



# Pūrongo ā Tau 2025

## Annual Report 2025



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# Wāhanga tuatahi: Tirohanga whānui

## Section one: Overview





# Ngā karere mai i te Heamana me te Tāhūhū

## Rangapū

### Chair and CEO's foreword

The 2024/25 year was busy across many areas for council. Balancing necessary work with fair rates remains a focus. In June, a 3.54% rates rise was adopted - well below the earlier forecast of 5.79% - thanks to efficiencies, savings and surpluses.

Post the 2023 national election, major legislative changes continue under the coalition government, including significant Resource Management Act reforms.

A notable development over the year was council's joint investment in consolidating Marsden Maritime Holdings and Northport ownership, enhancing regional infrastructure, boosting iwi/hapū involvement and building economic resilience. Council now holds a 43% stake, alongside Port of Tauranga (50%) and Tupu Tonu - Ngāpuhi Investment Fund Limited (7%).

Council continues to collaborate with tāngata whenua, including signing Northland's first Iwi-Council Mana Whakahono ā Rohe (MWAR) agreement with Ngāti Hine, improving participation in RMA decision-making processes.

A year-long project began to improve flood resilience at 35 vulnerable marae across Te Taitokerau. This initiative supports tāngata whenua facing climate impacts, aligning with the Tāiki ē Te Tiriti Strategy.

In February, 22 community-led climate initiatives shared \$600,000 to build climate resilience.

Council's Natural Resources and Maritime teams partnered with hapū and marine biologists to monitor rāhui tapu zones at Rākaumangamanga/Cape Brett and Mimiwhangata, introduced no-take rules to protect these ecosystems, and assess their ecological recovery.

August marked the official opening of the \$7M Otiria/Moerewa Spillway - a community-led flood solution - redirecting water into the Waiharakeke River and reducing risks to life and property. A \$1.1M upgrade to Quarry Rd bridge in Kaitaia eliminated a major flood pinch point, complementing the wider Awanui River flood scheme.

Council received \$6.2M in February to support efforts to eradicate the invasive exotic Caulerpa seaweed. Work to tackle this unwanted marine pest includes the development and testing of large scale suction dredging at Ōmakiwi Cove and surveying over 100 km of seafloor.

From November to March, initial public feedback helped inform the review of Northland's Regional Pest and Marine Pathway Management Plan, ahead of a revised draft in 2026. The plan seeks smarter, better-targeted pest control efforts.

In April, Ex-Tropical Cyclone Tam knocked out power for 24,000 homes. Council's Civil Defence, hydrology and response teams worked with partners to monitor, prepare, and update communities throughout the storm.

In closing, 2024/25 highlighted council's strong commitment to resilience, sustainability and partnership. With prudent financial decisions, strengthened tāngata whenua relationships, bold action on climate and biosecurity, and vital infrastructure investment, we remain focused on supporting a thriving Te Taitokerau.

A handwritten signature in black ink, appearing to read 'G. Crawford', with a horizontal line underneath.

**Geoff Crawford**  
Chair

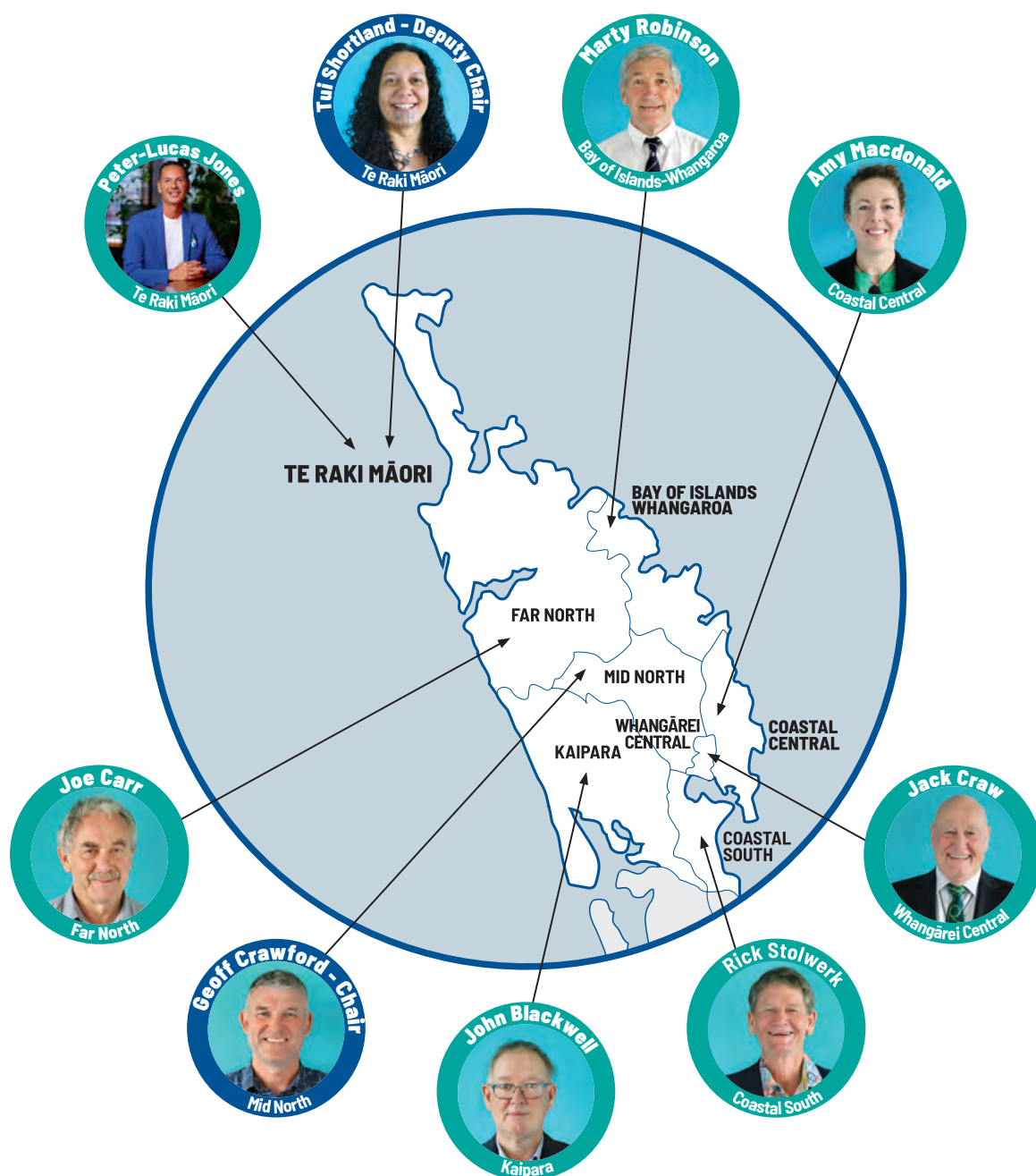
A handwritten signature in blue ink, appearing to read 'Jonathan Gibbard', with a horizontal line underneath.

**Jonathan Gibbard**  
Chief Executive Officer



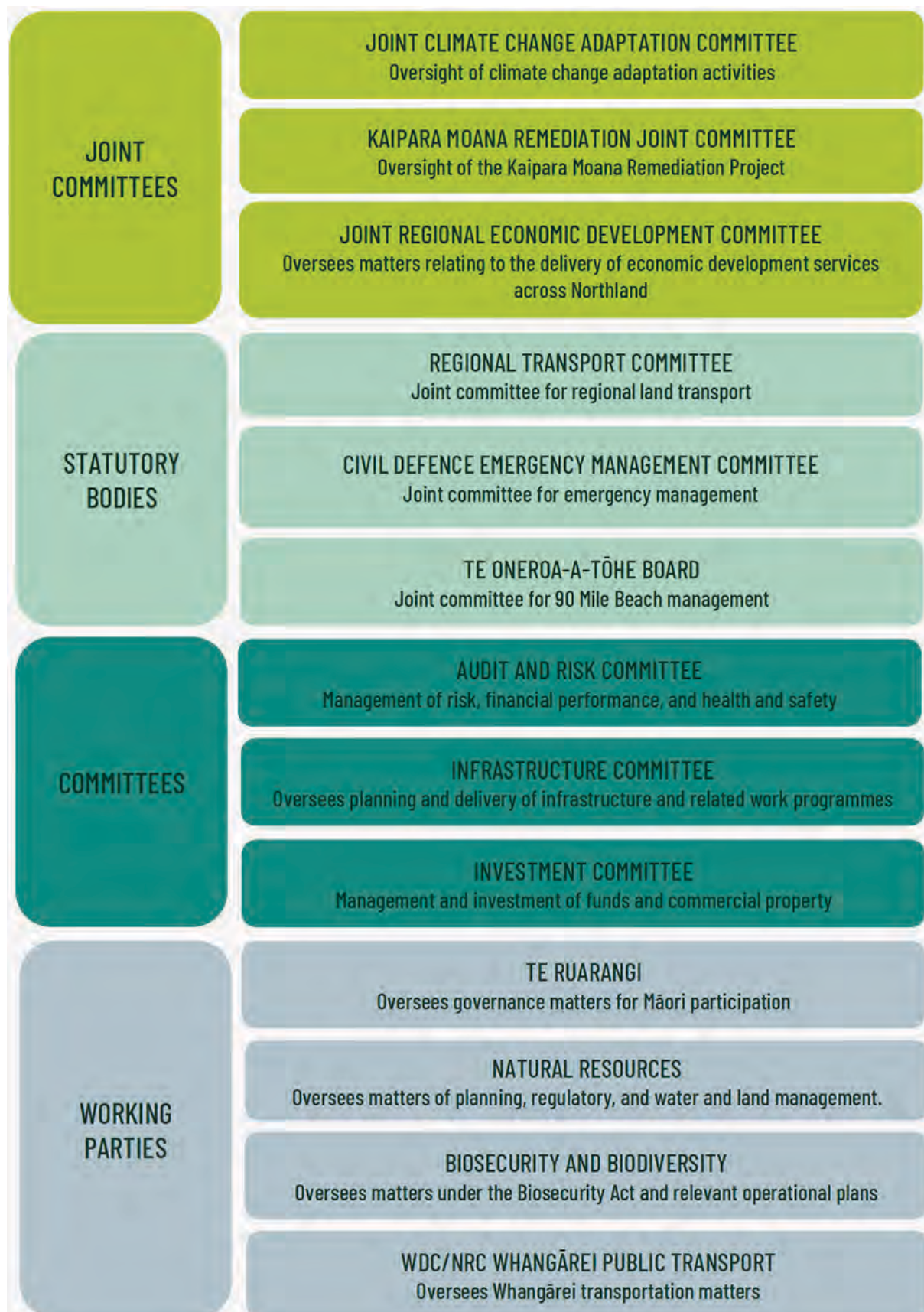
# Ō tātou Kaikaunihera

## Our regional councillors





# Governance structure



# Council membership, responsibilities and advisors

## Regional council representation on joint committees and boards

### Regional Transport Committee

Regional council membership: two elected members as Chair and Deputy Chair

This statutory committee brings together Northland's four councils and NZ Transport Agency Waka Kotahi, and oversees strategic transport planning and passenger transport functions for the Northland region.

### Civil Defence Emergency Management Committee

Regional council membership: the Chair or their delegated representative plus one alternate

This statutory committee brings together Northland's four councils (with Fire and Emergency, NZ Police, and the National Emergency Management Agency in an observer capacity) and sets the strategic direction for the CDEM Group.

### Te Oneroa-a-Tōhe Board

Regional council membership: two elected members plus one alternate

This board is a statutory body as a result of Treaty Settlement and is a joint committee with Far North District Council, Te Rūnanga o Te Rarawa, Te Manawa o Ngāti Kuri Trust, Te Rūnanga Nui o Te Aupouri Trust, Te Rūnanga o Ngāi Takoto, overseeing the implementation of the Beach Management Plan for Te Oneroa-a-Tōhe (Ninety Mile Beach).

### Joint Climate Change Adaptation Committee

Regional council membership: one elected member plus one alternate

This joint committee provides direction and oversight of the development and implementation of climate change adaptation activities by local government in Te Taitokerau.

### Kaipara Moana Remediation Joint Committee

Regional council membership: three elected members

This is a joint committee with Kaipara uri, Auckland Council and NRC, providing oversight of the Kaipara Moana Remediation Programme.

### Joint Regional Economic Development Committee

Regional council membership: two elected members

This joint committee oversees matters relating to the delivery of economic development services across Northland.

## Council committees

*Note, the Chair of council is ex-officio on all council committees and working parties and is included in the total count below.*

### Infrastructure Committee

Three elected members, with one to be appointed as Chair of the Committee, and independent tāngata whenua members (x2)

### Audit and Risk Committee

Five elected members, independent consultant (x1), independent risk advisor (x1), and independent tāngata whenua members (x2) of which one is independent Chair

### Investment Committee

Four elected members, independent investment advisors (x2) of which one is Chair, and an independent tāngata whenua member (x1)

## Council working parties

- » WDC/NRC Whangārei Public Transport Working Party – three elected members, and three Whangārei District Council elected members
- » Natural Resources Working Party – five elected members, and four members of Te Ruarangi
- » Biosecurity and Biodiversity Working Party – four elected members, and four members of Te Ruarangi
- » Te Ruarangi – up to 30 members in total consisting of all nine elected members, and up to 21 appointed iwi and hapū members from Taitokerau Māori.

## Collaborative Community Working Groups

- » Kāeo-Whangaroa River Working Group – one elected member as Chair plus one alternate
- » Kaihū River Working Group – one elected member as Chair
- » Kerikeri River Working Group – one elected member as Chair plus one alternate
- » Ruakākā River Working Group – one elected member as Chair
- » Taumārere River Liaison Working Group – one elected member as co-Chair plus one alternate
- » Urban Whangārei Working Group – one elected member as Chair
- » Awanui River Working Group – one elected member as Chair plus one alternate

## Councillor portfolios

- » Kaipara Moana Working Party – two elected members
- » Northland Inanga Spawning Habitat Restoration Project – one elected member
- » Northland Conservation Board – one elected member
- » Shareholder representative for Northland Marsden Maritime Holdings Limited – Chair of council
- » Shareholder representative for Northland Inc. Limited – Chair of council
- » Shareholder representative on Regional Software Holdings Limited – Chair of council
- » Upper North Island Strategic Alliance (UNISA) – Chair of council
- » Zone One (LGNZ) – Chair of council

## Advisors

### Auditors:

- » Deloitte Limited on behalf of the Auditor-General

### Bankers:

- » ANZ
- » ASB
- » BNZ
- » Westpac Bank

### Solicitors:

- » Brookfields Law
- » Buddle Findlay
- » Cameron Partner
- » Chapman Tripp
- » Cochrane Advisory
- » Cooney Lees Morgan
- » Duncan Cotterill
- » Gordon Pilditch
- » Karenza de Silva
- » Lizzy Wiessing
- » Marsden Woods Inskip & Smith
- » SBM Legal
- » Simpson Grierson
- » Thomson Wilson Law
- » Tompkins Wake
- » Webb Ross McNab Kilpatrick
- » Wynn Williams

### Independent Advisors/Consultants:

- » Daniel Musset -Investments
- » Dee-Ann Wolferstan - Tāngata Whenua
- » Eriksens Global – Managed Funds Consultant
- » George Riley – Tāngata Whenua
- » PricewaterhouseCoopers – Treasury
- » Steve Watene – Risk

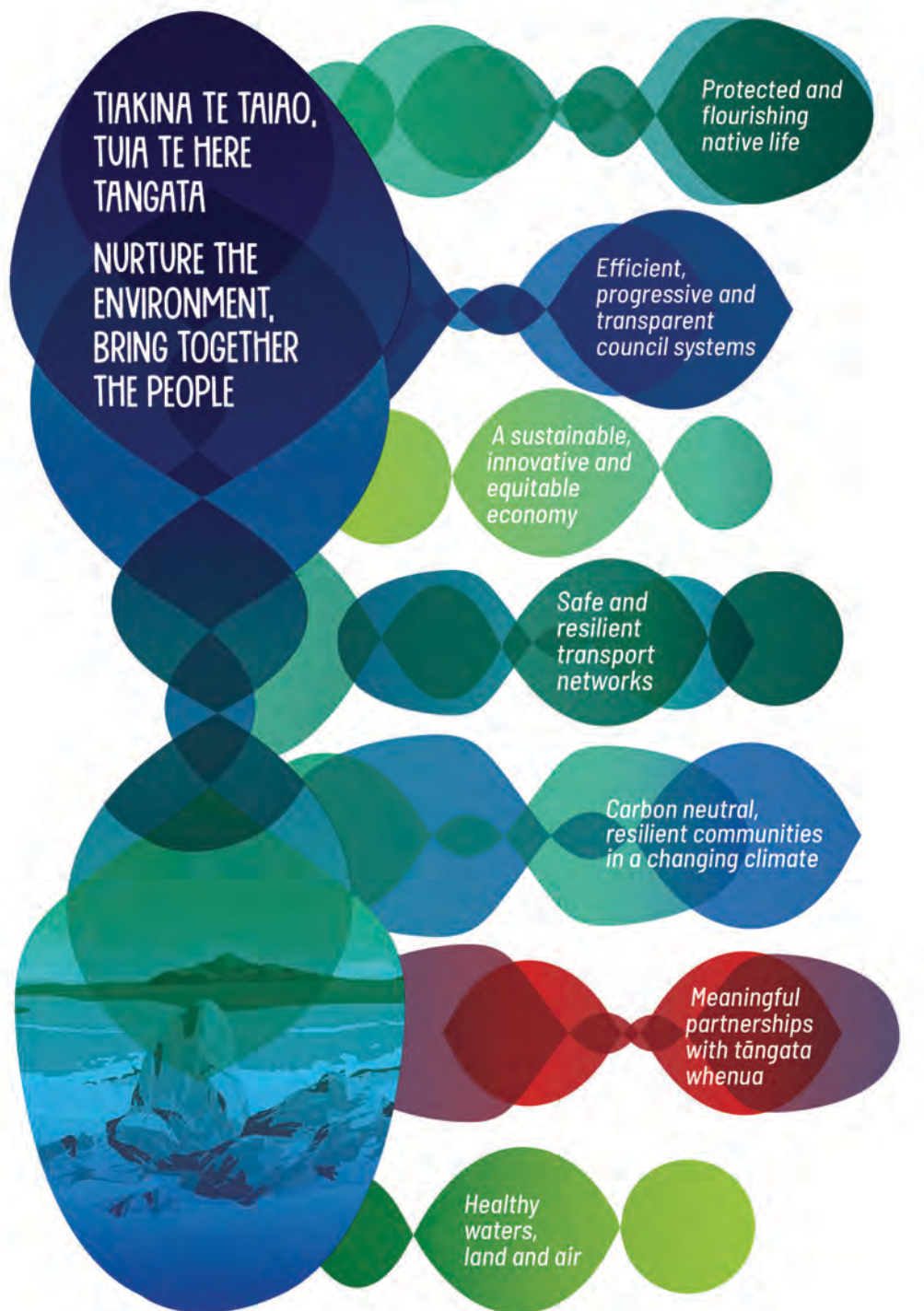
### Chief Executive Officer:

The Tāhūhū Rangapū (Chief Executive Officer) Jonathan Gibbard is responsible for setting the direction of the council within the policy framework provided by councillors. The Executive Leadership Team is accountable to him and he is accountable to the council.



# Council's strategic direction

This is the first Annual Report following the adoption of the Long Term Plan 2024–2034 in June 2024 and subsequent amendment in April 2025, becoming the Amended Long Term Plan 2024–2034. In planning for the years ahead, council reflected carefully on its role as a regional council: the future it's working towards, what it's legally required to deliver on, what tāngata whenua and communities want council to be doing, and what the region can reasonably afford to pay for it all. This is outlined as our strategic direction, which is driven by our vision: **Tiakina te taiao, tuia te here tangata | Nurture the environment, bring together the people**. Our strategic direction also sets out council's community outcomes, which drive the activities and performance measures set out in the long term plan, and are reported on in this Annual Report.



# Our year in review

Our Amended Long Term Plan 2024-2034 sets out the pathway for the next decade and how council seeks to achieve a strong future for Te Taitokerau, with healthy wai where our children can safely swim, resilient communities in a changing climate, and where whānau and whenua flourish. There is hugely important work to be done to care for te taiao (the natural environment) and prepare communities for the long-term effects of climate change and natural hazards. However, affordability remains a critical issue for Northland's people and council must ensure that its mahi (work) is delivered efficiently and cost-effectively.

Council's Amended Long Term Plan provided funding, with significant new work particularly in our climate action, biosecurity, flood management, Te Tiriti Partnerships, and support services areas, to keep up the mahi and relationships that will nurture our environment and people into the future.

Some of our progress is reported in this annual report, but it's just a snapshot – the progress is much wider. Here are some of our highlights from the year:

## Natural environment

### Marine Protected Areas

Our Natural Resources and Maritime teams, in partnership with local hapū and supported by marine biologists, have been out monitoring marine life in and around the new rāhui tapu marine protected areas in Rākaumangamanga/Cape Brett and Mimiwhangata.

We've introduced no-take rules to protect the significant ecological values of these areas, which have been severely impacted by fishing.

The aim of the monitoring is to keep track of whether the new rules are making a difference.

### Kaipara Moana Remediation Programme

As of 30 June 2025 (three and a half years into delivery) KMR has supported 862 sediment reduction plans, with a further 132 plans in development. More than 144,000ha are covered by KMR plans. Through investments worth over \$26M, KMR has supported over 2.67 million plants and trees in the ground or contracted to plant this winter, 1422ha planted or regenerating into native forest, and over 1000km of fencing – the equivalent distance from Cape Rēinga to Wellington. By year end, 1321 landowners had expressed interest in working with KMR, including 93 hapū, marae, community groups, catchment groups and other collectives. KMR has accredited 51 local businesses and nurseries and supported 217 people in training and skills development.

### Regional Plan for Northland

In late March council resolved to make the Regional Plan operative, and a copy was forwarded to the Minister of Conservation for final approval. This marks a significant milestone, and involved significant community and tangata whenua involvement, to set the policies and rules around the sustainable use, development and protection of our regions natural and physical environment.

### Freshwater Plan

Work on the Freshwater Plan Change was paused due to changes in central government direction. However, collaborative work continued with the Tāngata Whenua Water Advisory Group and the Primary Sector Liaison Group to identify options for managing stock exclusion, with support from internal scientists and economists.

### Regional Pest and Marine Pathway Management Plan

From November to early March we asked for initial feedback on how invasive plants and animals are being managed in our region as part of a review of the Northland Regional Pest and Marine Pathway Management Plan.

The pest plan is all about how pests can be best managed in Te Taitokerau, to protect te taiao, the wellbeing of whānau and communities, and our economy. There'll be another opportunity for input once a new Pest Plan is drafted and released for submissions in 2026.

The plan aims to get the right management approaches in place for the many species classed as pests in Te Taitokerau and direct the right balance of resourcing and funding to the right places and people to tackle them.

### Marine biosecurity – exotic Caulerpa

In February council was successful in securing \$6.2M in government funding for groundbreaking work to tackle invasive exotic Caulerpa seaweed in the region.

We are continuing to work with our partners to look at new and innovative ways to manage it, including developing and testing a suction dredge. While this is still in research, development, and design phase, it has been used to treat more than 20,000m<sup>2</sup> of seafloor at Ōmakiwi Cove, and is the largest mechanical marine pest control operation internationally. Meanwhile, more than 100km of seafloor was surveyed by NRC dive teams and contractors looking for this marine pest.

## Hull surveillance

Council's annual hull surveillance programme resumed in December 2024, targeting 2000 vessels, approximately half of Northland's recreational fleet. The target was exceeded this year with 2300 vessels surveyed.

## Freshwater gold clam

A key operational priority was actively preventing the introduction and spread of the invasive freshwater gold clam into Northland. A biosecurity checkpoint at Kai Iwi Lakes (Dec 2024–Feb 2025) involved iwi, council, and community partners. A total of 826 surveys were completed. Visitor data confirmed travel links between Northland and Waikato, reinforcing the risk of potential pest transfer.

## Working towards a wild deer-free future

Only three sika deer remain in Russell Forest following a year-long eradication trial that began in May 2024. To date the project has successfully removed more than 60 deer and about 500 goats. This is the first step in a wider project aimed at achieving a wild deer-free Te Taitokerau.

## Pest plants

After the discovery of sea surge (*Euphorbia paralias*) at two sites in Northland last year, surveillance along the west coast was a major focus for 2024/2025. With funding secured from MPI, staff collaborated with local volunteers and iwi and hapū teams to survey more than 175km of coastline, install signage and distribute flyers to beach goers. Five new locations (comprising 20 smaller sites) were identified, including the first site on the northern coastline, at Kapowairua, Spirits Bay, in June 2025.

## Predator Free 2050 – Possum Free Whangārei Heads

Now in its fourth year, the Possum-Free Whangārei Heads project is making major strides toward eradication. An additional 1000ha has entered the final detect-and-response phase, with full mop-up across the remaining 2961ha targeted for completion by June 2026. A key milestone was the establishment of a defensive barrier (a virtual barrier made up of a concentrated network of new technology devices) between Parua Bay and the upper Pataua River. Work has expanded into the Kauri Mountain Reserve, with strong support from local hapū. This effort is critical to preventing reinvasion into previously cleared areas like Manaia and Te Whara.

## Predator Free 2050 – Pēwhairangi Whānui (Bay of Islands)

The Predator Free 2050 programme in the Bay of Islands is making notable headway across three key peninsulas: Russell, Purerua-Mataroa, and Rakaumangamanga/Cape Brett. Currently, 5745ha are close to complete pest elimination, while a further 13,555ha are actively managed and expected to meet elimination goals by the end of 2026.

## Russell Peninsula

Strong community backing and public donations have enabled the project's expansion into the Tikitikioure bush, and near-zero pest levels have been achieved in Tapeka, Russell township, and the Old Russell peninsula.

## Purerua-Mataroa Peninsula

The Kiwi Coast Trust has successfully maintained low possum numbers over 4595ha, supported by advanced AI traps and camera alerts targeting feral cats. Ngāti Rēhia has fully deployed devices across 485ha of whenua Māori, strengthening buffer zone suppression.

## Rakaumangamanga/Cape Brett Peninsula

The Rakaumangamanga project, under the leadership of Te Rawhiti 3B2 Ahu Whēnua for Ngāti Kuta and Patukeha, has completed pest knockdown across 2200ha, with elimination efforts targeting 1100ha and additional funding from Ngā Whenua Rāhui supporting the remainder. Two new trapper huts have also been installed to facilitate extended field operations.

## Community resilience

### Awanui Flood Scheme upgrade; Quarry Rd bridge project

A \$1.1M project to upgrade Kaitaia's Quarry Rd bridge, a known flooding 'pinch point', was finished in June.

The additional capacity created by the works, which included a 15m bridge extension, adds significant improvements to the Awanui River Flood Protection Scheme of further reducing the risk of flooding to adjacent properties and the township of Awanui. By leveraging central government funding, council reduced the cost of this work to local residents to approximately 12 cents per dollar.

### Otiria-Moerewa flood mitigation spillway and bridge

In August council welcomed the official opening of the \$7M Otiria/Moerewa Spillway, a major flood infrastructure asset for the region.

The community-led scheme is a testament to the collaboration between the council, the two local marae and hapū Ngati Kopaki and Ngati Te Ara kaumatua, kuia and kaitiaki, the Taumarere Flood Management Working Group, the Far North District Council and Kānoa - Regional Economic Development & Investment Unit.

The work means that in a flood, most water will be sent down the new spillway and into the Waiharakeke River. While floods will still occur, parts of the area previously subjected to potentially damaging and life-threatening half-metre deep floodwaters should see that reduced to



just ankle height. By leveraging central government and other funding, council reduced the cost of this work to local residents to approximately eight cents per dollar.

## **Climate Resilience Fund**

In February we announced 22 projects around Te Taitokerau would share \$600,000 of council funding designed to support communities to prepare for the growing effects of climate change and the natural hazard risks our region faces.

## **Flood Resilient Marae project**

During the 2024/25 year we began a year-long project to bolster flood resilience of marae in Te Taitokerau. This project aimed to mitigate the risk of natural hazards on these vital community hubs. The initiative focused on marae most vulnerable to flooding, identified using council's GIS flood mapping throughout Te Taitokerau. This initiative aligns with one of the priorities set out in Tāiki ē, our Te Tiriti Strategy and Implementation Plan, to support tāngata whenua in addressing the effects of an uncertain climate and enhancing community resilience to natural hazards.

## **Emergency management**

### **Mangawhai tornado**

On 26 January 2025 Kaipara District Council activated its Emergency Operations Centre (EOC) to support the response to the Mangawhai tornado. The EOC response was well supported by agencies including the Red Cross Disaster Welfare and Support Team, New Zealand Response Team, Task Force Kiwi, Auckland Emergency Management, Auckland City Council and Northland CDEM.

### **Ex-Tropical Cyclone Tam**

In mid-April Ex-Tropical Cyclone Tam brought severe weather to Northland, causing power outages for over 24,000 homes and businesses, with around 25 properties remaining without power for more than five days.

In response, the Civil Defence team, alongside the regional council's hydrology and other functions, worked closely with emergency services and partner agencies to monitor conditions, prepare for potential activation, and share safety updates with the community – ensuring readiness and keeping residents informed throughout the event.

### **Tsunami sirens**

The tsunami siren replacement project continues to progress, with 89 of 94 new sirens installed across Northland. The project is a joint initiative by all four of Northland's councils, with the Northland Civil Defence Emergency Management (CDEM) group coordinating the project. Once complete, the new sirens, along with our other warning tools, will help provide more resilient and effective warnings to Northlanders for tsunami threats.

## **Transport**

### **Total Mobility Scheme Whangārei**

This year there were 1955 more trips than the previous year due to the continuation of the government introduced 75% discount and the relaxed eligibility criteria. Total Mobility in Whangārei continues to rise in both client numbers and trips undertaken.

### **Total Mobility Scheme Far North**

There are currently 413 clients registered to the scheme in the Far North. The service started in Kerikeri and has since extended to Kaikohe, Kawakawa, Paihia, and Mangōnui. In 2025 the focus is on growing the scheme in Kaitiāia.

## **Regional Leadership**

### **Northport ownership consolidated**

One of the big changes over the 2024/25 year came when – alongside our strategic partners Port of Tauranga and Tupu Tonu (Ngāpuhi Investment Fund Ltd) – we decided to contribute to a landmark investment to consolidate Marsden Maritime Holdings and Northport ownership.

This move will enhance regional infrastructure, strengthen iwi/hapū participation and contribute to our region's long-term economic resilience.

Council now holds a 43% stake in Northport Group Limited, a new company holding the assets of both Marsden Maritime Holdings and Northport, Port of Tauranga holds a 50% stake and Tupu Tonu 7%.

### **Rates rise**

In June council adopted a rates rise of 3.54% for the 2025/26 financial year – considerably less than the 5.79% increase previously forecast.

The increase – which accounts to an increase of \$19.19c per rates bill on average over the next year – was originally forecast to be more than two percent higher under the council's Amended Long Term Plan 2024-2034. The smaller-than-expected increase was due to a combination of factors including efficiencies, savings and surpluses available to offset spending and funding shortfalls.

### **Mana Whakahono ā Rohe**

We have continued to work with our tāngata whenua partners across many areas, including in December when Ngāti Hine and council made history, signing Northland's first Iwi-Council resource management agreement – a Mana Whakahono ā Rohe (MWAR).

MWAR agreements were introduced into the Resource Management Act (RMA) in 2017 by the Crown as a way of improving working relationships between tāngata whenua and councils, and to provide more opportunities for tāngata whenua involvement in RMA decision-making processes.

While several Northland hapū-NRC agreements have already been signed, the Ngāti Hine MWAR was the first for a Northland Iwi.

### Regional Rescue Services Rate allocated

In August more than \$2.8M of council's contestable Regional Rescue Services Rate money was allocated for the next three years with the Northland Emergency Services Trust, Surf Life Saving Northern Region and Coastguard Northern Region among the beneficiaries. After strong public support, council decided to continue funding regional rescue services as a form of fundraising and an administrative 'community good' service on behalf of the community.

### \$3.8M of Regional Sporting Facilities Rate funding awarded

In June council agreed Ruakākā Wahitakaro and Northland Regional Volleyball Arena would receive up to \$2.6M and Sportsville Dargaville Stage Two up to \$1.2M from the Regional Sporting Facilities Rate. The GST exclusive sums will go to Ruakākā Wahitakaro and Northland Regional Volleyball Arena in the 2025/26 financial year and to Sportsville Dargaville Stage Two in 2026-2027.

### Tū i te ora Scholarships 2025

Six Northland students were named as recipients of Northland Regional Council's annual Tū i te ora Scholarship, each receiving \$4000 and paid work experience with council

over the next summer. This is the sixth year council has awarded the scholarship, which recognises, encourages and supports students to undertake study that relates to council's environmental and regulatory functions, whilst contributing to council's vision 'Tiakina te taiao, tuia te here tangata - Nurture the environment, bring together the people'.

### Whakamānawa ā Taiao – Environmental Awards

The sixth Whakamānawa ā Taiao – Environmental Awards celebration was held in June in Waitangi. These biennial awards recognise and celebrate individuals and groups making a meaningful impact to help Te Taitokerau thrive. This year, 11 winners were recognised – including nine category winners, one supreme winner, and one special award recipient – selected from a pool of 20 finalists. The next awards are scheduled for 2027.

### Events and engagement

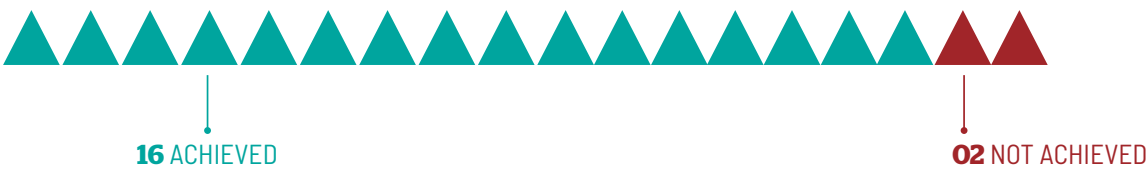
Council had a strong presence at major regional events including Waitangi Day (80,000 attendees), Northland Field Days (2000+ engagements), and multiple A&P shows. Our interactive displays, wild food giveaways, and educational games helped raise awareness on topics like marine biosecurity, pest control, biodiversity, climate action and freshwater management.



*Te Rūnanga Nui O Te Aupōuri's kaitiaki arm, Oranga Whenua Oranga Tangata Taiao, won both the Kaitiakitanga award and the overall Te Tohu Matua – Supreme Award at the 2025 Whakamānawa ā Taiao – Environmental Awards. (Photo credit: Dawn Dutton Photography).*

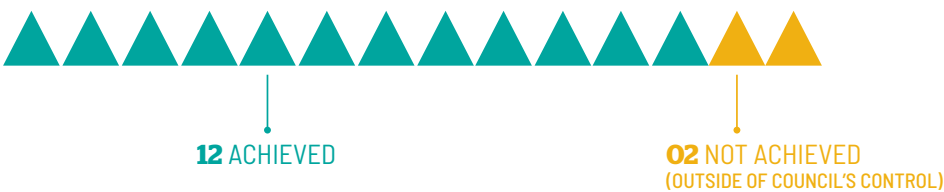
# Achievement of key performance indicators

## Natural environment | total 18



For more info see page 27

## Community resilience | total 14



For more info see page 43

## Regional leadership | total 17



For more info see page 55



# Meaningful partnerships with tāngata whenua of Te Taitokerau, Northland

Council has made significant progress in building meaningful partnerships with tāngata whenua. Our guiding vision within Tāiki ē for the future is “He whenua haumoko, he wai mā, he iwi whai ora – Land that is bountiful, water that is pure and healthy, people that are flourishing”. Tāiki ē serves as our Te Tiriti o Waitangi strategy and implementation plan, a roadmap towards fulfilling our obligations and ensuring accountability in achieving these goals. The name “Tāiki ē” itself is a unifying statement and a call to action, emphasising a shared commitment to collective work.

Central to this partnership is Te Ruarangi, a council working party comprised of councillors and 21 hapū and iwi representatives, which aims to reflect true partnership by respecting the mana and authority of tāngata whenua and council. Formerly known as Te Taitokerau Māori and Council working party (TTMAC), its new name represents “an expression of the vision where the principles of Kawanatanga and Rangatiratanga come together in a harmonious partnership for the benefit of the taiao”.

## Wānanga Waiora 2025

This partnership was recently demonstrated in the second Wānanga Waiora, held at the Waitangi Treaty Grounds in March, which was a great success, with approximately 150 people attending. Hosted by Whangaroa Taiao Ltd. this event was part of a commitment to wānanga that highlights the experiences of kaitiaki across the region and their partnership with the council, aiming to improve understanding of the Resource Management Act (RMA) and its functions. Wānanga Waiora provided a unique opportunity for Te Taitokerau kaitiaki and hapū to share te mātauranga o te taiao (knowledge of the environment). The kaupapa is centered on kotahitanga (unity) and offers a measurable tool for understanding the relationships between wai (water) and 'waitiaki' (those caring for/looking after the water), as well as the council's operational capability and positive outcomes with tāngata whenua.

Speakers included special guest Hokianga and māmatakā tohunga (traditional knowledge expert) Rereata Makiha, along with representatives from various iwi and hapū groups. The 2025 event specifically highlighted the growing relationship between the council and kaitiaki (guardian/custodian), noting that enduring relationships ensure these connections continue to achieve meaningful outcomes. Furthermore, the Wānanga Waiora also helped to identify and establish a kaitiaki network. This initiative

is part of an action to deliver targeted educational training programmes on resource management processes, led through Te Ruarangi representatives.



*Ngāti Hine Manu Taupunga Roopu featuring Tohunga and Taiao Advocates Hori Parata and Tohe Ashby*



*Guest speaker Hokianga Tohunga Rereata Makiha (Te Mahurehure, Te Arawa)*



*Te Rūnanganui o Te Aupouri (Presenters at Wānanga Waiora and Supreme Winners Environmental Awards)*

The updated Tāiki ē, adopted in April 2024, includes specific actions under five key whaingā (desired goals): Capacity and Capability, Māori Representation, Water/Marine, Climate Crisis, and Economic Development. Our progress under Tāiki ē has been significant, with the majority of its 31 actions currently on track.

