

Pūrongo ā Tau 2026
Annual Report 2026

Northland
REGIONAL COUNCIL
Te Kaunihera ā rohe o Te Taitokerau

Ihirangi

Contents

Wāhanga tuatahi: Tirohanga whānui ‖ Section one: Overview 3

Ngā karere mai i te Heamana me te Tāhūhū Rangapū ‖ Chair and CEO's foreword 4

Ō tātou Kaikaunihera ‖ Our regional councillors 6

Governance structure 7

Council membership, responsibilities and advisors 8

Council's strategic direction 10

Our year in review 11

Meaningful partnerships with tāngata whenua of Taitokerau 16

Compliance statement 20

Audit report 21

Wāhanga tuarua: Ngā mahi a te kaunihera ‖ Section two: Council activities 25

Overview of our activities 26

Te taiao ‖ Natural environment 27

Te aumangeatanga hapori ‖ Community resilience 43

Te hautūtanga ā-rohe ‖ Regional leadership 57

Financial prudence 65

Wāhanga tuatoru: Tauākī pūtea ‖ Section three: Financial statements 69

Statement of comprehensive revenue and expense 70

Statement of changes in equity 73

Statement of financial position 74

Statement of cash flows 77

Reconciliation of net surplus after tax to the cash flows from operations 78

Statement of accounting policies 79

Notes to the financial statements 82

Wāhanga tuawhā: Ngā Whakaaturanga ā-Ture ‖ Section four: Legislative disclosures 127

Other legislative disclosures 128

Council funding impact statement 129

Wāhanga tuarima: Ngā rōpū e tūhonongia ana ki te Kaunihera ‖ Section five: Related organisations 131

Group structure 132

Northland NZ Limited 133

Regional Software Holdings Limited 137

Wāhanga tuatahi: Tirohanga whānui

Section one: Overview



Ngā karere mai i te Heamana me te Tāhūhū Rangapū

Chair and CEO's foreword

He pitopito kōrero na te Heamana me te Tāhūhū Rangapū

E mihi atu ana ki a koutou katoa, kua tae nei tātou ki tēnei tau hōu me ōna manaakitanga. Me mihi anō hoki ki ngā tini mate, ē, kua whakangaro atu rātou, ki tua whakarere – takoto mārika koutou.

One of the major developments in our 2025/26 year was central government's announcement planning to implement major structural changes to councils across New Zealand.

This will be one of the biggest potential shifts on the local government scene nationally since 1989 and is aimed at simplifying the system and improving how services are delivered.

In the meantime, we are resolute in serving our region and communities through our current functions and we are focused on effectiveness and efficiencies.

Local Government reorganisation is secondary to us performing our core functions and doing those well, however, Northland's councils have also been working together to explore opportunities to strengthen local government arrangements in ways that best meet the needs of Northland communities.

As these discussions continue to evolve, our focus remains on achieving better outcomes for Taitokerau, reflecting our unique geography, communities and partnerships, including with tāngata whenua.

While the future shape of local government is yet to be determined, we're keen to work together with the other Northland councils to proactively consider what might best serve the region and its diverse communities through a strong 'by Northland, for Northland' approach.

Likewise, we are working diligently alongside our district council partners to ensure Northland is in the best possible position to implement central government's reform of the Resource Management Act.

The reforms provide an opportunity for Northland's councils to take a coordinated, region-wide approach to planning for the future.

During the year our council – which saw four new councillors elected at the October local body elections – also endorsed a new strategic direction, setting out where we are heading over the next three years, and how we will get there.

Our strategic direction is a high-level document that guides decision-making across the organisation. It brings together our vision, mission, values, long-term outcomes and the key shifts needed to get there, and will shape how we plan, invest, and work with others. It will also shape our draft Long Term Plan 2027–2037 and guide decisions about priorities and investment.

In June, council adopted its new Annual Plan which included a 0% increase in its total rates take for the 2026/27 financial year.

Times are tough for the people and communities of Taitokerau and council recognises that affordability remains a critical issue. In an era of rising costs and inflation, holding the line on rates is our tangible way of standing with our people and easing pressure where it's needed.

In closing, the 2025/26 year was not without its challenges but council – both councillors and staff – continued to work hard for Taitokerau, striving for excellence and effectiveness in everything we do.

We will continue to work tirelessly to build strong, authentic partnerships across our organisation and with the communities we serve to protect ecosystems, support self-determination and to build a prosperous and environmentally sustainable future for present and future generations.

Kia kaha tonu tatou.

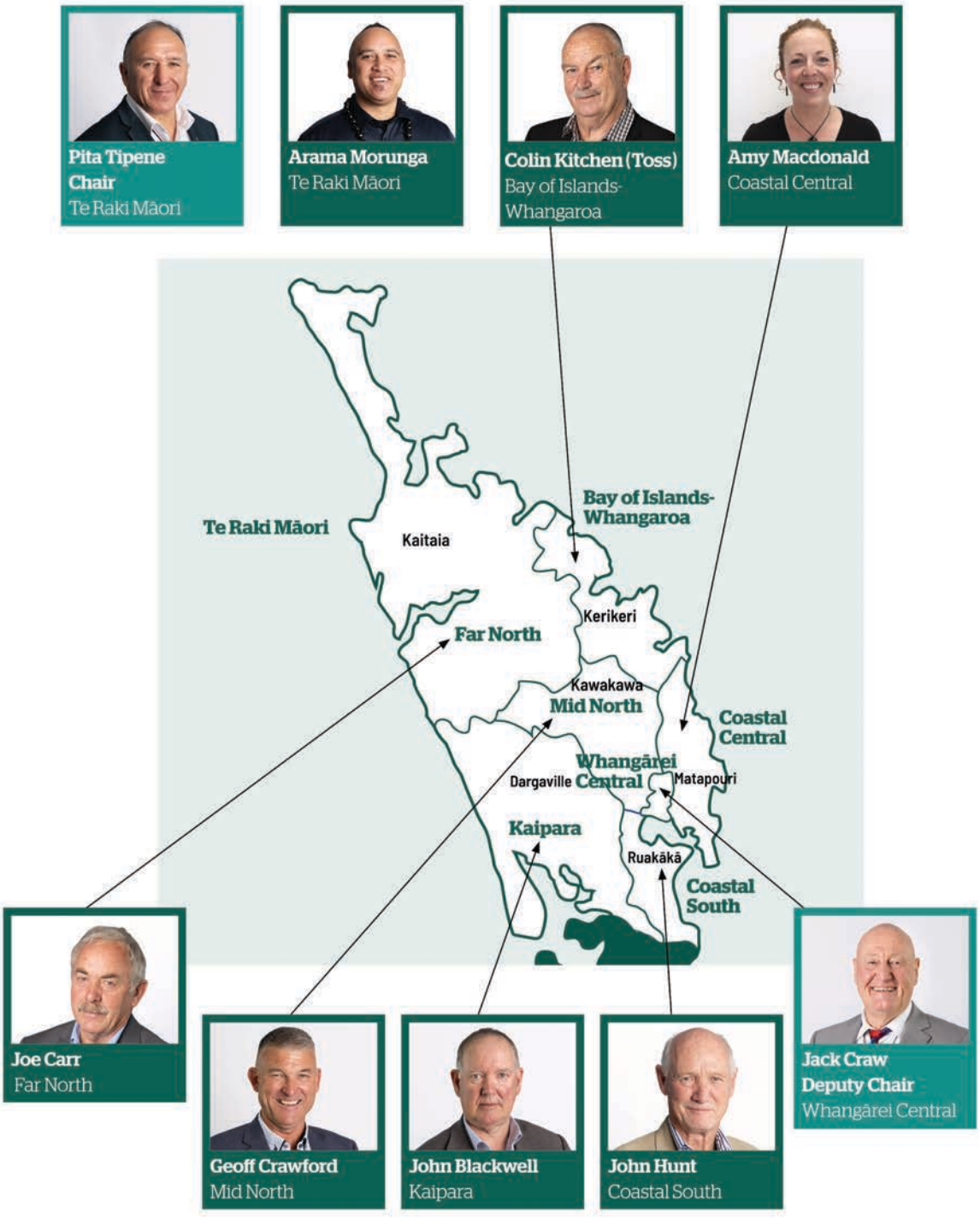
Jonathan Gibbard
Chief Executive Officer

