We are very excited to have tangata whenua representation engrained as part of our council moving forward. The perspectives, knowledge, skills, and networks these councillors will provide will be invaluable.

A focus for us in the immediate future is climate change. The ongoing climate crisis continues to affect our everyday way of life here in Te Taitokerau – rising sea-levels, coastal erosion, intense weather systems, flash floods, drought and other impacts are changing the way we live. Over the past year, we – along with the three district councils – developed the Te Taitokerau Climate Adaptation Strategy, which lays out a path toward effective and aligned adaptation



*Ina tere ngā kapua, he hau kei muri*  
*Progress is built on applying shared values*



in the region. Adopted in April, we are enthusiastic about the implementation of this strategy and the resiliency it will help foster as we face future challenges. Community adaptation plans, developed by communities with support from councils and setting out short and long-term local adaptation actions, will be at the heart of our work around the region in the next few years.

In our operational functions, we continue to face shortages of skilled workers due to the current global geopolitical climate. Health and Safety, engineers, water scientists and Māori engagement roles have been among those difficult to fill.

Great progress is being made by Kaipara Moana Remediation programme which – through an ambitious goal of planting 20 million trees – aims to restore the health and mauri of the Kaipara Moana, the largest natural harbour in the Southern Hemisphere.

As the role of council evolves from one of service delivery through to facilitation, we look forward to building the capacity and capabilities of community groups and tangata whenua throughout Te Taitokerau.

With the upcoming October elections and Malcolm Nicolson's impending retirement as chief executive of Northland Regional Council at the end of September, we would like to congratulate his successor Jonathan Gibbard and wish him well in his new role. We would like to thank and acknowledge the huge contribution to both council and Te Tai Tokerau Northland that Mr Nicolson has made over the past 10 years in the CEO role and wish him an enjoyable and well-deserved semi- retirement.



**Malcolm Nicolson**  
Chief Executive Officer



**Penny Smart**  
Chair

# Ngā hua o 2021/22

## Highlights of 2021/22

### COVID-19

The COVID-19 pandemic has continued to impact on the home and work lives of people globally over the past year and we have not been spared from this. COVID-19 and the response regulations have had a direct impact, forcing a cancellation of events and delaying projects and rapid escalation of absenteeism due to illness. Council recorded almost 3180 hours (equivalent to almost 85 weeks) of COVID-19 sick leave taken across its 282 staff between March and the end of June alone. Despite the ongoing COVID-19 disruptions caused – including a lockdown in August 2021 and offices closing in February 2022 – council has shown remarkable resilience. The services we deliver have been affected, especially when the Omicron variant began spreading, but we have been flexible and adaptable to ensure we focus on delivering our most important services to the high standards expected of us.

### Skills shortages

Globally there is a trend for people to re-evaluate their priorities in the current climate, with staff turnover increasing as a result. Closing the country's borders has resulted in critical staff and skill shortages and record levels of vacancies and staff turnover. Aggressive employment policies by Central Government and the private sector to resource their reform programme has placed substantial upward pressure on salaries.

This has collectively resulted in a sharp increase in levels of workload pressure and stress on remaining staff. As with most organisations we have also found the number of people applying for some roles has declined. Health and Safety, engineers, water scientists and Māori engagement roles have been among those difficult to fill. In the month of June alone 17 vacancies were listed.



## Natural environment

### Kaipara Moana Remediation Programme

The Kaipara Moana Remediation Programme (KMR) is contracted by the Ministry of the Environment, through Jobs for Nature investment, and is part of a co-governance arrangement with Ngā Maunga Whakahi o Kaipara, Te Rūnanga o Ngāti Whātua, Te Uri o Hau, Northland Regional Council and Auckland Council.

Through an ambitious goal of planting 20 million trees, the programme aims to restore the health and mauri of the Kaipara Moana, the largest natural harbour in the Southern Hemisphere.

With a dual focus on reducing sediment flows into the Kaipara Moana and developing local people and businesses through nature-based training and employment, KMR will deliver wide intergenerational outcomes and benefits.

The focus of the programme for the past year continued to be on fencing land and planting native trees near waterways. During this time, KMR finalised 202 new sediment reduction plans or equivalent, covering nearly 52,000 hectares of





land, which committed landowners to just over 380,000 plants and 235 kilometres of fencing. These results are a significant increase on the 2020/2021 year's delivery and exceed previous regional targets.

KMR also strengthened its focus on growing people into new 'green economy' jobs, and developed and rolled out several training courses across the catchment to upskill and accredit 38 local 'KMR field advisors', including tangata whenua, to work on-the-ground with landowners. KMR accredited 17 nurseries to ensure that they have access to quality, locally grown plants that match the ecological districts of the Kaipara catchment, and accredited 22 local contractors to support KMR-led growth in nature-based employment.