Significant highlights include:

- » Supporting Environmental Planning and Monitoring: A total of \$30,000 of funding was allocated in 2025 for Iwi/Hapū Environmental Management Plans (IHEMPs), which are crucial for building hapū/iwi capacity and capturing environmental knowledge. Additionally, the Tāngata Whenua Environmental Monitoring Fund allocated a further \$130,000 to support tāngata whenua in undertaking their own environmental monitoring.
- » Māori RMA Hearing Commissioners: Efforts to support and increase the number of Māori Resource Management Act Hearing Commissioners have been successful, with 13 newly accredited RMA commissioners from the November 2024 cohort.
- » Mana Whakahono ā Rohe Agreements: Ngāti Hine made history in December 2024 by signing the first-ever Iwi-Council resource management agreement in Taitokerau. Te Parawhau ki Tai also joined an existing Mana Whakahono agreement in April. These agreements, introduced in the RMA in 2017, improve working relationships and provide opportunities for tāngata whenua involvement in decision-making.
- » Biosecurity Partnerships: Many hapū and kaitiaki-led biosecurity partnerships across Te Taitokerau are successfully removing pests and restoring biodiversity. Examples include Predator Free Pēwhairangi Whānui and the eradication of wild deer from Russell Forest.
- » Strengthening Tāngata Whenua Participation: Te Ruarangi continues to build enduring relationships, with its 21 iwi and hapū members forming 50% of council's Natural Resources and Biosecurity and Biodiversity working parties. Independent tāngata whenua advisors with voting rights also sit on 'Infrastructure', 'Audit and Risk', and 'Investment' committees, empowering Māori voices in decision-making.
- » Strengthening Hapori Resilience: In response to Cyclone Gabrielle, the Hapori Resilience Action Plan delivered 250 survival bags and 500 whānau booklets across Te Taitokerau, empowering "end of the road" communities with practical tools and kaupapa Māori values.
- » Taitokerau Economic Wellbeing Pathway: 'Te Rerenga', the economic wellbeing pathway for Te Taitokerau, was released in late 2024. Co-designed through a collaborative process including Te Ruarangi, it sets a vision for a sustainable, innovative, and prosperous economy focusing on the wellbeing of people, economy,

and environment. It was endorsed by Te Ruarangi for its consistency with Tāiki ē.

## Partnering with kaitiaki and hapū

In Te Taitokerau, a marine protected area was established in 2023 at Mimiwhangata and Rākaumangamanga (Cape Brett) following concerns from local hapū, specifically Te Uri o Hīkīhiki and Ngāti Kuta, about the impact of overfishing on marine ecosystems. These areas involve new no-fishing rules, and their successful implementation is a direct result of the close collaborative partnership between the council and local hapū, including Te Uri O Hīkīhiki ki Whangaruru, Te Whanau Whero ki Whananaki, Ngāti Kuta, and Patu Kēha. This collective effort signifies a commitment by council to support hapū and kaitiaki to work together for future generations.



*Staff Member Nicola Hartwell with Te Uri Hīkīhiki – Ngā Wai Tiaki o Tangaroa*

The progress highlighted in this report demonstrates the significant strides made in embedding Te Tiriti o Waitangi principles into all the council mahi. The commitment to shared values and active partnership with tāngata whenua is consistently achieving positive and enduring outcomes for all people of Te Taitokerau and the taiao.



# Climate action

Climate change remains one of the most pressing challenges of our time, and its impacts are already being felt across Te Taitokerau. The Northland Regional Council (council) acknowledges the urgency of this issue and is committed to transforming how our society and economy operate to ensure a resilient future. Living in te ao hurihuri—the ever-changing world—requires bold action to address the environmental disruptions caused by greenhouse gas emissions and to safeguard our communities and taonga for future generations.

To guide this transformation, council has adopted two key strategies: Ngā Taumata o te Moana, focused on organisational led change and the Te Tai Tokerau Climate Adaptation Strategy, developed collaboratively with all four Northland councils and iwi/hapū. These strategies have been consolidated into a unified Regional Adaptation Programme, structured around seven workstreams that address both mitigation and adaptation priorities.

Implementation of this programme has been supported through initiatives adopted in the Long Term Plan 2024–2034. Key foundational efforts included staff recruitment, the establishment of the Climate Resilient Communities Fund, and extensive community engagement. These efforts have laid the groundwork for community and hapū-led adaptation planning, which continues to progress steadily. Regional networks focused on emissions reduction are also gaining strength, reflecting a growing collective commitment to climate action.

A governance review completed in late 2024 has provided recommendations that will guide future improvements in the region, including how council understands, communicates, and responds to climate-related risks. Enhancing cross-agency collaboration, transparency, and reporting will be critical to ensuring that communities are informed and engaged in climate resilience efforts. To support this, a new website has been developed to showcase climate action initiatives, and tell the many community success stories - [ttcan.nz](https://ttcan.nz).

Over the past year, council has supported a wide range of activities aimed at building resilience. There has been considerable interest in tāngata whenua-led adaptation planning, with direct funding allocated to hapū projects. These initiatives not only build capacity but also offer valuable learning opportunities that can inform future adaptation efforts across the region. Community-led resilience initiatives have also seen strong uptake, with 175 applications received for the first two tranches of funding. This far exceeds the available budget of \$1.2M so far. This overwhelming response highlights both the urgency and the ingenuity within Northland communities.

Council has actively sought opportunities to enable others to contribute to climate action. This includes sponsoring environmental and business awards, partnering with agencies for targeted engagement, and supporting upskilling initiatives within the business sector. Education remains a key focus, with professional development for staff, community workshops on coastal erosion, and continued support for the intern programme to help build the next generation of climate leaders.

The council has also taken steps to influence national policy, including hosting the Climate Change Commission during its evidence-gathering roadshow for the National Climate Risk Assessment.

Community adaptation planning projects in Hokianga and Oakura/Whangaruru are underway, driven by district councils and supported by the regional council through formally established Terms of Reference and Memoranda of Understanding with each.

To improve understanding of regional risks, council is developing a Te Taitokerau risk portal using Urban Intelligence's Resilience Explorer. This tool will support councils and lifeline agencies by making hazard information more accessible. Flood modelling projects, including updates to hazard maps for the Wairoa River and a trial of the Delft Early Flood Warning System in the Waitangi catchment, are helping to improve forecasting and preparedness. Council is also collaborating with Whangarei District Council on an Urban Flood Strategy to address complex flood risks in the city.

Preparations are underway for upcoming changes to Land Information Memoranda (LIMs), with upgrades to the Natural Hazards Portal aimed at improving clarity and accessibility of hazard information. Council is supporting NIWA's Future Coasts Aotearoa programme. This programme monitors coastal wetland responses to sea-level rise at Rangaunu Harbour and will provide valuable data for future adaptation planning. A GIS mapping project has documented recovery efforts following Cyclone Gabrielle, offering insights into funding distribution and guiding future investment strategies.

On the emissions reduction front, council continues to measure and report its operating emissions, with a slight reduction noted in FY23/24. Achieving the target of a 50% reduction by 2030 will depend heavily on electrifying the CityLink bus service, with a key opportunity arising when the contract is renewed in 2027. Regionally, council has supported the development of a local emissions data platform that enables annual tracking and scenario modelling to inform policy and planning.



Collaborative efforts have also led to the creation of climate scenarios for the local government sector, exploring how climate change may affect service delivery through 2035, 2050, and 2100. These scenarios consider a range of risks and drivers, helping councils integrate climate considerations into long-term planning.

Council partnered with Northland Inc to deliver the Tourism Carbon Footprint Project, enabling 50 local businesses to measure and reduce their emissions. This initiative will build awareness, improve efficiency, and strengthen the sustainability credentials of Northland's tourism sector.

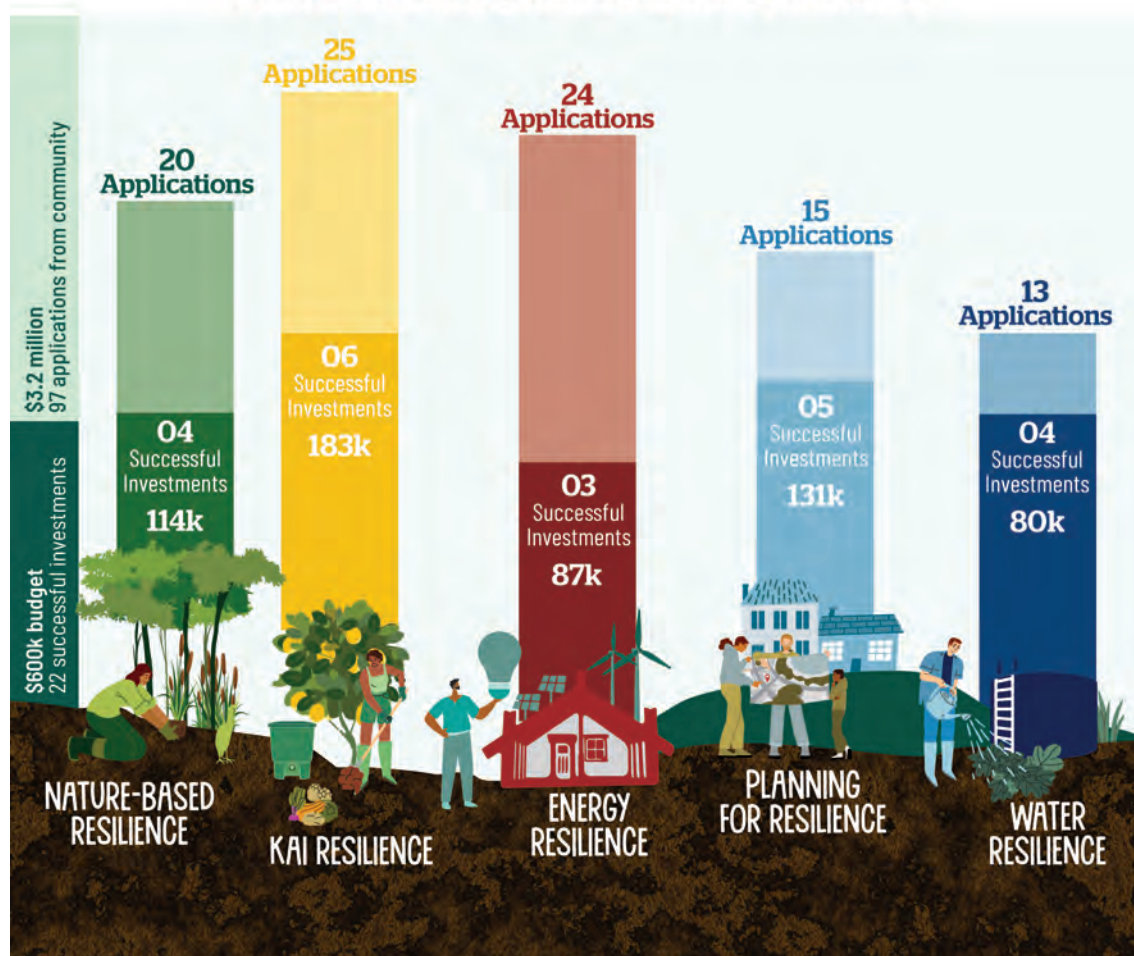
To support sustainable land use, council is backing the Land Use Navigator project led by Adapterra in conjunction with Northland Inc. This initiative aims to develop an interactive spatial platform that integrates regional data and tools to support informed land use decisions. The scoping phase includes engagement with landowners, primary sector agencies, and mana whenua, with pilot testing in Poutō Peninsula and Mid North.

Finally, council is supporting the emergence of Electrify Te Taitokerau, a coalition aligned with Rewiring Aotearoa, advocating for electrification to reduce emissions, lower energy costs, and enhance resilience.

Looking ahead, council will continue to lead by example in emissions reduction, embed climate considerations into decision-making, and collaborate with partners to support a just transition to a low-emissions future. The council remains committed to empowering communities, fostering innovation, and building a climate-resilient Te Taitokerau.

The Climate Resilient Communities Fund is set to increase to \$1M in its third year, reaffirming the council's commitment to catalysing a transition toward a climate-resilient future. This fund will prioritise opportunities that accelerate progress, promote equity, and foster authentic partnerships. Additionally, a resilience toolkit is being developed to help communities assess their current resilience levels and identify practical steps to improve. This toolkit will also provide access to relevant resources and funding opportunities.

## 2024/25 Resilient Communities Fund investment into resilience building initiatives in Te Taitokerau



# Compliance statement

## Northland Regional Council

### Annual Report

For the year ended 30 June 2025.

### Statement of Compliance

The council and its officers are responsible for preparing this report and financial statements, including the statement of service performance, and confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

In our view, this Annual Report fairly reflects the financial position and operating results of the council and its subsidiaries for the year ended 30 June 2025.



**Geoff Crawford**  
Chair

Date: 23 September 2025



**Jonathan Gibbard**  
Chief Executive Officer

## **Independent Auditor's Report to the Readers of Northland Regional Council'S Annual Report for the Year Ended 30 June 2025**

The Auditor-General is the auditor of Northland Regional Council (the Regional Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Bennie Greyling, using the staff and resources of Deloitte Limited, to carry out the audit on his behalf.

We have audited the annual report of the Group in accordance with the Local Government Act 2002 (the Act). We refer to this information as the "audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

### **Opinion on the audited information**

In our opinion:

- the financial statements of the Group on pages 68 to 127:
  - present fairly, in all material respects:
    - the Regional Council's and Group's financial position as at 30 June 2025;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the Group's statement of service performance for the year ended 30 June 2025 on pages 26 to 62:
  - provides an appropriate and meaningful basis to enable readers to assess the Group's actual service provision for each group of activities; determined in accordance with general accepted accounting practice in New Zealand;
  - fairly presents, in all material respects, the Group's actual levels of service for each group of activities, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities of the Group for the year ended 30 June 2025 on pages 26 to 62, has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;



- the funding statement for each group of activities of the Group for the year ended 30 June 2025 on pages 26 to 62 has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act;
- the funding impact statement of the Group for the year ended 30 June 2025 on pages 131 to 132, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.

## **Report on the disclosure requirements**

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 to the Act for the year ended 30 June 2025; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2025 are complete and accurate.

## **Date**

We completed our work on 23 September 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

## **Basis for our opinion on the audited information and the disclosure requirements**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audited information and the disclosure requirements* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

## **Responsibilities of the Council for the audited information and the disclosure requirements**

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing its ability to continue as a going concern.

## **Responsibilities of the auditor for the audited information and the disclosure requirements**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Regional Council's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate whether the statement of service performance includes all groups of activities that we consider are likely to be material to the readers of the annual report.
- We evaluate whether the measures selected and included in the statement of service performance for groups of activities present an appropriate and meaningful basis that will enable readers to assess the Group's actual performance. We make our evaluation by reference to generally accepted accounting practices in New Zealand.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Group.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision, and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Responsibilities for the disclosure requirements**

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the Group's audited information and, where applicable, the Group's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Public Audit Act 2001.

## **Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independence**

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

In addition to our audit, we have carried out 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 and fraud and corruption risk focussed detection analytics, and an agreed procedures report in relation to the Kaipara Moana Remediation project. 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.

Other than the audit and our report on the disclosure requirements, we have no relationship with, or interests in, the Regional Council or its subsidiaries and controlled entities.



Bennie Greyling  
**For Deloitte Limited**  
**On behalf of the Auditor-General**  
Auckland, New Zealand  
23 September 2025



# Wāhanga tuarua: Ngā mahi a te kaunihera

## Section two: Council activities



# Overview of our activities

Northland Regional Council is required by law to deliver a range of core services and strives for excellence in delivering these. There are also other services that we deliver outside of our legal requirements.

We do this where we can (within legislative mandate) to respond to requests from our communities, address issues that arise, and make the most of opportunities, where the service or activity contributes to achieving good outcomes across the region.

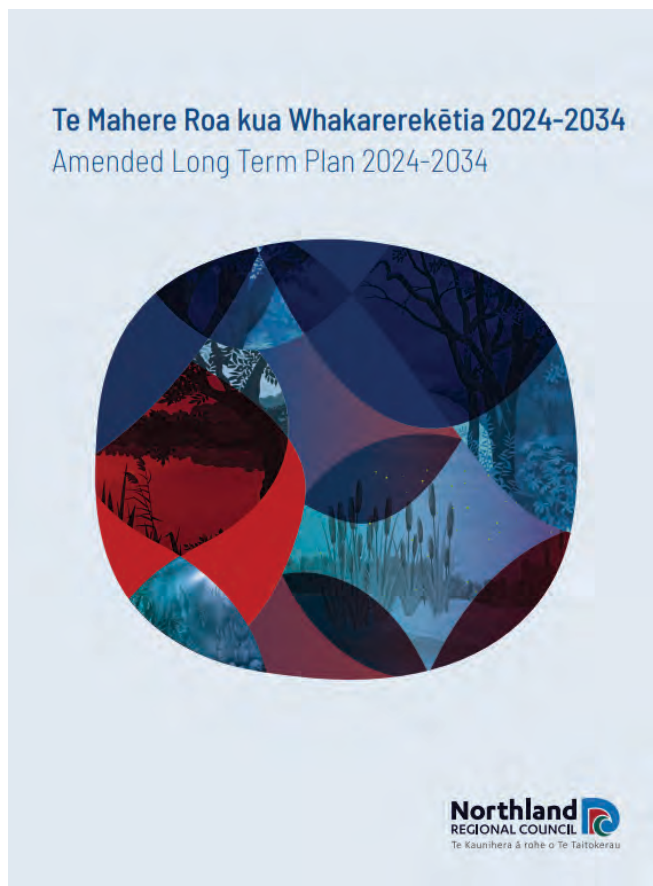
In 2024 (and subsequent amendment in April 2025) council approved the **Amended Long Term Plan 2024-2034**, which sets out the range of services we intend to deliver during the next 10 years.

These services are broken down into activities and are grouped as follows:

- » **Natural environment** - science, catchment management, biodiversity, biosecurity, planning and policy, consents, and compliance monitoring
- » **Community resilience** - flood risk management, climate action, emergency management, oil pollution response, harbour safety and navigation, and transport
- » **Regional leadership** - governance, Māori partnerships, economic development, community engagement, customer services, corporate services

The Amended Long Term Plan 2024-2034 identified the significant aspects of each service and set performance measures and targets for these to enable the levels of service, and therefore progress on community outcomes, to be assessed.

These performance measures and targets are reported on for the first time in this Annual Report 2025 following the adoption of the Amended Long term Plan 2024-2034.





# Te taiao

## Natural environment

Manaaki Taiao	Care for the natural environment
Manaaki Tāngata	Care for people
Haere Whakamua	Progress forward

Te Taitokerau's natural resources are critical to the wellbeing of the region and its community.

The range of activities required to manage our natural resources is captured in this natural environment group of activities: it combines our focus on quality data and science, programmes of protection and enhancement, and management via council's regulatory and planning responsibilities. Our natural environment work relies on collaboration with other agencies, communities and landowners to achieve great outcomes.

The natural environment group of activities relates to two of our community outcomes and progress on these is reported in the section "What we did", and via our levels of services and associated performance measures.

### Community outcome: Healthy waters, land and air

- » Science
- » Catchment management
- » Planning and policy
- » Consents
- » Compliance monitoring

### Community outcome: Protected and flourishing native life

- » Biodiversity
- » Biosecurity

### Changes to level of service

In the natural environment group of activities, the levels of service within each activity remained the same as those in the Amended Long Term Plan 2024-2034. Performance measures have been well achieved, with 16 of 18 targets met. Of the two targets not met, one of these was due to a change in national direction, and one was due to lack of resourcing in the compliance monitoring team as recorded in the following tables.



# What we did

## Environmental science and monitoring

The Natural Resources teams performed well with numerous major work programmes and service delivery functions delivered to a high standard.

### Monitoring

The Hydrology team responded to 12 MetService Severe Weather Watches and Warnings for heavy rain, requiring Hydrology duty staff to monitor rainfall and river levels and provide updates to Emergency Management.

A prolonged dry period through summer and early autumn (December 2024 to the end of March 2025) required the Hydrology team to provide frequent water shortage/climate updates, additional water take compliance flow monitoring, and two catchment low flow investigations (Whangārei Harbour, and Kaihu).

The Water Quality Field Operations team collects 2300 water quality samples annually across our 50 river sites, 46 coastal sites, 15 monitored lakes, 38 groundwater sites, and 80 recreational bathing sites. Annual report cards are available for our monitored sites on our website and data is available through the Environmental data hub on council's website, and other online resources such as LAWA.

The Water Quality Field Operations team met with Auckland Council and Waikato Regional Council at the Auckland field office in September 2024 to compare field data collection procedures and learn from each other's experiences.

A key learning from the workshop was Waikato's experience in maintaining its monitoring programmes through the discovery of the highly invasive freshwater clam, *Corbicula fluminea* (Gold Clam). *Corbicula* are particularly hardy, with normal biosecurity measures (Clean, Check, Dry) not effective against them. Water quality fieldwork generally requires movements between water bodies each day – therefore council biosecurity procedures are very important.

### Data management

The Data team collaborated with Kaitiaki Whangaroa, integrating iwi/hapū data into the council public environmental data portal.

Drought map coding developed by the Data team for Northland was rolled out at a national scale. These maps are intended to provide a national 'situation analysis' that may help with responses to extreme dry conditions and show the development of drought conditions from month to month and region to region. The maps are updated monthly, and multiple central governments are now utilising them. Work is underway to provide a permanent mapping product.

## Science

The Coastal State of the Environment 2024 Report was finalised and published, providing a valuable summary of the state of our coastal natural resources. The report focuses on the coastal marine area, extending 12 nautical miles off the coast, and includes land dominated by the coast (such as sand dunes and coastal wetlands). The report covers topics like sedimentation, beaches, monitoring, and coastal erosion.

A key research project for the science team that commenced this year is the development of a nutrient load model for Lake Ngātū in the Far North. Northland dune lakes are unique freshwater ecosystems with national and international significance. However, water quality in these lakes is declining. Nutrient loads from catchment run off and within the lake system drive poor water quality. Lake Ngātū is considered an outstanding dune lake and a focus lake for council's state of the environment monitoring. Sound understanding of nutrient dynamics, and associated processes and ecological responses, is necessary to inform effective dune lake management approaches to stop lake degradation and improve water quality. The project involves staff from multiple teams in council, including the Hydrology, Water Quality Field Operations, Data and Science teams. Council had to obtain concession from the Department of Conservation to install groundwater and weather monitoring stations. Council's groundwater scientist led the installation of deep and shallow bores around the perimeter of the lake for continuous monitoring of groundwater level and quality. In addition, a weather station was installed on the western bank of the lake. For the next two years council staff will collect data, which will feed into development of a nutrient model.

### Iwi/hapū partnerships

Staff have continued to build relationships, attending over 28 hui with Kaitiaki groups. The focus unshifting from the previous year; learning what support ngā Kaitiaki roopu require, then providing support through advice, funding and training.

Kaitiaki from Ngāti Rēhia, Patuharakeke and Te Uri O Hau assisted council to complete the estuary monitoring in the Kaipara, Ruakaka and Kerikeri Harbours. The estuary monitoring programme is undertaken every 10 years.

## Catchment management

### Hill Country Erosion Fund

The Hill Country Erosion Fund is a four-year project (2023-2027) and is the fourth MPI co-funded Hill Country Erosion project run by council. The project aims to reduce sedimentation in waterways and maintain the productivity of hill country by stabilising erosion-prone land. It includes funding to subsidise the planting of poplar and willow for erosion control, fencing and planting of native establishment species to enable land use change from

marginal hill country pasture. The programme also has a focus on engaging with Māori landowners to support their aspirations for managing eroding whenua and increasing relevant training of the Land Management team.

This was the second year of the programme and achieved:

- » Total area of retirement fencing 129ha
- » Total length of fencing built 14.1 km
- » 36ha of native planting
- » 24 hui held or supported with the aim of improving uptake of the fund by tāngata whenua.

### **Tāngata Whenua and Community Catchment Fund**

The Tāngata Whenua and Community Catchment Fund supports tāngata whenua and community or catchment groups with projects that improve the quality of freshwater in Te Taitokerau. For this year the fund allocated \$474,051.75 to 20 projects across the region (excluding the Kaipara Moana catchment).

### **Project auditing**

The team continued its poplar/willow audit programme, aimed at collecting data of plant survival rates to enable staff to give better advice on right tree/right place. Staff also started a Project Effectiveness Monitoring Programme, which will be used to re-visit previous Environment Fund projects to assess project success both from a physical and behaviour change point of view. The project will begin collecting data in the following year.

### **Soil Conservation Programme**

Council's contract with Manaaki Whenua – Landcare Research to expand the S-Map (a digital soil map for New Zealand) data for the region resulted in:

- » Field surveys conducted for Waipu-Whangārei and North Whangārei survey areas
- » Completion of draft soil maps for both Waipu-Whangārei and North Whangārei study areas
- » Map and descriptions available for review, and confirmation that data will be uploaded in S-Map Online by September 2025.

Council was invited to participate in The Adaption Pathways for Sustainable Peatland Management (SLMACC) project, which aims to compile an inventory of the national peatland resource to understand what areas are at risk from subsidence, greenhouse gas emissions and climate change. This project is being led by Waikato Regional Council and Manaaki Whenua – Landcare Research. Peat depth surveys were completed in Hikurangi and Waipu to contribute towards the updated national scale contour maps of peat depth.

## **Community engagement**

Multiple community events were held or supported by the Land Management team, primarily focused on educating landowners and the wider community on the risks to the environments caused by various land uses and on the information, monitoring tools, and types of mitigations available to help with their decision making. Events included field days, SHMAK testing days with community groups and local schools, speaking at Ballance farm open day, and marae community education days.

## **Kaipara Moana Remediation Programme (KMR)**

KMR exceeded all annual performance indicators for the year. As of 30 June 2025, three and a half years into delivery, KMR has supported 862 sediment reduction plans, with a further 132 plans in development. Over 144,000ha are covered by KMR plans.

Through investments worth over \$26M, KMR has supported over 2.67 million plants and trees in the ground or contracted to plant this winter, 1422ha planted or regenerating into native forest, and over 1000km of fencing – the equivalent distance from Cape Rēinga to Wellington.

KMR projects generated over 390,000hrs of new, local employment – a year's work for over 250 people. By year end, 1321 landowners had expressed interest in working with KMR, including 93 hapū, marae, community groups, catchment groups and other collectives. KMR has accredited 51 local businesses and nurseries and supported 217 people in training and skills development.

During the year KMR was named on the 'Next95' list – a national list recognising disruptive innovation and transformational leadership in environmental sustainability. KMR was also recognised at the 2025 Kaipara District Environmental Awards, winning the Environmental Action in the Community award. This award recognises individuals or groups who show leadership in collaboration within the community to improve the environment. KMR remains in the running for the prestigious international Earthshot Prize 2025, with global finalists to be announced by early September.

## **Biodiversity**

### **Operational report**

The third Biodiversity Team (Te Tira Rerenga Rauropi) Annual Operational Report 2023-2024 was published this year and contributed to team planning and continuous improvement, as well as reporting its work to others in the organisation and to the public via the council's website.

### **Iwi/hapū partnerships**

The team placed strong emphasis on giving effect to council's Te Tiriti o Waitangi commitments – actively partnering with iwi, hapū, marae, and whānau across Te

Taitokerau. These partnerships involved shared decision-making, knowledge exchange, and co-design of biodiversity initiatives including:

- » Mana whenua being involved in education projects, such as coastal dune restoration and dune lake education events for kura (schools), helping to pass on ecological knowledge to younger generations
- » Events like Bioblitzes and community planting days generally included hapū-led components e.g. Kohinui Bioblitz
- » Coastal Partnerships – staff working alongside iwi and hapū across the region to support coastal restoration and ecological monitoring. These collaborations included hands-on events such as planting days, working bees, and wananga. An example of this was the mokomoko (lizard) monitoring and identification wananga with Patuharakeke and Ake Tai Here
- » Lakes – many lakes are within land owned by Māori or managed by the Department of Conservation, therefore most actions undertaken by the Biodiversity team around lakes are in collaboration with iwi/hapū, community, the Department of Conservation and district councils. Work includes pest plant control, pest animal control, lake ecological monitoring, pine removal, fencing and lake margin planting.

### **Terrestrial and general**

The Biodiversity team provided ongoing technical advice, reports and biodiversity planning to landowners throughout the year. This included biodiversity values site assessments, restoration and species protection guidance, helping landowners enhance biodiversity on their properties. Highlights include:

- » Pekapeka (bat) survey with mana whenua at Jack's Bush, Te Pahi, Whangaroa, Ruakākā and Pukenui Forests
- » Kohinui Bioblitz (near Parua Bay) with Kohinui Land Care Group, Ngātu Tū ki Whangārei, other hapū and agencies, followed by a chance to share findings with the community at a Kohinui Land Care Group picnic
- » Finalising Kapehu Marae kahikatea forest values assessment and restoration report at Arapohue with Ngāti Hine, Ngāti Whātua and Te Uri o Hau
- » Assisting the Biosecurity team with values assessment and advice for multi-agency Te Korowai Arahi Charitable Trust project aimed at improving the health of Tāheke River
- » Ongoing monitoring and protection work at Maunga Tāika (Mt Tiger), a council-owned pine forest with enclaves of native bush and high value stream systems, alongside Ngā Kaitiaki o Ngā Wai Māori and Ngāti Kahu o Torongāre.

The New Zealand Plant Conservation Network's biennial conference for scientists, students, and community was held in Whangārei in October 2024, co-hosted by council through Biodiversity with help from the Māori Relationships and the Communications and Engagement teams. More than 170 delegates from all over NZ attended. A series of fully subscribed expert-led technical workshops were held over the weekend in house and in the field including wetland plant identification, weed workshop, iNaturalist training and rongoa. The conference was opened by a whakatau from local hapū at Forum North. A Biodiversity staff member was honoured by giving the keynote address followed by two days of presentations. Field trips to local gumlands, forests and Hikurangi repo (swamp) were held on the last day, several led by council staff.

Northland Regional Council also won the national award for the Local Authority Outstanding Contribution to Plant Conservation in NZ.

### **Coastal biodiversity – CoastCare**

Support of community and hapū coastal restoration included:

- » 15,926 plants provided and planted at 20 sites
- » Supported dune weed control efforts, including providing training to volunteers, paying for contractor time to support ecological outcomes and supporting/attending weeding working bees
- » Organised restoration work, where help required
- » Providing restoration and nature-based solutions advice.

Community and hapū engagement included:

- » 31 events attended, including 17 working bees and 3 community/hapū training workshops
- » Ongoing and increasing partnerships with hapū to enhance ecological and cultural outcomes.

Advocacy and education included:

- » Three CoastCare Newsletters, plus an additional update, were distributed
- » 15 social media posts and stories on Coastal Biodiversity topics, including: events, dune plants, shorebirds
- » Front page article on dune restoration and seed collection in local paper, and video on paper's website
- » Signage produced and provided for dune restoration projects and vehicle exclusion zones
- » Six public advocacy events were organised and attended for Seaweed.

Monitoring and research included:

- » Dune vegetation monitoring and 5-minute bird counts conducted at 12 sites with interns, local kaitiaki and schools



- » Vegetation monitoring data made publicly available to inform dune management and community understanding
- » Continuation of fauna monitoring at Bream Bay dunes in partnership with Patuharakeke Te Iwi Trust Board.

Technical advice and support included:

- » Advice was provided to other teams, agencies, and the public on coastal restoration and nature-based solutions to coastal hazards.

## Wetlands

Throughout the year, the biodiversity team provided advice, and restoration plans to 19 landowners supporting wetland conservation efforts. In-house technical guidance to the Consents, Compliance and Rivers teams on nine wetland-related matters was given. Biodiversity staff were also involved in four compliance/enforcement cases involving accurate wetland mapping and delineation in the field. Biodiversity staff assisted with delineation of wetlands on the Kaeo Floodplain to inform the consenting process around Phase Two of the Kaeo Flood Scheme including river realignment and potential creation and restoration of wetlands, saving the council money on external consultants.

A second comprehensive inhouse wetland training course was run for around 20 staff where they learnt to identify wetland types, common wetland plants, delineate wetlands using national protocols, and use the pasture exclusion tool to identify when wetlands could be grazed. The purpose was upskilling staff around wetland restoration and identification in line with requirements of the National Policy Statement for Freshwater Management. Northland's NorthTec asked the team to run a wetland introductory course for senior freshwater students, and this was delivered over a 1.5 day period in the classroom, laboratory and field.

The matuku-hūrepo (Australasian bittern), threatened by wetland loss and predators, is one of the most endangered birds in Aotearoa. Staff worked actively with community, DOC, QEII Trust, KiwiCoast, and Fish & Game to monitor matuku-hūrepo using acoustic devices that detect male calls during breeding season. Unfortunately, with the loss of wetland habitat, bittern are suffering from lack of food, and as a result increasing numbers of starving birds are being struck by vehicles on Northland's roads. Biodiversity staff have been working with roading authorities, hapū and communities to put appropriate signs into bittern "blackspot" areas, with 20 "Slow for Bittern" signs installed by NZTA and district councils at 12 locations.

## Lakes

In February and March, the annual lakes ecological survey using NIWA divers and council shore team covered a total of 14 lakes and several wetlands from the Far North to Poutō. LakeSPI (Submerged Plant Index) scores at most sites remain stable with an improvement at Lake Waihopo

and a decrease to a non-vegetated state in Lake Waiparera, attributed to nutrient issues, pest fish and pest weeds. Divers at Lake Ngatu found no African oxygen weed, treated by herbicide in 2020; if it remains clear, eradication will be confirmed in late 2025. This year, monitoring found that native plant beds have begun to recover in Lake Taharoa (Kai Iwi Lakes), after near-total vegetation loss following Cyclone Gabrielle two years ago.

Follow up hornwort control was done in five water bodies and Lake Waikanae (Te Aupōuri) was added to the treatment schedule. A drone was used to apply herbicide to control hornwort, which is now down to ~1% of its original extent in Lakes Tutaki, Tutaki Southern Pond, Karaka, Mt Camel North, and Mt Camel South Outlet. Lake Egg remained free of hornwort after being treated two years ago. Egeria biomass was further reduced in Rotokawau (Poutō) with an estimated 35kg of weed removed by divers.

Pines were felled on the margins of Rototuna on the Poutō Peninsula by Nga Manga Atawhai (Te Roroa) with the support of Te Uri O Hau and their cultural advisor and weeds were controlled to prepare for restoration plantings.

During annual lake monitoring staff supported Te Aupōuri's wānanga at Wahakari in February with lakeside education and a chance to hear about their lake from NIWA divers. Tamariki learnt about native fish, lake plants, pest animals, lake monitoring and environmental career pathways.

A tiny Northland endemic lake plant – *Trithuria inconspicua* – was voted NZ's Favourite Plant in 2024 by the public through a national campaign by the NZ Plant Conservation Network. The plant is found in just five of Northland dune lakes and is considered a living fossil and classified as Threatened – Nationally Critical. Council undertakes monitoring, protection and restoration actions in the lakes where the plant occurs.

## Biosecurity

### Community led pest control

The Biosecurity Partnerships team supports community-led pest control through programmes like Biofund and Community Pest Control Areas (CPCA). Despite increased promotion, fewer Biofunds were awarded in 2024/25, though long-term engagement remains strong. CPCA expanded with four new projects, including two hapū-led initiatives securing extra funding.

Council's collaboration with Kiwi Coast continues to drive pest eradication, with 966,000+ species removed since 2013 and conservation efforts spanning 276,000ha.

Tiakina Whangārei strengthened urban conservation, distributing pest control devices, launching new trapping groups, funding operations, and providing hands-on training.

## **Exotic caulerpa response and marine pest management**

### ***Mechanical control operations***

Council led a globally significant marine biosecurity initiative targeting the invasive seaweed exotic *Caulerpa*.

Phase II suction dredging in Ōmakiwi Cove treated 22,295m<sup>2</sup> of seafloor, the largest mechanical marine pest control operation internationally. Phase I treated 2,000m<sup>2</sup> but faced spoil handling challenges.

Council, in collaboration with Johnson Bros Ltd, Seaworks, NIWA, Ministry for Primary Industries (MPI), Cawthron, and local hapū secured \$6.2M in MPI funding to develop a Submersible Dredge Planner (SDP) to improve single-pass removal efficiency.

### ***Surveillance and detection***

Over 100km of seafloor was surveyed by council's dive teams and contractors, focusing on high-use anchorages and public reports. Despite efforts, exotic *Caulerpa* spread beyond Controlled Area Notice (CAN) boundaries, likely due to anchoring and natural dispersal. In May 2025, council and NIWA deployed a Boxfish™ ROV with AI-enabled detection across seven high-risk areas from Whangārei to Rangaunu. The system provided real-time, georeferenced detection of exotic *Caulerpa*, supporting future response planning.

### ***Public awareness and engagement***

A summer media campaign (Dec 2024–Feb 2025) reached 1M+ digital impressions, with 85,800 ad plays across 12 marine venues. The campaign generated 4603 ad clicks and 4492 website sessions, with strong engagement via Meta platforms. Messaging focused on CAN boundaries and encouraged public reporting.

### ***On-water engagement***

Wai Knot ambassadors conducted 183 vessel surveys, engaging 380 individuals of which 42% were Northland locals, 36% were from other NZ regions, and 22% were international visitors. Most participants were aware of exotic *Caulerpa* and CAN rules, with discussions often covering ecological impacts and rāhui.

### ***Land-based outreach***

The Conquer Caulerpa Charitable Trust (CCCT) reached 1500+ people through school visits, hui, and events. Highlights included participation in the Ocean Film Festival (Kerikeri), school outreach, and the 2025 Ahuwhenua Farm Day at a Ngātiwai marae. Ramp-based engagement focused on Opua, Te Uenga, and Kororāreka.

### ***Hull surveillance***

Council's annual hull surveillance programme resumed in December 2024, targeting 2000 vessels (approx. half of Northland's recreational fleet). The target was exceeded

this year with 2300 vessels surveyed. Among anchored vessels – used as a proxy for higher-risk activity – over 80% complied with council's biofouling rules.

### ***Incursion responses***

More than 340 Mediterranean fanworms (*Sabella spallanzanii*) were removed from Mangawhai Estuary during an eight-day operation and in Onepoto Bay, 1.1t of invasive Japanese kelp (*Undaria pinnatifida*) was removed (Sept–Oct 2024). Follow-up surveillance dives are planned to confirm eradication and prevent regrowth.

## **Predator Free 2050 – Possum Free Whangārei Heads**

Now in its fourth year, the Possum-Free Whangārei Heads project is making major strides toward eradication. An additional 1000ha has entered the final detect-and-response phase, with full mop-up across the remaining 2961ha targeted for completion by June 2026. A key milestone was the establishment of a defensive barrier (a virtual barrier made up of a concentrated network of new technology devices) between Parua Bay and the upper Pataua River.

Work has expanded into the Kauri Mountain Reserve, a known possum hotspot, with strong support from local hapū. This effort is critical to preventing reinvasion into previously cleared areas like Manaia and Te Whara.

Community backing remains strong, with more than 94% of landowners supporting the initiative. Eight community groups are actively involved in maintaining traps and cameras in elimination zones. Mana whenua engagement has deepened, with Pataua South uri leading elimination work across 175ha of Māori and general title land. Two hapū kaimahi are also training to lead future predator control projects.

The project team has built strong relationships with local schools and kindergartens and continues to collaborate with conservation groups including Kiwi Coast, Kiwi Link, and Bream Heads Conservation Trust.