Pita Tipene
Chair



Ō tātou Kaikaunihera

Our regional councillors



Chair Pita Tipene and Councillor Arama Morunga represent the region-wide Te Raki Māori consituency.

Governance structure

Joint Committees	**Joint Climate Change Adaptation Committee** Oversight of climate change adaptation activities
	Kaipara Moana Remediation Joint Committee Oversight of the Kaipara Moana Remediation Project
	Joint Regional Economic Development Committee Oversees matters relating to the delivery of economic development services across Northland
Statutory Bodies	**Regional Transport Committee** Joint committee for regional land transport
	Civil Defence Emergency Management Committee Joint committee for emergency management
	Te Oneroa-a-Tōhe Board Joint committee for Ninety Mile Beach management
Committees	**Audit and Risk Committee** Management of risk, financial performance, and health and safety
	Infrastructure Committee Oversees planning and delivery of infrastructure and related work programmes
	Investment Committee Management and investment of funds and commercial property
Working Parties	**Te Ruarangi** Oversees governance matters for Māori participation
	Natural Resources Oversees matters of planning, regulatory, and water and land management
	Biosecurity and Biodiversity Oversees matters under the Biosecurity Act and relevant operational plans
	WDC/NRC Whangārei Public Transport Oversees Whangārei transportation matters

Council membership, responsibilities and advisors

Regional council representation on joint committees and boards

Regional Transport Committee

Regional council membership: Cr Joe Carr as Chair and Cr John Blackwell as 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: Cr Colin Kitchen as Chair and Cr Arama Morunga as alternate

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

Te Oneroa-a-Tōhe Board

Regional council membership: Crs Colin Kitchen and Arama Morunga as members

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: Cr Arama Morunga as member and Cr Amy Macdonald as alternate

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

Kaipara Moana Remediation Joint Committee

Regional council membership: NRC Chair Pita Tipene, NRC Deputy Chair Jack Craw, and Cr John Blackwell as 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: Cr Geoff Crawford as Chair and member, NRC Chair Pita Tipene as member, and Cr John Hunt as alternate

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

Council committees

Note, NRC Chair Pita Tipene is ex-officio on all council committees and working parties.

Infrastructure Committee

Cr John Blackwell as Chair, Cr Joe Carr as Deputy Chair, NRC Deputy Chair Jack Craw, and Crs Geoff Crawford and Colin Kitchen as members. Two independent tāngata whenua members: George Riley and Dee-Ann Wolferstan

Audit and Risk Committee

Crs John Blackwell, Joe Carr, John Hunt, and Colin Kitchen as members. George Riley as independent Chair, Steve Watene as independent Risk Advisor, two independent tāngata whenua members: George Riley and Dee-Ann Wolferstan

Investment Committee

NRC Deputy Chair Jack Craw and Crs John Blackwell, Geoff Crawford, and John Hunt as members. Daniel Mussett as independent Chair, one independent tāngata whenua advisor: George Riley

Council working parties

- WDC/NRC Whangārei Public Transport Working Party – Cr Amy Macdonald as Chair, Cr Joe Carr and NRC Deputy Chair Jack Craw as members, and three Whangarei District Council elected members
- Natural Resources Working Party – Cr Geoff Crawford as Chair, and Crs John Blackwell, Amy Macdonald and Arama Morunga as members, and four members of Te Ruarangi
- Biosecurity and Biodiversity Working Party – NRC Deputy Chair Jack Craw as Chair, and Crs Geoff Crawford, John Hunt, and Amy Macdonald as members, and four members of Te Ruarangi
- Te Ruarangi – up to 30 members in total consisting of all nine elected members with Cr Arama Morunga as Co-Chair with Nyze Manuel (Te Rūnanga O Whaingaroa)

and Cr Amy Macdonald as alternative Co-Chair, and up to 21 appointed iwi and hapū members from Taitokerau Māori.

Collaborative Community Working Groups

- Kāeo-Whangaroa River Working Group – Cr Colin Kitchen as Chair and Cr Joe Carr as alternate
- Kaihū River Working Group – Cr John Blackwell as Chair and Cr Joe Carr as alternate
- Kerikeri River Working Group – Cr Joe Carr as Chair and Cr Colin Kitchen as alternate
- Taumārere River Liaison Working Group – NRC Chair Pita Tipene as Co-Chair and Cr Joe Carr as alternate
- Urban Whangārei Working Group – NRC Deputy Chair Jack Craw as Chair and Cr Arama Morunga, and Cr Amy Macdonald as alternate
- Awanui River Working Group – Cr Joe Car as Chair and Cr Colin Kitchen as alternate

Councillor portfolios

- Sport Northland Board of Trustees - Local Government Representative – Cr John Hunt
- 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:

- Buddle Findlay
- Cochrane Advisory
- Cooney Lees Morgan
- Gordon Pilditch
- Karenza de Silva
- Lizzy Wiessing
- Marsden Woods Inskip & Smith
- Simpson Grierson
- Thomson Wilson Law
- Webb Ross McNab Kilpatrick
- Wynn Williams

Independent Advisors/Consultants:

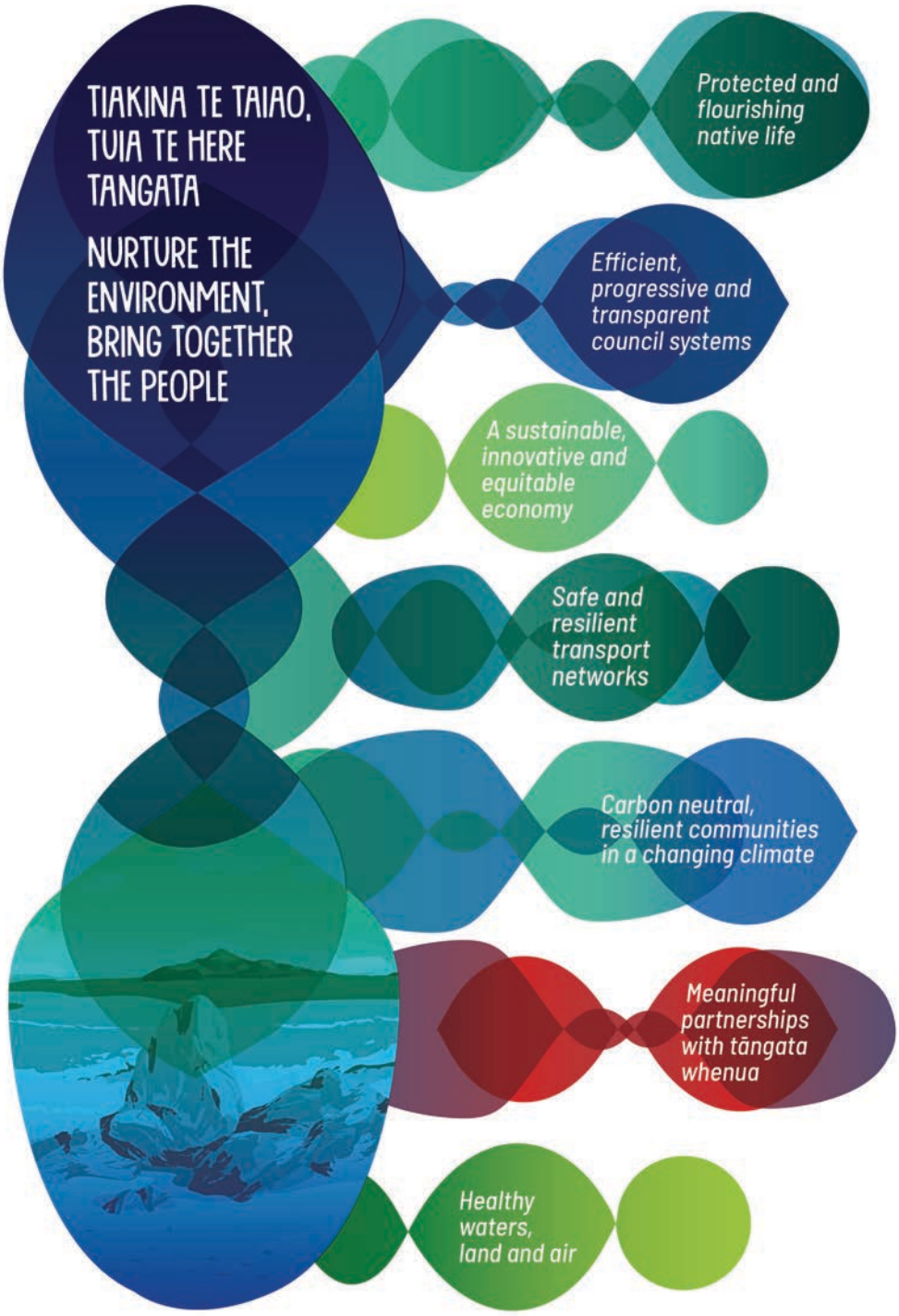
- Daniel Mussett - investment
- Dee-Ann Wolferstan - tāngata whenua
- EriksensGlobal - managed funds investment advisors
- George Riley - tāngata whenua
- PricewaterhouseCoopers - Treasury
- Russell Investments - managed funds investment advisors
- Steve Watene - risk

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 second Annual Report following the adoption of the Long Term Plan 2024-2034 in June 2024 and subsequent Amended Long Term Plan 2024-2034 in April 2025. 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 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 focused 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:

Local government reform

One of the biggest developments to occur over the 2025/26 financial year was central government's announcement it was planning a major overhaul of New Zealand's local government sector.

As part of this, in May 2026, the Government gave councils a three-month window to propose new arrangements themselves under what it has dubbed 'Head Start' pathway, and has stated if councils cannot do this, then the Government itself will propose amalgamations under a 'backstop' approach.

Council has been working alongside our district council partners across the region on a 'Head Start' proposal that reflect the needs of our communities, iwi and hapū.

Over the year, Government also announced rates capping reforms that aim to limit annual council rate increases to between 2% and 4% per capita, with a phased approach starting in January 2027 and full implementation by 2029.

Natural environment

Regional Plan for Northland

The Regional Plan for Northland became fully operative on 27 March 2026, bringing to completion a planning process that began with public notification in September 2017. The plan reflects many years of technical work, collaboration and statutory processes involving council staff, tāngata whenua, stakeholders and the wider community, and establishes a single integrated framework for managing Northland's natural and physical resources.

Review of the Regional Pest Management and Marine Pathways Plans

After two years of consultation, research, collaboration, workshops, and engagement, a review of the Regional Pest and Marine Pathways Management Plan is on track to produce a new plan before the end of 2027. The new plan's overarching objectives are to improve our resilience towards new pests that have come to Northland, to reprioritise our council resources to manage key risks and to further enable communities and iwi and hapū to respond to localised pest management priorities.

Resource management reform

The Policy and Planning team has worked alongside Northland's district councils to prepare for implementation of central government's resource management reforms. During the year, the four councils jointly established the Northland Resource Management Joint Committee, developed a coordinated regional work programme, and commenced preparatory work on regional spatial planning, Māori participation, communication and engagement and implementation readiness.

Sustainable land management

The Land Management team delivered three funding programmes incentivising sustainable land management and freshwater improvement; the Hill Country Erosion Fund, Environment Fund and Tāngata Whenua and Catchment Group Fund. More than $1.33M was allocated from the three funds for 83 projects.

Community led pest control

The Biosecurity Partnerships Programme continues to deliver robust biosecurity and biodiversity outcomes across Northland by empowering iwi/hapu, local organisations, landowners and volunteers to lead invasive species management at both local and landscape scales. In 2025/26, the programme-maintained investment through 37 Biofund grants, supported 17 existing Community Pest Control Areas (CPCAs), and established seven new or renewed projects covering 4237ha, allocating over $862,000 towards these.

Predator Free 2050

Predator Free 2050 programmes delivered significant landscape-scale predator eradication gains across Northland over the past year, supported by innovative technology, strong community partnerships, and increased

mana whenua-led delivery. The programmes continue to build momentum towards long-term biodiversity restoration goals.

Whangārei Heads

Four thousand hectares are now considered possum free across key coastal and peninsula areas. The programme successfully introduced a certified possum detection dog and expanded the use of AI-enabled cameras and traps. Mana whenua involvement also increased, with 234ha under uri (descendants) management and a further 200ha commencing management in July. The programme is well positioned to complete the remaining 5000ha targeted for possum removal.

Pēwhairangi Whānui (Bay of Islands)

The programme now spans 15,232ha, with 6000ha possum free and 1000ha rat free. Predator Free Te Ahutai has removed more than 3500 target pests across 585ha of whenua Māori while strengthening hapū and community engagement. Pest Free Purerua-Mataroa achieved possum elimination across approximately 5000ha, while Predator Free Russell has reached a maintenance phase across 2996ha, including 1800ha that have remained possum free for nearly a year.