Given the span of KMR's geography and activities, by necessity they work with, and through, many partners. The past year saw a deepening of partnerships with Fonterra, the Forest Bridge Trust, the Ministry of Social Development and Kaipara Uri environmental operations. As the team head into the next year of the programme, further partnerships are in development to support ongoing scaling up of sediment reduction activities across the catchment.

### **Renewal of partnership with Kiwi Coast**

In mid-June 2022 the partnership between council and Kiwi Coast was renewed at ceremony in Tūtūkākā. In 2017, council signed a partnership with Kiwi Coast Trust that formally consolidated a strong working relationship for both parties. The trust provides a regional platform of support and coordination of grassroots conservation across Northland and as part of the partnership, council will contribute \$188,480 annually to Kiwi Coast over the next five years. Over 200 entities are currently linked into Kiwi Coast, 201 of which are community, hapū or iwi-led projects. Collectively, these groups and projects manage approximately 235,000 hectares.

### **Updated MOU with Department of Conservation**

Council held a hui in Whangārei in early June 2022 to essentially 'renew its vows' by signing a revised and updated Memorandum of Understanding (MOU) between us and DOC. The MOU helps both organisations strengthen our whānaungatanga and opens the door for closer, ongoing collaboration and partnership with DOC.



# Ngā hua o 2021/22

## Highlights of 2021/22

### Budget allocations for biosecurity programmes

The Clean Hulls Programme, which council is part of – alongside Auckland, Waikato and Bay of Plenty councils, Department of Conservation and the Ministry for Primary Industries – received \$5.5M over four years in the most recent central government Budget. The programme aims to prevent the spread of invasive marine species that can have significant impacts on the marine environment, marine based industries, aquaculture, and taonga species.

Council contractors checked 2000-plus boat hulls between October 2021 and June 2022. Marine biosecurity staff were encouraged with the overall standard of the fleet surveyed with 52.6% of vessels compliant (if moving between designated areas) with the rules as stated in the Regional Pest Management Plan. This represents a cleaner fleet than last season where 44.6% of vessels were compliant. The most prominent pest species found on vessels was the Australian droplet tunicate followed by the Mediterranean fanworm.

Two other Budget wins for conservation were predator removal and native forests, with deer and goats the focus in protecting native ecosystems.

Biosecurity staff worked with DOC representatives on the eradication of Sika deer at Russell and wider deer issues. Their contribution has helped grow the understanding of how important it is to keep some places in Aotearoa deer free. The kauri forests of Northland are being recognised as one of those special places.

Also on the biosecurity front, implementing the Northland Lakes Strategy continues to be a large project with expanding nutrient management, ecological monitoring, pest weed and 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, with the previously mentioned 235,000 hectares of land now under pest protection management for kiwi and forest protection.



### Predator free

The Predator Free 2050 projects we're coordinating across Whangārei and Pēwhairangi Whānui (Bay of Islands) have picked up pace over the last year with great work being put in by hapū, uri and community groups across the motu. The Whangārei project team is under way on the first two priority blocks and are busy servicing over 150 traps and 200 bait stations across the Te Whara, Taurikura and Kauri Mountain/Ocean Beach areas. Planning for expansion into other areas of Whangārei Heads in partnership with local hapū uri is well underway, and different methods of eradication delivery are being explored. Mahi in Pēwhairangi Whānui has focused on hapū and community group preparation for eradication commencement across the three project peninsular (Rakaumangamanga, Kororareka and Purerua) with delivery of these peninsular projects being community and hapū lead. Time and focus have gone into exploring effective governance partnership structures and preparing for the start of eradication.





### Kauri Protection

The Kauri Protection Team has delivered eight kauri protection workshops, 10 school education presentations, taken 168 soil samples with only six positives, as well as completing three fencing jobs protecting 30 hectares of forest blocks, delivered 14 new hygiene stations and identified two new positive sites.

The Kauri Dieback Track Mitigation project – funded by \$2M from the Provincial Growth Fund to protect kauri along sections of the Te Araroa and other public trails – has continued and completion will be by 30 September 2022. To date five track sections have been completed; Kauri Mountain, Upper Kerikeri River, Puketotara Farm, Wrights Farm and Upper Puketotara (the remaining sections are Paparoa Bush Walk and Kaiwaka Domain). The project has faced challenges and has adapted accordingly and will exceed track distance targets set at the beginning of the project.

### Regional Plan for Northland

Negotiations and hearings on the appeals to the Proposed Regional Plan continued over the year with nearly all points now resolved. Significant court decisions over the last year include the High Court decision confirming the application of the National Environmental Standards for Freshwater in the coastal marine area and the Environment Court issuing its final decisions on the provisions for mangrove removal and livestock exclusion from waterways.