Innovative technology is playing a key role. The AT520AI trap uses AI to target possums specifically, while the Envico Spitfire delivers a possum-specific toxin with minimal servicing – both reducing labour and protecting non-target species.

Nationally, the Predator Free Trust is amplifying advocacy and funding efforts, with Whangārei Heads wildlife featured in promotional campaigns.

## **Predator Free 2050 – Pēwhairangi Whānui (Bay of Islands)**

The Predator Free 2050 programme in the Bay of Islands continues to make strong progress across the Russell, Puruerua-Mataroa, and Rakaumangamanga peninsulas. Currently, 5745ha are in the final stages of elimination, with 13,555ha under active management and on track to reach elimination status by the end of 2026.

In Russell, community support remains high. Public donations enabled expansion into Tikitikioure bush (711ha), while Tapeka (225ha) and Russell township (115ha) show near-zero pest levels. The Old Russell peninsula (808ha) is also nearing possum elimination.

On the Purerua-Mataroa peninsula, Kiwi Coast Trust has maintained near-zero possum numbers across 4595ha, aided by AI-enabled AT520 traps and real-time camera alerts for feral cats. Ngāti Rēhia has fully deployed devices across 485ha of whenua Māori, strengthening buffer zone suppression.

The Rakaumangamanga project, led by Te Rawhiti 3B2 Ahu Whēnua on behalf of Ngāti Kuta and Patukeha, has achieved knockdown across 2200ha. Elimination efforts will focus on 1100ha, with the remainder supported by Ngā Whenua Rāhui funding. Two new trapper huts have been installed to support extended fieldwork.

This integrated, community-led approach, backed by advanced technology and strong iwi partnerships, is driving real progress toward a predator-free Bay of Islands.

### **Rāhui Tapu / Marine Protected Areas**

Eighteen months into the implementation of the Rāhui Tapu / Marine Protection Rules, council continues to work closely with hapū to safeguard marine ecosystems. Guided by the Taiki ē Te Tiriti Strategy, the initiative is structured around three key workstreams: Communication and public engagement, compliance monitoring, and ecological monitoring.

A robust communications plan launched in August 2024 has driven public awareness through diverse channels – magazines, radio, social media, signage, and school programmes. Highlights include the Enviroschools “Healthy Marine Environments” initiative and targeted outreach at Oke Bay and local kura.

To support enforcement, council recruited eight locally based, hapū-connected RMA warranted officers in October 2024. These officers, alongside vessels sourced through hapū-preferred suppliers and agency partnerships, maintained a strong on-water presence through summer and public holidays. While the focus has been on education, enforcement has begun with 422 vessels approached, resulting in one infringement notice, one abatement notice, and 24 direction notices issued.

Baseline ecological surveys are underway, focusing on key species like tāmure (snapper) and kōura (crayfish). These are being conducted with marine scientists and hapū kaitiaki. Council is also supporting hapū-led kina management and developing a geospatial database to guide long-term ecological monitoring.

This collaborative approach blends science, regulation, and cultural stewardship, laying a strong foundation for the future of marine protection in Northland.

### **Pest incursions and response**

Northland’s biosecurity efforts have made significant strides in 2024/2025, particularly under the Wild Deer Free Te Taitokerau programme. Since April 2024, 62 sika deer have been removed from Russell State Forest using a combination of thermal-assisted aerial shooting and drone-supported ground crews. With only a few deer remaining, DNA tracking is guiding the final push toward eradication.

The programme has expanded to Kai Iwi Lakes and five additional Northland sites, deploying Thermal Aerial Detection Systems (TADS). A new Communications and Engagement Advisor is enhancing stakeholder collaboration, especially with hapū and iwi.

Feral goat control has seen success near deer project sites, responding to increased community requests. Feral pig trapping has also yielded positive results.

In freshwater ecosystems, pestfish surveillance and eradication efforts have intensified. Key operations include 147 koi carp removed from Pahi Farm Dam, new rudd population confirmed at Mangapai Dam, rudd and goldfish detected at Lake Parawanui via eDNA, and koi carp confirmed in Whakanekeneke River.

Collaborative planning with DOC and iwi is also underway for rotenone treatments at high-risk sites aimed at eradicating pest fish. Sustained control at Lake Rototuna has led to a pest-free status after four years of monitoring.

Partnerships with iwi such as Te Uri o Hau, Ngai Takoto, Ngati Kuri, and Te Roroa have been central, with joint training and ecological monitoring. Technological advancements include a Pestfish Field App, GIS integration, and a shared ArcViewer map with DOC, aligning efforts with the Regional Pest Management Plan. These integrated, community-driven strategies are delivering tangible outcomes in protecting Northland’s biodiversity.

### **Other incursion species**

Northland’s biosecurity vigilance extended to a range of potential pest incursions this year, with a strong focus on early detection, community engagement, and inter-agency collaboration.

#### **Wallabies**

Nine exotic wallaby sightings were reported, but none were confirmed. Investigations using trail cameras, detection dogs, and thermal drones at six sites, including Matawaia and Waipapa, yielded no evidence. One case was confirmed as dog scat through DNA testing.

#### **Exotic birds and lizards**

Three sightings of exotic Indian ring-necked parakeets were investigated. Two were isolated incidents, while a flock of six in Kaiwaka prompted a site visit and leaflet drop to confirm nesting activity for future control.

### **Red-eared slider turtles**

Three turtles were captured in a private Kerikeri lake using basking traps. Research into effective capture methods is ongoing.

### **Freshwater gold clam and Check, Clean, Dry**

A key operational priority was actively preventing the introduction and spread of the invasive freshwater gold clam into Northland. A biosecurity checkpoint at Kai Iwi Lakes (Dec 2024–Feb 2025) involved iwi, council, and community partners. A total of 826 surveys were completed, down from 1190 in 2023–24, reflecting fewer visitor numbers and watercraft users. Visitor data confirmed travel links between Northland and Waikato, reinforcing the risk of potential pest transfer.

Surveillance using eDNA was conducted across nine lakes, with iwi-led post-summer monitoring in the Far North. Community outreach at events like Waitangi Day and Northland Field Days boosted awareness.

Regulatory efforts included a request to close the Lake Taharoa boat ramp and a formal request has been sent to MPI seeking a Controlled Area Notice to restrict motorised watercraft.

These efforts reflect a proactive, collaborative approach to protecting Northland's ecosystems from emerging pest threats.

### **Kauri protection**

The 2024/25 achievements of the Kauri Protection Programme were made possible through the support from a \$200k funding grant from MPI.

This investment combined with council funding has enabled the development of a custom-designed Kauri Engagement Trailer – a mobile hub for education, training, and awareness – through a strategic partnership between DOC, MPI, council, and Kauri Ora, an entity formed to deliver iwi and hapū led kauri protection. Field operations have also advanced significantly with the use of specialised contractors. A regional contractor "Biosense Ltd" completed 1510 kauri health surveys across 29 properties, while Kauriology Ltd collected 64 soil samples, identifying *Phytophthora agathidicida* at Marunui Conservation and prompting updates to management plans. Biosense also treated 594 kauri trees with phosphite and completed six management plans. Meanwhile, Biospatial Ltd refined its deep learning model to map kauri distribution using 2023 imagery, with a full dataset expected by June 30.

Over 200m of fencing has been completed, along with 400m of boardwalks and upgraded trails to protect kauri. In addition, the team has installed 13 hygiene stations and staff have attended 10 public events including school visits promoting awareness and education.

These outcomes demonstrate the tangible impact of the funding in strengthening kauri protection and biosecurity efforts across Northland.

### **Pest plant management**

#### **Low-incidence pest plant programmes**

Following the discovery of sea surge (*Euphorbia paralias*) at two sites in Northland last year, surveillance along the west coast was a major focus for 2024/2025. With funding secured from MPI, staff collaborated with local volunteers and iwi and hapū teams to survey over 175km of coastline, install signage and distribute flyers to beach goers. Five new locations (comprising 20 smaller sites) were identified, including the first site on the northern coastline, at Kapowairua, Spirits Bay, in June 2025.

Most sites found were small (1 to 20 plants) and could be controlled by hand, however two large sites, totalling over 200 adult plants and thousands of seedlings were found at Mitimiti. Staff worked with the local hapū group Te Akau Roa Kaitiaki to develop a plan and implement the initial agrichemical control, with all follow up control of seedlings able to be done manually by local hapū members. All sites were inspected every four months to ensure any new seedlings were controlled.

Local Taiao teams and hapū members from Ngāti Kuri, Te Aupōuri, and Te Rarawa iwi were trained and have been delivering the control and survey work. This locally delivered surveillance will be essential to manage the ongoing risk of new sites establishing from seed deposited on ocean currents from infestations on the Australian coast.

In our other low-incidence pest plants programmes, where council undertakes search and control work for Exclusion, Eradication and Progressive Containment species, staff and contractors undertook more than 1000 survey and control inspections across 30 different species programmes. This included the delivery of the MPI's Manchurian Wild Rice National Interest Pest Response programme in Northland. As part of the surveillance and delimiting work for these programmes over 350ha of bush and over 1220ha of estuarine saltmarsh were searched. Drones were utilised to survey another 630ha to effectively identify and delimit sites in the spartina and royal fern programmes.

#### **Sustained control programmes and rule enforcement**

Inspections were carried out at all known nurseries and plant retail outlets for nationally and regionally banned pest species, and a quarter of all commercial quarries were inspected for compliance with pest plant rules. Staff also undertook 17 enforcements for compliance with species specific sustained control rules.

Councillors and staff met with the Minister for Biosecurity to raise the issue of Madagascar ragwort (*Senecio madagascariensis*) and have been pursuing the establishment of a working group, in line with the Minister's



view that the response should be a multi-agency response, co-led with industry. Key industry stakeholders have now agreed to cost share the development of an action plan that will evaluate the options and resources required for each. Through an Envirolink grant, AgResearch was commissioned to undertake a review of the current control methods for Madagascar ragwort and control research needs and opportunities, and this report will be used to inform the action plan.

Council also continued to work with MPI delivering the National Wilding Conifer programme in Northland. Reduced funding for the programme has shifted the focus to completing the removal of seed sources and planned maintenance at existing management sites. Over 16,000 wildings were removed under the programme this year.

#### ***Education and community support and engagement***

Eight public Weed Workshops were held around the region, with 146 people attending. Ten further workshops were held for specific groups, including Northtec students, community groups, primary and secondary schools, Far North City Care and the New Zealand Plant Conservation Network conference, engaging a further 178 participants. Staff also supported the Biofund and CPCA programmes and the pest plant groups working under the High Value Area programmes; these High Value Area projects contributed over 11,500 volunteer hours on pest plant focused initiatives.

### **Planning and policy**

#### **Regional Plan for Northland**

On 25 March, council resolved to make the Regional Plan operative, and a copy was forwarded to the Minister of Conservation for final approval. The Minister is yet to respond.

#### **Te Oneroa-a-Tōhe proposed plan change**

This proposed plan change to the regional plan has been in development identifying sites of significance, and field visits with iwi representatives to identify and map these have been undertaken. Initial workshops with Te Oneroa-a-Tōhe Board on content of the draft proposed plan change has also been undertaken. Draft provisions and section 32 report are in development.

#### **Freshwater Plan Change**

This was paused due to changes in central government direction. However, collaborative work continued with the Tāngata Whenua Water Advisory Group and the Primary Sector Liaison Group to identify options for managing stock exclusion, with support from internal scientists and economists. Two field days on farms were undertaken to test options and progress reported to the Natural Resources Working Party.

### **Central government bills and changes**

Twelve submissions were lodged on central government proposals to ensure issues for Northland are recognised in changes to/new legislation and national policy direction.

#### **Input into district council planning processes**

Review of district plan changes and resource consents to ensure resource management direction in the Regional Policy Statement is appropriately implemented in district plans has been on-going.

Submissions were lodged on the proposed Kaipara District Plan in June, evidence was presented in December at the Far North District Council Proposed Plan hearings, and the appeal process is ongoing regarding the provisions in Whangarei District Council's Natural Hazards: Plan Change 1.

#### **Catchment business cases**

Council partnered with Ngāti Hine to develop a business case for improving the state of freshwater and coastal receiving waters of the Taumarere Catchment. This will be finalised in July and presented to council in August 2025.

#### **Review of the Regional Pest Management and Marine Pathways Plans**

The Policy and Planning team has been leading the review of the Regional Pest Management and Marine Pathway Plan. The review has included the development of a list of candidate species for inclusion in the next plan, a round of public and industry engagement to consult on the review, and numerous working party meetings and workshops to help steer the development. A cost-benefit analysis is being prepared concurrently with new rules and management methods to develop a proposed plan.

#### **Navigation Safety Bylaw Review**

The Policy and Planning team is also reviewing the Navigation Safety Bylaw in conjunction with the Maritime team. First round of consultation was held in May, with a second round in June/July 2025.

#### **Wetland mapping tool**

New layer sets have been created in a joint council/Kaipara Moana Remediation Programme (KMR) project, for use with existing wetland maps, providing comprehensive regionwide maps. Engagement and advice from Te Ruarangi and the Māori Technical Advisory Group around the use of the maps was received. Council and KMR staff can now use the maps, via GIS viewers, to indicate potential wetland locations.

#### **Plan implementation projects**

A series of implementation projects have also been undertaken, including inanga spawning site rules and the development of an internal Biodiversity Strategy.

## Freshwater Farm Plans

The government has been reviewing how Freshwater Farm Plans will operate, which has resulted in a delay to their implementation in Te Taitokerau. In the interim the development of Catchment Context, Challenges and Values (CCCV) documents around the region has continued. This has included working with iwi on how CCCVs describe the cultural significance of wai.

## Review of the Dangerous Dams Policy

A review of council's Dangerous Dams Policy has been undertaken, and public consultation on changes will occur in the following year.

## Consents

A total of 339 decisions on consent application were made during the financial year.

Many of these applications comprised multiple consent activities that were bundled together and processed as one "application". The breakdown of the number of activities that were included in the decisions made during the financial year is:

- » Land use consents – 289
- » Coastal permits – 133

- » Discharge permits – 407
- » Water permits – 199

A public hearing was required to make a decision on three applications. All three hearing decisions were subsequently appealed and only one of these appeals has been resolved.

## Compliance monitoring

In addition to the compliance monitoring carried out and recorded in performance measures in this report, council also:

- » Received 268 notifications under the National Environmental Standards – Commercial Forestry and carried out 187 site visits to check compliance
- » Completed fish passage assessments on 454 instream structures across Te Taitokerau
- » Received 46 Dam Classification Certificates under the new Dam Safety Regulations.

Council took the following enforcement actions in relation to non-compliance with resource consent conditions, regional rules or national regulations:

- » 241 abatement notices
- » 153 infringement notices
- » Two enforcement orders applied for and granted by the court.



## 1.1 Science

### Levels of service, measures and targets

1.1.1 Communities are able to access accurate information on the health of Northland's rivers, lakes, estuaries and harbours, and see improvements in the water's ability to support aquatic ecosystems, recreational activities and cultural values

1.1.2 Communities and agencies are provided with quality information on water quantity and water resources including rainfall, river flow, groundwater and flood levels

1.1.3 Healthy air quality is maintained and monitored, with the community made aware if standards aren't being met

Performance measure	Target	2024/25 result
Percentage of NRC environmental networks monitored for water quality and quantity, and ecology, with results and reports made openly accessible*	100%	100% – achieved All scheduled site visits for the year have occurred, with data displayed on council's website. 2023/24: 100% – achieved
Percentage of time that flood-level monitoring is accurate (to enable flood warnings to be developed) and is made openly accessible*	100%	100% – achieved All flood level monitoring for the year was accurate and made available. 2023/24: 100% – achieved
Percentage of time that continuous monitoring of air sheds is achieved, with any exceedances of National Environmental Standards reported and made openly accessible*	100%	100% – achieved There were no exceedances reported for the year. 2023/24: 100% – achieved

\*openly accessible means available on NRCs website

## 1.2 Catchment management

### Levels of service, measures and targets

1.2.1 Sustainable land and soil conservation management, including advice, funding support and education, is restoring the mauri of Northland's fresh water, wetlands and estuaries and giving effect to Te Mana me te Mauri o te Wai

Performance measure	Target	2024/25 result
Hectares of space planting on Highly Erodible Land supported by the supply of poplar/willow material and hectares of fencing carried out to support retirement of erosion-prone land, with a view to supporting the implementation of Te Mana me te Mauri o te Wai	60ha of space planting and 70ha of retirement fencing per year	69.8ha – achieved (planting) 129ha – achieved (fencing) Space planting involved the supply of 1630 poles and 26,740 wands (including in the Kaipara) over the year, while retirement fencing covered 129ha for the year. New measure
Percentage of freshwater management units where council is providing sustainable land management support* for action to restore the mauri of fresh water	100% of freshwater management units are receiving support	100% – achieved All 13 FMUs received financial support through grant funds administered by the Land Management team and one (Northern Wairoa) through substantial investment via the KMR programme (which NRC contributes to). Major engagement events form part of the support provided by council and the team attended 25 such events over the year. New measure

\*support means contribution of staff and financial support via existing funds



## 1.3 Biodiversity

### Levels of service, measures and targets

1.3.1 The indigenous biodiversity and ecosystems of Northland's forests, wetlands, lakes and coastal margins are maintained and enhanced, in line with Te Mana o te Taiao – Aotearoa NZ Biodiversity Strategy

Performance measure	Target	2024/25 result
Number of plants provided through CoastCare programme each year	15,000 or more	15,926 – achieved There were 7504 plants provided during Q1, and 8422 plants provided during Q4. No planting is undertaken over the summer months of Q2 and Q3. 2023/24: 14,672 – not achieved (target: 16,000)
Number of top-ranked lakes identified in the Northland Lakes Strategy that are under active management* with stock excluded	20 lakes	25 lakes – achieved Active management included ecological surveys at 15 lakes, annual weed surveillance at four lakes, pest plant control at four lakes, pine removal at one lake, fish surveys at five lakes, Trithuria survey at one lake, and fencing at one lake. Note that some lakes have multiple actions over the year. 2023/24: 20 lakes – achieved
Number of natural wetlands that are identified, and monitored for condition and improvement, in accordance with four-yearly wetland programme, and climate programme	15 per year, for a total of 60 over a four year period	32 – achieved All 32 wetlands identified in the existing monitoring programme are up to date with their monitoring. New measure
High value water bodies vulnerable to the effects of climate change are identified and monitored, and work continues to improve their resilience	100% of high value water bodies	100% – achieved All outstanding and high value water bodies have been monitored and work to improve their resilience continues, including ecological monitoring, pest plant removal, fencing, pest control and weed surveillance. New measure

\*Active management includes basic care standards for lakes: nutrient management, ecological monitoring, submerged weed surveillance, and weed and pest control if necessary

## 1.4 Biosecurity

### Levels of service, measures and targets

1.4.1 A tangible reduction in pests is achieved on land and in the marine environment, through engaged communities, landowners and mana whenua, as directed by the biosecurity operational plan

1.4.2 The introduction and spread of marine pests is slowed through inter-regional management

Performance measure	Target	2024/25 result
Percentage of KPI's contained within the biosecurity operational plan that are achieved to support implementation of the Regional Pest Management Plan and Marine Pathways Plan	90% of KPIs	96% – achieved Majority of KPI's within the biosecurity operational plan either have been or are on track to being achieved to support the implementation of the plan. New measure
Number of vessel hulls surveyed for marine pests each year as part of the marine biosecurity surveillance programme	At least 2000	2300 – achieved A commercial dive team was contracted to conduct hull surveillance diving from October to May this reporting year. 2023/24: 2049 hulls – achieved



## 1.5 Planning and policy

### Levels of service, measures and targets

1.5.1 Northland's aspirations for sustainable land, freshwater and coastal management are being supported through quality planning processes with Te Mana me te Mauri o te Wai embedded in freshwater planning

Performance measure	Target	2024/25 result
Development and review of council's regional policy statement and regional plan, is compliant with legislative process requirements and timeframes	100% of the time	Not achieved Some direction in the National Policy Statement for Urban Development and the National Planning Standards have not been met. Both required council to make changes to the Regional Policy Statement (RPS), however the government has now confirmed that there is not a role for an RPS in the replacement regime. It is therefore not considered effective use of council and staff time or goods and services to modify the RPS, and this approach was confirmed by council at its February meeting. 2023/24: 100% - achieved
The principle of Te Mana me o te Mauri o te Wai is included in all stages of development of the freshwater plan change	Included in all stages of draft and proposed	Included - achieved The government has delayed the notification of new freshwater planning instruments, extending the deadline from 31 December 2024 to 31 December 2027. This delay is to allow time for the review and replacement of the National Policy Statement for Freshwater Management (NPS-FM) and to ensure regional councils can align their plans with the new national direction. In the interim, Te Mana me o te Mauri o te Wai has continued to be embedded in the on-going key workstreams being progressed with the Primary Sector Liaison Group and Tāngata Whenua Water Advisory Group in response to feedback on the Draft Plan Change. New measure

## 1.6 Consents

### Levels of service, measures and targets

1.6.1 Efficient processing of resource consents that results in consistent implementation of regional plan rules across private and community developments

Performance measure	Target	2024/25 result
Percentage of all resource consent applications that are processed within the statutory timeframes	100% of applications	100% - achieved A total of 339 decisions were made during the financial year and all decisions were made within the required statutory timeframes. There were 124 consent applications (both single and bundled activities). 2023/24: 100% - achieved
The percentage of resource consent applications for the renewal of a discharge permit that council makes a decision on within four years of the lodged date	100%	100% - achieved All decisions made during the year were within the required timeframe. New measure

## 1.7 Compliance monitoring

### Levels of service, measures and targets

#### 1.7.1 Timely and effective compliance monitoring of resource consents, and response to reported environmental incidents

Performance measure	Target	2024/25 result
Percentage of consents that are monitored as per the council's consent monitoring programme	90% or more	93% – achieved Of the 5190 expected activities required to meet this target, 4826 were completed as per the consent monitoring programme. 2023/24: 95% – achieved
Percentage of environmental incidents reported to the Environmental Hotline resolved within 30 working days	80% or more	80% – achieved Of the 1213 incidents logged, 975 were resolved within 30 working days. 2023/24: 80% – achieved
Percentage of significant non-compliant graded events that have enforcement action taken	100%	98% – not achieved There were a total of 70 significant non-compliances for the year. One of these did not receive formal enforcement action, as the significant non-compliance was rectified before enforcement action was issued. New measure

# Te Taiao | Natural Environment

## Funding Impact Statement

<i>For the period ending 30 June</i>	<b>Long Term Plan 2023/24 \$000</b>	<b>Amended Long Term Plan 2024/25 \$000</b>	<b>Actual 2024/25 \$000</b>
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, and rates penalties	-	-	386
Targeted rates	23,835	29,627	29,391
Subsidies and grants for operating purposes	2,436	5,252	7,615
Fees and charges	3,067	2,759	3,704
Internal charges and overheads recovered	-	-	34
Local authorities fuel tax, fines, infringement fees and other receipts	9	-	114
<b>TOTAL OPERATING FUNDING</b>	<b>29,347</b>	<b>37,638</b>	<b>41,244</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	26,898	34,296	36,007
Finance costs	42	60	23
Internal charges and overheads applied	9,438	10,805	11,795
Other operating funding applications	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>36,378</b>	<b>45,161</b>	<b>47,825</b>
<b>Surplus/(deficit) of operating funding</b>	<b>(7,031)</b>	<b>(7,523)</b>	<b>(6,581)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital purposes	-	-	40
Increase/(decrease) in debt	-	564	-
Gross proceeds from sale of assets	-	-	(2)
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>-</b>	<b>564</b>	<b>38</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	474	316	311
to replace existing assets	336	201	431
Increase/(decrease) in reserves	(479)	(187)	(206)
Increase/(decrease) of investments	(7,362)	(7,289)	(7,079)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>(7,031)</b>	<b>(6,959)</b>	<b>(6,543)</b>
<b>Surplus/(deficit) of capital funding</b>	<b>7,031</b>	<b>7,523</b>	<b>6,581</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Te Taiao | Natural Environment**

### **Major variances compared to Year 1 (2024/25) of the Amended Long Term Plan 2024-2034**

#### **Operating Funding**

Major variances compared to Year 1 (2024/25) of the Amended Long Term Plan 2024-2034

#### **Operational Funding**

Operational Funding is \$3.61million (m) higher than the amended Long Term Plan predominantly due to:

- » Unplanned Caulerpa response funding,
- » Higher than planned Kauri protection programme funding,
- » Higher than planned Wild Deer programme funding,
- » Lower than planned funding allocated to the Predator Free programmes,
- » Higher than planned consent application,
- » Higher than planned monitoring fee income,
- » Higher than planned cost recoveries,
- » Higher than planned compliance and enforcement income,
- » Higher than planned interest earned on funding held.

#### **Application of Operational Funding**

Application of the operating funding is \$2.66m higher than the Amended Long Term Plan predominantly due to:

- » Higher than planned costs for Caulerpa and response programmes,
- » Lower than planned costs for Kauri Protection programmes,
- » Lower than planned costs for Biosecurity partnership programmes,
- » Higher than planned costs for consent application activities,
- » Higher than planned costs for monitoring activities,
- » Higher than planned compliance and enforcement activities.



# Te aumangeatanga hāpori

## Community resilience

Kia mate ururoa, kei mate wheke

Fight like a shark, not an octopus

Te Taitokerau is an incredible place to live, play and make a living, but it's vulnerable to the risks of flooding, drought and the growing effects of climate change. The region covers a significant area, on land and out on the water. Council is continually working to improve Northland's safety and resilience, and stay one step ahead of the next challenge we're likely to face.

Our community resilience group of activities pulls together different aspects of resilience. This mahi involves connecting our communities through public transport, keeping people safe on the water; identifying, assessing and providing information on natural hazards, in particular working to protect Northland communities from flood hazards; building climate resilience and emergency situations, and responding when we need to. All these activities rely heavily on collaboration with our communities, tāngata whenua, other agencies and landowners to achieve shared goals.

The community resilience group of activities relates to two of our community outcomes and progress on these is reported in the section "What we did", and via our levels of services and associated performance measures.

### Community outcome: Carbon neutral, resilient communities in a changing climate

#### » Flood risk management

This is required as a group of activities on its own under the Local Government Act, but is included here as part of the community resilience package. It has a separate funding impact statement at the end of this section.

#### » Climate action

#### » Emergency management

### Community outcome: Safe and resilient transport networks

#### » Oil pollution response

#### » Harbour safety and navigation

#### » Transport

### Changes to levels of service

In the community resilience group of activities, the levels of service within each activity remained the same as those in the Amended Long Term Plan 2024-2034. Performance measures have been well achieved, with 12 of 14 targets met. Of the two targets not met, both of these were due to circumstances outside of council's control as recorded in the following tables.

# What we did

## Flood risk management

### Awanui Flood Scheme upgrade

The major components of this upgrade are now complete. Quarry Road bridge extension was completed in the 2024/2025 work season and is now open to the public. The first phase of stopbank setback downstream of State Highway 10 is now substantially complete. Remaining works include Donald Road bridge upgrade, and floodwalls near the division of the Awanui River and Lower Whangatane Spillway. The second phase of stopbank setback in Lower Whangatane is also outstanding.

### Whangārei hydraulic flood model

The upgrading of the Whangārei hydraulic flood model and related maps, is almost complete, awaiting final release to public. This will update council's flood maps, which will include latest flood mitigation options. 95% complete.

### Flood resilient Māori communities and marae

This work incorporates seven projects and is co-funded by National Infrastructure Funding and Financing (NIFF), being \$4.2M. An additional \$1.03M was received from NIFF in early 2025 allowing council to reduce this work from a three year programme to just one, bringing the total government funding to \$5.24M (rounded). Co-funding of \$1.53M is provided by council. Multiple teams across council are involved to help improve flood resilience to our Māori communities and marae.

The seven projects include:

1. Northland flood affected marae: using GIS mapping, council overlayed the 10-year flood maps with the marae locations. This identified 35 of the most flood affected marae: 1) marae in a 10-year flood zone, and 2) marae affected by 50- and 100-year floods to a greater extent. Affected marae were approached to develop a 'preparedness plan' and this work is now 95% complete. A number of marae were also subject to physical works ranging from flood doors to full-scale earthworks. 85% complete.
2. Matangirau flood mitigation phase 2: project is designed to provide flood mitigation to the houses and marae directly upstream of the Wainui Road bridge: 100% complete.
3. Kawakawa deflection bank: this is designed with a 1:50 year protection to the shops and businesses in the low-lying sections near Old Whangae Road. Minor riverbank works remaining. 95% complete.
4. Otiria-Moerewa overland flow paths and swale: this project is reinstating overland flow paths that have been blocked, allowing re-establishing natural flow regimes. Minor earthworks remaining. 75% complete.

5. Whirinaki: unfortunately, there are no achievable flood mitigation options for this community. Council is therefore facilitating the community to have the conversation around long-term managed retreat.
6. Kaeo phase 2: this project will give additional benefit to the Kaeo township by lowering the backwater effect created by the Kaeo River and Waikarāe Creek confluence. Overall 60% complete (85% design and consent, 5% procurement and construction).
7. Punuruku: This project is largely complete, barring some minor drainage works. 98% complete.

### Kerikeri/Waipapa flood scheme

Initial catchment-wide LiDAR mapping is now 100% complete, and the deliverables are currently with our modellers for incorporation into the next phase of the flood model. Anticipated delivery date for the model outputs at this stage is mid-September 2025.

### Dargaville flood model

Staff contracted a model for the Wairoa River to better understand the complex dynamics of fluvial (river) flooding and storm surge from the Kaipara Harbour. Part of this project has been the updating of flood hazard maps for the Wairoa and its tributaries. Staff are working with Kaipara District Council to ground truth and socialise the changes to the hazard maps so that the community is aware of the updates.

## Climate action

Our work on climate action is outlined in section one of this report titled 'Climate action'.

## Emergency management

### Projects

The tsunami siren replacement project continues to progress, with 89 of the 94 new sirens installed across Northland as of July. The project is a joint initiative by all four of Northland's councils, with the Northland Civil Defence Emergency Management (CDEM) group coordinating the project. Once complete, the new sirens, along with our other warning tools, will help provide more resilient and effective warnings to Northlanders for tsunami threats.

Development of the Multi-Agency Emergency Coordination Centre (MACC) for Northland also continues. The Northland Regional Council-Fire and Emergency NZ (FENZ) MACC Heads of Agreement has been signed by council and FENZ and the council-FENZ MACC Development Agreement (binding) is in final form to be executed in July 2025. FENZ, council and WDC have completed their work on the concept design, ready for the Request for Quotation (RFQ) for Architect and Design Team (engineers, etc). The RFQ has been drafted and will also be processed in July 2025.

Developed and detailed design will progress once consultants are fully engaged. Consenting applications will be issued during the developed design stage.

### Reduction

Over the past 14 months CDEM has supported the Rivers team flood resilient Māori communities and marae project. During this period, collectively the team has significantly strengthened relationships and enhanced resilience within Māori communities through collaborative, kaupapa-driven initiatives.

A central focus for CDEM was emergency and preparedness planning with 35 marae, which successfully expanded to engage 47 marae across Te Taitokerau.

Key achievements include:

- » Engaged with 47 marae, surpassing the original target
- » Facilitated 103 hui, meetings, and workshops, directly connecting with over 217 whānau
- » Dedicated personal time and extensive travel to foster genuine, lasting relationships with marae and communities
- » Developed 17 Marae Preparedness Plans (completed or pending approval), with 13 currently in progress and 7 in the workshop phase
- » Provided support for tsunami siren upgrades, national and regional hui, and responded to increasing interest from iwi and Māori organisations in emergency readiness
- » Contributed to six major flood mitigation projects through the Rivers team.

### Response

CDEM professionals monitored, supported and responded to several events over the year:

- » On Sunday, 26 January 2025, the Kaipara District Council activated its Emergency Operations Centre (EOC) to support the response to the Mangawhai tornado. The EOC response was well supported by agencies including the Red Cross Disaster Welfare and Support Team, New Zealand Response Team, Task Force Kiwi, Auckland Emergency Management, Auckland City Council and Northland CDEM
- » On Tuesday, 25 February 2025, a fire occurred in the Waipoua Forest, burning over 90ha of vegetation. Twenty homes were evacuated, and Te Roroa Iwi supported the evacuated residents at Waikarā Marae. Te Roroa led the recovery and clean-up work
- » On 16 April 2025, Ex-Tropical Cyclone Tam approached Northland, prompting weather warnings and readiness assessments. Although the system passed quickly, it caused power outages for over 24,000 homes and businesses. Power companies worked under challenging

conditions to restore services, but around 25 homes remained without power for more than five days

- » In July, an Emergency Management Specialist was deployed to the Nelson Tasman region in response to a series of severe weather events, where she provided critical support in the welfare coordination space.

### Readiness

Community response plans and engaging with community groups remain a focus. Over the past year, the team has supported requests for new Community Response Groups and community response plan reviews. Iwi and hapū throughout Te Taitokerau have been working alongside CDEM groups, enhancing connections and developing hapū-led initiatives. Partnering with marae to develop preparedness plans remains a focus, with 37 marae preparedness plans completed, or currently in development.

### Recovery

Recovery efforts following Cyclone Gabrielle concluded in late 2024. Northland CDEM is better positioned to support future recovery initiatives, and work is ongoing to further refine the shared responsibilities for resourcing a Recovery Office. Continued collaboration will help clarify the roles and operational responsibilities of key stakeholders involved in recovery efforts. The Ngā Manga Atawhai project concluded on 30 June 2025. The Memorandum of Understanding was formally rescinded, and the project was handed over to Te Roroa. CDEM recently supported the Biosecurity team to secure Ministry for the Environment funding for emergency waste clean-up because of Ex-Tropical Cyclone Tam.

### Harbour safety and navigation

There were 147 incidents logged this year, a drop from last year's 176. This was the usual mix of bylaw offences such as speeding, accidents, aids to navigation, moorings, and small oil spills.

Work continued in improving navigation safety outcomes for remote areas with the setting up of more lifejacket hubs for those less likely to have easy access to safety equipment. These were established in conjunction with wananga designed to educate locals for better compliance with regulations and the aim of harm prevention in these communities. The community grant funding available for these initiatives in the coming years will carry on but with yet unknown new parameters for application.

Maritime patrols were carried out in the major holiday destinations over the busy summer season. The new initiative of having Iwi honorary enforcement officers to assist with better collaboration with iwi and hapū has also commenced, with four officers this year and four more a year for the next two years.

Navigational Safety Bylaw review and consultation is underway in 2025.

Scheduled Aids to Navigation six yearly maintenance and repairs are underway in the Bay of Islands and Kerikeri Inlet. Reactive maintenance is ongoing as required. A major upgrade of the Tutukaka entrance leads was completed, improving the visibility of the lights and beacons.

Of the 3000 moorings the team manage, 181 transfers of ownership took place, and 38 mooring applications processed. Within the three-year requirement, 95% were serviced on time.

In addition to its core work, the Maritime team competed 101 vessel trips for other departments within council.

Abandoned and derelict boats are a continuing growing problem, with some larger vessels a particular concern and risk. Seven vessels were removed and destroyed. Cruise ship numbers were slightly reduced this season, with 70 visitors. The new pilot vessel performed well apart from a glazing issue with a UV reflector that unfortunately also reflected light, making nighttime pilotage a problem. The glass was replaced under warranty. The silicon antifoul also performed well with a clean hull providing improved speed and fuel consumption. As a specialist designed oil spill response vessel it has also been contracted for testing of the larger Maritime NZ response equipment used for national level spills.

## **Transport**

### **Regional Land Transport Plan 2021-2027 (RLTP) - Three Year Review**

On 4 July 2024, the Regional Transport Committee (RTC) approved the release of the RLTP to the council with a recommendation that it approves the submission of the RLTP Three Year Review to the New Zealand Transport Agency Waka Kotahi (NZTA) by 1 August 2024. Council formally approved the recommendation on 23 July 2024.

At each meeting, the RTC reviews the progress of the approved funding assistance uptake for each road controlling authority.

### **Northland Regional Council Transport Procurement Strategy**

In accordance with requirements of the Land Transport Management Act 2003 and NZTA funding assistance policies, council approved the Transport Procurement Strategy on 27 May 2025. NZTA had assisted in the compilation of the document and had endorsed the draft copy to go to council for final approval.

### **Regional Public Transport Plan 2024-2034 (RPTP)**

The RPTP must be reviewed and where applicable be amended following the release of a regional land transport plan. The draft RPTP is well advanced and is presently awaiting feedback from NZTA which is reviewing it. On completion of the consultation period, the amended draft

will be provided to the RTC with a recommendation that on their approval the completed document be submitted to council with a recommendation the final RPTP be released.

### **General fares increase**

In accordance with the requirements of the Government Policy Statement on Land Transport 2024 that stipulates all approved authorities managing subsidised bus services are to increase the Private Share Revenue component of their funding sources, council, along with all other regional councils, will be increasing bus fares from 1 August 2025. Fares on the CityLink and SchoolLink services will increase by \$1.00 per trip and other Link services fares will increase by \$0.50c per trip.

### **Bus services**

#### ***CityLink and SchoolLink Services***

There has again been a slight increase in passengers carried when compared to previous years which is encouraging.

#### ***Hikurangi Link Service***

Passenger numbers have remained low throughout the quarter. Council will be introducing SuperGold Card on this service to increase passenger numbers. Should patronage remain low, a reduction in service will be considered.

#### ***Far North Link/Mid North Link/Hokianga Link***

These services continue to operate a "lifeline" service to those who have no other means of transport. The introduction of the SuperGold Card on these services continues to provide for slow but steady passenger growth.

#### ***Bream Bay Link***

This service continues to do well. Unfortunately, the planned increase in routes and services has had to be postponed due to the reduction in national and local share funding assistance

### **Total Mobility Scheme (TM) Whangārei**

This year there were 1955 more trips than the previous year due to the continuation of the government introduced 75% discount and the relaxed eligibility criteria. The TM in Whangārei continues to rise in both client numbers and trips undertaken.

A national review into the future of the TM Scheme, including eligibility and funding being undertaken by the Ministry of Transport, has stalled due to a rewrite of the Terms of Reference.

### **Total Mobility Scheme Far North**

There are currently 413 clients registered to the scheme in the Far North. The service started in Kerikeri and has since extended to Kaikohe, Kawakawa, Paihia, and Mangōnui. There will be a focus in 2025 on growing the scheme in Kaitia.



Regional road safety

Regional road safety is now undertaken by Whangarei District Council on behalf of the region.