Rāhui tapu / Marine Protected Areas

The Moana Ora Programme located at Mimiwhangata and Rākaumangamanga (Cape Brett) continued to strengthen marine protection outcomes across Northland through a partnership approach with hapū, combining education, compliance, and science-based ecological monitoring to support the recovery and long-term health of marine ecosystems.

Key achievements included 95 surveillance patrols, 264 vessels engaged, identifying 23 fishing-related incidents along with two infringement fines.

Pest incursions and response

Council's Incursions and Response Programme continues to deliver strong biosecurity outcomes across Taitokerau, with significant progress made in wild animal eradication, pest fish control, invasive species prevention, and emerging threat preparedness.

Wild Deer Free Taitokerau continues to advance towards its objective of a wild deer-free Northland, with active management occurring across known deer locations, removing remaining isolated populations and preventing establishment within the region.

The Russell Forest sika deer eradication project has removed 65 sika deer since April 2024 and has now entered a validation phase after extensive surveillance detected no remaining deer.

In the Pouto Project Area, following previous control of a wild deer population, a further survey is underway to confirm a wild deer-free status in this area.

Survey for wild deer at Kai Iwi Lakes across approximately 20,000ha found no evidence of wild populations remaining and has now transitioned to low-impact monitoring.

The Pest Fish Programme made significant progress through surveillance and progressing eradication planning, particularly for koi carp, rudd, and tench. A major milestone was achieved at Lake Rototuna, where no rudd have been detected for five consecutive years.

Pest plants

The Pest Plants Programme delivered significant outcomes across surveillance, control, enforcement, innovation, and community engagement. The programme actively managed 30 low-incidence pest plant species, delivered the Ministry for Primary Industries' (MPI) Manchurian Wild Rice National Interest Pest Response Programme in Northland, and completed more than 1200 monitoring and control inspections across Northland.

The programme delivered strong biosecurity outcomes through extensive surveillance, targeted control, drone-enabled innovation, effective enforcement, and high levels of community participation. Key achievements included 1200-plus inspections, 200km of coastline surveyed, 1350ha of saltmarsh searched, 700ha of wetland surveyed, and prevention of more than 18M moth plant seeds entering the environment.

Lakes ecological monitoring

Annual submerged weed surveillance was undertaken at four public lakes by divers and snorkellers with no new incursions detected. The annual lakes ecological survey using contract divers and a council shore team covered a total of nine lakes and several wetlands from the Far North to Poutō. One lake was ranked having an 'Outstanding' ecological score and five lakes were assessed as 'High'.

Lake Ngatu was declared free of South African oxygen weed following five years with no detections after a single lake-wide treatment using Endothall (Aquathol K) in September 2020. A celebration education day was held with 150 students from Paparore School.

Community resilience

Climate Resilient Communities Fund

The Climate Resilient Communities Fund continues to support community-led resilience initiatives across Northland, helping local groups deliver practical projects that strengthen preparedness for climate impacts while building local skills, networks, and confidence. As projects progress, work is focused on measuring outcomes and tracking return on investment to understand how these initiatives contribute to regional resilience goals. This

growing evidence base will help inform future investment decisions and support Northland's ongoing adaptation to climate challenges.

Erosion and sediment risk maps

Council developed and tested new high-resolution Highly Erodible Land (HEL) and erosion risk maps for Northland, combining geology, soils, terrain, climate and overland flow information to better identify erosion and sediment risks. The mapping supports freshwater farm planning, targeting of land management programmes, understanding sediment sources, and future spatial and environmental planning, and was refined through stakeholder engagement before being prepared for public release through council's online mapping tools.

Emergency management

Projects for the year focused on transitioning key initiatives from development into delivery. A staged implementation programme was established to lift capability across governance, response and community resilience, aligned to future legislative expectations. Major investments progressed, including construction of a joint regional coordination centre, common operating tools, and the transition of the new tsunami sirens into BAU with ongoing improvements.

Harbour safety and navigation

There were 160 maritime incidents reported from 01 July 2025 to 30 June 2026. These were the usual mix of bylaw offences, wrecks, abandoned vessels, aids to navigation, moorings, and small oil spills.

The team manages 2800 moorings across Taitokerau; of these 157 transfers of ownership were completed and 46 mooring applications processed.

March flood

In March the Far North's upgraded Awanui flood scheme handled a record amount of floodwater – almost twice that of an infamous 1958 event that saw floodwaters more than a metre deep inundate Kaitaia township.

During the event, up to 410m^3 of floodwaters were flowing down the Awanui River every second. That compared to a figure of 220m^3 a second during the catastrophic 1958 flood and 258m^3 in a more recent, July 2007 event, that had caused flooding and evacuations.

While much of Kaitaia escaped serious damage despite the vast and unprecedented flood flows, it must also be acknowledged that overtopping of stopbanks did occur in areas of the scheme that had yet to be, or were being upgraded, and that flooding caused considerable damage to those impacted properties. Council is currently working through additional flood mitigation works to increase the level of protection.

While there was some overtopping of stopbanks – mainly in areas of the scheme that had yet-to-be, or were being upgraded – much of Kaitaia escaped serious damage despite the vast and unprecedented flood flows.

In October the government announced it would fund more than half of a $2.5M project to remove a weak point from the scheme (council will fund the remaining $1M through existing rates.).

The area involved is a weak spot in the scheme on the Lower Whangatane Spillway at Kumi Rd near Awanui township. Floodbanks overtopped there in July 2020, flooding several houses and causing stock losses.

Regional leadership

Community engagement

Communications, engagement and education programmes helped connect communities with council's work across a wide range of channels, initiatives and partnerships. Through traditional media, digital platforms, events and community engagement activities, residents were kept informed about regional issues, projects and opportunities to have their say. Council maintained a strong presence at community events across Taitokerau, while targeted campaigns raised awareness of key environmental challenges including pest plants and freshwater and marine biosecurity threats. Council's education programmes continued to support environmental learning, action and leadership across Taitokerau, helping council teams achieve community outcomes through partnerships with 149 schools and early childhood centres and reaching more than 25,000 tamariki and students.

The Environmental Leaders Fund (ELF) provided $42,000 for 22 school and early childhood projects, supporting initiatives such as biodiversity enhancement, water conservation, food growing and climate resilience.

Regional Sporting Facility Rate allocation

Council approved two regional sporting facility projects for receipt of Regional Sporting Facilities Rate grants. Ruakākā Wahitakaro and Northland Regional Volleyball Arena was allocated up to $2.6M and Sportsville Dargaville Stage 2 was allocated up to $1.2M.

Awards wins

A project to relocate the heart of flood-prone Whirinaki and a manager acknowledged for outstanding leadership and commitment to strengthening iwi and hapū partnerships in local government were recognised at the Taituarā Local Government Excellence Awards in June 2026.

Council and Te Hikutū hapū won the Eagle Technology Award for Excellence in Community Engagement for their Whirinaki Managed Retreat project.

Using mātauranga Māori and the PARA (prevent, avoid, retreat, accommodate) framework, the Whirinaki community determined relocation was the safest long-term option for around 80 homes in the flood-prone South Hokianga valley.

The multimillion-dollar Whirinaki masterplan would enable whānau to move to elevated papakāinga, restoring the floodplain and creating new opportunities, while demonstrating shared leadership and Te Tiriti partnership.