### Freshwater Plan

Work continues on the Freshwater Plan – a new set of policies and rules for the use of freshwater. The Freshwater Plan is council's response to the Government's 2020 'Essential freshwater' direction for improving freshwater. The Tangata Whenua Water Advisory Group and Primary Sector Liaison Group have been meeting regularly over the past year to input into the development of the Freshwater Plan. A draft of the plan will be released for public feedback mid-2023.

### Environmental incidents

For the year ending 30 June 2022, a total of 946 incidents were reported to the Environmental Hotline. Of these 410 (43%) were air quality incidents, followed by 245 water quality; 181 land use; 64 coastal; 40 waste management and six water quantity incidents. Site visits were made to 64% of all incidents reported to council. Four hundred and thirty-three (46%) incidents were confirmed to be a breach of a rule, national regulations or a resource consent.

**Negotiations and hearings on the appeals to the Proposed Regional Plan continued over the year with nearly all points now resolved.**

# Ngā hua o 2021/22

## Highlights of 2021/22

### Community resilience

#### **\$2.5M of Awanui flood works completed**

A fourth construction season saw about \$2.5M of works carried out as part of the Awanui flood scheme over summer and autumn.

The work included a \$1.22M contract to increase the flood capacity of the Whangatane Spillway between State Highway 10 and Quarry Rd.

It involved 'benching' or shifting/reconfiguring stopbanks to create a wide, flat area on the inside of them which can carry extra floodwaters.

This year's work focused on maximising the capacity at Quarry Rd Bridge. Next year will focus on Donald Lane and SH10 Bridge capacity upgrades.

Meanwhile, another \$1.2M of work was also carried out from Switzer Bench to Bells Produce.

The goal of that work was to better split flood flows between the Whangatane Spillway – which will carry two-thirds of the water in a big flood – and the Awanui River, which will carry the remaining third. In normal, lower flow conditions all the water goes to sea via the river. However, in heavy rain the higher flows enter the spillway – built in the early 1900s – which cuts by 12 kilometres (and roughly halves) the length of the journey the floodwaters must take to reach the sea.

Finally, work was carried out at Bedgood Park and Dunn Street including stabilising an existing stopbank, benching, and topping up stopbanks.

The upgrade programme is designed to help future-proof the scheme – including predicted climate change impacts – as well as deliver a considerably higher level of protection for Kaitia and surrounding areas.

A \$12.5M grant from the government as part of its COVID-19 recovery response package – the bulk of it for the Awanui scheme – has slashed the time needed to complete the upgrade and reduced the cost to the community. It's now due for completion in just one more year instead of in 2027 as originally planned.

#### **Otiria floodworks**

More than \$6.5M of long-awaited staged works designed to substantially reduce flood risk to Otiria and Moerewa began in earnest in 2022.

Works are being carried out in three stages, starting with a 150 metre spillway from Pokapu Rd to where it meets the Waiharakeke River.

In a big flood, about 80% of the water from the Otiria Stream spills over nearby land as does 70% from the Waiharakeke Stream.

Council plans to restore the streams' natural flows by replacing the existing Pokapu Rd Bridge and in late 2022 building a new three-span, 60-metre-long single-lane bridge, including a footpath for safety. The works will reduce the severity of a typical flood by about 75%.

About \$2.8M of the project cost is being met by central government via Kānoa – Regional Economic Development and Investment Unit. This is part of the abovementioned \$12.5M grant.

#### **Emergency management**

The Northland Civil Defence Emergency Management Group reviewed and approved a new five-year plan that outlines the strategic direction of CDEM engagement, participation, planning, collaboration, response coordination and recovery. The group has commenced work to install new tsunami alerting systems across the region, having negotiated and agreed a contract to supply 96 sirens and hardware. A feasibility study and initial planning has also been completed for the multi-agency coordination centre. Over the Christmas and New Year period the CDEM professionals provided support to the Kaimaumau fire response, aiding the community.

#### **Harbour safety and navigation**

There were 193 maritime incidents logged this year. COVID-19 response and not being able to travel overseas increased recreational boating activity. There was a noted increase in





vessel accidents and abandoned boats with decreases in bylaw offences, oil spills, aids to navigation and mooring incidents. Council approved the build of a new replacement work/pilot vessel for delivery in 2023.

### **Transport**

The 2021/22 financial year was extremely difficult regarding the operating of passenger transport services and the Total Mobility Scheme in Northland, particularly during the height of the COVID-19 pandemic protocols, the availability of funding, and the increasing incidents of antisocial behaviour on the buses and at the bus termini.

However, there are some positives. The national and local funding assistance increases applied for through both Waka Kotahi and council were approved allowing for increased contracted passenger services in Whangārei. The planned increases have however been put on hold due to a national bus driver shortage being experienced.