2.1 Flood risk management

Levels of service, measures and targets

2.1.1 The safety of people and property continues to improve with Northland Regional Council leading actions under the flood adaptation work programme across its policy and planning, flood protection, Civil Defence Emergency Management (CDEM), Regional Land Transport Planning, catchment management, and adaptation activities

Performance measure	Target	2024/25 result
Number of flood events occurring as a result of failures of flood protection systems below specified design levels for the Awanui, Whangārei, Kāeo, Panguru and Otiria/Moerewa schemes	Zero	Zero – achieved Northland did not experience flood events during the year that exceeded design standards. 2023/24: Zero – achieved
Percentage of actions implemented to reduce flood risk across the region, particularly in the most vulnerable communities, as set out in the flood adaptation work programme	100% of actions implemented as per the flood adaptation work programme	100% – achieved The flood adaption work programme identified 35 of the most flood prone marae in Northland, all of which have been visited during the year. Where flood mitigation work has been identified, the team has modelled and developed plans and implemented flood mitigation measures. New measure

## 2.2 Climate action

### Levels of service, measures and targets

2.2.1 Northland is more resilient to the effects of climate change, with Northland Regional Council leading promotion, collaboration and coordination of resilience-building and carbon reduction initiatives to deliver climate resilient development region-wide

Performance measure	Target	2024/25 result
Number of outputs progressed in line with the monitoring, evaluation and reporting (MER) framework, across each of the seven climate programme work packages that support the Nga Taumata o Te Moana and Te Taitokerau Climate Adaptation Strategy	100%	100% – achieved The governance review is now complete, and six recommendations are proposed for the next two years. All scheduled public engagement events for the financial year have been delivered. New measure
Reduction in organisational emissions, in line with agreed targets in the Emissions Reduction Plan	50% reduction in GHG emissions by 2030, 90% reduction and net zero by 2050	On track to being achieved The 2023/24 financial year emissions inventory has been complete, and council are currently on track to meet the target. This includes having an external provider (Toitū Envirocare) prepare a statement and verification of this in accordance with ISO 14064-1:2018. This was complete on 14 May 2025. New measure
Percentage of council's Climate Resilience Fund allocated to Northland's most vulnerable communities in accordance with funding criteria	100% of allocations	100% – achieved The Climate Resilience Fund was allocated in its entirety during the financial year. New measure

## 2.3 Emergency management

### Levels of service, measures and targets

2.3.1 Communities are well informed and supported to understand, plan for and respond to risks and emergencies as they arise

Performance measure	Target	2024/25 result
Number of up-to-date community response plans and marae preparedness plans in place across the region	Maintain or increase (from baseline)	63 plans – achieved/ baseline established New measure
Number of objectives outlined in the Northland CDEM Group plan work programme, across Māori engagement, reduction, readiness, response and recovery, that are progressed and reported on quarterly	100% of objectives outlined in the plan are progressed	100% – achieved All objectives outlined in the plan have been successfully achieved, with several new initiatives launched to further enhance outcomes. Progress against established targets was monitored and reported quarterly to the Coordinating Executive Group (CEG) and Civil Defence Emergency Management (CDEM) Group. New measure

## 2.4 Oil pollution response

### Levels of service, measures and targets

2.4.1 The risk to Northland's coastline from oil spills is significantly reduced by an efficient oil pollution response system

Performance measure	Target	2024/25 result
A regional oil spill response plan is maintained, including a minimum of up to 30 up-to-date trained responders	Minimum of 30 responders 100% of the time	Average of 29 responders – not achieved While there are currently 30 trained responders, quarterly reporting has shown less than 30, therefore this measure has not been achieved (given the target of “100% of the time”). However, a review by Maritime NZ recommended 20 responders now that the refinery has closed. While the plan is to update the number of responders to 20, this will take time as it must go through Maritime NZ processes. This result is considered outside of council's control as responders had to wait for training course allocation. 2023/24: 33 responders – achieved

## 2.5 Harbour safety and navigation

### Levels of service, measures and targets

2.5.1 Navigation on Northland's waters is safe and sustainable with well-managed systems

Performance measure	Target	2024/25 result
Percentage of time that marine activities are safely managed, with operational Harbour Safety Management Systems that comply with the national Port and Harbour Marine Safety Code	100% of the time	95% – not achieved Code review is booked for July, therefore while staff expect 100% compliance by August 2025, this is not within the 2024/25 reporting period and does not meet the target “100% of the time”. This result is considered outside of council's control. 2023/24: 90% – not achieved
For every replacement vessel a rigorous assessment process is undertaken to demonstrate suitability for electrification	100% of the time	100% – achieved No replacement vessels were considered and therefore no assessment for electrification was necessary. However, this remains under active consideration. New measure

## 2.6 Transport

### Levels of service, measures and targets

2.6.1 Northland communities are supported by resilient and sustainable transport networks, and can travel safely with as little impact on the environment as possible

Performance measure	Target	2024/25 result
Percentage of passengers surveyed on the Whangārei, Kaitaia and Mid-North bus services every two years that are satisfied with the overall service provided	90%	99% – achieved The Passenger Satisfaction Survey, conducted by a neutral 3rd party across all contracted Link Bus Services, showed that 99% of passengers interviewed rated the services satisfactory to extremely satisfactory. 2023/24: no information available
Delivery of major infrastructure projects set out in the Regional Land Transport Plan is monitored with any progress issues reported to the Regional Transport Committee quarterly	Quarterly reporting on progress	100% – achieved Quarterly reports on national funding uptake, land transport progress, NZTA pothole repairs, site management, and district council infrastructure are presented at each Regional Transport Committee meeting. New measure
Council's vehicle fleet continues to de-carbonise in accordance with Emissions Reduction Plan targets, with an electric alternative considered for every vehicle replacement	100% of the time	100% – achieved Pricing for the new hybrid utes has been obtained and orders placed, however delivery dates are yet unknown. New measure
The bus fleet is electrified in line with national ERP targets and council's ERP targets	Y1 – Feasibility study Y3 – Secure budget required via LTP	100% – achieved A review of all passenger transport contract documents has begun to ensure consistency across tenders. EV implementation will be included in the upcoming Request for Tender. Staff have engaged with Auckland Transport, operators, and other councils to assess the feasibility of introducing electric buses to the CityLink service from 1 July 2027. New measure



# River Management

## Funding Impact Statement

<i>For the period ending 30 June</i>	<b>Long Term Plan 2023/24 \$000</b>	<b>Amended Long Term Plan 2024/25 \$000</b>	<b>Actual 2024/25 \$000</b>
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, and rates penalties	-	-	59
Targeted rates	4,714	4,765	4,747
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	4	-	52
Local authorities fuel tax, fines, infringement fees and other receipts	122	69	54
<b>TOTAL OPERATING FUNDING</b>	<b>4,840</b>	<b>4,834</b>	<b>4,912</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	1,683	1,326	3,869
Finance costs	501	614	736
Internal charges and overheads applied	597	594	518
Other operating funding applications	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>2,781</b>	<b>2,534</b>	<b>5,123</b>
<b>Surplus/(deficit) of operating funding</b>	<b>2,059</b>	<b>2,300</b>	<b>(211)</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital purposes	-	4,635	3,636
Increase/(decrease) in debt	-	1,495	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>-</b>	<b>6,130</b>	<b>3,636</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	4	5,730	4,016
to replace existing assets	-	-	687
Increase/(decrease) in reserves	1,068	5,795	2,610
Increase/(decrease) of investments	988	(3,095)	(3,888)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>2,059</b>	<b>8,430</b>	<b>3,425</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(2,059)</b>	<b>(2,300)</b>	<b>211</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **River Management**

### **Major variances compared to Year 1 (2024/25) of the Amended Long Term Plan 2024-2034**

#### **Operating Funding**

Operating funding is \$78 thousand (k) higher than the Amended Long Term Plan predominantly due to:

- » Higher than planned rates revenue.

#### **Application of Operational Funding**

Application of the operating funding is \$2.59 million (m) higher than the Amended Long Term Plan predominantly due to:

- » Higher than planned costs for river works programmes,
- » Higher than planned flood mitigation programmes.

#### **Sources of Capital Funding**

Sources of capital funding is \$2.49m lower than the amended Long Term Plan predominantly due to:

- » Lower than planned funding for the rivers programmes,
- » Lower than planned borrowing for flood infrastructure programmes.

#### **Application of Capital Funding**

Application of Capital Funding is \$5.0m lower than the Amended Long Term Plan predominantly due to:

- » Reserve funding increasing less than expected due to higher operational spending during the year and the deferral in drawing the planned additional debt.

# Te aumangeatanga hapori | Community Resilience

## Funding Impact Statement

<i>For the period ending 30 June</i>	Long Term Plan 2023/24 \$000	Amended Long Term Plan 2024/25 \$000	Actual 2024/25 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, and rates penalties	-	-	107
Targeted rates	8,728	9,115	9,105
Subsidies and grants for operating purposes	5,102	7,689	6,468
Fees and charges	1,727	2,950	2,891
Internal charges and overheads recovered	-	-	183
Local authorities fuel tax, fines, infringement fees and other receipts	22	30	155
<b>TOTAL OPERATING FUNDING</b>	<b>15,579</b>	<b>19,784</b>	<b>18,909</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	11,949	13,489	12,098
Finance costs	138	257	109
Internal charges and overheads applied	1,879	2,226	2,297
Other operating funding applications	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>13,966</b>	<b>15,972</b>	<b>14,504</b>
<b>Surplus/(deficit) of operating funding</b>	<b>1,613</b>	<b>3,812</b>	<b>4,403</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital purposes	-	1,303	2,751
Increase/(decrease) in debt	1,000	3,789	-
Gross proceeds from sale of assets	-	-	(7)
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>1,000</b>	<b>5,092</b>	<b>2,744</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	1,685	6,680	258
to replace existing assets	38	-	1,965
Increase/(decrease) in reserves	977	3,658	4,434
Increase/(decrease) of investments	(87)	(1,434)	490
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>2,613</b>	<b>8,904</b>	<b>7,147</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(1,613)</b>	<b>(3,812)</b>	<b>(4,403)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Te aumangeatanga hapori | Community Resilience**

### **Major variances compared to Year 1 (2024/25) of the Amended Long Term Plan 2024-2034**

#### **Operational Funding**

Operating funding is \$875 thousand (k) lower than the Amended Long Term Plan predominantly due to:

- » Lower than planned subsidies and contributions for Regional Transport programmes,

Offset by;

- » Unplanned subsidies for Flood Resilience Co-Investment programmes.

#### **Application of Operational Funding**

Application of the operating funding is \$1.47m lower than the Amended Long Term Plan predominantly due to:

- » Lower than planned passenger transport programmes,

Offset by;

- » Unplanned Flood Resilience Co-investment funding.

#### **Sources of Capital Funding**

Sources of capital funding is \$2.35 m lower than the Amended Long Term Plan predominantly due to;

- » Grants for Tsunami Siren upgrade programme being classified as capital funding,
- » Grants for Joint Emergency Co-ordination centre being classified as capital funding.

Offset by;

- » No borrowings for Joint Emergency Co-ordination centre as planned in the Amended Long Term Plan.

#### **Application of Capital Funding**

Application of Capital funding is \$1.76m lower than the Amended Long Term Plan predominantly due to;

- » Lower than planned capital expenditure on the Joint Emergency Co-ordination Centre programme partially offset by  
Higher than planned capital expenditure on the Tsunami siren replacement programme.



# Te hautūtanga ā-rohe

## Regional leadership

Mā te kotahitanga

E whai kaha ai tātou

In unity we have strength

There's a lot we do that our community can see, touch and experience, such as trapping pests, planting or riding buses. But many of the things we do are less visible, yet critical to the successful operation of council. Having a good understanding of the wants and needs of Northland's people to inform strong leadership and decision-making, ensuring that we're ahead of the game with statutory obligations to Māori and that we're transparent and accessible - this underpins all that we do as regional leaders.

The regional leadership group of activities sets out what we're doing in these areas, and encompasses the essential corporate and support functions required to ensure we're running in the most efficient, accountable and legislatively compliant manner. It also captures the work we're doing to promote sustainable economic development for Te Taitokerau.

The regional leadership group of activities relates to three of our community outcomes and progress on these is reported in the section "What we did", and via our levels of services and associated performance measures.

### **Community outcome: Meaningful partnerships with tāngata whenua**

» Māori partnerships

### **Community outcome: A sustainable, innovative and equitable economy**

» Economic development

### **Community outcome: Efficient, progressive and transparent council systems**

» Governance

» Community engagement

» Customer services

» Corporate services

### **Changes to levels of service**

In the regional leadership group of activities, levels of service within each activity remained the same as those in the Amended Long Term Plan 2024-2034. Performance measures have been partially achieved with 11 of 17 targets met. Of the six targets not met, one of these was due to miscommunication and an accidental oversight, one was due to prioritisation issues, two were due to circumstances outside of council's control, one was due to insufficient data collected, and one was due to lack of staff satisfaction as recorded in the following tables.

## What we did

### Meaningful partnerships with tāngata whenua

Our work with Māori is outlined in section one of this report titled 'Meaningful partnerships with tāngata whenua'

### Economic development

A major focus of work for 2024/25 was supporting the Joint Regional Economic Development Committee (JREDC). The JREDC was established by Northland Regional Council, Far North District Council and Kaipara District Council to work together on economic development related activities, including the joint shareholder responsibilities for Northland Inc, such as the development of a statement of intent and appointment of directors. Work this year included integrating Whangarei District Council (WDC) as a member of the JREDC following the adoption of its 2024-2034 Long Term Plan on 16 July 2024, which included a decision to become a shareholder and provide funding into the Investment and Growth Reserve (IGR).

An important piece of work undertaken by JREDC was to work with Northland Inc to develop Igniting Northland's Potential, the region's light-touch regional deal proposal submitted to government in February 2025. This drew on Te Rerenga, the economic wellbeing pathway for the region developed in 2023/24 and endorsed by council on 27 August 2024.

A loan of \$5M was provided to Te Tai Tokerau Water Trust (TTWT) under a funding agreement to support the construction of the Mid North Water Scheme east of Kaikohe. Funding came from the Regional Projects Reserve. Construction of the Otawere Reservoir and associated distribution network is expected to be completed in 2025/26.

Work to support Māori economic development through the provision of data and analysis (e.g. Census 2023), to internal committees such as Te Ruarangi, and external organisations such as Te Hiku Iwi Development Trust was used to assist council's input into the development of Northland Inc's Statement of Intent 2025/26 and the regional deals proposal.

Council continued to lobby central government for improved infrastructure, including transport networks and marine industry development. The Northland Economic Quarterly was given a significant revamp, and four issues were published.

### Community engagement

Building on the foundation of He Toa Takitini, council's Community Engagement Strategy, the team worked alongside communities across Te Taitokerau to support and deliver meaningful, impactful engagement through events, campaigns, and consultations.

### Events and engagement

Council had a strong presence at major regional events including Waitangi Day (80,000 attendees), Northland Field Days (2000+ engagements), and multiple A&P shows. Our interactive displays, wild food giveaways, and educational games helped raise awareness on topics like marine biosecurity, pest control, biodiversity, climate action and freshwater management.

### Funding and awards

The sixth Whakamānawa ā Taiao – Environmental Awards celebration was held in June in Waitangi. These biennial awards recognise and celebrate individuals and groups making a meaningful impact to help Taitokerau thrive. This year, 11 winners were recognised – including nine category winners, one supreme winner, and one special award recipient – selected from a pool of 20 finalists. The next awards are scheduled for 2027.

The Tū i te ora Scholarship continued to support local tertiary students, with six recipients gaining financial support and paid work experience across council teams.

The Environmental Leaders Fund (ELF) allocated \$35,000 to support 20 school and early childhood centre projects focused on climate action, biodiversity enhancement, water protection, kai growing, and ecosourcing – empowering communities with environmental knowledge and resilience.

Council also provided sponsorship for key regional events, including Te Taitokerau Māori Business 2025 (held biennially), Te Āhuareka o Ngāti Hine (held biennially), the Ballance Farm Environment Awards, the Northland Business Excellence Awards, and the two Northland Science Fair Awards.

### Key projects

The Rangatahi Executive Panel project was launched to support the development of a meaningful youth voice within council. Hundreds of young people contributed via surveys and focus groups, offering insights into their understanding of council, their priorities, and their desire for representation. These findings, combined with input from facilitated focus groups, are helping shape a model for meaningful youth participation at council.

### Campaigns and communications

Community Engagement delivered strategic, multi-channel campaigns to support council priorities and consultations, including the Long Term Plan, the Marsden Maritime Holdings/Northport proposal, the Regional Pest Management Plan review, and the Navigation Safety Bylaw. The team developed clear, accessible content to encourage public feedback and raise awareness on key issues – including targeted summer messaging around exotic caulerpa and boating safety through the "Good to Go" campaign.

## Education

This year saw strong engagement across Te Taitokerau through the Enviroschools Programme, with facilitators supporting an average of 60-90 enviroschools communities monthly, both in person and online. The launch of the Friends of Enviroschools group extended sustainability resources and event access to more communities, while the updated holistic reflection process empowered schools to celebrate and plan their sustainability journeys more flexibly.

Council's NCEA-based Project Pest Control and Wai Fencing courses continued to thrive, with record enrolments and expanded practical workshops held across Kaipara, Whangārei, and the Far North. Students gained hands-on experience in pest control, fencing off waterways, and environmental theory, supported by industry experts and council staff.

Collaborative events such as Ngā Wai Enviroschools Encounters and the Te Rawhiti Young Kaitiaki Summer Programme offered immersive freshwater and marine education experiences. These included electric fishing, aquatic bug monitoring, dune care, and ocean literacy, engaging hundreds of students and tamariki alongside their whānau.

The Environmental Leaders Fund supported climate action projects like recycling centres and food gardens, while new initiatives such as pest control in early childhood centres and marine ecosystems education near Mimiwhangata and Cape Brett broadened the reach of environmental learning. Council also contributed to safe and sustainable school transport planning and hosted a well-received caretaker workshop focused on sustainability practices.

## Customer services

The total number of incoming calls through customer services was 16,185 and the mailroom processed 7580 items of mail.

## Corporate services

### Section 17a service delivery reviews

The following section 17a service delivery reviews were completed and considered this year: Communication and Engagement, Economic Development, Governance and Māori Relationships.

It was determined that the current predominantly insourced model demonstrates the best options including minor improvements for cost effective delivery of these services at this time.

### Regional Sporting Facility Rate allocation

Council completed the full disbursement of \$1.8M of Regional Sporting Facility Rate funding to Northland Football Hub for the creation of the new complex in Tikipunga, Whangārei. This was officially opened on 24 May 2025.

This completed the disbursement of all allocations for the 2021 to 2024 period and included grants to Bike Northland at the Pohe Island Sports Hub, Whangārei; to Kaikohe and Districts Sportsville for the creation of the new Multisport Complex at Lindvart Park, Kaikohe; and to the Kerikeri Squash Club for a new four court facility.

### Regional Rescue Services Rate allocation

Council continues to support vital life-saving organisations through the Regional Rescue Services Fund. This funding, reaffirmed in the 2024-2034 Long Term Plan, is now distributed through a contestable process among six recipients, underscoring the council's long-standing commitment to regional rescue efforts. The organisations funded through to 2027 provide critical emergency response capabilities across land, sea, and air, with strong support from volunteers and our communities.

The recipients for the 2024-2027 funding cycle include the Northland Emergency Services Trust (NEST), Surf Life Saving Northern Region, Coastguard Northern Region, Northland Search and Rescue, Far North Search and Rescue, and Far North Radio and Sea Rescue.

### Ballance site remediation

Council's ground lease tenant, Ballance Agri-Nutrients Ltd (Ballance) recently exited the 14ha site located at 124 – 130 Fertilizer Road, Port Whangārei. The property had been either a site of fertiliser manufacture or distribution for 63 years, and in Ballance stewardship 28 of these, producing some contamination and safety risk. Hence, Ballance and council sought to remediate the site involving programmed demolition of buildings alongside soil and groundwater testing. Many of the buildings were well beyond repair and old enough to require licenced asbestos assessor services before, during and after demolition. The works spanned two years and have yielded up a significant industrial area property, meeting environmental and zoning standards, within the city and with significant potential for successful development.

### TechnologyOne financial system upgrade and Accounts Payable automation / e-invoicing

During the year the council completed a major step forward in its digital transformation journey with the successful implementation of TechnologyOne's CiA Financial system and EzeScan's Accounts Payable automation solution.

This dual upgrade provides the council with a modern, cloud-first platform that seamlessly integrates core operations, enhances data-driven decision-making, boosts efficiency, and delivers greater value to both customers and stakeholders.

The upgrade to CiA and EzeScan was completed within the approved budget and implemented with minimal disruption to business operations.

## 3.1 Governance

### Levels of service, measures and targets

#### 3.1.1 Council maintains effective and transparent democratic processes

Performance measure	Target	2024/25 result
Percentage of official information requests that are responded to within 20 working days	100%	99% – not achieved Of the 401 LGOIMA requests received for the financial year, only three were not responded to within the required timeframes. Two were due to a delay in communicating time extensions and one was an unintentional oversight for which remedial action is now in place to avoid a recurrence. 2023/24: 99.2% – not achieved
Percentage of time that elected members attend council meetings	90%	95% – achieved This is an average across the four quarters. Note that this measure records only that a member was present, not whether they attended the entire meeting or not. 2023/24: 95.6% – achieved
Percentage of time that council decisions actively involve the community, in accordance with council's Significance and Engagement Policy	100%	100% – achieved A random sample of decision-making reports from the 11 months with ordinary council meetings was reviewed. Each report's consideration of significance and engagement, and community views, was analysed. All 11 reports complied with the council's Significance and Engagement Policy, with community involvement appropriately addressed—ranging from matters requiring no public input due to their routine nature, to decisions involving full public consultation. New measure

## 3.2 Māori partnerships

### Levels of service, measures and targets

#### 3.2.1 Enduring relationships between council and Māori are working to deliver on the aspirations of Māori, and strong outcomes for Te Taitokerau, supported by capable and skilled leaders

Performance measure	Target	2024/25 result
An independent Treaty Health Check is completed bi-annually, and recommendations from this are being implemented	Bi-annual completion with implementation underway	Complete – achieved The Health Check process, including workshoping with council and Te Ruarangi members, has been completed. However, the report is yet to be presented, as council has requested an additional workshop to review and discuss the findings before it is endorsed by Te Ruarangi and formally adopted by council this term. 2023/24: incomplete – not achieved
Percentage of councillors and executive leadership team that participate in annual core cultural competency training	100%	100% – achieved All councillors and the Executive Leadership Team attended cultural competency training throughout the year. 2023/24: 100% – achieved
Percentage of council employees that undertake cultural competency training within 12 months of employment, and complete a refresher every three years	100%	56% (12 mth training) 33% (36 mth refresher) – not achieved This is an average across the four quarters. Note reporting this year has focused on Te Whāriki Level 1 as the marker. Next year staff will look to include a range of options for undertaking competency training in addition to Te Whāriki Level 1. New measure
Percentage of Mana Whakahono ā Rohe agreements established that meet key statutory obligations, reflecting mutually beneficial and respectful negotiations between council and iwi/hapū	100% of agreements compliant	100% – achieved



Level of satisfaction of tāngata whenua with council's relationships and partnerships with them	Satisfaction levels increase annually, up to 80% by 2034	<p>An agreement was signed with Ngāti Hine on 12 December 2024. The six-month review with Te Parawhau, originally scheduled for Q2, has been deferred to accommodate their higher-priority commitments. Staff continue to respect their leadership in determining the timing. Staff are also engaging with our MWaR partners around a collective review approach aligned with their available resources and priorities.</p> <p>New measure</p> <p>Baseline not established – not achieved</p> <p>Staff have received direction from Te Ruarangi that their satisfaction will be reported more appropriately through the Tiriti Health Check process, which has been completed, rather than via a percentage-based survey as originally targeted. This result is considered outside of council's control.</p> <p>New measure</p>
Percentage of priority actions set out in Tāiki ē (council's Te Tiriti strategy and implementation plan), that are commenced within the timeframes identified in the plan (as endorsed by Te Taitokerau Māori and Council Working Party)	100% of actions	<p>100% – achieved</p> <p>All actions have commenced according to planned timeframes and are reported at each formal Te Ruarangi meeting. An annual report highlighting achievements and progress from Tāiki ē is underway and will be presented to Te Ruarangi and council in August.</p> <p>New measure</p>
Percentage of tāngata whenua environmental funding that is allocated to iwi and hapū to enhance and enable mātauranga Māori outcomes that inform council policy development and decision making	100% of funding allocated	<p>100% – achieved</p> <p>Both tāngata whenua environmental and IHEMP funding was fully allocated with a robust process that included the Science and Monitoring teams to ascertain worthy recipients. Funding was oversubscribed and staff continue to work with unsuccessful applicants to support applications for the following year.</p> <p>New measure</p>

## 3.3 Economic development

### Levels of service, measures and targets

3.3.1 Northland's economic wellbeing is made more resilient by the coordination and delivery of sustainable economic development activities and funding across the region, and is benefitting from well-established partnerships

Performance measure	Target	2024/25 result
Northland Inc's annual statement of intent contains at least one KPI relating to supporting businesses transition to net zero-carbon	At least one a year	<p>100% – achieved</p> <p>Northland Inc's SOI 2024/25 contains the two relevant KPIs.</p> <p>New measure</p>
Council is contributing to at least one big infrastructure project that supports economic development in the region each year	At least one a year	<p>100% – achieved</p> <p>An agreement to support the Mid North Water Scheme was signed in November and funding was provided in December 2024.</p> <p>New measure</p>
Percentage of actions in the regional economic development strategy being implemented in accordance with the phasing schedule/plan each year	100% of actions	<p>Unknown – not achieved</p> <p>Reporting on the percentage of completed actions for 2024/25 isn't possible yet, as the implementation plan is still being finalised. This result is considered outside of council's control.</p> <p>New measure</p>

## 3.4 Community engagement

### Levels of service, measures and targets

3.4.1 Communities are well informed about council's work, know how to get involved, and are engaged in council processes

Performance measure	Target	2024/25 result
Percentage of residents surveyed who are satisfied with overall communication and engagement	Maintain or increase	39.2% – achieved (Baseline is 33%) During the year, a total of 51 people responded to the question "How satisfied are you with how we communicate and engage with you?" Of those, 20 were either 'very satisfied' or 'satisfied'. 2023/24: 33% – not achieved (2022/23 result was 35%)

## 3.5 Customer services

### Levels of service, measures and targets

3.5.1 Quality service is provided, that is effective and informative

Performance measure	Target	2024/25 result
Percentage of customers surveyed who are satisfied with the quality of service received following an interaction with council	Maintain or increase	Insufficient data – not achieved/baseline not established While this is an existing KPI, the methodology changed significantly (to try and gain a larger sample set), therefore this reporting year aimed to establish a new baseline. However, with only 11 responses received, staff believe the data is insufficient. Efforts will continue to gather more responses for a more accurate baseline. 2023/24: 65% – not achieved (2022/23 result was 69.5%)

## 3.6 Corporate services

### Levels of service, measures and targets

3.6.1 The corporate systems and investments that support council activities are effective and future-focused

Performance measure	Target	2024/25 result
Percentage of staff satisfied with the quality of internal systems and processes that support the delivery of council work	90% of staff satisfied	69% – not achieved An annual staff survey resulted in 72 responses, of which 50 were either 'extremely satisfied' or 'satisfied'. The feedback gathered has been analysed and results taken to the Corporate Services Managers team to action. New measure
Percentage return achieved across council's investment portfolio that is available to fund council activities	At least 7% net return per annum (as per the investment policy)	25.5% – achieved New measure

# Te hautūtanga ā-rohe | Regional Leadership

## Funding Impact Statement

<i>For the period ending 30 June</i>	Long Term Plan 2023/24 \$000	Amended Long Term Plan 2024/25 \$000	Actual 2024/25 \$000
<b>Sources of operating funding</b>			
General rates, uniform annual general charges, and rates penalties	-	-	146
Targeted rates	9,412	11,309	11,275
Subsidies and grants for operating purposes	492	456	1,120
Fees and charges	154	633	1,318
Internal charges and overheads recovered	13,549	15,724	16,429
Local authorities fuel tax, fines, infringement fees and other receipts	12,245	10,840	12,187
<b>TOTAL OPERATING FUNDING</b>	<b>35,852</b>	<b>38,962</b>	<b>42,475</b>
<b>Applications of operating funding</b>			
Payments to staff and suppliers	29,337	30,765	30,398
Finance costs	511	1,192	703
Internal charges and overheads applied	1,626	2,008	1,794
Other operating funding applications	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>31,474</b>	<b>33,965</b>	<b>32,895</b>
<b>Surplus/(deficit) of operating funding</b>	<b>4,378</b>	<b>4,997</b>	<b>9,580</b>
<b>Sources of capital funding</b>			
Subsidies and grants for capital purposes	-	-	-
Increase/(decrease) in debt	-	40,118	40,190
Gross proceeds from sale of assets	-	-	(83)
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>-</b>	<b>40,118</b>	<b>40,107</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	507	4,857	351
to replace existing assets	454	535	339
Increase/(decrease) in reserves	(3,152)	(1,487)	4,478
Increase/(decrease) of investments	6,567	41,210	44,519
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>4,378</b>	<b>45,115</b>	<b>49,687</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(4,378)</b>	<b>(4,997)</b>	<b>(9,580)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Te hautūtanga ā-rohe | Regional Leadership

### Major variances compared to Year 1 (2024/25) of the Amended Long Term Plan 2024-2034

Operating funding is \$3.51million (m) higher than the Amended Long Term Plan predominantly due to:

- » Unplanned funding for CCO support,
- » Unplanned funding contributions for information systems,
- » Unplanned cost recoveries from tenancies,
- » Unplanned funding for Iris Next Gen programme,
- » Unplanned funding for the Strategic review.

#### Application of Operational Funding

Application of the operating funding is \$1.07m lower than the Amended Long Term Plan predominantly due to:

- » Higher than planned costs on the strategic review,
- » Lower than planned member representation and advisory costs.

#### Application of Capital Funding

Application of Capital Funding is \$4.57m higher than the Amended Long Term Plan predominantly due to:

- » Lower than planned development of commercial property development costs,
- » Reserve funding increasing greater than expected due to receiving unplanned operational funding during the year.



# Financial prudence

## Rates affordability benchmarks

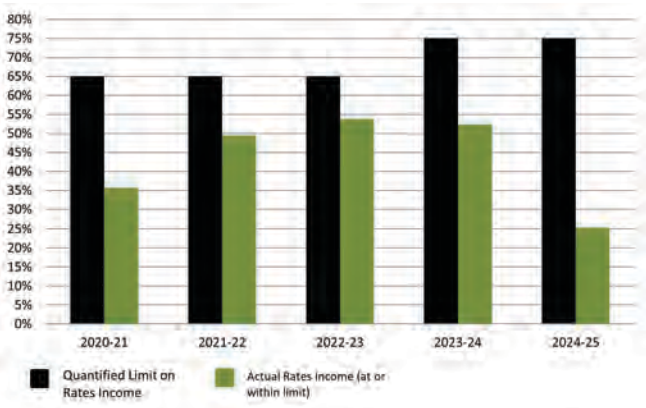
The council meets the rates affordability benchmark if:

- » Its actual rates income equals or is less than each quantified limit on rates (no more than 65% total revenue); and
- » Its actual rates increases equal or are less than each quantified limit on rates increases.

### Rates income affordability

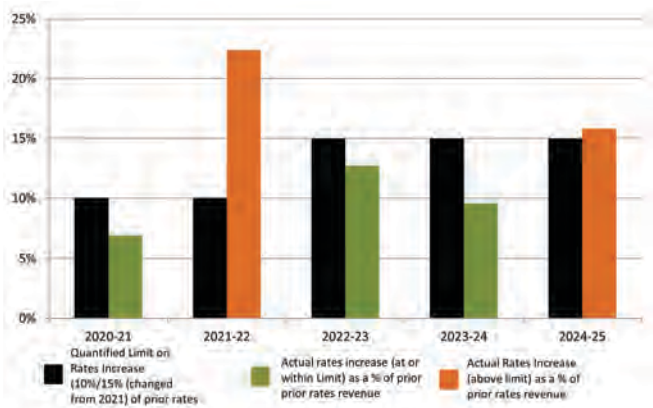
The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's amended long-term plan 2024-2034. The quantified limit is no more than 75% of total revenue in 2022-23 and 2021-22 but for prior years it was 65%.

In the 2024-25 year there was a large fair value gain included in revenue in recognition of the joint venture transaction for Northport Holding Limited. If this is excluded from revenue the actual rates income % sits at 54% which is in line with 2023-24.



### Rates increase affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases in the financial strategy included in the council's amended Long Term Plan 2024-2034. The quantified limit is 15%, but prior to 2021-22 years it was 10%.



In 2021-22 and 2024-25 Council decided to breach their quantified limit on rates rises in order to undertake programmes that allow them to meet community and central government expectations. These are considered exceptional years and an opportunity to position council for the medium to long term.

## Debt affordability benchmarks

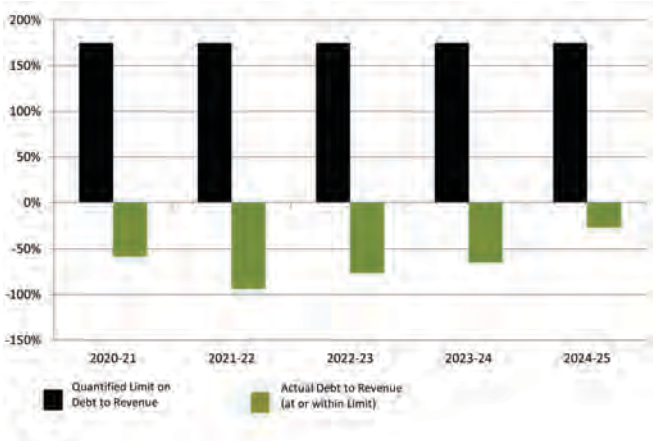
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graphs compare the council's actual borrowing with quantified limits on borrowing stated in the financial strategy included in the council's amended Long Term Plan 2024-2034.

Northland Regional Council has \$66,040,692 of external debt.

### Net debt to total revenue

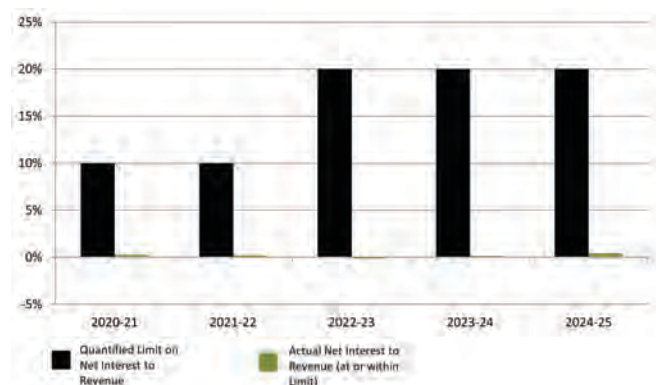
The quantified limit for net debt as a proportion of total revenue is 175%.



Northland Regional Council carries significant investments categorised as non-current assets that could be liquidated if required.

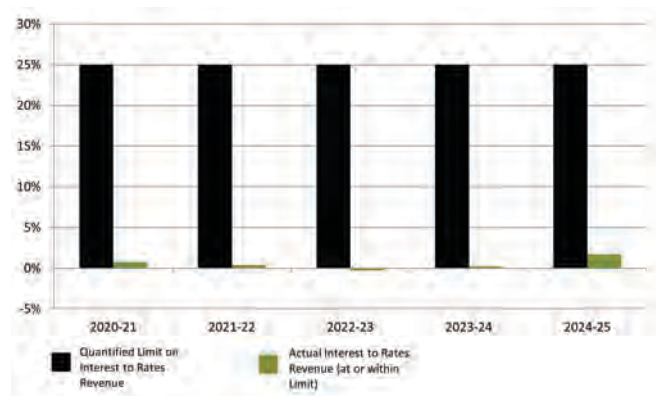
### Net interest to total revenue

The quantified limit for Net Interest as a proportion of total revenue is 20% for 2024-25 and 2021-22 and 10% for previous financial years.



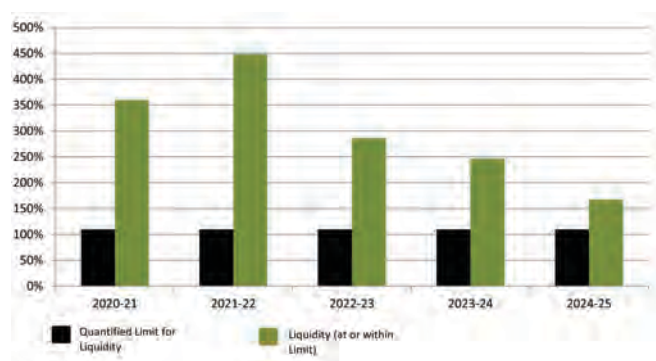
### Net interest to annual rates revenue

The quantified limit for net interest as a proportion of annual rates revenue is 25%.



### Liquidity

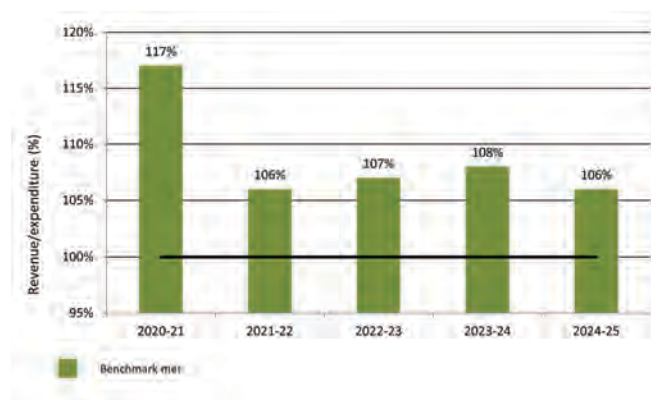
Council measures liquidity as total externally managed funds over total external borrowings. The quantified limit for liquidity is set as a minimum of 110%. From 2021-22 the total externally managed funds excludes any private equity funds.



## Balanced budget benchmark

This graph shows council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating

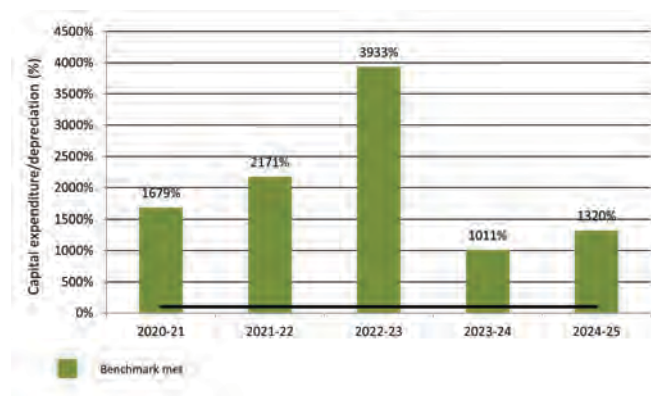
expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The totals used in the graph do include gains or losses on disposal of property, plant, or equipment. Council meets this benchmark if its revenue equals or is greater than its operating expenses. The benchmark is represented by the black line.



## Essential services benchmark

This graph shows the council's capital expenditure on network services (flood protection) as a proportion of depreciation on network services.