Local body elections

Local body elections saw four new councillors elected to council in October 2025; Colin (Toss) Kitchen (who represents the Bay of Islands-Whangaroa General Constituency), John Hunt (Coastal South General Constituency) and Pita Tipene and Arama Morunga (both Te Raki Māori Constituency). Re-elected to council were Amy Macdonald (Coastal Central General Constituency), Joe Carr (Far North General Constituency), John Blackwell (Kaipara General Constituency), Jack Craw (Whangārei Central General Constituency) and Geoff Crawford, who was re-elected unopposed in the Mid North General Constituency.

Rates held

In June, council adopted its new Annual Plan which included a 0% increase in its total rates take for the 2026/27 financial year. Times are tough for the people and communities of Taitokerau and council recognised that affordability remained a critical issue for many.



Project Pest Control

Achievement of key performance indicators

Natural environment | total 18



For more info see page 27

Community resilience | total 14



For more info see page 44

Regional leadership | total 17



For more info see page 58

Meaningful partnerships with tāngata whenua of Taitokerau

Tāiki ē: Strengthening partnerships for te taiao and future generations

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 vision)

This year, council continued to work alongside tāngata whenua to demonstrate a maturing, whole-of-council approach to Te Tiriti implementation, grounded in enduring relationships with iwi and hapū and supported by Te Ruarangi, Tāiki ē and the Te Tiriti o Waitangi Health Check.

Across environmental protection, climate resilience, Māori representation, capability building, education, procurement and economic development, partnership commitments are increasingly being reflected through practical action for strengthening partnership pathways and supporting outcomes that restore te taiao (the environment) and benefit present and future generations across Taitokerau.

Partnerships with tāngata whenua continue to influence and inform governance, policy, planning, regulation and delivery. It is grounded in enduring relationships with iwi and hapū and supported by a connected framework: the Te Ruarangi Strategic Intent 2021–2040 sets the shared long-term direction; Tāiki ē translates that direction into a council-wide Te Tiriti strategy and implementation plan; Te Ruarangi provides partnership leadership, advice and accountability; relationship and partnership agreements, such as the Mana Whakahono ā Rohe agreements, helped to formalise how council and participating iwi and hapū work together in resource management; and the independent Te Tiriti o Waitangi Health Check supports transparency, accountability and continuous improvement.

Together, these arrangements help council move from commitment to consistent practice. They influence how policy is developed, how tāngata whenua participate in governance and decision-making, how regulatory and consent processes are improved, how procurement pathways are opened, and how environmental, climate resilience and economic development programmes are designed and delivered. The 31 measurable actions in Tāiki ē, across five Whāinga (capacity and capability, Māori representation, water and marine, climate crisis, and economic development) provide a practical line of sight from Te Tiriti commitments to outcomes across council's work.

At the heart of this work are enduring relationships with iwi and hapū across Taitokerau. Strong, trusted and appropriately resourced relationships enable earlier engagement, honest kōrero, better advice and solutions that reflect mātauranga Māori, kaitiakitanga and the priorities of each rohe. Te Ruarangi strengthens the collective partnership space, but it does not replace council's responsibility to engage directly with iwi and hapū or the mana of iwi and hapū to speak for themselves.



Te Ruarangi co-chairs Councillor Arama Morunga and Nyze Manuel (Whangaroa) pictured at the first Te Ruarangi hui of the new council triennium in December 2025. They carry forward the kaupapa from previous Te Ruarangi co-chairs Pita Tipene and Tui Shortland.

Significant highlights

Policy, governance and accountability working together

Council's responsibilities to tāngata whenua are reflected through relevant legislation, council policy and partnership arrangements. Te Ruarangi monitors and advises on council's obligations to iwi and hapū, including those arising under the Local Government Act 2002, the Resource Management Act 1991 and successor or replacement legislation, and provides advice on reforms that may affect the relationship between council and tāngata whenua.

This framework is reinforced through the Te Ruarangi Terms of Reference, Tāiki ē, Mana Whakahono ā Rohe agreements, the Te Tiriti o Waitangi Health Check, iwi and hapū environmental management plans, representation across relevant council working parties, and practical policy changes such as progressive procurement provisions.

Together they provide different, but connected, ways for tāngata whenua perspectives and expertise to inform council policy, planning, investment, regulatory practice and operational delivery.

Over the past year, tāngata whenua, communities and council have continued to navigate significant challenges, including climate events, environmental pressures and major resource management and local government reforms. Despite this uncertainty, relationships have continued to strengthen, and collective action has continued to deliver meaningful outcomes across Taitokerau.

Supporting tāngata whenua capability and leadership

Partnerships with hapū and iwi continue to strengthen environmental capability across the region. This year included freshwater monitoring wānanga, expanded biosecurity partnerships, and programmes supporting local kaitiaki to lead environmental monitoring, pest management and restoration initiatives within their own rohe. Four of eight Tū i te Ora scholarships were awarded to Māori recipients who whakapapa to Taitokerau, providing valuable summer work experience opportunities at council. A further contestable funding round supported iwi and hapū environmental management plans and tāngata whenua environmental monitoring projects.

Building climate resilience

Work continued alongside hapū, iwi and marae to strengthen resilience to natural hazards and climate change. Thirty-five flood-prone marae have been supported through flood resilience initiatives. Strong partnership among Civil Defence, councils, government agencies and marae improved the coordination of assistance to whānau affected by major flood events in the first quarter of 2026. Projects such as the peruperu seed bank and marae-led recovery approaches are helping communities prepare for future challenges while strengthening local capability. Phase 2 flood mitigation works at Kaeo are underway, supported by archaeological excavations guided by tāngata whenua cultural monitors and kaitiaki.

Supporting Māori economic development

Through council's continued investment in and strategic oversight of Northland NZ, Māori economic development has been supported through Northland NZ's work with Whāriki Te Taitokerau and iwi-led enterprise initiatives. This work helps pakihi Māori (Māori businesses) access capability-building, innovation pathways, growth networks and opportunities to lead their own economic aspirations. At Te Ruarangi, progressive procurement pathways for hapū and iwi suppliers were discussed, alongside practical ways to improve access to council contracts.



Lake Taharoa Kaimahi

Sharing mātauranga, strengthening collective action, and inspiring future kaitiaki

Education Encounters

More than 300 students, teachers and whānau participated in council's marae-based Education Encounters at three marae across the region. Through hands-on learning and experiences, participants strengthened their connection to te taiao and te ao Māori while learning from local iwi and hapū knowledge holders.

Wānanga Waiora 2026

A significant highlight and success of the year was the third Wānanga Waiora, held over two days in June 2026. Bringing together more than 140 attendees at Waitangi, the wānanga enabled kaitiaki, hapū practitioners, councils and communities to share mātauranga taiao and strengthen regional partnerships.

Discussions explored the restoration of freshwater systems, mātauranga Māori, kaitiaki-led initiatives, climate resilience, and community-led responses to environmental challenges.

The Climate Summit held alongside the wānanga highlighted local experiences of climate change and showcased innovative responses led by hapū and communities across Taitokerau. Emerging leadership from rangatahi was a particularly strong theme, reinforcing the importance of intergenerational action and knowledge sharing.