Our passenger numbers on all services have slowly but steadily climbed to approximately 85% of pre-COVID-19 levels and have in fact exceeded budget in the last months of the financial year. Waka Kotahi assisted financially with the loss in farebox revenue due to COVID-19 related passenger reductions. When the government mandated half price fares on all contracted bus services and the Total Mobility Scheme, Waka Kotahi subsidised the reduced portion of the fare.

The CityLink customer satisfaction survey undertaken during June 2022 came out with an overall service satisfaction score of 93%.

The funding for a trial Total Mobility Scheme in the Far North was approved and the service commenced operation on 1 July 2022.

A financial and process audit was undertaken by Waka Kotahi in May 2022. The outcome of the audit was extremely positive for all areas covered.

# Ngā hua o 2021/22

## Highlights of 2021/22

### Regional Leadership

#### New CEO

In mid-April 2022, senior council manager Jonathan Gibbard was appointed as Northland Regional Council's new CEO – Tumuaki. The five-year appointment comes as current CEO Malcolm Nicolson prepares to retire at the end of September, with Mr Gibbard's official start date 1 October 2022. Aged in his early 40s and the council's current Group Manager – Environmental Services, the new CEO was chosen from a shortlist of four applicants after a year-long intensive search. He lives at Tūtūkākā with his partner and their son.

#### Local body elections

At the local body elections in October this year we will formally introduce a regional Māori constituency (named Te Raki) for the first time, with two dedicated members to join council. Our decision to include a Māori constituency was formally made in October 2021 and collectively Northland has shown leadership by becoming the only region in New Zealand where all councils have adopted Māori constituencies/wards and representation. We're looking forward to growing our cultural competency of Te Ao Māori as part of our council.

#### Tangata whenua

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're working on implementing a partnership model with Māori and over the past year continued to build meaningful relationships with mana i te whenua.



#### Economic development

A major focus of work for 2021/22 was supporting the first year of the Joint Regional Economic Development Committee (JREDC). This was set up by council and the Far North and Kaipara district councils to work together on economic development related activities, including the joint shareholder responsibilities for Northland Inc which took effect 1 July 2021.

To support the long-term direction and work of the JREDC, Northland Inc has been directed and funded to develop a regional economic development strategy, Te Ōhanga Rautaki Whānui o Te Tai Tokerau. The co-designed and Te Tiriti o Waitangi based strategy will be intergenerational and developed in partnership with iwi and hapū, communities and industry sectors alongside local and central government. A steering group to guide the development of the strategy has been established. The aim is to complete the strategy by end of June 2023.

Council also developed a criteria and procedures for the allocation of funding from the Regional Projects Reserve, established in the Long Term Plan 2021-2031. It further supported the development of water storage schemes by Te Tai Tokerau Water Trust near Dargaville and Waimate North.





Council continued to lobby central government for improved infrastructure including digital connectivity, transport networks and renewable energy.

### **Scholarships 2022**

Eight \$3000 Northland Regional Council scholarships designed to provide a springboard for future environmental leaders were awarded. We received 40 applications for the 'Tū i te ora Scholarships' which recognise, encourage and support students to undertake study, research or training that relates to our environment, whilst contributing to council's vision 'Our Northland – together we thrive'. Winners were Tayla Bamber, Fern Donovan, Rosa Harper, Aya Morris, Josh Otene, Maria Secker, Shavonne Toko and Taiawhio Wati.

### **Environmental awards 2022**

A group's community-focused approach to restoring waterways around Kaikohe, incorporating mātauranga Māori and providing opportunities for local youth saw it named supreme winner of Northland Regional Council's annual Whakamānawa ā Taiao – Environmental Awards. This award recognises the environmental work being carried out across Northland. As well as the supreme win, Te Kotahitanga e Mahi Kaha Trust, Project Ngā Wai Ora o Ngāpuhi also took out the awards' Environmental action in water quality improvement and highly commended in Kaitiakitanga. These awards – first held in 2019 – are an opportunity for Northlanders to be recognised and appreciated for their mahi across Te Taitokerau.

We received 40 applications for the 'Tū i te ora Scholarships' which recognise, encourage and support students to undertake study, research or training that relates to our environment.