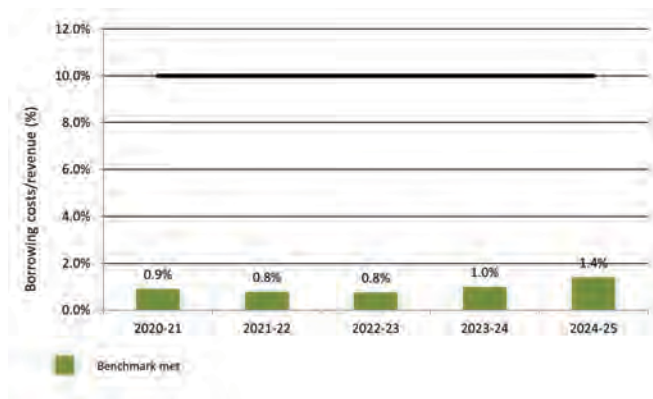
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. The benchmark is represented by the black line.



## Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the population served by the council will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. The benchmark is represented by the black line.



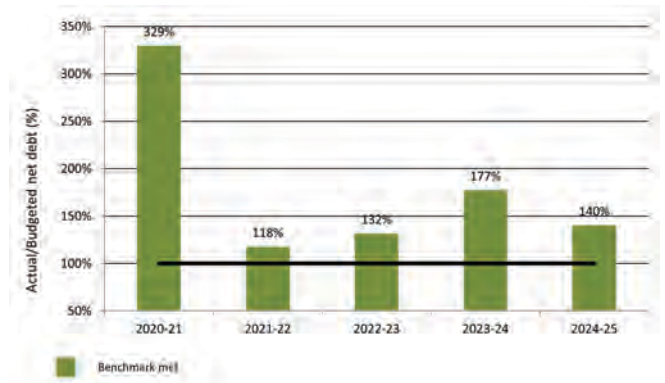
## Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

Northland Regional Council has low external debt, so therefore has planned to have net assets in all the years represented in the following graph. Financial Assets (excluding trade and other receivables) were planned to exceed its financial liabilities.

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt. For the purposes of this measure 100% equals planned net assets and an amount higher than 100% represents lower net debt than planned. The benchmark is represented by the black line.

2020-21 reflects lower actual net debt due to the sale proceeds of the MPRL JV being held in council's investment portfolio, lower than planned financial assets being required to fund development projects that were delayed due to COVID-19, and lower than planned borrowings required for capital works.

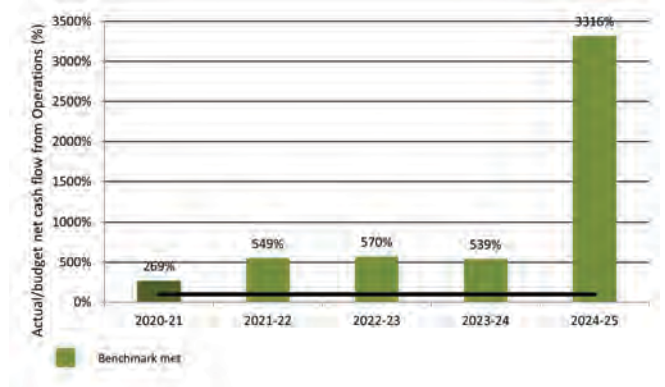


## Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations. For the purposes of this measure 100% equals planned net cash flow. The benchmark is represented by the black line.

In the 2024-25 year, the budget to actual variance in operating cash flow reflects both lower than expected supplier and staff payments, as well as the impact of assumption-based adjustments made by the budgeting system that did not materialise in the actual result.







Wāhanga tuatoru: Tauākī pūtea

Section three: Financial statements



# Statement of comprehensive revenue and expense

For the year ended 30 June 2025	Note	Council 30-Jun-25 \$000	Amended Long Term Plan 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>Revenue</b>						
Rates		55,216	54,815	47,676	55,216	47,676
Fees and charges		7,327	6,343	7,475	9,616	9,822
Subsidies and grants	2(iv)	21,630	19,335	22,217	21,630	22,217
Revenue from activities		-	-	-	50	44
Interest revenue		953	188	732	985	766
Other revenue	2(ii)	6,180	5,604	7,453	13,843	12,954
Other gains	2(iii)	126,690	130,699	5,552	50,112	5,577
<b>TOTAL REVENUE</b>	<b>1</b>	<b>217,996</b>	<b>216,984</b>	<b>91,105</b>	<b>151,452</b>	<b>99,056</b>
<b>Expenses</b>						
Personnel costs	3	32,093	33,544	28,068	34,827	30,244
Depreciation and amortisation expense	13	2,176	2,442	2,182	2,757	2,744
Finance costs		1,277	2,031	852	3,601	2,702
Other expenses	4	51,279	54,160	51,619	62,824	61,034
<b>TOTAL EXPENSES</b>	<b>1</b>	<b>86,825</b>	<b>92,177</b>	<b>82,721</b>	<b>104,009</b>	<b>96,724</b>
Share of associate and joint venture company surplus/(deficit)	12(i),(ii)	34	-	14	8,553	7,960
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>		<b>131,205</b>	<b>124,807</b>	<b>8,398</b>	<b>55,996</b>	<b>10,292</b>
Income tax expense	5	-	-	-	114	(488)
<b>SURPLUS/(DEFICIT) AFTER TAX</b>		<b>131,205</b>	<b>124,807</b>	<b>8,398</b>	<b>56,110</b>	<b>9,804</b>
<b>SURPLUS/(DEFICIT) ATTRIBUTABLE TO:</b>						
Northland Regional Council		131,205	124,807	8,398	53,739	7,766
Non-controlling interest					2,371	2,038
<b>Other comprehensive revenue and expense</b>						
<i>Items that will be reclassified to surplus/(deficit):</i>						
Net hedging movement	16	-	-	-	(781)	(643)
<i>Items that will not be reclassified to surplus/(deficit):</i>						
Gains/(loss) on property revaluations (other than investment properties)		1,075	-	(745)	3,987	(2,306)
Gains/(loss) on forestry carbon credit revaluation	14	-	-	245	-	245
<b>TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>1,075</b>	<b>-</b>	<b>(500)</b>	<b>3,206</b>	<b>(2,704)</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>132,280</b>	<b>124,807</b>	<b>7,898</b>	<b>59,316</b>	<b>7,100</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE ATTRIBUTABLE TO:</b>						
Northland Regional Council					55,958	6,084
Non-controlling interest in Marsden Maritime Holdings Limited					3,358	1,016
					<b>59,316</b>	<b>7,100</b>

The financial statements should be read in conjunction with the Statement of accounting policies and Notes to the financial statements.

## Major variances compared to the Amended Long Term Plan 2024-34 (in thousands)

### Revenue

Revenue is \$1,033 more than Amended Long Term Plan budget mainly due to:

- » Higher than budgeted rates of \$401
- » Higher than budgeted RMA consent applications of \$139
- » Higher than budgeted compliance monitoring fees for coastal compliance \$32
- » Higher than budgeted incident response fees of \$104
- » Higher than budgeted tenancy recovery costs \$354
- » Unbudgeted contributions for council projects and strategic review of \$431
- » Unbudgeted contributions for the Tsunami Sirens Network programme of \$1,984
- » Unbudgeted contributions for Council Controlled Organisational support of \$475
- » Higher than budgeted subsidies of \$3,374 for Caulerpa response.
- » Unbudgeted subsidies for the Flood Resilience Co-investment programme of \$1,380
- » Higher than budgeted subsidies for Wild Deer Te Taitokerau of \$605
- » Higher than budgeted interest earned on cash deposits of \$248, and term deposits of \$215
- » Higher than budgeted gains on externally managed fund of \$950
- » Higher than budgeted gains on revaluation of investment property of \$1,884,
- » Higher than budgeted gains on forestry assets of \$683 and disposal of carbon credits of \$218
- » Higher than budgeted gains on disposal of councils operational assets of \$58
- » Higher than budgeted gain in fair value of financial assets and impairment reversals of \$172

Partially offset by:

- » Lower than budgeted NZTA subsidies for regional transport operating costs of \$1,498
- » Lower than budgeted funding contributions for the Joint Emergency Co-ordination Centre of \$1,540
- » Lower than budgeted allocation of Predator Free 2050 subsidies of \$1,075

- » Lower than budgeted funding contributions for Northland Flood Resilience Marae programmes of \$1,057
- » The \$7.8m loss on disposal of the shares in Marsden Maritime Holdings Ltd was budgeted as expenditure. However, the actual loss was offset against revenue which contributed to a lower revenue variance and the lower than budget expenditure variance.

### Expenditure

Expenditure is \$5,352 lower than the Amended Long Term Plan budget mainly due to:

- » Higher than budgeted expenditure for compliance monitoring of \$364
- » Higher than budgeted consent applications expenditure of \$226
- » Higher than budgeted expenditure on the Caulerpa response programme \$3,374
- » Higher than budgeted expenditure on Regional River programmes of \$1,234
- » Higher than budgeted expenditure of Northland Flood Affected Marae programmes of \$759
- » Higher than budgeted expenditure on Flood Resilient Co-investment programme of \$1,380
- » Higher than budgeted expenditure on Taumārere catchment project of \$146
- » Higher than budgeted loss on disposal of investment property of \$755

Partially offset by:

- » Lower than budgeted expenditure for Te Mana O te Wai Implementation of \$297
- » Lower than budgeted expenditure on National Policy Statement for Freshwater implementation of \$152
- » Lower than budgeted expenditure on regional transport works of \$2,196
- » Lower than budgeted expenditure on member representation and advisory costs of \$327
- » Lower than budgeted expenditure on community liaison costs of \$188
- » Lower than budgeted finance costs of \$754
- » Lower than budgeted personnel costs of \$1,451 and ACC costs of \$61
- » Lower than budgeted depreciation and amortisation costs of \$266

# Statement of changes in equity

For the year ended 30 June 2025	Note	Accumulated funds \$000	Reserves \$000	Total Council \$000	Amended Long Term Plan \$000
<b>Council</b>					
Balance at 30 June 2023		158,976	65,273	224,249	236,689
Total comprehensive revenue and expense for the year		7,898	-	7,898	34
Net transfers in special reserves	20	791	(791)	-	-
Net transfers in other reserves		500	(500)	-	-
<b>Balance at 30 June 2024</b>		<b>168,165</b>	<b>63,982</b>	<b>232,147</b>	<b>236,723</b>
Total comprehensive revenue and expense for the year		132,280	-	132,280	124,807
Net transfers in special reserves	20	41,311	(41,311)	-	-
Net transfers in other reserves		(265)	265	-	-
<b>Balance at 30 June 2025</b>		<b>341,491</b>	<b>22,936</b>	<b>364,427</b>	<b>361,530</b>

For the year ended 30 June 2025	Note	Accumulated funds \$000	Reserves \$000	Subtotal Group \$000	Non-controlling interest \$000	Total Group \$000
<b>Group</b>						
Balance at 30 June 2023		199,702	102,543	302,245	75,421	377,666
Total comprehensive revenue and expense for the year		6,084	-	6,084	1,016	7,100
Net transfers in special reserves	20	791	(791)	-	-	-
Net transfers in other reserves		1,682	(1,682)	-	-	-
Dividends paid		-	-	-	(2,587)	(2,587)
<b>Balance at 30 June 2024</b>		<b>208,259</b>	<b>100,070</b>	<b>308,329</b>	<b>73,850</b>	<b>382,179</b>
Total comprehensive revenue and expense for the year		55,958	-	55,958	3,358	59,316
Net transfers in special reserves	20	41,311	(41,311)	-	-	-
Net transfers in other reserves		35,963	(35,963)	-	-	-
Dividends paid		-	-	-	(1,101)	(1,101)
Derecognition of hedging reserve on derecognition of subsidiary*		-	140	140	120	260
Elimination of non controlling interest on derecognition of subsidiary		-	-	-	(76,227)	(76,227)
<b>Balance at 30 June 2025</b>		<b>341,491</b>	<b>22,936</b>	<b>364,427</b>	<b>0</b>	<b>364,427</b>

\* Accumulated cashflow hedge reserve is recognised through surplus/(deficit) upon derecognition of subsidiary.

The financial statements should be read in conjunction with the Statement of accounting policies and Notes to the financial statements.



# Statement of financial position

As at 30 June 2025	Note	Council 30-Jun-25 \$000	Amended Long Term Plan 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>EQUITY</b>						
Accumulated funds	20	341,491	355,230	168,165	341,491	208,259
Reserves	20	22,936	6,300	63,982	22,936	100,070
Total equity attributable to Northland Regional Council		364,427	361,530	232,147	364,427	308,329
Non-controlling interest	20				-	73,850
<b>TOTAL EQUITY</b>		<b>364,427</b>	<b>361,530</b>	<b>232,147</b>	<b>364,427</b>	<b>382,179</b>
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	6	11,524	1,227	10,150	11,524	10,363
Receivables	7	8,488	9,618	10,803	8,488	11,739
Inventory	8	304	276	361	304	445
Assets held for sale	9	-	3,385	857	-	857
Other financial assets	10	11,565	12,926	6,399	11,565	6,399
Derivative financial instruments		-	-	-	-	379
<b>TOTAL CURRENT ASSETS</b>		<b>31,881</b>	<b>27,432</b>	<b>28,570</b>	<b>31,881</b>	<b>30,182</b>
<b>Non-current assets</b>						
Receivables	7	142	791	-	142	-
Investment property	11	84,807	92,482	81,994	84,807	191,754
Other financial assets	10	102,516	101,052	67,135	102,516	67,372
Investment in subsidiaries (excluding council controlled organisations) and joint venture company	12(i)	130,638	130,757	7,828	130,638	54,581
Investment in Council Controlled Organisations	12(ii)	440	282	406	440	406
Property, plant and equipment	13	78,672	90,223	69,846	78,672	98,580
Capital projects in progress	13	11,241	-	13,152	11,241	13,313
Intangible assets	14	278	-	115	278	115
Forestry assets	15	5,013	4,242	4,330	5,013	4,330
<b>TOTAL NON-CURRENT ASSETS</b>		<b>413,747</b>	<b>419,829</b>	<b>244,806</b>	<b>413,747</b>	<b>430,451</b>
<b>TOTAL ASSETS</b>		<b>445,628</b>	<b>447,261</b>	<b>273,376</b>	<b>445,628</b>	<b>460,633</b>

As at 30 June 2025	Note	Council 30-Jun-25 \$000	Amended Long Term Plan 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Payables and deferred revenue	17	10,809	9,064	12,842	10,809	14,338
Employee entitlements	18	3,706	3,307	3,285	3,706	3,372
Borrowings	19	6,883	3,385	-	6,883	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>21,398</b>	<b>15,756</b>	<b>16,127</b>	<b>21,398</b>	<b>17,710</b>
<b>Non-current liabilities</b>						
Payables and deferred revenue	17	626	610	625	626	2,453
Employee entitlements	18	19	22	19	19	19
Deferred tax liability		-	-	-	-	374
Borrowings	19	59,158	69,343	24,458	59,158	57,898
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>59,803</b>	<b>69,975</b>	<b>25,102</b>	<b>59,803</b>	<b>60,744</b>
<b>TOTAL LIABILITIES</b>		<b>81,201</b>	<b>85,731</b>	<b>41,229</b>	<b>81,201</b>	<b>78,454</b>
<b>NET ASSETS</b>		<b>364,427</b>	<b>361,530</b>	<b>232,147</b>	<b>364,427</b>	<b>382,179</b>

The financial statements should be read in conjunction with the Statement of accounting policies and Notes to the financial statements.

## Major variances compared to the Amended Long Term Plan 2024-2034 (in thousands)

### Asset Variances

Current assets variance of \$4,449

Cash and cash equivalents are \$10,297 higher than the Amended Long Term Plan

predominantly due to:

- » Holding higher than planned cash and on hand due to short term cash requirements.

Receivables are \$1,130 lower than the Amended Long-Term Plan due to:

- » Lower levels of outstanding general and rates debtors than planned at end of the year.

Inventories are \$28 higher than the Amended Long Term Plan due to

- » Higher than planned levels of consumable inventory on hand at the end of the year.

Assets held for resale are \$3,385 lower than the Amended Long Term Plan due to;

- » Planned development of Commercial properties for resale were delayed.

Other financial assets are \$1,361 lower than the Amended Long term plan due to

- » Lower than planned balances of term investments, held due to the timing of cashflow requirements.

Non-Current variance of (\$6,082)

Investment Property is \$7,675 lower than the Amended Long Term Plan due to;

- » Lower than planned expenditure on commercial property development.
- » Higher than planned loss on disposal of commercial properties,

Other financial assets are \$1,464 higher than the Amended Long Term Plan due to

- » Higher than planned loan relating to councils Joint Ventures,
- » Higher than planned long term investments at the end of the financial year.

Property Plant and equipment are \$11,551 lower than the Amended Long Term Plan due to

- » Planned development of owner occupied properties was deferred during the year, including the planned expansion of Nursery.

Capital projects in progress are \$11,241 higher than the Amended Long Term plan due to

- » Council assets not fully completed at the end of the year and remain in development at the end of the year.
- » Tsunami Siren replacement programme not completed during the year as anticipated.

Intangible assets are \$278 higher than the Amended Long Term Plan due to

- » An increase in council operational software for the year.

Forestry Assets are \$771 higher than the Amended Long Term Plan due to

- » Gains on the revaluation of council's forestry assets for the year.

### **Liability variances**

Current variance of \$5,642

Payables and deferred revenue are \$1,745 higher than the Amended Long Term Plan due

to;

- » Higher than planned levels of funding received in advance, for council work programmes not undertaken during the year,
- » Higher number of invoices payable at the end of the financial year, including capital invoices.

Employee entitlements are \$399 higher than the Amended Long Term Plan due to

- » Increase in employee leave balances for the year.

Borrowings are \$3,498 higher than the Amended Long Term Plan due to

- » Higher than planned short term borrowings drawn down for councils investment activities.

Non-current Liabilities variance of (\$4,529)

Borrowings are \$10,185 lower than the Amended Long Term Plan due to

- » Lower than planned long term borrowings drawn down for projects and investment activities, noting short term borrowing is higher than planned.

### **Equity variances**

Total Equity is \$2.863 higher than the Amended Long Term Plan due to;

- » A higher than planned comprehensive revenue and expense for the year
- » Revaluation reserves increasing due to favourable fair value movements on council land and buildings.
- » The balance of the Joint Venture Enterprise reserve at year end being better than planned due to increased funding to support the investment.

# Statement of cash flows

For the year ended 30 June 2025	Council 30-Jun-25 \$000	Amended Long Term Plan 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>Cash flows from operating activities</b>					
Receipts from rates revenue	53,070	54,079	46,243	53,070	46,243
Receipts from customers	15,414	12,678	9,736	26,291	20,212
Interest received	825	184	661	857	695
Dividends received	1,273	1,273	2,989	5,674	7,105
Subsidies and grants received	20,473	21,765	21,250	20,473	21,250
Payments to suppliers and employees/members	(82,264)	(93,771)	(73,130)	(97,376)	(81,552)
Interest paid	(1,093)	(2,031)	(777)	(3,156)	(2,627)
Income tax paid	-	-	-	(10)	(23)
Net goods and services tax received/(paid)	417	5,563	191	417	191
<b>Net cash from operating activities</b>	<b>8,115</b>	<b>(260)</b>	<b>7,163</b>	<b>6,240</b>	<b>11,494</b>
<b>Cash flows from investing activities</b>					
Receipts from sale of property, plant and equipment	92	-	582	101	758
Receipts from sale of forestry carbon credits	1,075	-	-	1,075	-
Receipt from the sale of investments	44,221	12,842	47,787	44,221	47,787
Loan repayments received	35	-	1,976	35	1,976
Loans made	(39,133)	-	(1,350)	(39,133)	(1,350)
Purchase of property, plant and equipment and intangible assets	(8,240)	(13,868)	(14,425)	(8,978)	(14,733)
Additional capital contribution to joint venture company	(6,638)	-	-	(6,638)	-
Purchase of investment property	(126)	(4,450)	(964)	(2,811)	(3,926)
Purchase of financial investments	(37,855)	(43,699)	(44,196)	(37,855)	(44,196)
Net cash derecognised on disposal of subsidiary	-	-	-	(433)	-
<b>Net cash from investing activities</b>	<b>(46,569)</b>	<b>(49,175)</b>	<b>(10,590)</b>	<b>(50,416)</b>	<b>(13,684)</b>
<b>Cash flows from financing activities</b>					
Proceeds received from ASB facility	-	-	-	6,610	1,490
Dividends paid	-	-	-	(1,101)	(2,587)
Proceeds from borrowings	39,828	45,966	6,100	39,828	6,100
<b>Net cash from financing activities</b>	<b>39,828</b>	<b>45,966</b>	<b>6,100</b>	<b>45,337</b>	<b>5,003</b>
<b>Net increase (decrease) in cash, cash equivalents and bank overdrafts</b>	<b>1,374</b>	<b>(3,469)</b>	<b>2,673</b>	<b>1,161</b>	<b>2,813</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year	10,150	4,696	7,477	10,363	7,550
<b>CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR</b>	<b>11,524</b>	<b>1,227</b>	<b>10,150</b>	<b>11,524</b>	<b>10,363</b>



# Reconciliation of net surplus after tax to the cash flows from operations

For the year ended 30 June 2025	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Surplus/(deficit) after tax	131,205	8,398	56,110	9,804
<b>Add/(less) non cash items</b>				
Depreciation & amortisation expense	2,176	2,182	2,757	2,744
(Gain)/loss on derecognition of subsidiary	(116,173)	-	(37,500)	-
(Gain)/loss in fair value of investment property	(3,422)	3,128	(5,365)	3,128
(Gain)/loss in fair value of forestry assets	(683)	(88)	(683)	(88)
Share of associate companies' (surplus)/deficit	(34)	(14)	(8,553)	(7,915)
Share of dividends from joint venture	-	-	5,625	7,016
Other (gains)/losses in fair value	(137)	212	(279)	3,234
Non cash (gain)/loss on externally managed funds	(5,963)	(5,074)	(5,963)	(5,074)
Other non-cash items	77	(30)	1,898	(30)
<b>Total non cash items</b>	<b>(124,159)</b>	<b>316</b>	<b>(48,063)</b>	<b>3,015</b>
<b>Add/(less) items classified as investing or financing activities</b>				
(Gains)/loss on sale of property plant and equipment	(58)	(365)	(68)	(384)
(Gains)/loss on sale of forestry carbon credits	(218)		(218)	-
(Gains)/loss on disposal of investment property	755		755	-
<b>Total items classified as investing or financing activities</b>	<b>479</b>	<b>(365)</b>	<b>469</b>	<b>(384)</b>
<b>Add/(Less) movements in working capital</b>				
Decrease (increase) in trade and other receivables	2,510	(2,223)	3,290	(2,656)
Decrease (increase) in prepayments	(195)	(144)	(39)	(154)
Decrease (increase) in inventory	57	(85)	141	(62)
(Decrease) increase in tax payable	-	-	(297)	301
(Decrease) increase in non current receivables	(142)	-	(142)	-
(Decrease) increase in trade and other payables	(2,033)	1,160	(5,445)	1,048
(Decrease) increase in revenue received in advance	(0)	(31)	(208)	184
(Decrease) Increase in employee entitlements accrual	421	44	334	84
Investing capital items included in working capital movements	(28)	93	90	314
	<b>590</b>	<b>(1,186)</b>	<b>(2,276)</b>	<b>(941)</b>
<b>Net cashflows from operating activities</b>	<b>8,115</b>	<b>7,163</b>	<b>6,240</b>	<b>11,494</b>

# Statement of accounting policies

## 1.1 Reporting entity

Northland Regional Council is a local authority established under, and governed by, the Local Government Act 2002 and the Local Government (Rating) Act 2002.

The group consists of the ultimate parent, Northland Regional Council (the ‘council’), and the council’s interests in its:

- » Subsidiary (‘controlled entity’) – Marsden Maritime Holding Limited which was derecognised in a step-down transaction during the reporting period – refer note 1.3.1, and
- » Joint ventures – Northport Group Limited (acquired in 2025) and North Port Limited (disposed of in 2025) – refer to note 12(i), and
- » Associates – Northland Inc Limited, and Regional Software Holdings Limited (significant influence ceased during 2025) – refer note 12(ii).

Further details of the change in the structure of the Group are detailed in note 1.3.2.

Northland Regional Council and its subsidiary, joint ventures and associates are incorporated, domiciled and operate in New Zealand.

The primary objective of Northland Regional Council is to provide goods or services and perform regulatory functions for the community benefit rather than making a financial return. Accordingly, Northland Regional Council has designated itself and the group as Public Benefit Entities for financial reporting purposes.

## 1.2 Basis of preparation

The financial statements have been prepared on the going concern basis, and accounting policies have been applied consistently throughout the period.

## 1.3 Summary of Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

### 1.3.1 Basis of Consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows of the council and its controlled entities on a line-by-line basis. All intra-group balances, transactions, revenues and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidation of an entity begins when council obtains control over the controlled entity and is applied up until the date that control ceases (refer to note 12(i) for further details on deconsolidation).

The Group controls an investee if all three of the following elements are present: (i) Power over the investee; (ii) Exposure to variable returns from the investee; and, (iii) The ability of the investor to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Consolidated financial statements are prepared up to and including the reporting period in which council loses control of its final controlled entity.

The subsidiaries (controlled entities) in the group are:

Entity Name	Nature of Business	Relationship	Ownership/Control	
			2025	2024
Marsden Maritime Holdings Limited	Registered Port Company under the Port Companies Act 1988 and 50% joint venture owner of NorthPort	Subsidiary	0.00%	53.6%

As detailed in note 1.3.2 below, on 26 June 2025, significant changes occurred to the structure of council's investment in Marsden Maritime Holdings Limited, as well as Marsden Maritime Holdings own structure. Consequently this has resulted in the Council, as at 26 June 2025:

1. Deconsolidating Marsden Maritime Holdings Limited as a subsidiary,
2. Derecognising Northport Limited as a joint venture,
3. Recognising Northport Group Limited as a joint venture.

### 1.3.2 Significant Transactions and Events

In February 2025 a consortium comprising the Council, Port of Tauranga and Tupu Tonu announced a conditional buy-out of the minority shareholders in Marsden Maritime Holding Limited (MMH) in order to simplify the NZX groups ownership structure through delisting its shares and bringing full control of Northport under a single ownership umbrella.

The buy-out transaction (the ‘transaction’) was completed on 26 June 2025 and constituted loss of control in councils subsidiary MMH. The Council’s retained interest in MMH now consists of a 43% ownership of Northport Group Limited

which itself holds 100% of the ordinary shares in MMH, with MMH now holding 100% of the ordinary shares in NorthPort Limited (prior to the transaction, MMH held 50% of the ordinary shares).

The Council has assessed that the retained interest in MMH (via its 43% shareholding in Northport Group Limited) resulting from the transaction is a Joint arrangement, and classified as a Joint venture. Refer to note 12(i) for more information on the changing ownership interests in councils investee entities.

#### **1.4 Reporting period**

The financial statements of the council and group are for the year ended 30 June 2025. The financial statements were authorised for issue by council on 23 September 2025.

#### **1.5 Statement of Compliance**

The financial statements of the council and group have been prepared in accordance with the requirements of the LGA 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 financial statements comply with PBE accounting standards.

#### **1.6 Presentation currency and rounding**

The financial statements are presented in New Zealand dollars, which is the functional currency of Northland Regional Council and all values are rounded to the nearest thousand dollars (\$000).

#### **1.7 Change in Accounting Policies**

##### **Disclosure of Fees for Audit Firms' Services – (Amendments to PBE IPSAS 1)**

Disclosure of Fees for Audit Firms Services (the amending Standard) was issued in May 2023. This amending standard updates the required disclosures for fees relating to services provided by the entity's audit or review firm. The fees must be disaggregated into specified categories and there is guidance to assist entities in determining the types of services to include in each category.

This amending standard is effective for reporting periods beginning on or after 1 January 2024. The council has adopted the amendment (refer to Note 4) and the adoption did not result in any impact on the councils or groups financial statements.

##### **2024 Omnibus Amendments to PBE Standards (PBE IAS 12 portion)**

The 2024 Omnibus Amendments include updates to PBE IAS 12 Income Taxes clarifying that NZ IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD. This amending standard relates to multinational enterprises (MNEs) with annual revenue in

excess of EUR 750 million. As the Group's consolidated revenues are less than EUR 750 million, it is not in the scope of the Pillar Two model rules and the amending standard is not applicable.

#### **1.8 Standards issued but not yet effective**

##### **2024 Omnibus Amendments to PBE Standards, issued October 2024**

The 2024 Omnibus Amendments include updates to PBE IPSAS 1 Presentation of Financial Reports to clarify the principles for classifying a liability as current or non-current. The amendments are effective from reporting periods beginning on or after 1 January 2026.

Council has not assessed in detail the effect of the new standard and will adopt the standard in the year ending 30 June 2027.

##### **PBE IFRS 17 Insurance Contracts**

PBE IFRS 17 Insurance Contracts for public sectors was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted.

Council has not assessed in detail the effect of the new standard and will adopt the standard in the year ending 30 June 2027.

#### **1.9 Foreign currency transactions**

Foreign currency transactions (including those for which forward exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus/deficit, except when deferred in equity as qualifying cash flow hedges.

#### **1.10 Goods and services tax (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables, and creditors and other payables, which are stated on a GST inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position;

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows;

Commitments and contingencies are disclosed exclusive of GST.

### 1.11 Budget figures

The 2025 budget figures are those approved by the council in its 2024/2034 Amended Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

### 1.12 Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Council and group investment property and owner occupied property (land and buildings) are revalued annually by independent valuers. The fair value of the investment properties is based on the market values, being the estimated amount for which a property could be exchanged between a willing buyer and a willing seller in an arm's length transaction. Due to the relatively low level of recent transactions in some areas, these valuations are inherently subjective. The estimates and assumptions that have a significant risk of causing a material adjustment to the fair value of investment property and owner occupied property are provided in Notes 11 and 13 respectively.

Council's infrastructure assets are revalued by an independent valuer at regular intervals, with the most recent infrastructure valuation, undertaken in 2023. There are a number of estimates and assumptions exercised when valuing the individual elements (stop banks, floodgates, spillways) of infrastructure assets, such as estimating the age, condition, optimisation and remaining life of each element. A comparison of the carrying value of infrastructure assets and the fair value of infrastructure assets using market-based evidence is undertaken annually. In assessing generic market changes there is inherent uncertainty, and actual results may vary from estimates and these variations may be significantly more or less favourable than assumed depending on the asset class in question. Further detail is provided in Note 13.

Council's forestry assets are revalued annually by an independent valuer. There are a number of estimates and assumptions exercised when valuing forestry assets such as estimating the discount rates to determine future tree crop cash flows. Further detail is provided in Note 15.

The estimation of the useful lives of assets has been predominantly based on historical experience. Useful lives are reviewed on an annual basis and adjustments are made when considered necessary.

Marsden Maritime Holdings Limited has determined that it is appropriate to only recognise tax losses in the financial statements to a level that directly offsets the deferred tax liability. Further detail is provide in Note 5.

Council's Convertible Notes held (financial assets) are revalued at reporting date by an independent valuer. The fair value at reporting date is determined using a binomial valuation model which requires inputs including share price volatility, risk-free interest rates and discount rates. Further detail is provided in Note 24.

### 1.13 Climate Change

In preparing the parent and group financial statements, council has considered the impact of climate change including climate change scenarios on the estimates and judgments used in preparing the financial statements.

The following impacts were assessed in the financial statements:

- » The impact of climate change on the residual values, useful life, and indication of impairment of infrastructure Assets in Note 13.

It is reasonable to expect that for the year ended 30 June 2025 there is no material impact on financial reporting judgements and estimates arising from climate change, and as a result the valuations of assets and liabilities have not been significantly impacted by climate change to the point where it would qualitatively influence stakeholders' decisions.

### 1.14 Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2025.

Council's investment in Northport Group Limited has been treated as a Joint arrangement classified as a Joint venture as:

- » It is considered no single party holds unilateral control, and rather only a single combination of two or more parties must always vote together (under contractual arrangement) for decisions to be passed with respect to Hold-Co Limited's relevant activities, and
- » The joint investees have access to, and only to, the net assets of the joint arrangement.

RSHL was considered an associate of council in the prior year as a member of Council's executive leadership team was on the Board of Directors of Regional Software Holdings Limited, and as such it was considered that council had significant influence over the operating and financial policies of RSHL. Following the resignation of council's executive leadership team member, it was considered there was a loss of significant influence and as such the council's investment in RSHL was reclassified from an investment in associate to a financial asset during the reporting year.

Councils' investment in Northland Inc. Limited has been treated as an associate as it is considered that council holds significant influence over the financial and operating policies of Northland Inc. Limited due to the fact that council shares joint control of Northland Inc. Limited with Kaipara District Council (25%), Far North District Council (25%) and Whangarei District Council (25%).



# Notes to the financial statements

## Note 1: Summary revenue and expenditure for groups of activities

### Accounting policy

Northland Regional Council has derived the cost of service for each significant activity of the council using the cost allocation system outlined below. Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant operating activities using appropriate cost drivers such as staff numbers. There have been no changes to the cost allocation methodology during the year.

### Breakdown of summary revenue and expenditure for group of activities:

	Council 30-Jun-25 \$000	Amended Long Term Plan 30-Jun-25 \$000	Council 30-Jun-24 \$000
<b>Revenue</b>			
Community Resilience	21,660	21,087	19,772
Natural Environment	41,284	37,638	38,462
River Management	8,548	9,469	8,199
Regional Leadership	42,475	38,962	38,083
<b>Total activity revenue and rates as per activity funding impact statements</b>	<b>113,967</b>	<b>107,156</b>	<b>104,516</b>
Internal charges and overheads recovered	(16,698)	(15,724)	(13,889)
Other gains not attributable to an activity	120,727	125,553	478
<b>Total revenue as per statement of comprehensive revenue and expense</b>	<b>217,996</b>	<b>216,984</b>	<b>91,105</b>
<b>Expenses</b>			
Community Resilience	14,504	15,972	12,626
Natural Environment	47,825	45,161	44,819
River Management	5,123	2,534	3,426
Regional Leadership	32,895	33,965	30,201
<b>Total activity expenses as per activity funding impact statements</b>	<b>100,347</b>	<b>97,632</b>	<b>91,072</b>
Internal charges and overheads recovered	(16,698)	(15,724)	(13,889)
Other expenses not attributable to an activity	1,000	7,828	3,356
Depreciation and amortisation	2,176	2,442	2,182
<b>Total expenses as per statement of comprehensive revenue and expense</b>	<b>86,825</b>	<b>92,177</b>	<b>82,721</b>

	Council 30-Jun-25 \$000	Amended Long Term Plan 30-Jun-25 \$000	Council 30-Jun-24 \$000
<b>BREAKDOWN OF DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY</b>			
Community Resilience	284	383	207
Natural Environment	631	596	719
River Management	356	596	288
Regional Leadership	905	867	968
<b>TOTAL DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>2,176</b>	<b>2,442</b>	<b>2,182</b>

## Note 2: Revenue

### Accounting policy

Revenue is measured at fair value of the consideration received or receivable.

*Rates revenue:* Rates are set annually by a resolution of council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised and brought to account when the rates are payable based on the council's best estimate of what is expected to be collected. Rate penalties arising from late payment are recognised as revenue when rates become overdue. Rates remissions are recognised as a reduction of rates revenue when the council has received an application that satisfies its rates remission policy. These transactions are classified as non-exchange transactions.

*Fees and charges:* Fees and charges are recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services provided. The majority of this type of revenue is exchange transactions.

*Grants and subsidies:* Grants and subsidies are recognised as revenue when the primary conditions of entitlement have been met. These are non-exchange revenue transactions. Where a transfer is subject to conditions that, if unfulfilled, require the return of transferred resources, council recognises a liability until the condition is fulfilled.

*Sales of goods:* Revenue from the sale of goods is recognised when a product is sold to a customer.

*Interest:* Interest income is recognised using the effective interest method.

*Other revenue – Dividends:* Dividends are recognised when the right to receive payment has been established. Dividend income is recorded at the cash amount received, being net of taxation imputation credits.

*Rental revenue:* Rental revenue from investment property is recognised in the surplus or deficit on a straight-line basis over the term of the lease. Any short term rent relief provided is fully recognised in the period in which it occurs.

*Funds collected for other organisations:* Funds are collected for other organisations, including central government. Any funds held at balance date are included in term and current liabilities. Amounts collected on behalf of third parties are not recognised as revenue, except for the commissions or fees earned.

*Vested assets:* Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the council are recognised as revenue when the control over the asset is obtained.

*Infringement fees and fines:* Infringement fees and fines are recognised when the infringement notice is issued.

*Externally managed investment fund gains:* Externally managed investment funds are measured at fair value, and any gains or losses on re-measurement are recognised in the surplus or deficit.

### 2(i) Rates remission, penalties, early payment discounts

Rates revenue is shown net of rates remissions and postponements. The Northland Regional Council's rates remission policies allow it to remit approved rates as per the Rates Remission Policies of the Territorial Authorities that collect Northland Regional Council's rates on its behalf.

### 2(ii) Breakdown of other revenue

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Rental revenue from investment properties	4,321	4,327	13,257	12,817
Dividend revenue – Marsden Maritime Holdings Limited	1,273	2,989	-	-
Sundry revenue	586	137	586	137
<b>Total other revenue</b>	<b>6,180</b>	<b>7,453</b>	<b>13,843</b>	<b>12,954</b>

## Operating leases as lessor

The future aggregate minimum lease payments to be collected under non-cancellable operating leases at year end are as follows:

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Not later than one year	3,278	3,175	3,278	7,985
Later than one year and not later than five years	3,921	6,080	3,921	16,499
Later than five years	2,743	2,747	2,743	9,391
<b>Total non-cancellable operating leases</b>	<b>9,942</b>	<b>12,002</b>	<b>9,942</b>	<b>33,875</b>

Operating leases relate to investment properties owned by the Council. The majority (in terms of numbers) of council's investment property portfolio is made up of leasehold properties. These leasehold properties have perpetual lease terms of 20 or 21 years. The lessee has the option to renew the lease at the completion of each term. All leases contain market review clauses at varying cycles or upon renewal. The lessee does not have a right to purchase the property at the expiry of the lease. Council has four residential properties with fixed or periodic tenancies and owns 36 freehold commercial properties plus 8 that are owner occupied. 10 of the commercial properties are vacant and 6 of these are under redevelopment. The remaining properties have monthly or no lease terms in place.

No contingent rents have been recognised during the year.