Mike Smith Presentation, Climate Change Summit

Investment priorities identified during the two-day event included: long-term kaitiaki capability, wai and catchment restoration, climate adaptation and resilience planning, rangatahi leadership pathways, and shared learning and evaluation grounded in mātauranga Māori.

The continuing growth of Wānanga Waiora demonstrates the value of bringing people together kanohi ki te kanohi (face to face) to build trust, strengthen relationships and support coordinated action across the region.



Kaitiaki representatives at Wananga Waiora

Te Ruarangi

Te Kaupapa (Mission): *He iwi tahi tātou kia ora ai te taiao — Kawanatanga and rangatiratanga work together for the wellbeing of the environment*

Te Ruarangi is council's enduring partnership forum with iwi and hapū of Taitokerau. It brings kāwanatanga and rangatiratanga together to provide shared direction, challenge, advice and accountability on matters of strategic importance to tāngata whenua and the region. Its role includes advising on council's responsibilities to iwi and hapū, influencing policy and legislative responses, overseeing implementation of Tāiki ē, strengthening pathways for Māori participation in governance, and connecting specialist Māori technical advice into council processes. Te Ruarangi is a working party and does not hold delegated decision-making authority; its value lies in ensuring that council decisions are better informed by iwi and hapū perspectives, expertise and aspirations.

For the 2025–28 triennium, Te Ruarangi selected Nyze Manuel, Whangaroa representative, as the incoming iwi and hapū Co-Chair, replacing Pita Tipene, who had been elected as the Te Raki Councillor and voted in by councillors as Northland Regional Council Chair. Nyze serves as Co-Chair alongside council's Te Raki Councillor Arama Morunga. Te Ruarangi iwi and hapū representatives were also appointed, alongside councillor members, to the Natural Resources Working Party, the Biosecurity and Biodiversity Working Party, and the Joint Climate Change Adaptation Committee, extending tāngata whenua participation into governance forums dealing with kaupapa of special importance.

Te Ruarangi provided guidance and recommendations to council on a wide range of topics and council submissions, especially tāngata whenua participation and representation in the ongoing resource management and local government reform processes. Recurring themes across council submissions were the importance of upholding Te Tiriti o Waitangi, ensuring meaningful consultation and partnership with tāngata whenua in planning and decision-making, recognising and providing for regional distinctiveness,

upholding Mana Whakahono ā Rohe partnerships and Treaty settlements with iwi and hapū, and ensuring the protection of sites of significance to Māori.

Resource management and local government reform will reshape how councils and tāngata whenua work together over the next triennium and beyond. Te Ruarangi has responded by nominating four representatives to participate in council workshops that are shaping Northland's response to reform proposals.

The Te Ruarangi Terms of Reference Review Working Group has begun refreshing the working party's foundational document to ensure that membership reflects the aspirations of iwi and hapū and that meeting frequency supports enduring partnership.

Mana Whakahono ā Rohe

Mana Whakahono ā Rohe (MWAR) are formal statutory arrangements under the Resource Management Act that set out how iwi authorities, hapū and councils will work together on resource management and decision-making. Council has MWAR agreements with four iwi and hapū partners, and there have been several requests for new agreements during the past year. However, given the recent government announcement that MWAR agreements will not be transferred into the new legislative frameworks, council is now pivoting to develop a coordinated approach to upholding relationships with iwi and hapū while seeking to obtain a better understanding of what iwi participation agreements will look like in the proposed reforms.

Looking ahead

He iwi tahi tātou kia ora ai te taiao

Kāwanatanga and Rangatiratanga working together for the wellbeing of the environment

The achievements of the past year demonstrate that enduring outcomes are built through relationships first - relationships based on mutual respect, good faith, trust, transparency and a shared commitment to the wellbeing of te taiao and our communities. Policy, governance arrangements and implementation plans provide the structure, but it is sustained engagement with iwi, hapū, marae, kaitiaki and Māori communities that gives those commitments meaning in practice.

As Tāiki ē, the council and Te Ruarangi Strategic Intent and related implementation work continue to guide council's collective responsibilities, council remains committed to embedding Te Tiriti obligations across policy, planning, regulation, investment and delivery; supporting Te Ruarangi as an enduring partnership and accountability forum; honouring formal commitments and relationship agreements; and maintaining direct, meaningful relationships with iwi and hapū. This whole-of-council approach is essential to protecting and restoring te taiao, strengthening resilience, and achieving outcomes that benefit present and future generations across Taitokerau.



Kaitiaki iwi representatives and council staff at Wananga Waiora

Compliance statement

Northland Regional Council

Annual Report

For the year ended 30 June 2026.

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 for the year ended 30 June 2026.



Jonathan Gibbard
Chief Executive Officer



Pita Tipene
Chair

Date: 20 October 2026

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of the annual report of Northland Regional Council for the year ended 30 June 2026

The Auditor-General is the auditor of Northland Regional Council (the Council). 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 information in the annual report of the Council that we are required to audit 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 (Schedule 10) 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 on pages 70 to 126 present fairly, in all material respects, the Council's financial position as at 30 June 2026, and the results of the operations and cash flows for the year ended on that date, in accordance with Public Benefit Entity Standards;
- the statement of service provision (reported as 'Council Activities') for the year ended 30 June 2026 on pages 26 to 64:
    - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and Public Benefit Entity Standards; and
    - presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, 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.
- the funding impact statement for the year ended 30 June 2026 on pages 129 to 130, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;
- the funding impact statements for each group of activities for the year ended 30 June 2026 on pages 26 to 64 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and
- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026 on pages 26 to 64, have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 for the year ended 30 June 2026; and

- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2026 are complete and accurate.

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.

Emphasis of Matter: Local Government reform

As described in note 1.2.1, the government has announced it wants to phase out regional councils. The eventual outcome for the council is dependent on future cabinet decisions and enactment of enabling legislation. Because of the significant uncertainty about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis. Our opinion is not modified in respect of this matter.

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's responsibilities include the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and

- the preparation of a statement of service provision, in accordance with the Council's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

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 the Council's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Council and the Group or there is no realistic alternative but to do so.

The Council's responsibilities arise under the Act and the Regulations.

Responsibilities of the auditor

Responsibilities for the audited information

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 Council's Annual plan or Long-term plan as applicable.

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 Council'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 selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Council's service performance.

- We evaluate whether the service performance information is prepared in accordance with the Council's measurement bases or evaluation methods, and presents fairly, in all material respects, in accordance with Public Benefit Entity Standards, the actual service performance achieved compared with the intended levels of service.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Council to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council and/or the Group to cease to continue as a going concern.

- 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 audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Act and 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 Council 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)* as applicable for audits of public interest entities 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 a reasonable assurance report on maintenance of the register of security stock. We have also provided an agreed-upon procedures report in relation to the Kaipara Moana Remediation Project. These services have not impaired our independence.