# Ngā hua o 2021/22

## Highlights of 2021/22



### **Construction of land-based finfish farm commenced in joint venture with NIWA**

Council has committed to the construction of the Kingfish Recirculating Aquaculture System (RAS), involving land-based finfish farming, in a joint venture with NIWA at their property at Ruakākā, Northland. Council's role is limited to that of a 'building and core infrastructure investor' by way of a lease agreement, it is not involving itself in the research or the business risk. However, it is fully supportive of NIWA's project as this land-based system appears to be best at producing superior fish that can be grown sustainably and supplied all year round. The RAS works a lot like an aquarium – just bigger. Up to 99% of the water can be recirculated and reused after being filtered and treated to eliminate any impurities. With high environmental and quality certification standards, the control afforded by the RAS protects stock and insures the producer against climate variability and

change. Sustainability goals for the project focus on animal welfare, a minimal footprint, sustainable feed, low water usage and energy efficiency. The Kingfish RAS construction is well underway with an expected commissioning in the first half of 2023.

### **Kaipara Service Centre opening**

Our \$9.2M Dargaville complex – now catering for about 80 local authority staff from two different councils – officially opened in late April 2022.

Up to a dozen Dargaville-based Northland Regional Council staff moved into the new building in early May, followed by more than 65 mainly administrative Kaipara District Council (KDC) staff from across the district in early July (the district council's lease officially began 01 June 2022).

Council also intends to have Kaipara Moana Remediation Project staff based at the centre. Local iwi and hapū, as





well as the regional economic development agency Northland Inc, have also shown interest in using hot desks there.

The Hokianga Rd complex took about 20 months to build, with the construction time extended by about three months due to COVID-19 related downtime.

It was officially opened with a blessing by Te Kuihi, Te Roroa, Te Uri o Hau and Ngāti Whātua attended by about 60 people.

#### **Enterprise project roll-out**

Legislation has increased council's obligations around environmental work, information management, health and safety and data management. The result is Enterprise, the most significant digital project council has rolled out in the past 10 years and we are excited to see the benefits the new system will bring. Council leveraged some of the work previously done by Waikato Regional Council and Wellington Regional Council to select a modern Enterprise System.

The Infor solution was selected in July 2021, subject to securing funding through the Long Term Plan 2021-2031. The Infor solution provided the best functional fit against the requirements, provided a modern cloud technology solution and presented the ability to establish a long-term strategic relationship. Council started implementation with the project in October 2021 and it's scheduled for completion around May 2023. Phase 1 has been completed, on time and on budget.

**Enterprise (is) the most significant digital project council has rolled out in the past 10 years.**

# Tā mātou mahi whakarāpopoto

## Summary of our performance

For more information, please refer to the full Annual Report 2022.

### **Te Taiao** Natural environment

11 out of 16 targets met



95.9%

of data from routinely monitored sites that meet quality standards was made available to the community within 12 months of collection.

8030

subsidised poplar poles were provided for erosion-prone land by the council-owned nursery.

100%

of milestones (as set out in the work plan) were met for the Kaipara Moana Remediation Project.

7345<sub>ha</sub>

of additional land was added to Community Pest Control Areas

2061

hulls were surveyed for marine pests.

99.92%

of all resource consent applications were processed within statutory timeframes, despite a very challenging year.



## Manawaroa te hāpori Community resilience

6 out of 7 targets met



Zero

floods occurred as result of failures of flood protection systems below specified design levels for the Awanui, Whangarei, Kaeo, Panguru and Otiria/ Moerewa schemes.

100%

completion of climate change strategy with high-level vision, and development of regional climate change risk assessment and adaptation strategy.

93%

of passengers surveyed on the CityLink Whangārei bus service were satisfied with the overall service provided.

## Hautūtanga ā rohe Regional leadership

4 out of 8 targets met



94.1%

of official information requests were responded to within 20 working days.

Incomplete

independent Treaty health check completed annually (staff capacity, delays in procurement and impacts of COVID-19 meant the report was not presented within the reporting period).

100%

of all councillors and executive leadership team participated in annual core cultural competency training.

88%

Economic development: 14 of 16 key performance indicators as set out in Northland Inc's draft annual report were met.