## 2(iii) Breakdown of other gains:

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Gain on revaluation of investment property	11	3,422	-	5,365	-
Gain on revaluation of forestry assets	15	683	88	683	88
Gain on disposal of forestry carbon credits		218	-	218	-
Gain on disposal of property, plant and equipment		58	365	68	388
Net Gain on derecognition of subsidiary		116,173	-	37,500	-
<b>Total non-financial instruments gains</b>		<b>120,554</b>	<b>453</b>	<b>43,834</b>	<b>476</b>
Externally Managed Investment Funds		5,963	5,074	5,963	5,074
Gain on fair value adjustment of financial assets		137	-	279	2
Reversal of impairment		36	25	36	25
<b>Total financial instruments gains</b>		<b>6,136</b>	<b>5,099</b>	<b>6,278</b>	<b>5,101</b>
<b>Total other gains</b>		<b>126,690</b>	<b>5,552</b>	<b>50,112</b>	<b>5,577</b>

## 2(iv) Breakdown of subsidies and grants

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Central government ministries and departments		7,295	7,660	7,295	7,660
Territorial local authorities		5,162	5,788	5,162	5,788
National infrastructure Funding and Financing Limited		4,610	1,695	4,610	1,695
NZ Transport Agency Waka Kotahi		2,792	2,891	2,792	2,891
Predator Free 2050		1,537	2,951	1,537	2,951
National Emergency Management Agency		-	1,037	-	1,037
Other subsidies and grants		234	195	234	1,890
<b>Total other subsidies and grants</b>		<b>21,630</b>	<b>22,217</b>	<b>21,630</b>	<b>22,217</b>

There are no unfulfilled conditions or other contingencies attached to subsidies and grants recognised.

### Note 3: Personnel costs

#### Accounting policy

Personnel costs includes salaries, wages, leave and other employee-earned compensation. Employer contributions to KiwiSaver and the National Provident Fund; Pension National Scheme, and Lump Sum National scheme are accounted for as defined contribution plans and are recognised in the surplus or deficit as incurred.

#### Breakdown of personnel costs and further information:

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Salaries and wages		30,633	27,142	33,033	29,279
Employer contributions to defined contribution plans		1,039	882	1,039	882
Increase/(decrease) in employee benefit liabilities	18	421	44	755	83
<b>Total personnel costs</b>		<b>32,093</b>	<b>28,068</b>	<b>34,827</b>	<b>30,244</b>

#### Chief Executive remuneration

The Chief Executive of the council was appointed in accordance with section 42 of the Local Government Act.

The total remuneration (including any non financial benefits) paid or payable for the year ended 30 June 2025 to the Chief Executive was \$395,527 (2024: \$378,743).

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000
Salary	371	355
Vehicle - FBT cost	9	9
Kiwisaver employer contribution	15	14
Memberships and allowances	1	1
<b>Total remuneration</b>	<b>396</b>	<b>379</b>

#### Elected representatives

Elected representatives received the following remuneration:

	Note	Salary 30-Jun-25 \$000	Non-salary 30-Jun-25 \$000	Total Council Remuneration 30-Jun-25 \$000	Total Council Remuneration 30-Jun-24 \$000
Geoff Crawford, Chair		139	5	144	110
Tui Shortland, Deputy Chair		87	1	88	106
Jack Craw		74	2	76	79
John Blackwell		74	11	85	83
Joe Carr		75	8	83	87
Peter-Lucas Jones		73	0	73	76
Amy Macdonald		73	5	78	76
Marty Robinson		73	10	83	82
Rick Stolwerk		74	4	78	80
<b>Total elected representatives' remuneration</b>	<b>4</b>	<b>742</b>	<b>46</b>	<b>788</b>	<b>779</b>

With the enactment of the Local Government Act 2002, the Remuneration Authority is responsible for setting the remuneration levels for elected members. The council monetary remuneration (salary) detail above was determined by the Remuneration Authority. Councillors are able to claim an allowance for mileage, child care, travel time and communications. These allowances are set by the Remuneration Authority and paid to Councillors based on claims approved by the council chair and chief executive.

#### Council employee remuneration by band

The annual remuneration by band for council employees as at 30 June 2025 is detailed below. For employees receiving remuneration of \$60,000 or more, they are grouped into \$20,000 bands as presented below. For any \$20,000 bands with five or fewer employees in the band, they are combined upwards with the next banding as stipulated in the Local Government Act 2002.

Total annual remuneration by band for employees at 30 June:	Council 30-Jun-25	Council 30-Jun-24
< \$60,000	56	53
\$60,000 - \$79,999	82	101
\$80,000 - \$99,999	130	114
\$100,000 - \$119,999	60	45
\$120,000 - \$139,999	20	12
\$140,000 - \$159,999	8	7
\$160,000 - \$219,999	6	9
\$220,000 - \$239,999	6	1
\$240,000 - \$279,999	2	2
\$340,000 - \$399,999	1	1
<b>Total employees</b>	<b>371</b>	<b>345</b>

Total remuneration includes any non financial benefits provided to employees.

At 30 June 2025, the council employed 296 (2024: 288) full time employees with the balance of staff representing 35.92 (2024: 27.12) full time equivalent employees. A full time employee is determined on the basis of a 36 hour working week.

#### Severance payments

For the year ending 30 June 2025, the council made one severance payment to an employee of \$25,000 (2024: one payment of \$8,000).

## Note 4: Other expenses

### Accounting Policy

Expenditure is recognised when goods and services have been received.

*Grant expenditure:* Non-discretionary grants are those grants that are awarded when the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where the council has no obligation to award the grant on receipt of the grant application and are recognised as expenditure when the grant conditions have been satisfied.

*Operating leases:* An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. All the leases of the council and group are operating leases.



## Breakdown of other expenses and further information:

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Fees for audit firms' services		346	394	477	516
Directors'/Councillors' fees and trustee remuneration	3	788	779	1,207	1,170
Donations		1,314	1,982	1,314	1,984
Operating lease payments		295	340	305	355
Current year rates written off		169	127	169	127
Impairment of receivables	7	1,032	1,090	1,085	1,069
Operating grants to Northland Inc. Limited		2,245	1,972	2,245	1,972
Other payments to Northland Inc. Limited		421	368	421	368
Payments to Regional Software Holdings Limited		778	959	778	959
Loss on disposal of investment property	11	755	-	755	-
Loss on fair value adjustment of financial investments		-	126	-	126
Loss on revaluation of investment property assets	11	-	3,128	-	6,152
Loss on revaluation of forestry carbon credit assets held for sale	9	-	86	-	86
Other operating expenses		43,136	40,267	54,068	46,182
<b>Total other expenses</b>		<b>51,279</b>	<b>51,619</b>	<b>62,824</b>	<b>61,034</b>

The 2023-24 loss on revaluation of investment property and forestry carbon credits resulted from the annual revaluation of these investment assets.

## Operating leases as lessee

The future aggregate minimum lease payments payable under non-cancellation operating leases existing at year end are as follows:

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Not later than one year	288	333	288	333
Later than one year and not later than five years	420	376	420	376
Later than five years	616	-	616	-
<b>Total non-cancellable operating leases</b>	<b>1,324</b>	<b>709</b>	<b>1,324</b>	<b>709</b>

## Breakdown of fees for audit firms' services

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Audit and review of the financial report		253	226	320	348
Audit or review related services					
Audit of the 2024-34 Long Term Plan & Amendments		40	115	40	115
Assurance engagements related to council's debenture trust deed		13	12	13	12
		53	127	53	127
Other services*		40	41	104	41
<b>Total fees for audit firms' services</b>		<b>346</b>	<b>394</b>	<b>477</b>	<b>516</b>

\* The fees paid to the councils auditors for Other services for the year ending 30 June 2025 were \$31,500 for forensic risk and integrity analytics and \$9,000 for an internal audit maturity assessment.

Council acts as an agent in relation to the Kaipara Moana Remediation Programme (KMRP) and accordingly costs and funding are not recorded in Council's financial statements. However for completeness we note councils auditors undertake an agreed procedures engagement for the KMRP and the fee for 2024-25 is expected to be approximately \$15,000.

The fees paid to the Marsden Maritime Holdings Limited auditors for Other services were for an agreed upon procedure engagement in respect to a special shareholders meeting.

## Note 5: Taxation

### Accounting policy

The income tax expense includes both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expense or directly in equity.

## Breakdown of taxation and further information:

	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>Components of tax expense</b>		
Current tax expense/(credit)	183	188
Deferred tax asset	(297)	300
<b>Tax expense</b>	<b>(114)</b>	<b>488</b>
<b>Relationship between tax expense and accounting surplus</b>		
Surplus/(deficit) before tax	55,996	10,292
Taxation at 28%	15,678	2,882
Plus (less) tax effect of:		
Non-deductible expenditure	-	-
Imputation dividend receipts	(1,575)	(1,977)
Non-taxable income	(13,385)	(567)
Tax paid on joint venture company earnings	(810)	(248)
Tax depreciation on building	-	301
Prior year adjustment	-	44
Carried forward losses derecognised/(recognised)	(22)	53
<b>Tax expense/(benefit)</b>	<b>(114)</b>	<b>488</b>
<b>Deferred tax</b>		
<b>Balance at 1 July</b>	<b>(374)</b>	<b>(73)</b>
Items charged to profit and loss	297	(301)
Deferred tax derecognised upon disposal of subsidiary	77	-
<b>Balance at 30 June</b>	<b>-</b>	<b>(374)</b>
Represented by:		
Investment property	-	(2,593)
Property plant and equipment	-	(496)
Financial instruments	-	(106)
Provisions	-	35
<b>Deferred tax liability</b>	<b>-</b>	<b>(3,160)</b>
Deferred tax asset (tax effect of losses carried forward)	-	2,786
<b>Net deferred tax asset / (liability)</b>	<b>-</b>	<b>(374)</b>

Council's net income subject to income tax consists of its assessable income net of related expenses derived from the Marsden Maritime Holdings Group prior to derecognition, and any other council controlled organisations. All other income currently derived by the Council is exempt from income tax.

A deferred tax asset has not been recognised in relation to tax losses in council of \$15,348,270 (2024: \$15,345,995) as council considers it unlikely that the benefit of these losses will be utilised against future taxable income.

The ability to claim tax depreciation deductions on buildings with an estimated useful life of 50 years or more has been removed from the start of the 2024-25 income tax year. Marsden Maritime Holdings Limited reviewed the assets that may be included in this category and has provided for all such buildings that meet the IRD's definition of buildings and this resulted in an increase to tax expense and a movement in deferred tax of \$300,543 in the prior year period.

## Note 6: Cash and Cash Equivalents

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Cash on hand and at trading banks *	8,469	1,666	8,469	1,879
Cash on hand and at trading banks held as part of the Long Term Fund	55	26	55	26
Term deposits, held as part of the Short Term Fund - with maturities of less than 3 months acquisition	3,000	8,432	3,000	8,432
Term deposits, held as part of the Long Term Fund - with maturities of less than 3 months acquisition	-	26	-	26
<b>Total cash and cash equivalents</b>	<b>11,524</b>	<b>10,150</b>	<b>11,524</b>	<b>10,363</b>

Although cash and cash equivalents at year end are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

\* The council holds unspent funds included in cash on hand and at trading banks of \$83,552 relating to marine farm bonds that are subject to restrictions (2024: \$83,552). At year end there was no cash or cash equivalents relating to retention monies withheld under commercial construction contracts (2024: \$0).

## Note 7: Receivables

### Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (CL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

- » when remitted in accordance with the Council's rates remission policy; and
- » in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off:

- » when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than six years overdue.

Current and Non current prepayments comprise significant items of expenditure having a benefit to more than one accounting period and are expensed over the period to which they relate.

## Breakdown of receivables and further information

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>CURRENT PORTION</b>				
Rates receivables	9,409	7,649	9,409	7,649
Other receivables	3,844	7,069	3,844	7,828
GST receivable	493	1,006	493	1,072
Receivables from subsidiaries and associates	-	10	-	-
Prepayments	1,058	863	1,058	1,019
Gross debtors and other receivables	14,804	16,597	14,804	17,568
Less allowance for credit losses	(6,316)	(5,794)	(6,316)	(5,829)
<b>Total current receivables</b>	<b>8,488</b>	<b>10,803</b>	<b>8,488</b>	<b>11,739</b>
<b>NON CURRENT PORTION</b>				
Prepayments	142	-	142	-
<b>Total Non Current Receivables</b>	<b>142</b>	<b>-</b>	<b>142</b>	<b>-</b>
<b>Total Receivables</b>	<b>8,630</b>	<b>10,803</b>	<b>8,630</b>	<b>11,739</b>
<b>Total receivables comprise:</b>				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements and fees and charges that are partly subsidised by rates	6,625	7,149	6,625	7,361
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	2,005	3,654	2,005	4,378
	<b>8,630</b>	<b>10,803</b>	<b>8,630</b>	<b>11,739</b>

## Expected Credit Losses (ECL)

The ECL rates applicable for other receivables and rates receivables at 30 June 2025 are based on the payment profile of revenue on credit over the past 12 months for other receivables, and three years for rates receivables, at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

The allowance for credit losses based on council and the group's credit loss matrix is as follows:

	1 to 30 days	30 to 60 days	Current receivable past due		Total
			60 to 90 days	More than 90 days	
<b>Council - 30 June 2025</b>					
<b>Rates receivable</b>					
Expected credit loss rate	0.0%	-	-	76.6%	-
Gross receivable amount (\$,000)	1,491	-	-	7,918	9,409
Lifetime ECL (\$,000)	-	-	-	6,066	6,066
<b>Other receivable</b>					
Expected credit loss rate	0.22%	0.35%	1.5%	100%	-
Gross receivable amount (\$,000)	3,404	63	136	241	3,844
Lifetime ECL (\$,000)	7	0	2	241	250
<b>Total Rates and Other Receivable Lifetime ECL (\$,000)</b>	<b>7</b>	<b>0</b>	<b>2</b>	<b>6,307</b>	<b>6,316</b>
<b>Council - 30 June 2024</b>					
<b>Rates receivable</b>					



Expected credit loss rate	0.0%	-	-	79.3%	-
Gross receivable amount (\$,000)	1,051	-	-	6,598	7,649
Lifetime ECL (\$,000)	-	-	-	5,233	5,233
<b>Other receivable</b>					
Expected credit loss rate	0.22%	0.35%	65%	94%	-
Gross receivable amount (\$,000)	5,793	521	21	564	7,079
Lifetime ECL (\$,000)	13	2	14	532	561
<b>Total Rates and Other Receivable Lifetime ECL (\$,000)</b>	<b>13</b>	<b>2</b>	<b>14</b>	<b>5,765</b>	<b>5,794</b>
<b>Group - 30 June 2025</b>					
<b>Rates receivable</b>					
Expected credit loss rate	0.0%	0.0%	0.0%	76.6%	-
Gross receivable amount (\$,000)	1,491	-	-	7,918	9,409
Lifetime ECL (\$,000)	-	-	-	6,066	6,066
<b>Other receivable</b>					
Expected credit loss rate	0.22%	0.35%	2%	100%	-
Gross receivable amount (\$,000)	3,404	63	136	241	3,844
Lifetime ECL (\$,000)	7	0	2	241	250
<b>Total Rates and Other Receivable Lifetime ECL (\$,000)</b>	<b>7</b>	<b>0</b>	<b>2</b>	<b>6,307</b>	<b>6,316</b>
<b>Group - 30 June 2024</b>					
<b>Rates receivable</b>					
Expected credit loss rate	0.0%	0.0%	0.0%	79.3%	-
Gross receivable amount (\$,000)	1,051	-	-	6,598	7,649
Lifetime ECL (\$,000)	-	-	-	5,233	5,233
<b>Other receivable</b>					
Expected credit loss rate	0.20%	0.35%	65%	95%	-
Gross receivable amount (\$,000)	6,687	521	21	600	7,828
Lifetime ECL (\$,000)	13	2	14	567	596
<b>Total Rates and Other Receivable Lifetime ECL (\$,000)</b>	<b>13</b>	<b>2</b>	<b>14</b>	<b>5,800</b>	<b>5,829</b>

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>Movements in the allowance for credit losses are as follows:</b>					
Opening balances for credit losses at 1 July		5,794	4,931	5,829	4,987
Additional provisions made during the year	4	1,032	1,090	1,085	1,069
Derecognition of credit losses on disposal of subsidiary		-	-	(88)	-
Rate arrear receivables written off during the year		(217)	(220)	(217)	(220)
Other receivables written off during the year		(293)	(7)	(293)	(7)
<b>Balance at 30 June</b>		<b>6,316</b>	<b>5,794</b>	<b>6,316</b>	<b>5,829</b>

The council holds no collateral as security or any other credit enhancements over receivables that are either past due or impaired.

## Note 8: Inventory

### Accounting policy

Inventories such (as stores, chemicals and materials) held for distribution or for use in the provision of goods and services that are not supplied on a commercial basis are measured at the lower of cost, or cost adjusted when applicable, for any loss of service potential.

Inventories held for use in the provision of goods and services on a commercial basis are measured at the lower of cost and net realisable value.

### Breakdown of inventory and further information:

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Stores and materials		304	361	304	445
		304	361	304	445

There has been no write-down of inventory. No inventory is pledged as security for liabilities.

## Note 9: Assets held for sale

### Accounting policy

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Investment property classified as assets held for sale are recognised at fair value. Any gains/losses on investment property held for sale are recognised in surplus/deficit.

### Breakdown of assets held for sale and further information:

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Balance at 1 July		857	0	857	0
Transfer of forestry carbon credits from(to) intangible assets	14	-	943	-	943
Emission Trading Scheme NZU's sold during the year		(857)		(857)	
Fair value (loss) on revaluation of forestry carbon credits	4	-	(86)	-	(86)
Total assets held for sale		-	857	-	857

During the year, the council sold 17,460 carbon credits (NZU'S) at a value of \$63 per NZU less associated selling costs of \$24,619 for a gain on sale of \$218,163 (refer note 2(iii)).

## Note 10: Other financial assets

### Accounting policy

Other financial assets are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- » amortised cost;
- » fair value through surplus and deficit (FVTSD);
- » fair value through other comprehensive revenue and expense (FVTOCRE).

Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

### Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Instruments in this category include term deposits and loans. Where applicable any interest accrued is included as a current receivable.

### Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Councils short-term and Long-term managed fund are portfolio's of financial assets that are actively traded with the intention of making profits. Therefore, after initial recognition, the managed fund is measured at fair value, with gains and losses recognised in the surplus or deficit.

Council's holding of Convertible Notes represent hybrid contracts that are required to be measured at FVTSD in their entirety.

Council's interest in Regional Software Holdings Limited represents a financial asset that the council has elected to classify and measure as at FVTSD (refer to note 12(ii)).

## Breakdown of other financial assets and further information:

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>CURRENT PORTION</b>					
Term deposits, and other securities *		5,307	2,036	5,307	2,036
Term deposits held as part of the Short Term Fund		2,984	1,945	2,984	1,945
Term deposits held as part of the Long Term Fund		-	135	-	135
Short term investment fund		3,274	2,283	3,274	2,283
<b>Total current portion</b>		<b>11,565</b>	<b>6,399</b>	<b>11,565</b>	<b>6,399</b>
<b>NON-CURRENT PORTION</b>					
Term deposits and other securities		-	-	-	237
Borrower notes		2,261	526	2,261	526
Loan to Joint Venture company	12(i)	34,133	-	34,133	-
Other loans		1,316	1,226	1,316	1,226
Convertible notes		4,990	-	4,990	-
Long Term Fund		59,816	65,383	59,816	65,383
<b>Total non-current portion</b>		<b>102,516</b>	<b>67,135</b>	<b>102,516</b>	<b>67,372</b>
<b>TOTAL OTHER FINANCIAL ASSETS</b>		<b>114,081</b>	<b>75,534</b>	<b>114,081</b>	<b>73,771</b>

\* includes \$151,196 (2024: \$227,171 ) of term deposits held as retentions under commercial construction contracts and subject to restrictions.

## Reconciliation of the carrying value of Other Loans:

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Opening balance		1,226	-	1,226	-
New loans granted during the year		-	1,350	-	1,350
Fair value gain/(loss) on valuation		85	(126)	85	(126)
Expected credit loss allowance recognised during the year		-	(17)	-	(17)
Unwind of discount and interest charged		5	18	5	18
<b>Closing balance</b>		<b>1,316</b>	<b>1,226</b>	<b>1,316</b>	<b>1,226</b>

## Reconciliation of the carrying value of Convertible Notes:

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Opening balance		0	-	0	-
Subscriptions during the year		5,000	-	5,000	-
Fair value gain/(loss) on valuation		52	-	52	-
Expected credit loss allowance recognised during the year		(62)	-	(62)	-
<b>Closing balance</b>		<b>4,990</b>	<b>-</b>	<b>4,990</b>	<b>-</b>

## Term deposits

The carrying amount of term deposits approximates their fair value. No Expected Credit losses have been recognised for term deposits as all of councils Term deposits are held with banks that have a long-term AA- investment grade credit rating, which indicates the bank has a very strong capacity to meet its financial commitments.

## Loan to Joint Venture company

The council has a shareholder's loan to Northport Group Limited (NGL) with an interest rate fixed in advance on an annual basis, using a mid-market swap rate for an interest rate swap with a term of 1 year plus a margin that is 1% above the highest margin applicable to NGL's banking facilities. An annual review of the interest rate is carried out at the end of the financial year. The Term of the loan is of an evergreen nature in that it is continually extended annually until the Borrower determines not to notify an extension.

The interest rate on the loan to NGL for the year ended 30 June 2025 was 6.09% (2024: \$n/a).

## Other loans

Council has a loan issued to Te Tai Tokerau Water Trust (TTTWT) for \$1,350,000 to support the construction of the Te Waihekeora water storage reservoir and associated water distribution network.

The interest rate on the loan to TTTWT is 6.3% per annum, paid quarterly.

The carrying amount of the amount drawn down by TTTWT is \$1,316,463 reflecting a non-cash fair value adjustment of \$16,932 to account for the fact the interest rate is below an assessed market interest rate of 6.81% (2024: 9.0%) being 350 basis points above the 3 year Swap rate at year end. The fair value adjustment of \$16,932 will be unwound through interest revenue until the repayment date. In addition, an estimated credit loss (ECL) of \$16,605 has been recognised on the credit facility amount drawn down by TTTWT to reflect the Reserve Bank of New Zealand's non-performing loan ratio applicable to small and medium enterprises.

## Convertible Notes

The Council holds Convertible Notes with a face value of \$5,000,000 with Mid North Water Company Limited. The Convertible Notes have a maturity date of November 2029 and are convertible into ordinary shares at any time prior to maturity at the Council's option.

The convertible Notes attract 6.00% per annum, paid quarterly.

The carrying value of the Convertible Notes is \$4,990,417 reflecting a non-cash fair value increase of \$51,917. Refer to Note 24 for more detail.

In addition, an ECL of \$61,500 has been recognised on the convertible notes issued to the Mid North Water Company Limited to reflect the Reserve Bank of New Zealand's non-performing loan ratio applicable to small and medium enterprises.

## Investment in Regional Software Holdings

From November 2024, Council's interest in Regional Software Holdings Limited represents a financial asset, and is presented within Investment in Council Controlled Organisations (refer to note 12(ii)).

## Externally managed investment funds

Eriksen and Associates Limited are appointed as council's investment advisors for 2 externally managed investment funds (2024: 2) providing independent overarching investment guidance for these funds. Council's externally managed funds are classified as financial assets at fair value through surplus or deficit as Eriksen and Associates Limited evaluate and report the performance of each fund on a fair value basis (monthly) in accordance with council's Statement of Investment Policy and Objectives (SIPO). This designation is consistent with the investment strategy in council's finance strategy, as the managed funds are managed prudently against the SIPO with a view to prudently maximising and managing returns over the long term within a diverse portfolio that preserves and maintains the capital value of each fund. The Long Term Fund is presented as non current as council does not expect to dispose of it within 12 months of the balance date.

The fair value and carrying value of each fund is calculated using the net market values based upon the listed market values at Balance Date adjusted for any realisation expenses.



## Investment commitments

Breakdown of fund managers with uncalled committed investments at year end	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000
Continuity Capital Fund (No.2)	50	70
Continuity Capital Fund (No.4)	104	140
Continuity Capital Fund (No.5)	502	720
Continuity Capital Fund (No.6)	560	900
Continuity Capital Fund (No.7)	691	1,418
Continuity Capital Fund (No.8)	900	-
CPE Capital (No.9)	313	382
Direct Capital Fund (No.6)	364	1,047
Milford PE Fund (No.3)	365	365
MLC Private Equity fund (No.2)	150	151
MLC Private Equity fund (No.3)	47	98
MLC Private Equity fund (No.4)	1,943	2,181
Oriens Fund (No.2)	280	420
Pioneer Capital Partners Fund (No.3)	16	44
Pioneer Capital Partners Fund (No.4)	284	345
	<b>6,569</b>	<b>8,281</b>

## Externally managed investment fund performance (12 month return to 30 June 2025, net of fees)

	Council and Consolidated 30-Jun-25	Council and Consolidated 30-Jun-24
Long Term fund	8.90%	8.10%
Short Term fund	6.30%	5.80%

## Weighted average effective interest rates

	Council and Consolidated 30-Jun-25	Council and Consolidated 30-Jun-24
Term deposits	4.77%	5.55%
Other securities	4.75%	4.02%

## Note 11: Investment property

### Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at balance date. Fair Value is the price at which a property could be exchanged by knowledgeable and willing parties in an arm's length transaction. Fair Value is determined annually by the valuation undertaken by independent valuers that hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment properties being valued. Values for investment properties valued under PBE IPSAS 16 have been assessed primarily on a market related basis where sufficient data is available. For commercial properties, rentals, investment return rates and land improvement levels have been related directly to a wide range of Northland sales evidence, while for rural blocks direct sales analysis has been used.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

### Breakdown of investment property and further information:

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Balance at 1 July		81,994	84,153	191,754	194,100
Additions		146	969	2,864	3,811
Disposals	4	(755)	-	(755)	-
Transfers from/(to) property plant and equipment	13	-	-	(2,960)	15
Movement in lease incentives		-	-	(30)	(20)
Fair value gains/(losses) on valuation	2(iii)/4	3,422	(3,128)	5,365	(6,152)
Investment property derecognised on disposal of subsidiary		-	-	(111,431)	-
Balance at 30 June		84,807	81,994	84,807	191,754

## Investment properties valuation – Council

The annual valuation of council's investment properties was performed by CBRE Limited (2024: CBRE Limited). The valuation is effective as at 30 June 2025.

During the year two properties with a combined value of \$9,170,000 were reclassified from lessee interest investment properties to freehold investment properties and two freehold investment buildings with a combined value of \$755,000 were demolished.

At year end council's investment properties are valued at fair value comprising of ground leases of \$26,244,000 (2024: \$35,071,000); and freehold, and lessee's interest investment properties (land, buildings and improvements) of \$58,562,666 (2024: \$46,922,666).

The fair value of council's investment property has been determined in accordance with PBE IPSAS16 using the income capitalisation method for freehold properties and a commercial development property, the discounted cashflow method for leasehold properties, the market based comparison approach for two properties in the vicinity of the Kotuku Street Retention Dam. These methods are based upon assumptions including capitalisation rates, future ground lease rental rates, future land value, and an appropriate discount rate.

Capitalisation rate range 5.75% to 10.00% (2024: 5.75% to 10.00%)

Future market rents

+5.50% for five-yearly ground lease rent reviews (2024: 5.60%)

+5.75% for seven-yearly ground lease rent reviews (2024: 5.85%)

+6.90% for 21-yearly ground lease rent reviews (2024: 6.90%)

Annual inflation on land values: 1.75% (2024: 1.75%)

Discount rate: 7.25% (2024: 7.25%)

## Capital Commitments

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Investment Property	-	-	-	810
Total capital commitments	-	-	-	810

## Note 12(i): Investment in Subsidiaries (excluding council controlled organisations) and joint venture companies

### Accounting policy

#### Investment in Subsidiaries ('controlled entities')

Investment in subsidiaries is carried at cost in the council's parent entity financial statements. Information about council's subsidiaries and consolidated financial statements is provided in Note 1.3.1 within the Basis of Consolidation accounting policy.

At the time council ceases to control a subsidiary the carrying values of the subsidiary's assets, liabilities, and any non-controlling interest within equity are derecognised, with a gain or loss on deconsolidation, including the initial recognition and measurement of any retained interest in the former subsidiary, recognised in the surplus or deficit.

Where there is a retained interest in a former subsidiary, the initial carrying value is measured in the council's parent entity financial statements at fair value at the date control is lost.

Upon deconsolidation any amounts relating to the subsidiary that have previously been recognised in other comprehensive revenue and expense (and accumulated within reserves in Equity) are:

- » transferred to surplus or deficit if they would ordinarily be reclassified to surplus or deficit upon disposal.
- » transferred directly to Accumulated funds component of council's equity if they would not ordinarily be reclassified to surplus or deficit upon disposal.

Post-deconsolidation, any remaining interest in a former subsidiary will be accounted for using the equity method where that interest represents an interest in a Joint Venture or Associate.

#### Investment in Joint Ventures and Associates

A Joint venture is a joint arrangement where there is only a single combination of two or more parties that must agree under contractual arrangement in order to make decisions regarding an entity's relevant activities and the joint investees have rights to, and only to, the residual net assets of the joint arrangement.

An associate is an entity over which the council has significant influence but neither control or joint control of the entity. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates and joint ventures are accounted for using the equity method in the parent and group financial statements. The investment is initially recognised at cost and the carrying amount in the parent entity and group financial statements is increased or decreased to recognise the share of the surplus or deficit of the joint venture or associate after the date significant influence was obtained.

Per above, where a Joint venture or Associate was previously a subsidiary of the Group, the initial carrying of the value retained interest is measured at fair value.

Where necessary, adjustments are made to the financial statements of associates and joint ventures to bring their accounting policies in line with the group.

The group and council held investments in the following joint ventures and associates as at 30 June:

Entity Name	Held by	Relationship	Ownership/Control	
			2025	2024
North Port Limited	Group	Joint Venture	-	50.0%
Northport Group Limited	Council	Joint Venture	43.00%	-
Northland Inc. Limited	Council	Associate (CCO)	25.00%	33.0%
Regional Software Holdings Limited	Council	Associate (CCO)	-	16.75%

## Breakdown of investments in subsidiary (excluding CCOs) and joint venture companies

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Investment in Subsidiary		-	7,828	-	-
Investment in Joint Ventures		130,638	-	130,638	54,581
Total investment in other entities		130,638	8,234	130,638	54,581

## Investment in Subsidiaries

Activity during the 30 June 2025 reporting period

In February 2025 a consortium comprising the Council, Port of Tauranga and Tupu Tonu announced a conditional buy-out of the minority shareholders in Marsden Maritime Holding Limited (MMH). The buy-out transaction was completed on 26 June 2025, at which time control over the MMH as a subsidiary ceased.

MMH previously formed part of the consolidated group accounts and at the time that council lost its controlling interest in MMH, the carrying values of the MMHs assets, liabilities and non-controlling interest were derecognised, with the residual gain and loss on derecognition presented in Consolidated financial statements as Other Gains (Note 2(iii)).

## Gain/(Loss) on derecognition of subsidiary

	Note	\$000
Current assets		2,526
Non-current assets		203,800
Current liabilities		1,534
Non-current liabilities		42,065
Net Assets disposed at time of derecognition of subsidiary		(162,727)
Gain on initial recognition of retained interest in former subsidiary		124,000
Elimination of non controlling interest upon derecognition of subsidiary	20	76,227
Gain/(Loss) on derecognition of subsidiary recognised in the surplus/(deficit) of the Consolidated Financial Statements	2(iii)	37,500

## Discontinued Operation

Marsden Maritime Holdings Limited was previously a subsidiary of council and formed part of the Consolidated Financial Statements. As Marsden Maritime Holdings Limited was derecognised as a subsidiary during the year, its results as a Discontinued operation are presented below:

	30-Jun-25 \$000	30-Jun-24 \$000
Comprehensive revenue and expense of Discontinued Operation		
Revenue	13,769	12,014
Operating expenses	(16,970)	(14,515)
Depreciation and amortisation	(581)	(562)
Share of associate and joint venture company surplus/(deficit)	8,519	7,946
Surplus/(Deficit) before tax	4,737	4,883
Income tax benefit/(expense)	114	(488)
Other comprehensive revenue and expense	2,131	(2,204)
Surplus/(deficit) for the period before loss in derecognition	6,982	2,191
Carrying values of net assets derecognised during the year		
Cash and cash equivalents	433	213
Current receivables	1,971	946
Inventory	122	87



Investment property	111,432	109,760
Investment in joint venture company	56,976	54,581
Other financial assets - current portion	378	616
Property, plant and equipment	25,103	28,734
Capital projects in progress	9,911	161
Payables and deferred revenue - current portion	(1,340)	(1,506)
Employee entitlements	(194)	(87)
Payables and deferred revenue - non current portion	(1,692)	(1,828)
Other financial liabilities - non current portion	(246)	-
Deferred tax liability	(77)	(374)
Borrowings	(40,050)	(33,440)
<b>Net assets derecognised during the year</b>	<b>162,727</b>	<b>157,863</b>
<b>Cash flows from Discontinued Operation</b>		
Cash flows from/(used) in operating activities	(601)	7,321
Cash flows from/(used) in investing activities	(3,414)	(3,094)
Cash flows from/(used) in financing activities	4,235	(4,086)
<b>Net cash inflow/(outflow)</b>	<b>220</b>	<b>141</b>

## Investment in Joint Ventures

(i) As at 30 June 2025:

As per 1.3.2 of the Statement of Accounting Policies, the Council holds a 43% joint controlling shareholding in Northport Group Limited.

Summarised information of council's investment in joint venture company, Northport Group Limited is presented below

	Note	Council and Consolidated 30-Jun-25 \$000	Council and Consolidated 30-Jun-24 \$000
Opening carrying value of investment in Northport Group Ltd		-	-
Initial fair value of investment in Northport Group Ltd		124,000	-
Additional capital contribution to Northport Group Ltd		6,638	-
Shareholder loan to Northport Group Ltd		34,133	-
Share of after tax surplus		-	-
Dividends paid		-	-
<b>Closing carrying value of investment in Northport Group Ltd</b>		<b>164,771</b>	<b>-</b>
represented as:			
Loan to Joint Venture company	10	34,133	-
Investment in joint venture		130,638	-
<b>Closing carrying value</b>		<b>164,771</b>	<b>-</b>
<b>Share of Northport Group Ltd net surplus</b>			
Total Revenue		-	-
Total Expense		-	-
Total net surplus		-	-
<b>Total share of Northport Group Ltd net surplus (43%)</b>		<b>-</b>	<b>-</b>

(ii) As at 30 June 2024:

As per 1.3.2 of the Statement of Accounting Policies, the Group held a 50% joint controlling shareholding in Northport Limited, prior to derecognition of Marsden Maritime Holdings Limited as a subsidiary.

Summarised financial information of Northport Limited, is presented below:

	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Current assets	-	4,979
Non-current assets	-	158,451
Current liabilities	-	4,221
Non-current liabilities	-	47,455
<b>Net assets</b>	<b>-</b>	<b>111,754</b>
Group share of net assets (50%)	-	55,877
Other consolidation adjustments	-	(1,296)
<b>Total Investment in joint venture company</b>	<b>-</b>	<b>54,581</b>
Opening carrying value	54,581	57,185
Share of after tax surplus	8,519	7,946
Dividends paid	(5,625)	(7,061)
Share of land revaluation movement	(167)	(3,271)
Share of hedge reserve movement	(332)	(218)
Derecognition on investment in joint venture on disposal of subsidiary	(56,976)	-
<b>Closing carrying value</b>	<b>-</b>	<b>54,581</b>
<b>Share of Joint venture company net surplus</b>		
Revenue	43,112	40,722
Net surplus	17,038	15,892
Current period write back in respect of previous inter-entity asset sales	-	-
<b>Total share of joint venture company net surplus (50%)</b>	<b>8,519</b>	<b>7,946</b>

## Note 12(ii): Investments in council-controlled organisations

Breakdown of investments in council-controlled organisations and further information:

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Investment in Northland Inc Limited (Associate)	53	66	53	66
Investment in Regional Software Holdings Limited (Associate <sup>1</sup> )	387	340	387	340
<b>Total investments in council controlled organisations</b>	<b>440</b>	<b>406</b>	<b>440</b>	<b>406</b>

1 - As detailed below, the Council ceased to have significant influence over Regional Software Holdings Limited from November 2024. From this date on, the investment in Regional Software Holdings Limited represents a financial asset at fair value through surplus and deficit.

### Investment in Northland Inc Limited (Associate)

Northland Inc Limited is a Limited Company incorporated and registered under the Companies Act 1993 and is a council controlled organisation as defined in section 6 of the Local Government Act. Northland Inc Limited is an associate of council with a primary objective to develop the economy of Northland and review funding opportunities for the Investment and Growth Reserve.

#### Summarised financial information of Northland Inc Limited presented on a gross basis:

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000
Current assets	1,735	2,465
Non-current assets	218	243
Current liabilities	1,742	2,508
Non-current liabilities	-	-
<b>Net assets</b>	<b>211</b>	<b>199</b>
Councils interest in associate*	25%	33%
<b>Carrying amount of investment in associate (using Equity method)</b>	<b>53</b>	<b>66</b>
Total revenue	5,686	6,042
Total expense	5,674	6,035
Total comprehensive revenue and expense	12	8

\* During the year, the Council, reduced its shareholding in Northland Inc Limited from 33% to 25%. As a result of this transaction, at year end each of the regions four Councils hold an equal shareholding of 30 shares (25%).

### Investment in Regional Software Holdings Limited

Regional Software Holdings Limited (RSHL) is a Limited Company incorporated and registered under the Companies Act 1993 and is a council controlled organisation as defined in section 6 of the Local Government Act. RSHL's primary objective is to provide a framework for collaboration between the shareholders across the regional sector, supporting the procurement or development of shared solutions in a manner that generates consistency and provides a more cost effective alternative than individual councils can achieve on their own.

RSHL was previously an associate of council as a member of council's executive leadership team was on the Board of Directors of Regional Software Holdings Limited, and as such it was considered that council had significant influence over the operating and financial policies of RSHL.

In the current year, however, there has been a change in the RSHL's board of directors such that the Council no longer has representation on the board of directors of RSHL as at November 2024, and it has been determined that council no longer has significant influence over the operating and financial policies of RSHL.

The council's investment in RSHL was previously accounted for in the group and parent financial statements using the equity method. Following the loss of significant influence as at the date of the resignation of the 'Council's' director from the board of RSHL in November 2024, the investment in RSHL was reclassified from an investment in associate to a financial investment in a CCO and is accounted for at fair value through surplus or deficit.

The Council continues to monitor its relationship with RSHL and will assess any future impacts on its financial statements.