Other than the audit and our report on the disclosure requirements, we have no relationship with, or interests in, the Council



Bennie Greyling
Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand
20 October 2026

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 second time in this Annual Report 2026 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**

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

Managing 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 partially achieved, with 11 of 18 targets met. Of the seven targets not met, one of these was due to the limited planting season for Highly Erodible Land, two were due to the fuel crisis and subsequent affects of rising costs, one was due to updated case-law, one was due to resourcing, one was due to delayed receipt of information, and one was due to lack of evidence or alternative action being taken, as recorded in the levels of service results tables.

What we did

Environmental science and monitoring

Most work programmes undertaken by the Natural Resource teams are tracking well, however some face some technical challenges regarding equipment. Theft and vandalism of critical flood warning stations continue to present operational challenges, requiring ongoing repairs and replacement of equipment and creating risks to the continuity of flood monitoring and warning services.

The current portfolio of 26 projects spans a wide range of environmental monitoring, modelling, and decision-support initiatives that underpin council's statutory responsibilities. Major projects included completion of 93 river ecology surveys across 44 sites, investigations into declining water quality in Lake Waiparera, Kaipara Harbour estuary monitoring (including sediment monitoring), dissolved oxygen monitoring optimisation, recreational water quality programmes, and participation in national water quality initiatives coordinated through Te Uru Kahika and the Ministry for the Environment. These programmes expanded the environmental evidence base, improved understanding of freshwater, groundwater, estuarine and coastal systems, and supported evidence-based resource management decisions across the region. The draft Freshwater State of the Environment Report is close to completion, with proofing and publication to come late 2026.

A significant achievement during the year was the publication of numerous technical reports that enhanced understanding of Northland's environmental resources and challenges. These included the Marine Sediment Contaminant Monitoring Report, Climate Resilience Assessment of Northland's Freshwater Ecosystems, Severe Weather Event Report (January 2026), Ōtaika Catchment Water Allocation Assessment, Northern Wairoa Aluminum Assessment, Safeswim Summer Review, and a range of hydrology and environmental monitoring reports. Collectively, these publications provided critical information on water quality, sedimentation, climate change impacts, flood hazards, coastal health, water allocation, contaminant trends and ecosystem resilience, while helping inform policy, planning, investment and community decision-making.

Hydrology staff continued to provide essential climate, water resource and hazard intelligence through operation of Northland's rainfall, river flow and groundwater monitoring networks. The team played a critical role during several significant weather events, providing round-the-clock monitoring, flood forecasting, and support to Civil Defence and emergency management partners. Ongoing hydrological reporting informed drought management, flood preparedness and water resource planning, while staff also contributed to national discussions on drought resilience and climate adaptation through cross-council collaboration and technical leadership.

Strong partnerships and community engagement remained a key focus throughout the year. Staff worked alongside iwi, hapū and kaitiaki groups through freshwater wānanga, environmental monitoring programmes, shellfish management discussions and community hui.

Other notable achievements included the successful campaign that saw:

- The Northland Mudfish named New Zealand Fish of the Year. Staff supported a successful campaign that resulted in the Northland Mudfish becoming the first freshwater fish and threatened species to win New Zealand Fish of the Year
- Marine plastic pollution research featured on Radio New Zealand, showcasing council's marine litter monitoring work
- The Water Quality Field Operations team helped coordinate a Hātea clean-up event, which brought together approximately 45 local authority participants. The initiative removed around 540kg of litter from terrestrial and intertidal mangrove environments adjacent to the Hātea River, improving environmental outcomes while strengthening community awareness and stewardship of local waterways.

Iwi/hapū partnerships

Council continued to strengthen operational relationships with kaitiaki and hapū across Taitokerau through freshwater restoration, environmental monitoring, planning, and capability-building initiatives. A key engagement was the Freshwater Wānanga held on 16 September 2025, organised by council and attended by representatives from Ngāti Kuri, Ngāti Kahu, Haititaimarangai Marae, Ngāi Takiora, Ngāti Aukiwa, Ngāti Tara, Wai Connections, the Department of Conservation (DOC), and council staff. The wānanga focused on building kaitiaki capability through SHMAK training, including an in-depth explanation of freshwater monitoring parameters, external influences, and how changes can affect aquatic ecosystems, human health, and water quality. Participants also received training on eDNA sampling methods and guidance on site selection, while whanaungatanga provided an opportunity to share experiences, lessons learned, and restoration approaches from across the region.

In March 2026, council participated in a strategic hikoi with Te Rūnanga o Te Aupōuri and Te Ara Taiao o Te Aupōuri, involving a full-day visit across whenua and beaches, including wāhi tapu, ngahere, and roto monitoring sites, to gain a deeper understanding of the scope of mahi undertaken by kaitiaki and the progress achieved to date. Throughout the year, engagements focused on freshwater health, restoration opportunities, kaitiaki-led monitoring

and environmental capacity building through SHMAK and eDNA programmes. These engagements strengthened relationships, supported tāngata whenua-led environmental initiatives, and identified opportunities for deeper collaboration between council, kaitiaki and hapū across Northland.

Catchment management

Partnerships funding

The Land Management team delivers three funding programmes that support sustainable land management and freshwater improvement across Northland. This financial year, across the three funding streams, more than $1.33M was allocated across 83 projects.

1. Hill Country Erosion Fund (HCEF)

The HCEF is a four-year partnership between MPI and council that supports erosion control on vulnerable hill country land. The programme provides funding for fencing and retiring erosion-prone pasture and grazed bush, establishing native forest cover, and planting poplars and willow on highly erodible land. This is the third year of the funding partnership and over this financial year, in addition to that reported on below, the fund held/supported nine hui with the aim of improving uptake of the fund by tāngata whenua. This aspect of the MPI contract is now completed.

2. Tāngata Whenua and Catchment Group Fund (TWCGF)

The TWCGF supports established tāngata whenua, community, or catchment groups to deliver projects that improve freshwater quality across Taitokerau. The fund enables community-led initiatives, with project scope shaped by group priorities and outcomes. This year the fund supported:

- A range of professional services including hapū GIS training, water quality monitoring, and formation of catchment management plans
- 7840m of stock exclusion fencing
- Six troughs and one water tank to support stock exclusion
- 20,666 native plants planted.

3. Environment Fund (EFund)

The EFund focussed on enabling stock excluding for waterways and Top150 wetlands through grant funding for reticulated stock drinking water systems that enable stock exclusion, and for fencing that goes beyond minimum regulatory requirements. This year's achievements include funding support for:

- 40,585m of stock exclusion fencing completed, including 14,517m for Top150 wetlands and 2512m for general wetlands, creating full stock exclusion from four Top150 wetlands
- Ten troughs and one tank to support stock exclusion.

Project monitoring

The first year of the project effectiveness monitoring programme was completed, with the report due this quarter. The programme assesses the outcomes of previous Environment Fund projects to evaluate programme effectiveness, inform funding improvements, and support evidence-based advice to landowners. The team also continued its poplar and willow audit programme, collecting plant survival data to improve understanding of clone performance and strengthen advice for landowners.

Soil Conservation Programme

The Land Management Team delivered several key initiatives to improve understanding and management of Northland's soils and land resources. This included managing the Northland InSAR and Differential LiDAR Study, which identified widespread land subsidence in low-lying agricultural areas and provided valuable data to support flood risk assessment, climate adaptation, soil management, and infrastructure planning. Fieldwork was completed for the first year of a two-year extension to council's partnership with Manaaki Whenua, expanding Northland's S-Map digital soil database to improve soil information available to staff and landowners.