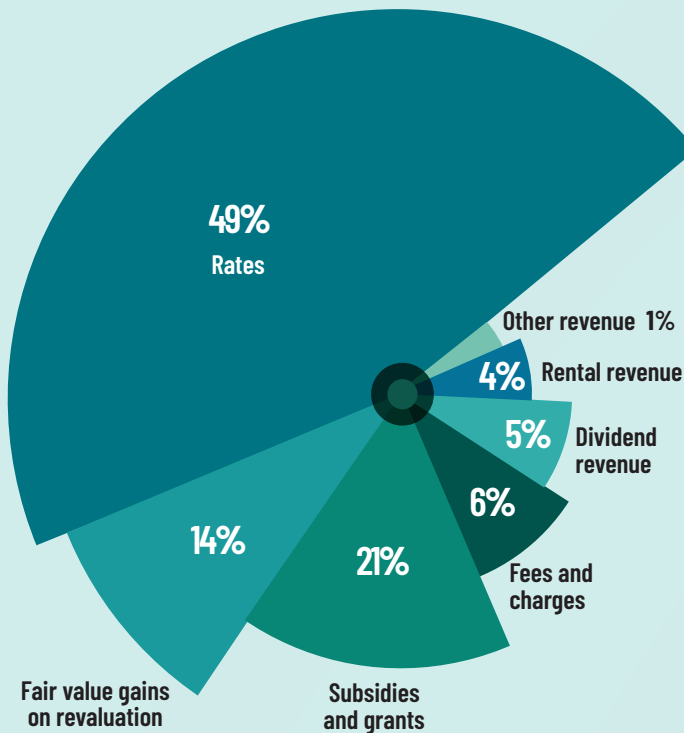
68.9%

of customers surveyed were satisfied with the quality of service received after an interaction with council.

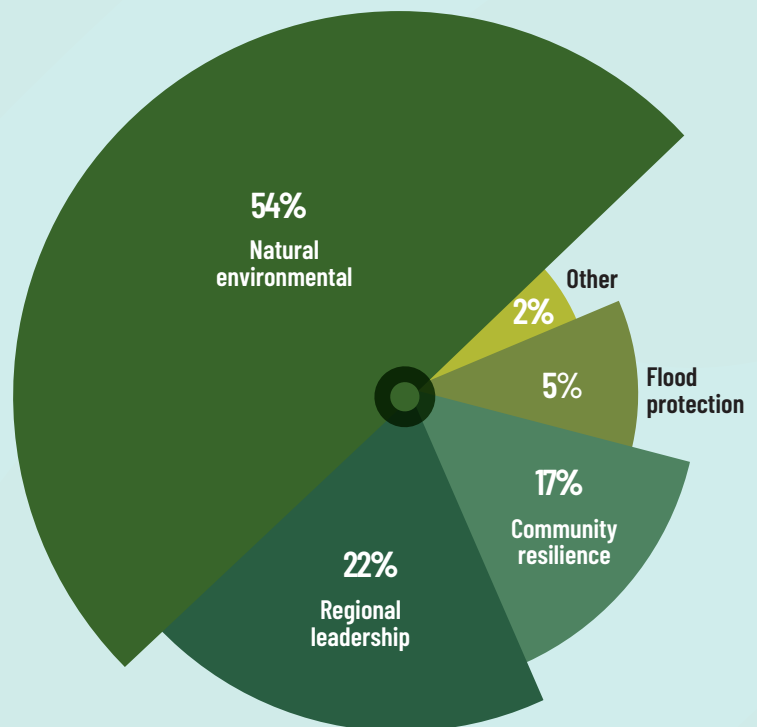
# Te whakarāpopoto o te pūrongo pūtea

## Financial summary

**\$78M Actual Revenue**



**\$64M Actual Operational Spending**



**Council's total expenses for 2021-22 financial year was \$3.4M less than its Long Term Plan 2021-31, predominantly due to:**

- » Lower than budgeted operational expenditure resulting from delays, staff absenteeism due to illness, and the cancellation of events during the year. \$2.15M of the 2021-22 underspend has been set aside as funding in the 2022-23 financial year to ensure unfulfilled commitments across a range of council activities can be completed.

**Council's revenue for the 2021-22 financial year was \$6M more than its Long Term Plan 2021-31, mainly due to:**

- » Unbudgeted gains on the annual revaluation of council property, infrastructure and forestry assets.
- » Unbudgeted central government subsidies received for a range of environmental and infrastructural projects.
- » Higher than budgeted rates revenue, and higher than budgeted dividend received from Marsden Maritime Holdings Limited.

Partially offset by:

- » Gains not eventuating as anticipated on council's externally managed fund portfolio and the timing of an investment property sale resulting in a lower gain than budgeted being booked in 2022.

### Other budget variations

- » Council's current assets are higher than its Long Term Plan 2021-31 predominantly due to a higher level of term deposits held as part of a de-risking strategy on council's long term fund; higher than budgeted cash held to meet short term cashflow requirements and a larger than budgeted Short Term Investment fund balance reflecting the cash held to fund two property transactions.
- » Council's non-current assets are higher than its Long Term Plan 2021-31 predominantly due to revaluations on investment property and infrastructure assets not budgeted for in the long term plan.
- » Council's current liabilities are higher than the Long Term Plan 2021-31 as council received a higher than planned level of revenue in advance for works not yet undertaken.
- » Council's non-current liabilities are lower than the Long Term Plan 2021-31 as borrowings for river work projects was not required as planned due to unbudgeted funding for these projects coming from the Provincial Growth Fund.