Summarised financial information of Regional Software Holdings Ltd presented on a gross basis:

		Council 30-Jun-25 \$000	Council 30-Jun-24 \$000
Current assets		-	6,499
Non-current assets		-	1,107
Current liabilities		-	2,403
Non-current liabilities		-	726
<b>Net assets</b>		-	<b>4,476</b>
Councils effective interest in associate**		-	12%
Investment in associate before impairment		-	520
Impairment in investment in Associate		-	(180)
<b>Carrying amount of investment in associate (using Equity method)</b>		-	<b>340</b>
Total revenue		4,901	13,225
Total expense		5,191	15,503
Prior period adjustment		638	2,379
<b>Total comprehensive revenue and expense</b>		<b>348</b>	<b>101</b>

\*\* In November 2024, the investment in RSHL was reclassified from an investment in associate to a financial asset and is accounted for at fair value through surplus or deficit.

## Note 13: Property, plant and equipment

### Accounting policy

Property, plant and equipment consists of:

Operational assets – these include land, buildings, plant and equipment, vehicles and vessels.

Infrastructure assets – infrastructure assets are the assets that comprise the Awanui River flood management system and other river management schemes as they are developed, including stopbanks and floodgates.

Buildings and infrastructure assets are measured at fair value less accumulated depreciation. Forest land subject to the Emissions Trading Scheme is the land under the forestry asset and is valued at historical cost. All other land is measured at fair value.

All other asset classes are measured at cost less accumulated depreciation and impairment losses.

*Revaluation:* Owner occupied freehold land and buildings and infrastructure assets are re-valued with sufficient regularity to ensure that their carrying value does not differ materially from fair value and at least every three years.

*Net revaluation results:* Net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be first recognised in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

*Additions:* The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to the council and exceeds \$2000 (GST excl), and the cost of the item can be measured reliably. Capital projects in progress are recognised at cost less impairment and are not depreciated.

In most instances an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the council and group and the cost of the item can be measured reliably. The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

*Disposals:* Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the surplus or deficit. When re-valued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

*Depreciation:* Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation and amortisation rates of major classes of assets have been estimated as follows:

- Buildings	5-50 years 1-20%
- Plant, equipment, vehicles and vessels	2-100 years 1-50%
- Infrastructure assets	20-190 years 0.5-5%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.



Infrastructural assets components include gates, pipes, outlets and stopbanks. Depreciation is not provided for on stopbank components of the infrastructure assets. An asset management plan has been prepared for these schemes.

*Impairment of property, plant and equipment:* Property, plant and equipment that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount the total impairment is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

*Value in use for non cash generating assets:* Non cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

*Value in use for cash generating assets:* Cash generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Movements in the carrying value for each class of property, plant and equipment are as follows:

COUNCIL	Freehold Land \$000	Forestry Land \$000	Buildings \$000	Infrastructure \$000	Plant, equipment, vehicles and vessels \$000	TOTAL \$000	Capital work in progress \$000
<b>Year ended 30 June 2024</b>							
Opening net book value	5,180	707	14,150	39,139	5,186	64,362	7,410
Additions	-	-	209	2,897	5,429	8,535	5,742
Disposals* and divested assets	-	-	-	-	(216)	(216)	-
Revaluation movement	370	-	(1,115)	-	-	(745)	-
Depreciation expense	-	-	(284)	(287)	(1,519)	(2,090)	-
<b>Closing net book value</b>	<b>5,550</b>	<b>707</b>	<b>12,960</b>	<b>41,749</b>	<b>8,880</b>	<b>69,846</b>	<b>13,152</b>
<b>At 30 June 2024</b>							
Assets at cost/valuation	5,550	707	12,960	42,036	19,321	80,574	13,152
Accumulated depreciation	-	-	-	(287)	(10,441)	(10,728)	-
<b>Net book value</b>	<b>5,550</b>	<b>707</b>	<b>12,960</b>	<b>41,749</b>	<b>8,880</b>	<b>69,846</b>	<b>13,152</b>
<b>Year ended 30 June 2025</b>							
Opening net book value	5,550	707	12,960	41,749	8,880	69,846	13,152
Additions	-	-	246	1,172	575	1,993	6,045
Disposals* and divested assets	-	-	-	-	(34)	(34)	-
Transfer between asset classes	-	-	-	7,880	2	7,882	(7,882)

Revaluation movement	(30)	-	1,105	-	-	1,075	-
Transfer to operations	-	-	-	-	-	-	(74)
Depreciation expense	-	-	(261)	(356)	(1,437)	(2,090)	-
<b>Closing net book value</b>	<b>5,520</b>	<b>707</b>	<b>14,050</b>	<b>50,445</b>	<b>7,950</b>	<b>78,672</b>	<b>11,241</b>
<b>At 30 June 2025</b>							
Assets at cost/valuation	5,520	707	14,050	51,088	19,328	90,693	11,241
Accumulated depreciation	-	-	-	(643)	(11,378)	(12,021)	-
<b>Net book value</b>	<b>5,520</b>	<b>707</b>	<b>14,050</b>	<b>50,445</b>	<b>7,950</b>	<b>78,672</b>	<b>11,241</b>

Depreciation and amortisation expense				Council 30-Jun-25	Council 30-Jun-24
Property, plant and equipment				2,090	2,090
Intangibles		Note 14		86	92
<b>Total</b>				<b>2,176</b>	<b>2,182</b>

\* disposals are reported net after accumulated depreciation

CONSOLIDATED	Freehold Land \$000	Forestry Land \$000	Freehold Land - Port \$000	Buildings and amenities \$000	Infrastructure \$000	Plant, equipment, vehicles and vessels \$000	TOTAL \$000	Work in progress \$000
<b>Year ended 30 June 2023</b>								
Opening net book value	5,180	707	16,170	23,092	39,139	7,044	91,332	7,813
Additions	-	-	-	553	2,897	5,429	8,879	6,190
Disposals* and divested assets	-	-	-	0	-	(246)	(246)	-
Transfer between asset classes	-	-	-	-	-	302	302	(660)
Revaluation movement	370	-	1,505	(910)	0	-	965	-
Transfer to operations	-	-	-	-	-	-	-	(30)
Depreciation expense	-	-	-	(627)	(287)	(1,738)	(2,652)	-
Closing net book value	5,550	707	17,675	22,108	41,749	10,791	98,580	13,313
<b>At 30 June 2024</b>								
Assets at cost/valuation	5,550	707	17,675	24,059	42,036	22,731	112,758	13,313
Accumulated depreciation	-	-	-	(1,951)	(287)	(11,940)	(14,178)	-
Net book value	5,550	707	17,675	22,108	41,749	10,791	98,580	13,313
<b>Year ended 30 June 2025</b>								
Opening net book value	5,550	707	17,675	22,108	41,749	10,791	98,580	13,313
Additions	-	-	-	354	1,172	427	1,953	6,746
Disposals* and divested assets	-	-	-	-	-	(34)	(34)	-
Transfer between asset classes	-	-	2,960	-	7,880	271	11,111	(8,151)
Revaluation movement	(30)	-	3,125	1,059	-	-	4,154	-
Transfer to operations	-	-	-	-	-	-	-	(74)
Depreciation expense	-	-	-	(609)	(356)	(1,706)	(2,671)	-
Fixed assets derecognised in disposal of subsidiary	-	-	(23,760)	(8,862)	-	(1,799)	(34,421)	(592)
Closing net book value	5,520	707	0	14,050	50,445	7,950	78,672	11,241
<b>At 30 June 2025</b>								
Assets at cost/valuation	5,520	707	-	14,050	51,088	19,328	90,693	11,241
Accumulated depreciation	-	-	-	-	(643)	(11,378)	(12,021)	-
Net book value	5,520	707	0	14,050	50,445	7,950	78,672	11,241
<b>Depreciation and amortisation expense</b>								
		Consolidated 30-Jun-25	Consolidated 30-Jun-24					
Property, plant and equipment		2,671	2,652					
Intangibles	Note 14	86	92					
Total		2,757	2,744					

\* disposals are reported net after accumulated depreciation

### **Valuation of freehold land and buildings - Council**

The most recent valuation of council's freehold land and buildings was performed by CBRE Limited (2024: CBRE Limited) and is effective as at 30 June 2025.

Council's freehold land and buildings are valued at fair value of \$19,570,000 (2024: \$18,510,000) using a market-based approach based on a highest and best use approach, whereby the potential market rentals are capitalised to derive a market value of the property. Significant assumptions in the 30 June 2025 valuations include market rentals and capitalisation rates.

- » Market rents range from: \$133.64 to \$325 per square metre (2024: \$133.64 to \$325)
- » Capitalisation rates are market based rates of returns, ranging from 6.41% to 9.67% (2024: 6.41% to 9.50%)

If council's freehold land and buildings were measured at depreciated replacement cost, the carrying amount would be \$17,140,000 (2024: \$16,415,000). Council has no restrictions on the realisability of its freehold land and buildings.

### **Valuation of Infrastructure assets - Council**

The most recent valuation of council's infrastructure assets was performed by independent registered valuers AON Valuation Services. The valuation is effective as at 30 June 2023.

Flood protection assets are valued using the depreciated replacement cost (DRC) method. In using the DRC methodology, age, condition, location, remaining life, optimisation and modern equivalent replacement cost information were collated on individual elements of the flood protection assets (i.e. stop banks, floodgate, spillway, retaining wall, culverts and bridge). Replacement costs were based on the current replacement cost of modern equivalent assets and reviewed by AON staff and compared with contract rates.

In determining the fair value of associated infrastructure land, land has been valued as vacant with assessments to comparable market evidence taking into consideration adjustments for size, contour, location, zoning and designation, current and potential uses. Where it is identified that the land is designated reserve, an appropriate adjustment has been made to reflect the retrieved nature of any future development potential. The basis when valuing designated land is that the land may not be used for any other purpose than is designated with an adjustment made to reflect the value of the chance of any permission being obtained for some other use at some future time.

The remaining life of elements is based on a standard expected economic life for each element type with adjustments dependent on age and condition for each individual element, which may vary from one asset to another.

Infrastructure assets have been classed as being fully optimised and no discount has been applied to account for any spare capacity.

To ensure the carrying value of council's infrastructure assets do not differ materially from their fair value, AON Valuation Services undertake an annual high-level review of movements in selected relevant markets. Based on the market increases in the replacement costs of flood protection assets and increases in civil construction over the 12 months to 30 June 2025 it was assessed that there was no material difference between the carrying value and fair value of councils Infrastructure assets, and a revaluation was not required.

## Core infrastructure disclosure

Included within the council infrastructure assets are the following core council assets:

	Closing Book Value \$000	Additions: constructed by Council \$000	Additions: transferred to Council \$000	Most recent replacement cost estimate for revalued assets \$000
<b>2025</b>				
Whangārei Urban Rivers Flood Protection Scheme	8,788	0	0	8,875
Awanui River Flood Protection Scheme	30,408	0	0	31,247
Kaeo-Whangaroa Flood Protection Scheme	1,544	485	0	1,127
Panguru Flood Protection Scheme	1,207	0	0	1,233
Taumarere Rivers Flood Protection Scheme	8,498	8,577	0	8,577
<b>Total</b>	<b>50,445</b>	<b>9,062</b>	<b>0</b>	<b>51,059</b>
<b>2024</b>				
Whangārei Urban Rivers Flood Protection Scheme	8,881	0	0	8,875
Awanui River Flood Protection Scheme	30,594	2,882	0	31,247
Kaeo-Whangaroa Flood Protection Scheme	1,066	15	0	1,127
Panguru Flood Protection Scheme	1,208	0	0	1,233
<b>Total</b>	<b>41,749</b>	<b>2,897</b>	<b>0</b>	<b>42,482</b>

## Capital Commitments

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Property plant and equipment	48	22	48	101
<b>Total capital commitments</b>	<b>48</b>	<b>22</b>	<b>48</b>	<b>101</b>

Capital Commitments represent capital expenditure contracted for at year end but not yet incurred.



## Note 14: Intangible assets

### Accounting policy

#### *Software acquisition and development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the council's website are recognised as an expense when incurred.

#### *Carbon Credits*

Compensation units received at no cost from the Crown are recognised at fair value at the date of receipt. The credits are recognised when they have been received and are recognised in the surplus.

New Zealand Units are revalued annually with reference to market prices. The net revaluation result is credited or debited to other comprehensive revenue and expense and accumulated to an asset revaluation reserve in equity. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the NZU. Gains and losses on disposals are reported in the surplus or deficit.

If at the end of any financial year there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. Council's Forest Management Plan prescribes that replanting will always take place subsequent to any harvest.

#### *Easements*

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually. The cost of an easement is capitalised as part of the asset to which they relate.

#### *Amortisation*

Intangible assets that have an indefinite useful life, or are not yet available for use are not subject to amortisation and are tested annually for impairment.

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for major classes of intangible assets have been estimated as follows:

Computer software: 3-5 years 20-33%

## Breakdown of intangible assets and further information:

	Note	Council and Consolidated 30-Jun-25 \$000	Council and Consolidated 30-Jun-24 \$000
<b>Computer software</b>			
Cost - opening balance		1,737	1,712
Accumulated amortisation		(1,622)	(1,530)
<b>Computer software opening carrying amount</b>		<b>115</b>	<b>182</b>
Additions		249	25
Net disposals*		-	-
Amortisation charge		(86)	(92)
<b>Total computer software closing balance</b>		<b>278</b>	<b>115</b>
Cost		1,986	1,737
Accumulated amortisation		(1,708)	(1,622)
<b>Total computer software closing balance</b>		<b>278</b>	<b>115</b>
<b>Forestry Carbon Credits - New Zealand Units (NZU's)</b>			
Opening balance		-	698
Gain/(loss) on revaluation of Emission Trading Scheme - NZU's	20	-	245
Transfer to Assets held for Sale	9	-	(943)
Forestry Carbon Credits - New Zealand Units (NZU's) - Closing Balance		-	-
<b>Total Intangible Assets</b>		<b>278</b>	<b>115</b>

\*Disposals are reported net after accumulated depreciation.

## Note 15: Forestry assets

### Accounting policy

Forestry assets are independently revalued, annually, at fair value less estimated point of sale costs.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs, and from a change in fair value less estimated point of sale costs, are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

## Breakdown of forestry assets and further information:

	Note	Council and Consolidated 30-Jun-25 \$000	Council and Consolidated 30-Jun-24 \$000
<b>Balance at 1 July</b>		<b>4,330</b>	<b>4,242</b>
Gain/(Loss) arising from changes in fair values less estimated point-of-sale costs	2iii	683	88
<b>Balance at 30 June</b>		<b>5,013</b>	<b>4,330</b>

Northland Regional Council owns 295.7 hectares (2024: 295.7 hectares) of radiata pine forest which are at varying stages of maturity, ranging from 5 to 35 years. The reduction in the number of hectares from the previous year is due to poor stocking.

### Valuation assumptions

Independent registered forestry industry consultants, Forme, have valued forestry assets at fair value less estimated selling costs as at 30 June 2025.

In 2025 (and 2024) the fair value of the forest was derived by using the crop expectation value method. Under the crop expectation value approach, the net present value of the forest is calculated by discounting the projected future net cash flow of the tree crop to the valuation date (30 June 2025). The calculated net present value is linked to sales evidence through the application of a discount rate of 7.8% (2024: 7.8%) derived with consideration to the cost of capital of a similar investment and consistent with the 2023 discount rate survey published in the NZ Journal of Forestry Vol69, No.2. The valuation also uses the standard set of conventions (time, cost, area market) as recommended by the NZ Institute of Forestry. In applying this approach PBE IPSAS 27 requires exclusion of financing, funding and costs related to subsequent crops. Costs and prices are held constant in 2025 NZ dollars, i.e. the net impact of inflation is assumed to be zero.

## **Note 16: Derivative financial instruments**

### **Accounting policy**

Marsden Maritime Holdings Limited use derivative financial instruments such as interest rate swaps to hedge risk associated with interest rate fluctuation.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

### **Designated Cash Flow Hedges**

Marsden Maritime Holdings Limited documents at the inception of the transaction the relationship between hedging instrument and hedged item, as well as the risk management objective and strategy for undertaking the transactions. Marsden Maritime Holdings Limited also documents its assessment, both at hedge inception and on an ongoing basis of whether the derivatives that are being used in hedging transactions are highly effective throughout the financial reporting period(s) for which they were designated.

At each reporting period, all designated cashflow hedges are tested for effectiveness. The effective portion of the gain or loss on a hedging instrument is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into the surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which a fair value hedge accounting is applied, the associated gains or losses that were recognised in other comprehensive revenue and expense will be recognised in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, or exercised without replacement or roll over or it no longer meets the criteria for hedge accounting, the cumulative gain or loss previously recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately in equity until the forecast transaction occurs.

The fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

### **Derivatives that do not qualify for hedge accounting**

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

## Note 16: Cash flow hedge reserve:

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Movement in Marsden Maritime Holdings Limited (parent) hedging		-	-	(625)	(589)
Movement in share of joint venture hedging reserve		-	-	(461)	(304)
Total movement in hedging reserve before tax		-	-	(1,086)	(893)
Taxation on above items		-	-	304	250
<b>Total movement in hedging reserve after tax</b>		-	-	<b>(782)</b>	<b>(643)</b>
Balance 1 July				521	1,164
Recycled to surplus/(deficit) on disposal of subsidiary		-	-	261	-
Balance 30 June		-	-	0	521
<b>Balance 30 June - Attributable to controlling interest in Marsden Maritime Holdings Ltd</b>	20	-	-	<b>0</b>	<b>278</b>

## Note 17: Payables and deferred revenue

Breakdown of payables and deferred revenue and further information:

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>CURRENT PORTION</b>				
<b>Payables and deferred revenue under exchange transactions</b>				
Payables and accruals	4,845	5,282	4,845	6,597
Revenue received in advance	583	583	583	791
Amounts due to subsidiaries and associates	-	27	-	-
	<b>5,428</b>	<b>5,892</b>	<b>5,428</b>	<b>7,388</b>
<b>Payables and deferred revenue under non-exchange transactions</b>				
Grants payable	62	500	62	500
Other grants and deferred revenue received subject to conditions not yet met	4,877	5,913	4,877	5,913
Other taxes	442	537	442	537
	<b>5,381</b>	<b>6,950</b>	<b>5,381</b>	<b>6,950</b>
<b>Current total payables and deferred revenue</b>	<b>10,809</b>	<b>12,842</b>	<b>10,809</b>	<b>14,338</b>
<b>NON-CURRENT PORTION</b>				
<b>Payables and deferred revenue under non-exchange transactions</b>				
Other grants received and deferred revenue subject to conditions not yet met	626	625	626	2,453
<b>Non-current total payables and deferred revenue</b>	<b>626</b>	<b>625</b>	<b>626</b>	<b>2,453</b>

Trade and other payables are non-interest bearing and are normally settled on terms varying between seven days and 20th of the month following the invoice date. Therefore, the carrying value of trade and other payables approximates their fair value.

## Note 18: Employee entitlements

### Accounting policy

#### Short-term employee entitlements

Employee benefits that are expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are anticipated to be taken. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that council anticipates it will be used by staff to cover those future absences.

Council recognises a liability and an expense for bonuses where contractually obliged, or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

#### Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement have been calculated on an actuarial basis. The calculations are based on the present value of the estimated future cash flows.

#### Presentation of employee entitlements

Retirement gratuities for employees up to the age of 60 are classified as a non-current liability. All other employee entitlements are classified as a current liability.

### Breakdown of employee entitlements and further information:

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Annual leave	1,871	1,797	1,871	1,885
Accrued salaries and wages	1,386	1,113	1,386	1,113
Other leave	468	394	468	393
	3,725	3,304	3,725	3,391
<b>Represented by:</b>				
Current benefit liabilities	3,706	3,285	3,706	3,372
Non-current benefit liabilities	19	19	19	19
	3,725	3,304	3,725	3,391

## Note 19: Borrowings

### Accounting policy

Borrowings on normal commercial terms are initially recognised at their fair value plus any transaction costs.

Borrowing costs are recognised as an expense in the period in which they are incurred, and where repaid on maturity they are accrued and added to the borrowing balance.

After initial recognition, borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.



## Breakdown of borrowings and further information:

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>Current</b>				
Local Government Funding Agency - Borrowing	6,883	-	6,883	-
<b>Total current borrowings</b>	<b>6,883</b>	<b>-</b>	<b>6,883</b>	<b>-</b>
<b>Non-current</b>				
Local Government Funding Agency - Borrowing	59,158	24,458	59,158	24,458
Secured Loans - BNZ	-	-	-	33,440
<b>Total non-current borrowings</b>	<b>59,158</b>	<b>24,458</b>	<b>59,158</b>	<b>57,898</b>
<b>TOTAL Borrowings</b>	<b>66,041</b>	<b>24,458</b>	<b>66,041</b>	<b>57,898</b>

The council uses borrowing to fund capital investment to help achieve intergenerational equity so that today's ratepayers only meet the cost of using their council's assets, not the full cost of purchasing or creating long term assets that will benefit future ratepayers.

Council borrowings consist of a short term loan and long term bonds sourced from the Local Government Funding Agency (LGFA) at fixed rates of interest ranging from 1.98% to 5.65% (2024: 1.98% to 5.32%). The weighted average interest rate for council's outstanding borrowings as at balance date was 4.87% (2024: 4.47%).

All borrowings are secured by a charge over council's rates revenue set and assessed under the Local Government Rating Act 2002.

There are a number of covenants included within the loan agreement with LGFA - no breach of these loan covenants has occurred during the year.

The total fair value of council's borrowings at 30 June 2025 is \$69,616,120 (2024: \$23,683,734). Fair values are based on a yield to maturity basis and semi annual interest payments. Fair value rates range from 3.63% to 4.49% (2024: 4.83% to 5.00%).

## Note 20: Equity

### Accounting policy

Equity is the community's interest in the council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

#### » Accumulated funds

#### » Reserves

- » Asset revaluation reserve
- » Fair value through other comprehensive revenue and expense reserve
- » Hedging reserve
- » Special reserves.

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the council.

The Asset revaluation reserve relates to the revaluation of property, plant and equipment and intangible assets to fair value.

The fair value through other comprehensive revenue and expense reserve comprises the cumulative net change in fair value of assets classified as fair value through other comprehensive revenue and expense.

Hedging reserve comprises the effective portion of the cumulative net change in fair value of derivatives designated as cash flows hedges.

Special reserves include reserves established by the council (and may be altered at the discretion of council) to isolate funds put aside for a specific purpose, and other reserves restricted by law and reflect targeted rates that must be applied to the specific activities for which the rates were collected.

### Breakdown of equity and further information:

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>Accumulated funds</b>				
As at 1 July	168,165	158,976	208,259	199,702
Surplus/(deficit) for year	131,205	8,398	53,739	7,766
Net transfers from/(to) special reserves	41,311	791	41,311	791
Net transfers from/(to) other reserves	810	-	38,182	-
<b>As at 30 June</b>	<b>341,491</b>	<b>168,165</b>	<b>341,491</b>	<b>208,259</b>

Reserves	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>Asset revaluation reserve</b>					
As at 1 July		8,712	9,212	44,522	45,859
Revaluation gains/(losses) - buildings and amenities		1,105	(1,115)	1,080	(1,005)
Revaluation gains/(losses) - land		(30)	370	1,557	(577)
Revaluation gains/(losses) - forestry carbon credits		-	245	-	245
Transfer to accumulated funds		(810)	-	(38,182)	-
<b>As at 30 June</b>		<b>8,977</b>	<b>8,712</b>	<b>8,977</b>	<b>44,522</b>
Asset revaluation reserve attributable to:					
Land		3,322	3,352	3,322	38,777
Buildings and amenities		1,549	444	1,549	829

Infrastructure assets	4,106	4,106	4,106	4,106
Forestry carbon credits	-	810	-	810
<b>Total Asset revaluation reserve</b>	<b>8,977</b>	<b>8,712</b>	<b>8,977</b>	<b>44,522</b>
<b>Special reserves</b>				
As at 1 July	55,270	56,061	55,270	56,061
Transfers from/(to) accumulated funds	(41,311)	(791)	(41,311)	(791)
<b>As at 30 June</b>	<b>13,959</b>	<b>55,270</b>	<b>13,959</b>	<b>55,270</b>
<b>Cashflow hedge reserve</b>				
As at 1 July	-	-	278	623
Fair value gains/(losses) recognised	-	-	(418)	(345)
Recycled to surplus/(deficit) on disposal of subsidiary	-	-	140	
<b>As at 30 June</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>278</b>
<b>Total Reserves</b>	<b>22,936</b>	<b>63,982</b>	<b>22,936</b>	<b>100,070</b>
Non-controlling interest	-	-	-	73,850
<b>Total Equity</b>	<b>364,427</b>	<b>232,147</b>	<b>364,427</b>	<b>382,179</b>
<b>Non-controlling interest</b>				
Balance at 1 July			73,850	75,421
Share of total comprehensive revenue and expense attributable to the non controlling interest in Marsden Maritime Holdings Limited	-	-	3,358	1,016
Dividends paid	-	-	(1,101)	(2,587)
Recycled cashflow hedge reserve to surplus/(deficit) on disposal of subsidiary	-	-	120	-
Elimination of non controlling interest on derecognition of subsidiary	12(i)		(76,227)	
<b>Balance at 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,850</b>

Information about reserve funds held for a specific purpose is provided below:

<b>Note 20 continued</b>		<b>Balance at 30 June 2025 \$000</b>	<b>Balance at 30 June 2024 \$000</b>
<b>Activities to which the reserve relates</b>			
Land Management reserve	Land and Biodiversity	3,343	3,194
Awanui River reserve	River management	(911)	198
Kaihū River reserve	River management	74	42
Kāeo-Whangaroa Rivers reserve	River management	329	344
Whangārei Urban Rivers reserve	River management	(6,040)	(6,530)
Property Reinvestment reserve	Economic development	24,700	24,503
Equalisation reserve	All	2,413	2,814
Hātea River Maintenance reserve	Harbour safety and navigation	40	45
Investment and Growth reserve	Economic development	471	160
Economic Development reserve	Economic development	17,425	18,520
Regional Projects reserve	All	8,687	13,100
Whangārei Transport reserve	Transport	1,583	1,066
Emergency Services reserve	Community representation and engagement	210	213
Approved Carry Forwards reserve	All	711	773
Flood Infrastructure reserve	River management	(9,545)	(7,116)
Kāeo-Whangaroa Flood Infrastructure reserve	River management	926	285
Awanui Flood Infrastructure reserve	River management	(944)	(1,375)

Whangārei Flood Infrastructure reserve	River management	269	215
Taumārere Flood Infrastructure reserve	River management	(101)	88
Far North Transport reserve	Transport	795	674
Regional Sporting Facilities reserve	Economic development	1,793	1,747
Operational reserve	All	6,616	5,042
Kaipara Moana Remediation reserve	Kaipara Moana remediation programme	(86)	60
Enterprise System reserve	Enterprise System	(3,097)	(3,582)
Vessel Replacement reserve	Harbour safety and navigation	(2,536)	(2,656)
IRIS Next Generation reserve	IRIS Next Generation	759	660
CDEM Joint Emergency Centre reserve	CDEM joint emergency centre	3,699	2,355
Biosecurity Pest Incursions Response Reserve	Biosecurity	311	431
Joint Venture Company Equalisation reserve	All	(37,935)	-
<b>Total Special Reserves</b>		<b>13,959</b>	<b>55,270</b>

## Purpose of each reserve fund:

### Land Management Reserve

This reserve was created to set aside Land Management rates collected but not fully used in any given year. While the land management reserve maintains a positive balance, it can be used to fund emergency events such as remedial storm expenditure on a case-by-case basis. This reserve will be renamed in 2024/25 to Land and Freshwater Management Reserve.

### River and Flood Infrastructure Reserves

The Awanui, Kaihu, Kāeo -Whangaroa, Kerikeri-Waipapa and Whangārei urban and Taumārere river reserves and flood infrastructure reserves represent accumulated targeted river management rates and targeted flood infrastructure rates collected and unspent in any given year to cover:

- » Any future funding shortfalls in respect to the maintenance and operation of existing river flood management schemes (river reserves)
- » Any future funding shortfalls relating to the development, maintenance and operation of new flood infrastructure schemes (flood infrastructure reserves)

This keeps the surpluses/ deficits in the appropriate activity separate from other activities. Any deficit balance in these reserves will be restored to a positive balance from future targeted river management and flood infrastructure rates collected from the rate payers within the area of benefit identified in the respective flood management plans.

### Property Reinvestment Reserve

This reserve was established to represent the proceeds of commercial property sales and acquisitions and includes the proceeds of a special dividend (capital) payment made by the Marsden Maritime Holdings Limited. This reserve represents general funds invested in council's long term and short term investment funds that are set aside to be reinvested in income-producing assets, pending the identification of approved property investments.

### Equalisation Reserve

This reserve was created to represent accumulated surplus forestry income (after accounting for the cost of any forestry maintenance) arising in any year. These reserved funds are intended to provide future funding of councils general operating activities with a view to smoothing future rating increases. It is further intended that these reserved funds be used to fund the self insurance of forestry infrastructure and the cost of forestry operations in non-harvesting years.

### Hātea River Maintenance Reserve

This reserve was created to represent a component of the council services rate specifically levied across the Whangārei constituency, which is set aside to ensure funding is in reserve and immediately available if dredging of the Hātea river is required. The funds may be applied to the following:

1. Ongoing maintenance and dredging
2. Disposal of dredged spoil material
3. The provision of an annual hydrographic survey of the river.

The reserve is to be maintained at a targeted fund of up to \$400,000.

### Investment and Growth Reserve

This reserve was created to represent the investment income set aside and held in reserve to fund activities and projects that contribute towards economic well-being in accordance with set criteria.

### Economic Development Reserve

This reserve was established to represent funds held in council's long-term investment fund that are reserved to support Northland's economic development activities including investment in community infrastructure.

### Civil Defence and Emergency Management (CDEM) Joint Emergency Centre Reserve

This reserve represents the shortfall in funding relating to the CDEM joint emergency centre. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term. This reserve will be renamed in 2024/25 to Civil Defence Emergency Management (CDEM) Multi Agency Coordination Centre Reserve.

### **Vessel Replacement Reserve**

This reserve represents the balance of the borrowing remaining on the replacement for the Waikare, which will be funded from future rates. In addition this reserve will hold rates collected over the life of the vessel to fund the next replacement vessel.

### **Regional Projects Reserve**

This reserve was established to represent funds invested in council's long-term investment fund, and earmarked for approved infrastructure and economic development investments, with a view to stabilising the impact of large irregular infrastructure projects on council's income and capital requirements. This reserve helps manage and spread the costs of approved infrastructure and economic development investment projects and is also intended to provide more flexibility around when such large capital intensive projects can commence. The income from this reserve represents funds available for operational spend for other activities where needed.

### **Whangārei and Far North Transport Reserves**

This Whangārei transport reserve and the Far North transport reserve represent accumulated targeted Whangārei transport and Far North transport rates collected and unspent in any given year to cover any future funding shortfalls of their respective transport services. Any deficit balance in these reserves will be restored from future targeted rates collected from ratepayers in the Whangārei district (Whangārei transport rates) and Far North district (Far North transport rates).

### **Emergency Services Reserve**

This reserve represents any accumulated targeted Emergency Services rates collected and unspent in any given year, and held in reserve to cover any future funding shortfalls of Emergency Services funding. This reserve will be renamed in 2024/25 to the Regional Rescue Services Reserve.

### **Approved Carry Forwards Reserve**

This reserve represents amounts approved to be carried forward from one financial year to the next to enable specific work programmes to be completed. All carry forwards are approved by way of council resolution.

### **Flood Infrastructure Reserve**

This reserve was created to hold any targeted flood infrastructure rates relating to new flood protection capital programmes, identified in the infrastructure strategy, that were collected and unspent in any given year. These unspent rates will cover any future funding shortfalls in the new flood protection capital programmes.

### **Regional Sporting Facilities Reserve**

This reserve represents accumulated targeted regional sporting facilities rates collected and unspent in any given year, and held in reserve to contribute to any future funding shortfalls of regional sporting facilities funding.

### **Operational Reserve**

This reserve, formerly known as the OPEX Reserve, was established to represent the term deposits held to ensure the stability of work-programmes, employment, and council's ongoing day to day operations, by ensuring that a portion of annual operating costs that is intended to be funded from council's investment returns (dividends and managed fund gains) is in reserve. This will cover any unanticipated loss in council's funding arising from adverse economic conditions or volatility in financial markets.

### **Capital Subsidy Reserve**

This reserve represents capital subsidies received by council to offset the future costs associated with capital projects.

### **Kaipara Moana Remediation Reserve**

This reserve represents the shortfall in funding relating to the required contribution to the Kaipara Moana Remediation program. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.

### **Enterprise System Reserve**

This reserve represents the shortfall in funding relating to the enterprise system. Any deficit in this reserve will be restored to a positive balance from future rates collected. From then on, any rates collected over the life of the programme will accumulate and be held to repay the borrowing at the end of the loan.

### **IRIS Next Generation Reserve**

This reserve represents the shortfall in funding relating to the IRIS Next Generation Project. Any deficit balance in this reserve will be restored to a positive balance from future rates collected.

### **Biosecurity Pest Incursion Response Reserve**

The purpose of this reserve is to represent accumulated annual surpluses that may be called upon to immediately fund the response to any new incursion of pests that pose a risk to Northlands economy, environment, cultural and social values. The Reserve may also be called upon to fund preventative measures for specific species of national concern such as Freshwater Clam that are not currently present and excluding them will prevent significant damage to the economy, environment, cultural and social values.

### **Joint Venture Equalisation Reserve**

This reserve represents the shortfall in funding related to the transaction undertaken to invest in Northport Group Limited. Any deficit in this reserve will be restored to a neutral or positive balance from future dividends and/or interest received.

## Note 21: Contingencies

### 21(i): Contingent liabilities

	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
Bonds	-	-	-	75
	-	-	-	75

#### Council

The council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Standard and Poor's Global Ratings of AAA and a foreign currency rating of AA+ and a local currency rating and foreign currency rating of AA+ from Fitch.

Accounting Standards require the council to initially recognise the guarantee liability by applying the 12-month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of financial year, the council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore, the council have not recognised a liability.

As at 30 June 2025, the council is one of 72 local authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the council is a guarantor of all of NZLGFA's borrowings. At 30 June 2025, NZLGFA had borrowings totalling \$25,530m (2024: \$23,030m).

The council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- » We are not aware of any local authority debt default events in New Zealand; and
- » Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

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.

#### Legal Claims

A complicated civil claim was lodged against council in 2024, and 4 other parties, seeking damages of \$3.5m for alleged negligence in performing its responsibilities regarding the granting and monitoring of a resource consent.

Council is defending the claim and is a third party to the proceedings, represented by its insurers counsel. At the end of the reporting period the proceedings are adjourned to allow the first and second parties to discuss the possibility of settlement.

In December 2020, proceedings were filed with the Māori Land Court which seek to establish "ownership" of waters of Poroti Springs and seeks that council pay damages relating to cultural, spiritual, and economic losses associated with council exercising its powers under the Resource Management Act 1991. Those proceedings have been on hold while the jurisdiction of Māori Land Court to hear and determine the proceedings is established by the higher courts. The matter is presently before the Court of Appeal following the appeal on a High Court ruling that the Māori Land Court does not have jurisdiction to determine claims for customary title to water nor does it have jurisdiction to order damages for injury to customary title to water.

The outcome of these proceedings and any financial exposure for these claims is uncertain at the end of the reporting period, and no provision has been made in the financial statements.

Disclosing a contingent liability does not represent either an admission that the claim is valid or an estimation of the possible amount of any award against the council.



Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the council has an ongoing obligation to contribute to the Riskpool scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance or where reinsurance is delayed), and to fund the ongoing operation of the scheme.

The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, following the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, which addressed the treatment of claims against Riskpool that involved a mixture of non-weather-tightness and weather-tightness defects (mixed claims), a number of proceedings against Riskpool, which were stayed pending the Supreme Court's decision in 2023, have since recommenced.

Several member councils have brought proceedings against Riskpool related to mixed claims. Two of these claims are currently listed for trial in September 2025. These cases are important in clarifying the scope of Riskpool's historical obligations and the interpretation of past Scheme terms. At this point the total potential liability of the outstanding claims against Riskpool is unable to be quantified.

#### *Other Legal Claims*

At year end the council was a respondent or defendant in a number of other legal proceedings against council that had not been heard before the court or ruled upon which may result in a liability should council not successfully defend the proceedings. Consistent with the nature of the council's activities, these legal claims predominantly involve Environment, Māori Land, High and District court proceedings resulting from decisions made by the council as a planning and consenting authority under the Resource Management Act. The amount claimed or the maximum potential exposure for the council is not considered material and excludes any interest or costs that may be claimed if these cases were decided against council.

#### **21(ii): Contingent assets**

At 30 June 2025 the council has no contingent assets (2024: Nil).

#### **21(iii): Investment commitments**

At 30 June 2025 the council had uncalled committed capital relating to its investment in private equity fund managers of \$6,568,745 (2024: \$8,280,886).

## **Note 22: Related party transactions**

Related party disclosures have not been made for transactions with entities with the council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between entities and are on normal terms and conditions for such group transactions.

There are no related party transactions with any associate, subsidiary or key management personnel requiring disclosure.

#### **Key Management Personnel Compensation**

Key management personnel includes all the elected and independent (non-elected) representatives of council, the chief executive and senior management leadership team. Due to the difficulty in determining the full time equivalent for councillors and the independent members of council, the full time equivalent figures are taken as the number of councillors and independent members.

		Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
	Note				
<b>Key management personnel compensation</b>					
Directors/councillor remuneration	4	788	779	1,207	1,170
Independent (non elected) members of the Council remuneration		45	83	45	83
Senior management team including the Chief Executive remuneration		1,777	1,466	3,137	2,699
<b>Total key management personnel compensation</b>		<b>2,610</b>	<b>2,328</b>	<b>4,389</b>	<b>3,952</b>
Councillors - full time equivalent members		9	9		
Independent (non elected) members of the Council - full time equivalent		4	3.5		

Senior management team including the Chief Executive - full time equivalent

Total key management personnel full time equivalent

	7	7
	20.00	19.50

## Note 23: Events after balance sheet date

Subsequent to balance date, Northport Group Limited approved a shareholder loan interest payment and capital repayment to council totalling \$2,974,679 to be paid on 30 September 2025.

There were no other significant events after balance date.