## Statement of Comprehensive Revenue and Expense

For the year ended	Council 30 Jun 22 \$000	Long Term Plan 30 Jun 22 \$000	Council 30 Jun 21 \$000	Consolidated 30 Jun 22 \$000	Consolidated 30 Jun 21 \$000
<b>REVENUE</b>					
Operating revenue (excluding share of associate and joint venture company surplus and rates)	39,455	34,305	56,992	47,892	67,465
Rates	38,605	37,574	31,542	38,605	31,542
<b>Total revenue</b>	<b>78,060</b>	<b>71,879</b>	<b>88,534</b>	<b>86,497</b>	<b>99,007</b>
<b>EXPENDITURE</b>					
Operating expenses (excluding finance expense)	63,000	66,155	54,776	70,084	63,397
Finance costs	528	747	581	1,516	1,116
<b>Total expenditure</b>	<b>63,528</b>	<b>66,902</b>	<b>55,357</b>	<b>71,600</b>	<b>64,513</b>
Share of associate and joint venture company surplus	(145)	-	(171)	8,287	9,354
Income tax	-	-	-	168	(24)
<b>SURPLUS/(DEFICIT) AFTER TAX</b>	<b>14,387</b>	<b>4,977</b>	<b>33,006</b>	<b>23,352</b>	<b>43,824</b>
Attributable to:	-	-	-	-	-
Northland Regional Council	14,387	4,977	33,006	17,345	37,167
Non-controlling interest	-	-	-	6,007	6,657
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE - Financial assets at fair value through other comprehensive revenue and expense</b>					
Gains/(loss) on property revaluations (other than investment properties)	2,477	-	260	10,509	4,983
Gains/(loss) on carbon credit revaluation	568	-	199	568	199
Gains/(loss) on infrastructure asset revaluation	1,547	-	-	1,547	-
Net hedging movement	-	-	-	1,346	496
<b>Total other comprehensive revenue and expense</b>	<b>4,592</b>	<b>-</b>	<b>459</b>	<b>13,970</b>	<b>5,678</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>18,979</b>	<b>4,977</b>	<b>33,465</b>	<b>37,322</b>	<b>49,502</b>
Attributable to:	-	-	-	-	-
Northland Regional Council	-	-	-	26,964	40,423
Non-controlling interest	-	-	-	10,358	9,079
	-	-	-	<b>37,322</b>	<b>49,502</b>

## Statement of Financial Position

As at:	Council 30 Jun 22 \$000	Long Term Plan 30 Jun 22 \$000	Council 30 Jun 21 \$000	Consolidated 30 Jun 22 \$000	Consolidated 30 Jun 21 \$000
Current assets	34,461	24,092	62,211	35,106	66,183
Non-current assets	205,855	179,038	156,043	398,409	326,068
<b>TOTAL ASSETS</b>	<b>240,316</b>	<b>203,130</b>	<b>218,254</b>	<b>433,515</b>	<b>392,251</b>
Current liabilities	(15,466)	(9,691)	(12,814)	(24,846)	(28,193)
Non-current liabilities	(14,912)	(21,658)	(14,481)	(40,772)	(30,178)
<b>TOTAL LIABILITIES</b>	<b>(30,378)</b>	<b>(31,349)</b>	<b>(27,295)</b>	<b>(65,618)</b>	<b>(58,371)</b>
<b>NET ASSETS/EQUITY</b>	<b>209,938</b>	<b>171,781</b>	<b>190,959</b>	<b>367,897</b>	<b>333,880</b>

# Te whakarāpopoto o te pūrongo pūtea

## Financial summary

### Statement of Changes in Equity

For the year ended	Council 30 Jun 22 \$000	Long Term Plan 30 Jun 22 \$000	Council 30 Jun 21 \$000	Consolidated 30 Jun 22 \$000	Consolidated 30 Jun 21 \$000
<b>OPENING BALANCE</b>	190,959	166,804	157,494	333,880	287,444
Total comprehensive revenue and expense for the year	18,979	4,977	33,465	37,322	49,502
Dividends paid	-	-	-	(3,305)	(3,066)
<b>CLOSING EQUITY</b>	<b>209,938</b>	<b>171,781</b>	<b>190,959</b>	<b>367,897</b>	<b>333,880</b>
Attributable to:					
Northland Regional Council	209,938	171,781	190,959	290,369	263,405
Non-controlling Interest	-	-	-	77,528	70,475
	<b>209,938</b>	<b>171,781</b>	<b>190,959</b>	<b>367,897</b>	<b>333,880</b>
<b>COMPONENTS OF EQUITY</b>					
Accumulated funds	139,015	114,725	157,900	179,056	194,983
Asset revaluation reserve	7,000	3,973	2,408	46,994	38,096
Hedging reserve	-	-	-	396	(325)
Special reserves	63,923	53,083	30,651	63,923	30,651
Minority interest	-	-	-	77,528	70,475
	<b>209,938</b>	<b>171,781</b>	<b>190,959</b>	<b>367,897</b>	<b>333,880</b>

In the summary financial statements the "council" column includes the Northland Regional Council. The "consolidated" column includes Marsden Maritime Holdings Limited. The summary financial statements are presented in New Zealand dollars rounded to the nearest thousand dollars (\$000), unless otherwise stated.

### Consolidated Statement of Cash Flows

For the year ended	Council 30 Jun 22 \$000	Long Term Plan 30 Jun 22 \$000	Council 30 Jun 21 \$000	Consolidated 30 Jun 22 \$000	Consolidated 30 Jun 21 \$000
Net cash from operating activities	15,539	(4,453)	3,640	22,553	12,881
Net cash from investing activities	(18,996)	(3,351)	6,148	(32,943)	(5,481)
Net cash from financing activities	-	5,533	(5,710)	4,295	(1,375)
<b>Net increase/(decrease) in cash, cash equivalents and bank overdrafts</b>	<b>(3,457)</b>	<b>(2,271)</b>	<b>4,078</b>	<b>(6,095)</b>	<b>6,025</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year	7,985	3,102	3,907	10,853	4,828
<b>Closing cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>4,528</b>	<b>831</b>	<b>7,985</b>	<b>4,758</b>	<b>10,853</b>

### Accounting Policies

Northland Regional Council is a local authority governed by the Local Government Act 2002 and the Local Government (Rating) Act 2002. It's domiciled and operates in New Zealand.

Audited statements of the council and group for the 12 months to 30 June 2022 have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The council has designated itself and the group as Tier 1 Public Benefit Entities (based on size). The summary financial statements have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards, as they relate to summary financial statements, and comply with Public Benefit Entity Financial Reporting Standard 43 (FRS43) Summary Financial Statements. The full financial statements of the council comply with PBE accounting standards.



The Annual Report Summary 2022 has been audited for consistency with the full Annual Report 2022 and the audit opinion issued by Deloitte on behalf of the Auditor-General is included in this document. The full Annual Report 2022 received an unmodified Audit Report and was adopted by council on 27 September 2022.

In this summary “council” refers to Northland Regional Council only. The terms “consolidated” and “group” refer to Northland Regional Council and Marsden Maritime Holdings Limited (53.61% owned). From 1 July 2022 Northland Inc. Limited became an associate of council (2021: 100% owned subsidiary).

All entities are incorporated and domiciled in New Zealand.

#### **Related party transactions**

As all council transactions with related parties are within a normal supplier or client/recipient relationship and are all arms-length transactions, there are no related party transactions that require disclosure.

## **Summary of Contingent Assets & Liabilities**

### **Contingent liabilities**

At year end, council was involved in a shared cost arrangement to fund 50% of the costs arising from a subdivision that is subject to the construction of a rail spur connecting the main trunk line to Marsden Point.

Council is a guarantor of the New Zealand Local Government Funding Agency (LGFA). As part of the arrangement council has guaranteed the debt obligations of the LGFA along with other guaranteeing shareholders and participants of the LGFA in proportion to its level of rates revenue. At 30 June 2022, the LGFA had borrowings totalling \$15,789m (2021: \$13,605m).

At 30 June 2022 council had uncalled committed capital relating to its investment in private equity fund managers of \$9,626,589 (2021: \$9,451,499).

At 30 June 2022 the council and group has no contingent assets (2021: Nil).

### **Breach of legislation**

No significant breaches of legislation during the year.

### **Events after balance date**

Subsequent to balance date, Marsden Maritime Holdings Limited declared a fully imputed dividend of 10 cents per share to be paid on 30 September 2022.

In August 2022, two investment property purchase agreements settled.

There were no other significant events after balance date.



## Independent Auditor's Report

### To the Readers of Northland Regional Council's Summary of the Annual Report for the Year Ended 30 June 2022

The summary of the annual report was derived from the annual report of the Northland Regional Council (the Regional Council) for the year ended 30 June 2022

The summary of the annual report comprises the following summary statements on pages 16 to 21:

- the summary Council and Consolidated Statement of Financial Position as at 30 June 2022;
- the summaries of the Council and Consolidated Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2022;
- the Disclosures to the Summary Financial Statements; and
- the summary Statement of Service Performance of the Regional Council.

### Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

### Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

### The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2022 in our auditor's report dated 27 September 2022.

### Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.





## **Independence**

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

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

A handwritten signature in black ink, appearing to be "PG", with a long horizontal stroke extending to the right.

**Peter Gulliver**  
**Partner**  
**for Deloitte Limited**  
On behalf of the Auditor-General  
Auckland, New Zealand  
27 September 2022

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**Northland**  
REGIONAL COUNCIL   
Te Kaunihera ā rohe o Te Taitokerau