## Note 24: Financial instruments

### Note 24A: Financial instrument categories

	Note	Council 30-Jun-25 \$000	Council 30-Jun-24 \$000	Consolidated 30-Jun-25 \$000	Consolidated 30-Jun-24 \$000
<b>FINANCIAL ASSETS</b>					
<b>Derivatives that are hedge accounted</b>					
Derivative financial instrument assets	16(i)	-	-	-	379
<b>Financial assets at amortised cost</b>					
Cash on hand and at trading banks	6	8,524	1,692	8,524	1,905
Term deposits	6,10	11,291	12,574	11,291	12,574
Local government funding agency borrower notes	10	2,261	526	2,261	526
Debtors and other receivables	7	8,488	10,803	8,488	11,739
Loan to Joint Venture company	10	34,133	-	34,133	-
Other receivables (long term)	7	142	-	142	-
<b>Total financial assets at amortised cost</b>		<b>64,839</b>	<b>25,595</b>	<b>64,839</b>	<b>26,744</b>
<b>Financial assets at fair value through surplus or deficit</b>					
<b>Other financial assets:</b>					
Income funds	10	21,746	23,987	21,746	23,987
Equity Funds	10	41,344	43,502	41,344	43,502
Listed shares	10	-	-	-	237
Convertible Notes	10	4,990	-	4,990	-
Other loans	10	1,316	1,226	1,316	1,226
Investment in Regional Software Holdings Limited	12(ii)	387	-	387	-
<b>Total financial assets at fair value through surplus or deficit</b>		<b>69,783</b>	<b>68,715</b>	<b>69,783</b>	<b>68,952</b>
<b>FINANCIAL LIABILITIES</b>					
<b>Financial liabilities measured at amortised cost</b>					
Creditors and other payables	17	11,435	13,467	11,435	16,791
<b>Borrowings:</b>					
Local government funding agency - bond issuance	19	66,041	24,458	66,041	24,458
Bank loan	19	-	-	-	33,440
<b>Total financial liabilities measured at amortised cost</b>		<b>77,476</b>	<b>37,925</b>	<b>77,476</b>	<b>74,689</b>

## Note 24B: Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- » Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- » Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- » Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

Financial assets at fair value through surplus or deficit and financial assets at fair value through other comprehensive revenue and expense are classified as level 1, with the exception of Convertible Notes (below) which are classified as level 3.

### Level 3 fair values – Convertible Notes

The value of the convertible feature at Initiation associated with the Convertible Note has then been assessed using a binomial model using the key inputs and assumptions outlined below.

The value of the straight bond element of the Convertible Note at inception has been assumed to be the remainder of the \$5,000,000 value at Initiation, being \$3,991,150, which has been used to calculate the implied discount rate using the cash flows and their timing of the quarterly 6.3% p.a. interest payments and the return of the \$5,000,000 principle.

At 30 June 2025, the value of the convertible feature has been valued using the updated assumptions at that date, and the value of the straight bond has been assessed using the remaining cash flows at that date, and the implied discount rate at inception adjusted for the movement in the risk-free rate to account for estimated market movement in interest rate.

In the binomial model 100 steps have been used, with projected share price adjusted for dilution that would take place by exercise of option at \$30,000 per share compared to the existing share price.

The key inputs and assumption used in the valuation include

Risk Free rate	The Risk free rate is determined with consideration of the yield on 5 year government bonds, in line with the term of the Convertible Notes, and other macro-economic factors.	4.03% at Initiation	3.86% at 30 June 2025
Discount rate	The discount rate used for determining the valuation of the straight bonds was the implied discount rate required for the overall instrument including the value of the convertible feature to be \$5,000,000 at initiation. At 30 June 2025 the discount rate was adjusted by the same difference between the risk-free rate at 30 June 2025 and Initiation, on the assumption the underlying risk of issuer was unchanged.	12.11% at Initiation	3.86% at 30 June 2025
Share price volatility	Share price volatility has been calculated using the weekly price data of nine identified comparable listed water utilities for the three years prior to the valuation date.	22.1% at Initiation	23.2% average annualised

A reasonable possible change in these key inputs holding all other constants, would have the following impact to and Consolidated surplus or deficit:

	30-Jun-25 Surplus or Deficit		30-Jun-24 Surplus or Deficit	
	+1% \$000	-1% \$000	+1% \$000	11% \$000
Risk Free rate (at 30 June 2025)	(66)	75	-	-
Discount Rate (at 30 June)	(41)	43	-	-
Share price volatility (average annualised)	25	(25)	-	-

## Note 24C: Financial instrument

The council's activities expose it to a variety of financial instrument risks including market risk, credit risk, interest rate risk and liquidity risk. The council has a series of policies to manage the risks associated with financial instruments and its treasury activities.

The council has an approved Treasury Risk Management Policy including a liability management policy and an investment policy for its investments. These policies do not allow any transactions that are speculative in nature to be entered into and manages council's exposure in respect to liquidity risk, credit risk, price risk and interest rate risk.

The council also has investments in externally managed funds and administers these funds with overarching independent investment advice from Eriksens Global Limited. These two funds are administered in accordance with council's Statement of Investment Policies and Objectives (SIPO). The SIPO and any changes to it are approved by council. Monthly performance reporting on the two funds is prepared by Eriksens Global Limited, and any breach of compliance with the SIPO is also reported monthly to council's Audit, Risk and Finance committee.

### Price risk

Price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. For council this includes investments in:

Externally managed funds;

Equity securities price risk arises on listed share investments and can be minimised through diversification. At 30 June 2025 council's externally managed investment funds were diversified over 18 fund managers (2024: 19). The use of a wide range of fund managers with different mandates and different asset allocations asset allocations, and that no single fund manager is permitted to hold more than 20% of the aggregated sum of the Long-Term Investment fund mitigates council's price risk.

Convertible Notes;

The council holds convertible notes that may be converted into ordinary shares at any time to maturity. The convertible notes are measured at fair value through surplus or deficit, and the fair value is sensitive to share price volatility. Assuming all other factors remain constant an increase in the share price or volatility generally increases the fair value of a convertible note, while a decrease has the opposite effect. Refer to Note 24B for more detail.

Regional software Holdings Limited (RSHL);

The council holds an equity investment in a RSHL. As RSHL is not publicly traded, any valuation is sensitive to assumptions such as projected cash flows, discount rates, and comparable company multiples. These inputs may fluctuate significantly over time, impacting the carrying value of the investment.

### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Council's exposure to currency risk is provided below:

	Council & Consolidated 30-Jun-25 \$000	Council & Consolidated 30-Jun-24 \$000
Long Term Fund: Investments in		
Blackrock Fixed Income Global Opportunities Fund	-	640
Continuity Capital Fund (No.5) & (No.7)	3,451	2,855
MLC Private Equity funds (II) & (III) & (IV)	1,680	1,515
Schroders Real Return +5% Fund	2,485	3,562
Federation Alternative Fund	1,390	1,219
Fermat ILS Fund	953	869
Nanuk New World Fund	1,489	1,302
CPE Capital (No.9)	137	105
Total exposure to currency risk	11,585	12,067

Currency risk is mitigated by limiting investments in non-NZD denominated funds to a maximum of 20% of the aggregated sum of the Long-Term Investment fund. Council (via its CEO) manages currency risk associated with non-NZD denominated investments (currently AUD) with consideration to the views of council's independent risk advisor and independent investment advisor.

#### *Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The council's exposure to fair value interest rate risk is limited to its interest-bearing investments within the portfolio and its \$66m (2024: \$24.5m) borrowings in the form of Local Government Funding Agency fixed coupon bonds.

#### *Interest rate risk*

Interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates expose the council to cash flow interest rate risk.

Council's long-term borrowing and long-term deposit investments are at a fixed rate.

#### *Credit risk*

Credit risk is the risk that a third party will default on its obligation to the council and group, causing it to incur a loss. Due to the timing of council's cashflows and outflows, surplus cash is invested into term deposits and externally managed funds.

The council's investments in term deposits, are invested in accordance with its Treasury Risk Management Policy as determined by the Standard and Poor's credit ratings. Where relevant, the minimum long term credit rating can be no lower than BBB and the maximum exposure of a counter party rated less than A- is \$1m.

The council is exposed to credit risk as a guarantor of all of NZLGFA's borrowings. Information about this exposure is explained in note 21.

The credit risk associated with council's externally managed funds is minimised by setting maximum portfolio limits on each class of investment and specific limits on each Fund Manager. Council's SIPO ensures credit risk of each fund manager and the overall fund is managed within acceptable parameters.

#### *Maximum exposure to credit risk*

The council and group's maximum credit risk exposure for each class of financial asset is the carrying value set out in the table in Note 24A.

Debtors and other receivables arise mainly from the council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and the council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

#### **Liquidity risk**

##### *Management of liquidity risk*

Liquidity risk is the risk that the council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through the investment portfolio. The council's treasury risk management policy ensures the sum of external debt, liquid funds and available committed bank facilities are at least 110% of external debt.

The council is exposed to liquidity risk as a guarantor of all of NZLGFA's borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 21.

##### *Contractual maturity of financial liabilities*

The table below analyses the council and group's financial liabilities into relevant maturity groupings, based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments. The council's treasury risk management policy limits the level of borrowing that matures within the next three years to 60% of the total borrowing, unless any borrowings are funded by a specific targeted rate in which case the corresponding maximum maturity profile in any one year is 100%.

	Carrying Amount \$000	Contractual Cash Flows \$000	Less than 1 Year \$000	1 - 2 Years \$000	2 - 5 Years \$000	More than 5 Years \$000
<b>Council 2025</b>						
Creditors and other payables	11,435	11,435	10,809	626	-	-
Local Government Funding Agency - Bond Issuance	66,041	92,488	10,054	15,227	13,007	54,200
<b>Total</b>	<b>77,476</b>	<b>103,923</b>	<b>20,863</b>	<b>15,853</b>	<b>13,007</b>	<b>54,200</b>
<b>Group 2025</b>						
Creditors and other payables	11,435	11,435	10,809	626	-	-
Local Government Funding Agency - Bond Issuance	66,041	92,488	10,054	15,227	13,007	54,200
<b>Total</b>	<b>114,239</b>	<b>103,923</b>	<b>20,863</b>	<b>15,853</b>	<b>13,007</b>	<b>54,200</b>
<b>Council 2024</b>						
Creditors and other payables	13,467	13,467	12,842	625	-	-
Local Government Funding Agency - Bond Issuance	24,458	31,492	1,092	2,185	12,900	15,315
<b>Total</b>	<b>37,925</b>	<b>44,959</b>	<b>13,934</b>	<b>2,810</b>	<b>12,900</b>	<b>15,315</b>
<b>Group 2024</b>						
Creditors and other payables	16,791	16,791	14,338	2,453	-	-
Secured bank facility	33,440	40,210	2,489	37,721	-	-
Local Government Funding Agency - Bond Issuance	24,458	31,492	1,092	2,185	12,900	15,315
<b>Total</b>	<b>74,689</b>	<b>88,493</b>	<b>17,919</b>	<b>42,359</b>	<b>12,900</b>	<b>15,315</b>

## Sensitivity analysis

The table below illustrates the potential effect on the surplus/deficit and equity (excluding accumulated funds) for reasonably possible market movements with all other variables held constant based on the council's and group's financial instrument exposures at balance date.

Sensitivity analysis	2025				2024			
	+1%	-1%			+1%	-1%		
	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000
<b>COUNCIL</b>								
Total sensitivity to interest rate risk	852	-	(852)	-	825	-	(825)	-
	2025				2024			
	+1%	-1%			+1%	-1%		
	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000	Surplus \$000	Other Equity \$000
<b>GROUP</b>								
Total sensitivity to interest rate risk	852	-	(852)	-	711	-	(711)	-

## Borrowings

Council has \$66m of external borrowings in the form of Local Government Funding Agency fixed coupon bonds. The rate of interest payable is fixed for the life of the borrowings and is not affected by rising or falling interest rates.



## **Note 24D: Capital management**

The council's capital is its equity (or ratepayers' funds), which comprises accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the council to manage its revenues, expenses, assets, liabilities investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the council. Intergenerational equity requires today's ratepayers to meet the costs of using the council's assets and not expecting them to meet the full costs of long term assets that will benefit ratepayers in future generations. Additionally, the council has in place asset management plans for major classes of assets, detailing renewal and maintenance programs to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the council to make adequate and effective provision in its long term plan and its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out under funding and financial policies in council's long term plan.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves. Refer to Note 20 for a list of council's reserves. Self-insurance reserves are built up annually from regional-wide or sometimes targeted rates and are made available for specific unforeseen events. The release of these funds is approved by council.



# Wāhanga tuawhā: Ngā Whakaaturanga ā-Ture

## Section four: Legislative disclosures



# Other legislative disclosures

## Rating base information

The following rating base information for Northland Regional Council is disclosed based on the rating base information at the end of the preceding financial year:

	TOTAL	
	30-Jun-25	30-Jun-24
The number of rating units within council's region at 30 June:	103,600	103,035
The total capital value of rating units within council's region at 30 June:	\$91,282,049,747	\$86,430,596,182
The total land value of rating units within council's region at 30 June:	\$49,892,047,092	\$46,383,974,332

## Insurance of assets

At 30 June 2025 council had assets covered by full replacement insurance of \$164,673,108 (2024: \$153,793,312 ) and indemnity insurance of \$70,000 (2024: \$70,000). At 30 June 2025 there are no assets self insured (2024: Nil).

## Internal borrowings

S112(b)(iii) of the Local Government Act defines borrowing as the use for any purpose, of funds received or invested by the local authority for any other purpose. Schedule 10(27) requires council to disclose internal borrowing, including the amount of the borrowings, funds borrowed and repaid during the year and the amount of any interest paid (if any) in relation to the internal borrowing by each group of activity.

At 30 June 2025 council had no internal borrowing (2024: nil).

# Council funding impact statement

Period ending 30 June 2025

	Annual Plan 2023/24 \$000	Actual 2023/24 \$000	Amended Long Term Plan 2024/25 \$000	Actual 2024/25 \$000
<b>Sources of operating funding</b>				
General rates, uniform annual general charges, and rates penalties	-	608	-	699
Targeted rates	47,280	47,068	54,815	54,517
Subsidies and grants for operating purposes	10,791	20,387	13,397	15,203
Fees and charges	6,887	7,612	6,342	7,913
Interest and dividends from investments	3,975	8,795	1,462	8,190
Local authorities fuel tax, fines, infringement fees and other receipts	8,030	4,327	9,491	4,321
<b>TOTAL OPERATING FUNDING</b>	<b>76,963</b>	<b>88,797</b>	<b>85,507</b>	<b>90,843</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	73,543	76,331	79,876	82,372
Finance costs	1,151	852	2,031	1,277
Other operating funding applications	-	-	-	-
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>74,694</b>	<b>77,183</b>	<b>81,907</b>	<b>83,649</b>
<b>Surplus/(deficit) of operating funding</b>	<b>2,269</b>	<b>11,614</b>	<b>3,600</b>	<b>7,194</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital purposes	-	1,830	5,938	6,427
Increase/(decrease) in debt	7,359	6,100	45,966	40,190
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>7,359</b>	<b>7,930</b>	<b>51,904</b>	<b>46,617</b>
<b>Applications of capital funding</b>				
Capital expenditure:				
to meet additional demand	-	-	-	-
to improve levels of service	12,789	9,427	17,582	4,937
to replace existing assets	2,175	5,844	736	3,423
Increase/(decrease) in reserves	34	(791)	7,779	11,315
Increase/(decrease) of investments	(5,370)	5,064	29,407	34,136
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>9,628</b>	<b>19,544</b>	<b>55,504</b>	<b>53,811</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(2,269)</b>	<b>(11,614)</b>	<b>(3,600)</b>	<b>(7,194)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Reconciliation to the statement of comprehensive revenue and expense

Period ending 30 June 2025

	Annual Plan 2023/24 \$000	Actual 2023/24 \$000	Amended Long Term Plan 2024/25 \$000	Actual 2024/25 \$000
Capital expenditure included above, not in comprehensive revenue and expense	14,964	15,271	18,318	8,360
Investment movements included above not in comprehensive revenue and expense	(5,370)	5,064	29,407	34,136
Other gains/(losses) included in Other Comprehensive Revenue and expense not included above	-	(500)	-	1,075
Gross proceeds included above, but not in comprehensive revenue and expense	-	-	-	-
Gains on asset disposals included in comprehensive revenue and expense	-	365	-	(478)
Financial assets fair value adjustments included in comprehensive income but not above	-	(142)	116,173	116,126
Revaluation adjustments not included above, but in comprehensive revenue and expense	-	(3,126)	1,539	4,105
Infrastructure asset revaluation adjustments included in comprehensive income but not above	-	-	-	-
Share of associate surplus/(deficit) and impairment included in comprehensive income but not above	-	14	-	34
Reversal of impairment included in comprehensive income but not above	-	25	-	(27)
Increase/(decrease) in debt included above but not in comprehensive income	(7,359)	(6,100)	(45,966)	(40,190)
Proceeds from borrowing included above not in comprehensive revenue	-	-	-	-
Transfers to/from special reserves included above, but not in comprehensive revenue and expense	34	(791)	7,779	11,315
Depreciation and amortisation expense not included above, but in comprehensive revenue and expense	(2,235)	(2,182)	(2,442)	(2,176)
<b>Total comprehensive revenue and expense per the statement of comprehensive revenue and expense</b>	<b>34</b>	<b>7,898</b>	<b>124,807</b>	<b>132,280</b>

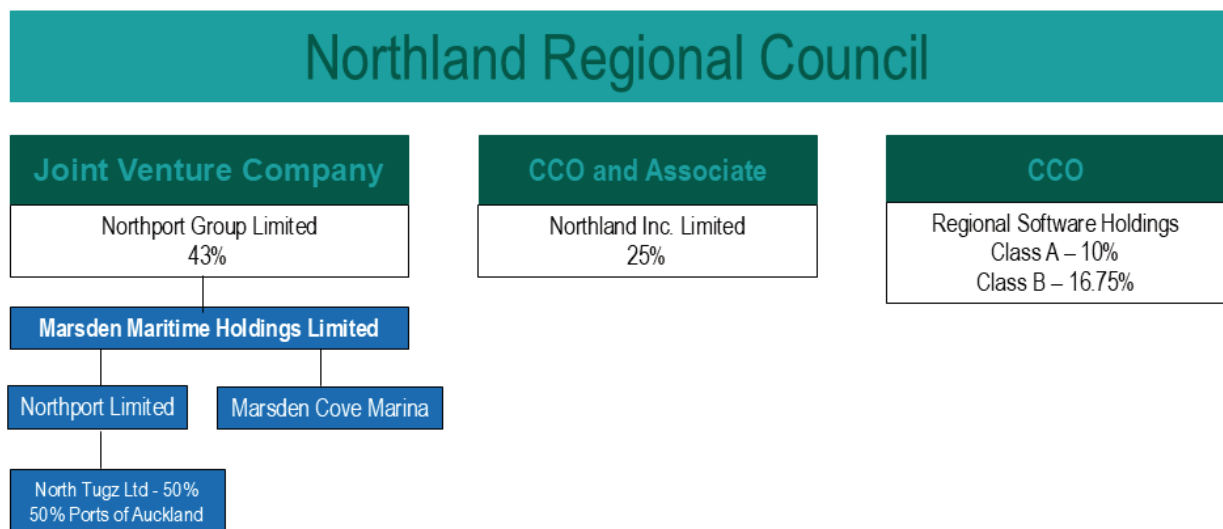


Wāhanga tuarima: Ngā Hinonga e  
Whakahaeretia ana e te Kaunihera, me ngā  
Hinonga kei raro

Section five: CCO's and Subsidiaries



# Group structure



A council-controlled organisation (CCO) is a company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers.

A council-controlled trading organisation (CCTO) is a company or organisation that operates a trading operation for the purpose of making a profit.

CCOs and CCTOs are required to complete a Statement of Intent and report against their policies, objectives and performance in their annual reports unless an exemption has been granted.

This section provides the information required under the Local Government Act 2002 for Northland Inc. Limited and Regional Software Holdings Limited.

During the reporting period, the council derecognised its controlling interest (53.61%) in subsidiary entity Marsden Maritime Holdings Limited (MMH), while retaining an interest in MMH via a 43% ownership of Northport Group Limited which itself holds 100% of the ordinary shares in MMH, and MMH holding 100% of the ordinary shares in Northport Limited.

During the reporting period, Council's investment in Regional Software Holdings Limited (RSHL) was declassified as an Associate as Council ceased to hold significant influence over RSHL's operating and financial policies.

# Northland Inc Limited

## About this council-controlled organisation (CCO)

Northland Inc Limited, established in July 2012, is the region’s economic development agency and regional tourism organisation. Prior to 1 July 2021, it was 100% owned by Northland Regional Council. Since 1 July 2021, it is equally and jointly owned by NRC, Kaipara District Council and Far North District Council (together referred to as the shareholder councils). Whangarei District Council became an equal and joint owner on 4 September 2024.

Northland Inc Limited is primarily funded by an operational contribution from its shareholder councils delivered through NRC’s Investment and Growth Reserve (IGR). It is project funded through other public and private agencies, with central government being the next largest contributor. The organisation has a governance board of professional directors, each appointed by the shareholder councils. Operational activity is led by a chief executive officer.

### Policies and objectives

The mission of Northland Inc Limited is to identify and focus on activities and relationships that will strengthen, diversify and grow the economy of Te Tai Tokerau Northland to help achieve equity and environmental sustainability. Nine work areas separated into three strategic priorities (pou) and six enablers are set out in the 2024/26 Statement of Intent as the organisational objectives.

Work areas	Objectives
Strategic Pou 1: Investment and Infrastructure	Grow investment and business support services such that regional economic activity improves consistently year on year.
Strategic Pou 2: The Primary Sector (Tuputupu Grow Northland)	Support and facilitate adaptation and innovation in Northland’s primary and associated manufacturing sectors to ensure the people and environment of Te Tai Tokerau can thrive into the future.
Strategic Pou 3: Tourism and Destination Management	Support Te Tai Tokerau’s visitor industry through delivery of destination management and marketing activity that aims to better manage the impacts of visitation, improve the distribution of benefits and enhance our region’s, heritage, and culture. Position Te Tai Tokerau Northland within target markets as a desirable place to visit.
Enabler 1: Innovation & Enterprise	Support SME’s and Start Ups who want to start or grow their business in Te Tai Tokerau Northland.
Enabler 2: Advocacy and Brand	Advocate for Te Tai Tokerau Northland to improve the economic well-being of the region, helping to support strong communities and environmental sustainability. Develop and improve the profile of economic development and of Northland Inc to ensure that Te Tai Tokerau Northland understands and values the efforts of Northland Inc.
Enabler 3: Māori Economic Development ("Āe Mārika")	Assist strategic partners in the Māori Economic Development economy with their high impact Māori economic development projects across all levels, with a specific focus on improving capacity and capability of those with whom we partner with for delivery.
Enabler 4: Environmental Sustainability	Help Te Tai Tokerau Northland businesses achieve environmental sustainability; particularly by reducing their emissions; through partnerships that provide support and practical programmes.
Enabler 5: Partnerships	Develop and nurture high trust partnerships across the region with those who have the capability to positively impact economic development outcomes across Te Tai Tokerau.
Enabler 6: Organisational Culture and Capability	At its core, regional economic development is about improving the livelihoods of the Tai Tokerau Northland’s people. As an economic development agency, our culture should therefore be focused on supporting our people and their livelihoods. Therefore, Northland Inc actively upholds a culture where teams are respectful and supportive of one another; our histories, our whānau, and our aspirations.

## Investment and Growth Reserve

Northland Inc Limited's activities include a focus on finding economic development projects that qualify for funding through the IGR. The objective of the reserve is to provide a fund that shareholder councils can use to support strategic investments that lift the long-term growth of the Northland economy that support strong communities and environmental sustainability. All three shareholder councils contribute funding to the IGR, and through their membership of the Joint Regional Economic Development Committee, have responsibility for allocating funding from the IGR. The main criteria for allocation are as follows:

- » The reserve provides operational expenditure for Northland Inc Limited.
- » Up to \$300,000 per annum can be used for project development funding.
- » Responsibility for allocating project development funding of up to \$100,000 is delegated to the Board of Northland Inc Ltd.
- » The reserve can be used to provide enabling investment funding for projects that lift the economic performance of Northland through the construction of public or community held infrastructure or the development of regionally strategic sectors. The strategic sectors identified in the 2023-26 Statement of Intent are aquaculture, agriculture and horticulture, digital, tourism, ship and boat building and repair services.
- » Any project that is determined to potentially have significant adverse impacts on social, environmental, economic, or cultural well-being will not be eligible for funding, regardless of the positive impacts.
- » Decisions on enabling investment funding must have been considered and evaluated for funding by the Board of Northland Inc Ltd.
- » Applications for enabling investment funding must be accompanied by a robust business case.

## Key performance measures and targets

This section summarises the results of Northland Inc Limited's activities during 2025/26 against the 18 key performance indicators set for seven of the work areas. Key performance indicators were not set for enablers 5 and 6.

### Investment and Infrastructure

The 2025-26 key performance targets and results for this work area are:

Measure	2025-26 performance target	Result
Number of inward delegations hosted	3	Achieved, 6
Number of high impact projects that are implemented	4	Achieved, 6

### The Primary Sector (Tuputupu Grow Northland)

The 2025-26 key performance targets and results for this work area are:

Measure	2025-26 performance target	Result
Projects assisted through stages of growth	6	Achieved, 6
Number of meaningful engagements and relationships with landowners, businesses, stakeholder that led to and support positive outcomes	88	Achieved, 88
Number of businesses and landowners that as a result of engagement are exploring, developing, leading and delivering on change activity	24	Not achieved, 11



### *Tourism and Destination Management*

The 2025-26 key performance targets and results for this work area are:

Measure	2025-26 performance target	Result
Number of destination marketing campaign initiatives to generate national exposure to the region	1 campaign per year	Achieved, 3
Number of Destination Management Plan initiatives completed in partnership with stakeholders	6	Achieved, 6

### *Innovation and Enterprise*

The 2025-26 key performance targets and results for this work area are:

Measure	2025-26 performance target	Result
Number of business engagements assisted	250	Achieved, 354
Proportion of those businesses assisted that are Māori	35%	Not achieved, 33%
Client satisfaction with businesses assistance provided by Northland Inc as measured by Net Promotor Score	NPS>50	Achieved, 83

### *Advocacy and Brand*

The 2025-26 key performance targets and results for this work area are:

Measure	2025-26 performance target	Result
Number of regional economic development updates or reports released	6	Achieved, 8
Number of media features that profile the region	24	Achieved, 39
Number of media activity that references Northland Inc	52	Achieved, 53

### *Māori Economic Development*

The 2025-26 key performance targets and results for this work area are:

Measure	2025-26 performance target	Result
Number of iwi/hapū groups and other Māori organisations, e.g., marae, land trusts, etc. actively supported	18	Achieved, 25
Proportion of Māori organisations that are satisfied with Northland Inc support	>80%	Achieved, 87%

## Environmental sustainability

The 2025-26 key performance targets and results for this objective are:

Measure	2025-26 performance target	Result
Number of businesses and organisations supported to improve their climate resilience journey	20	Achieved, 44
Number of Northland businesses taking action to reduce their emissions	20	Achieved, 44
Number of Northland businesses supported to meet climate adaptation targets set by Central Government	20	Not applicable <sup>1</sup>

Notes:

1. Climate adaptation targets have not been set by Central Government and therefore this KPI is not achievable. However, there is a level of policy direction available from Central Government and Northland Inc has been supporting a number of initiatives that align with this. Two key examples are the Diversified Pastures Project and the Tourism Carbon Footprint Programme.

There were no enabling investment project allocations made in 2025-26 by the Joint Regional Economic Development Committee. Four projects received project development funding totalling \$165,000.



# Regional Software Holdings Limited

Regional Software Holdings Ltd (RSHL) is the Shared Services organisation of Te Uru Kahika. Te Uru Kahika is the collective of the 16 regional councils and unitary authorities that make up the regional sector. All 16 Regional and Unitary Councils in New Zealand are customers of RSHL.

RSHL delivers a wide range of Digital, Operational and Financial programmes, on behalf of Te Uru Kahika, and participating councils.

In the 12 months to 30 June 2025, RSHL made excellent progress in a challenging environment for the sector. In the current economic and political climate, shared services, collaborative undertakings and new ways of working are more important and valuable than ever. RSHL’s major technology programmes, such as IRIS NextGen, will provide long-term operational efficiencies and cost savings to councils as well as the wider Aotearoa New Zealand well-beings.

RSHL continues to work closely alongside Te Uru Kahika to support regional initiatives.

During the year RSHL continued the rollout of the WellsNZ solution and more councils onboarding into this shared programme in FY26.

The shareholding of the Company as at 30 June 2025 is as follows.

### Shareholding

Organisation	Class A (Control) Shares	Class B (IRIS) Shares
Waikato Regional Council	1	3,275
Northland Regional Council	1	1,675
Horizons Regional Council	1	1,550
Taranaki Regional Council	1	1,550
Southland Regional Council	1	1,550
West Coast Regional Council	1	400
Bay of Plenty Regional Council	1	
Gisborne District Council	1	
Hawkes Bay Regional Council	1	
Otago Regional Council	1	

### Our council’s experience

For Northland, the opportunity to focus on collaboration to projects continues to bring together the best ideas, practices and experiences into solutions that are fit for purpose, perform well and achieve more through working together for the sector.

### Performance Measures

The following performance measures were incorporated into the Statement of Intent for the 2024-25 financial year.

Non-financial	1 July 2024 – 30 June 2025
All projects and programmes will follow an appropriate approval pathway for their size, scope and complexity.	In the period 1 July 2024 – 30 June 2025 the following projects were initiated at RSHL. <ul style="list-style-type: none"> <li>- Data Emissions Platform Project</li> <li>- Public Transport Ticketing Programme</li> <li>- Planning Management System</li> </ul>
All programmes will have an effective governance structure appropriate to the size and complexity of the programme.	In the period 1 July 2024– 30 June 2025 all projects/programmes operated governance structures as agreed with participating councils, and in accordance with the RSHL Governance Framework.
All programmes will have an effective planning process. Draft plans and budgets will be set before 1 March, final plans and budgets will be set by 30 June.	<p><b>IRIS NextGen</b></p> <p>The IRIS NextGen Programme Budget was updated and endorsed by the Steering Group in February, for inclusion in the Draft Statement of Intent.</p> <p>The final unchanged budget was endorsed by the Steering Group in June for inclusion in the Statement of Intent.</p> <p><b>IRIS</b></p> <p>The IRIS Programme Budget was updated and endorsed by the Advisory Group in February, for inclusion in the Draft Statement of Intent.</p> <p>Participating councils had the budget approved by a staff member with appropriate delegation.</p> <p>The final unchanged budget was endorsed by the Advisory Group in June for inclusion in the Statement of Intent.</p> <p><b>Te Uru Kahika Hosting</b></p> <p>Te Uru Kahika developed a new business plan in the first part of 2025. Because of this the budget included in the draft statement of intent was indicative only.</p>

	<p>Te Uru Kahika RCEOs Group approved the new business plan in May and a final budget in June and this was included in the Statement of Intent.</p> <p>Te Uru Kahika's Business Plan and Budget development was overseen by the Te Uru Kahika Executive Director.</p> <p><b>Local Data Emissions Platform</b></p> <p>The Local Data Emissions Platform was rolled out to councils in FY25. The implementation programme used an ad-hoc funding model.</p> <p>As part of the implementation and validation process for the platform a new funding model was developed, which will be used going forward.</p> <p>Validation of the platform was completed between March and June 2025, allowing the FY26 budget, and plan to be reflected in the Statement of Intent.</p> <p>The LDEP implementation programme will end in 2025 and LDEP will operate as a service going forward.</p> <p><b>WellsNZ</b></p> <p>RSHL operates WellsNZ as a service. Budgets and plans were included in the draft SOI published in February, and updated to reflect two additional councils taking up the service in FY26.</p> <p><b>EDMS</b></p> <p>N/A. This project has now closed.</p> <p><b>Public Ticketing Transport Programme</b></p> <p>The Public Ticketing Transport Programme has been disrupted by delays to the National Ticketing System rollout. As such plans and budgets have been updated regularly to reflect the changing situation.</p> <p>The budget included in the Statement of Intent is the latest approved by the programme steering group.</p>
RSHL will review and agree performance targets with Te Uru Kahika annually as part of the planning and budgeting process.	<p>Te Uru Kahika appointed a new Executive Director in February 2025. RSHL has been working with the new Executive Director to develop a new model for RSHL support of Te Uru Kahika. Service improvements are being rolled out over the course of this financial year.</p>
RSHL will meet or exceed agreed performance targets. Results will be agreed with Te Uru Kahika Executive Advisor and shared with RCEOs Group and Board.	<p><b>Financial/Operations Management</b></p> <p>Procurement and contract management were delivered to an acceptable level in FY25, however in line with the growth of the Te Uru Kahika, several improvements have been implemented:</p> <ul style="list-style-type: none"> <li>- Update Delegations Policy to incorporate Te Uru Kahika roles and responsibilities.</li> <li>- Implement Financial workflow toolset to manage processing of PO, Payables and Receivables.</li> <li>- Implement PO matching to more closely monitor spend against contract.</li> <li>- Distribute financial approval processes to accountability owners, in line with delegations policy.</li> </ul> <p><b>Compliance</b></p> <p>RSHL ensures compliance with Local Government Act, Companies Act, LGOIMA etc.</p> <p>Including:</p> <ul style="list-style-type: none"> <li>- Production of draft and final Statement of Intent.</li> <li>- Interim Report</li> <li>- Audited Annual Report</li> </ul> <p>RSHL Received a clean audit for FY24.</p> <p>Improvements in this area relate to Information Management. In line with the growth of the organization, we are conducting a review of information management practices, with the intent of updating them and ensuring that they are fit for practice.</p> <p><b>Fund Management and Accountabilities</b></p> <p>In FY24 RSHL managed \$5.1M of funding for Te Uru Kahika, including \$0.36M in funding from Central Government. All income and expenditure is ringfenced in RSHL financial systems. In FY26 we will implement the following improvements in this area:</p> <ul style="list-style-type: none"> <li>- Implement bespoke activity reporting for Te Uru Kahika Strategic Priorities</li> <li>- Implement 6-Monthly reconciliation with budget owner for each fund.</li> </ul> <p><b>Vendor Management</b></p> <p>Most services contracts for Te Uru Kahika are time and materials engagements. RSHL effectively managed the following vendors that support Te Uru Kahika Activities.</p> <ul style="list-style-type: none"> <li>- Resolution8 provide support for the Te Uru Kahika Hub, hosted at BOPLASS.</li> <li>- IT Effect operate the LAWA Website and provide development resources for enhancements. IT Effect are managed by the EMAR Programme Manager</li> <li>- MadeCurious host the N-Cap solution and the temporary INFDP "Bridge" solution.</li> </ul> <p>No improvements are planned in this area, other than the upgraded financial controls outlined above.</p> <p><b>Operation of shared services/solutions</b></p> <p>RSHL operated the following services for Te Uru Kahika.</p> <ul style="list-style-type: none"> <li>- <b>Te Uru Kahika Hub</b> – Collaborative Microsoft Teams site hosted by BOPLASS</li> <li>- <b>N-Cap</b> solution for the recording of nitrogen application by farmers. A requirement of current freshwater regulations.</li> <li>- <b>Retrolens</b> website, which provides historic aerial imagery.</li> </ul> <p>Each service has an appropriate governance and operating model.</p> <p>Costs are managed within agreed limits and appropriate budget advice was provided to Te Uru Kahika.</p> <p>In FY26 we will implement the following improvements in this area:</p> <p>Quarterly service reviews with business owners to assess performance and value received.</p>

	<p><b>Employment of Staff</b> RSHL provides employment services for 10 Te Uru Kahika staff. Recruitments have been managed by Te Uru Kahika staff and governors, supported by specialist HR advice provided via RSHL.</p> <p>In FY26 we have implemented or will implement the following improvements:</p> <ul style="list-style-type: none"> <li>- Provided a comprehensive Employee wellbeing service.</li> <li>- Engaged a new IT service provider with national coverage to provide staff with better service.</li> <li>- We will also engage staff on improvements to the RSHL employee experience and streamline onboarding/offboarding.</li> </ul> <p><b>Programme Management</b> In FY2025 RSHL managed the following programmes for Te Uru Kahika.</p> <ul style="list-style-type: none"> <li>- INFDP – INFDP Programme was closed this year due to a change in government policy</li> <li>- EDMS – EDMS project was closed as it was no longer aligned with council or sector needs.</li> </ul> <p>In FY26 RSHL is supporting the development of feasibility studies for multiple Te Uru Kahika projects, with the first two being</p> <ul style="list-style-type: none"> <li>- National Flood Modelling</li> <li>- Flood Asset Management Data Portal (Te Uru Kahika River Managers)</li> </ul> <p>RSHL is continually seeking to improve our delivery for programmes. In FY26 we will roll out the Delivery Framework to provide a standard management framework for all RSHL Programmes (including those that originate from Te Uru Kahika).</p> <p>RSHL will also establish Portfolio Reporting to provide all stakeholders with greater visibility of programmes in flight.</p>
RSHL will operate within approved budget, with any material variations approved by the board.	<p>Partially Achieved.</p> <p>RSHL operated within approved budgets for all programmes but with some variations approved by the board. The board received and accepted the financial reports at each meeting, with variances discussed and agreed.</p>
RSHL will meet all statutory governance and reporting deadlines.	<p><b>FY24 Annual Report</b> Requirement: Annual Report (audited) must be published and provided to shareholders by 30 September. Result: FY24 was adopted on 26 September 2024.</p> <p><b>FY25 Interim Report</b> Requirement: The Interim Report must be published and provided to shareholders by 28 February. Result: FY25 Interim Report was adopted on 28 February 2024.</p> <p><b>FY26 Draft Statement of Intent</b> Requirement: The draft statement of intent must be delivered to councils on or before 1 March 2025. Result: The draft statement of intent was provided to councils on 28 February 2025.</p> <p><b>FY26 Final Statement of Intent</b> Requirement: The final statement of intent must be delivered to councils before 1 July 2025. Result: The final statement of intent was provided to shareholders on 30 June 2025.</p>
The RSHL board will operate according to the Institute of Directors' Code of Practice.	<p>The RSHL board elected to complete an independent review of governance arrangements for RSHL. The independent review was completed in November 2024. The report made several recommendations to improve the governance of RSHL, and programmes of work delivered by the company. The review provided a series of recommendations, including the following.</p> <p><b>Purpose and strategy</b> Recommendation: Update corporate purpose and develop strategic roadmap (multi-year strategy); align resources and programmes to suit. In response to this recommendation the board has refreshed the Organisational Strategy and developed a 3-year strategic plan.</p> <p><b>Governance practices and documentation</b> Recommendation: Establish a fit-for-purpose governance framework (board charter and code of conduct, board work programme and meeting schedule, and committee structure). In response to this recommendation the board has:</p> <ul style="list-style-type: none"> <li>- Adopted a new charter and code of conduct</li> <li>- Increased meeting frequency to monthly, with quarterly in-person meetings</li> <li>- Reviewed the RSHL board pack, to ensure management reports are consistent with board requirements, strategic roadmap and associated priorities</li> </ul> <p><b>Decision authorities and accountability</b> Recommendation: Establish a needs-meeting delegation authority and accountability framework covering both routine operations and service development programmes. Recommendation: Update programme steering committee terms of reference. In response to these recommendations the board has updated the Delegated Authority (and related policies), and updated the standard agreements that underpin RSHL activities.</p> <p><b>Director capability and engagement</b> Recommendation: Consider appointing an independent chair. In response to this recommendation, as signalled with the Statement of Intent, RSHL has appointed an independent chair.</p>





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