Community engagement

The quarterly Hills to Harbour newsletters continues to be well received and an online communications push saw an increased subscription rate of over 20%. Staff presented at, and attended, many rural events this year, including Ballance farm environment awards, Beef and Lamb field days, and catchment group/conservation trust open days.

Freshwater Farm Plans (FWFP)

Staff continued developing and publishing Catchment Context, Challenges and Values (CCCV) documents across Northland to support future Freshwater Farm Plan implementation. While national regulations are still pending, the FWFP working group has progressed interim work programmes, including CCCV development, to maintain readiness for implementation.

Kaipara Moana Remediation Programme (KMR)

KMR continued to expand sediment reduction activity across the Kaipara Moana catchment during 2025/26. As at 30 June 2026, over 161,000ha were covered by KMR sediment reduction plans, an increase of more than 15,000ha since 30 June 2025.

During the year to 30 June 2026, KMR supported approximately 1.1M additional plants and trees, a further 900ha of planting or native regeneration, and more than 470km of additional fencing. This brought KMR's cumulative delivery to over 3.1M plants, 1950ha planted or regenerating into native forest, and more than 1250km of fencing.

KMR also completed its first two-year post-planting monitoring analysis, providing evidence on plant growth, health and survival across KMR-funded projects. A local stream-health monitoring project was also established to assess changes in water quality and stream health associated with remediation work.

Biodiversity

Operational report

The fourth Biodiversity Team (Te Tira Rerenga Rauropi) Annual Operational Report 2024-2025 was published this year and contributed to team planning and improvement, as well as reporting to the public via council's website.

Advocacy and education

Over the reporting period, there were two school events hosted and four supported (plus CoastCare); three summer shows and the Northland Field Days that were also supported, and 60 media interactions (social, print, radio etc), plus three CoastCare Newsletters delivered.

Iwi/hapū partnerships

- Hapū involvement in education projects, such as coastal dune restoration (including dune monitoring), lake and wetland education events for kura (schools), which helps to pass on ecological knowledge to younger generations
- Events like Bioblitzes, bat surveys, and community planting days generally include hapū-led components (e.g. Kohatutaka Bioblitz) and mātauranga Māori
- Coastal partnerships – staff work alongside iwi and hapū across the region to support coastal restoration and ecological monitoring. These collaborations include hands-on events such as planting days, working bees, monitoring, and wānanga
- Lakes – many lakes are owned by Māori or managed by DOC, therefore most lake actions led by the Biodiversity team are in collaboration with iwi/hapū, community, DOC, and district councils. Work includes pest plant control, pest animal control, lake ecological monitoring, pine removal, fencing, and lake margin planting.

The Biodiversity team prioritises an ongoing commitment to building internal cultural capability through regular team training sessions.

Terrestrial

The team provided technical advice, reports, and biodiversity planning to landowners, community, and mana whenua throughout the year including:

- Kohatutaka Bioblitz with Te Hauora o Ninihi Trust – bats, plants, lizards, birds, permanent plots in the Kaipeha wetland with integration into council's State of the Environment (SOE) programme
- Pukepoto ecological values assessment report
- Te Korowai Ārahi Bioblitz report
- Kohinui Catchment Bioblitz report
- Pekapeka (bat) – acoustic survey and training with three hapū, two conservation trusts, and two forestry companies, a regional bat hui, presentations to Patuharakeke Te Pou Taiao and Ballance Farm Awards field day, data analysis training and management advice
- Completion of the first regional herpetofauna and bat threat assessment workshops for Taitokerau, with reports in draft
- New GIS bat and herpetofauna layers published on internal viewers
- Completion of Northland vascular plant conservation status assessment using an external expert panel to review the threat status of 878 indigenous plant taxa in the region. This assessment will assist with planning and protection of sites where rare plants grow
- Staff presented at the online Terrestrial Ecology Forum around the process of completing conservation assessments
- Ongoing monitoring and protection work at Maunga Tāika (Mount Tiger), a council-owned pine forest with enclaves of native bush and high value stream systems, alongside Ngā Kaitiaki o Ngā Wai Māori, Ngāti Kahu o Torongāre, and the Biosecurity team

Coastal

Dune restoration:

- A total of 13,894 plants provided and planted at 15 sites
- Restoration activities were organised and delivered including community and school planting days
- Guided project planning with ecological, restoration and nature-based solutions advice
- Supported dune weed-control efforts by training volunteers, funding contractor time to improve ecological outcomes, and participating in community weeding working bees.

Community and hapū engagement:

- There were 48 engagement events attended, including 24 working bees and two community/hapū training workshops
- Organised three CoastCare public advocacy events including a successful 'Explore and Restore' event in the Bream Bay area visiting some of the CoastCare projects in the area
- Two 'Coastal Conversations' events together attracted over 120 members of the public in Whangārei Heads and Taipā
- Five dune monitoring training /collaborative sessions organised at Glinks Gully, Pātaua North and Bream Bay.

Advocacy and education:

- Social media and website content promoted coastal biodiversity initiatives, including restoration projects and shorebird protection.
- A 'Coastal Gardens' booklet was published guiding creation of gardens that are beneficial to coastal ecosystems and wildlife
- Work with Enviroschools, supporting students to learn about dune restoration and take part in planting, weeding, monitoring, and maintenance
- Podcast content for 'Our Changing World' (produced by Radio New Zealand)
- Three CoastCare e-newsletters were written and distributed
- Signage produced and supplied for dune restoration, shorebird protection, and vehicle-exclusion areas
- Supported development of a new 'Northland Coast' video funded through the Climate Resilience Fund.

Monitoring and research:

- Dune vegetation monitoring and 5-minute bird counts conducted at 11 sites with interns, local kaitiaki, CoastCare groups and schools
- Vegetation data was made available publicly to inform dune management and community understanding
- Continuation of fauna monitoring at Bream Bay dunes in partnership with Patūharakeke Te Pou Taiao
- Fauna monitoring at Ripirō Beach with Glinks Gully Protection Society.

Technical advice:

- Technical advice provided to other teams, agencies, hapū, CoastCare groups and the public on coastal restoration, advocacy, and nature-based solutions to coastal hazards.

Wetlands

Biodiversity staff are part of the inter-agency Taitokerau Northland Mudfish Group, working with the Mountains to Sea Community Conservation Fund three-year project to survey, protect and restore Northland mudfish and their habitat. Northland mudfish have a threat status of Threatened - Nationally Vulnerable and are only found within a 25km radius of Lake Omapere. Staff worked with the group to re-survey three sites, contributing to assessments undertaken at other sites. Black mudfish, which have a threat status of At Risk – Declining, were surveyed at the Hikurangi repo with hapū.

Matuku-hūrepo, Australasian bittern, (Threatened – Nationally Critical) active and acoustic surveys, data analysis of six sites, habitat assessments and reporting have been completed at nine wetland sites in Te Aupōuri, Whangaroa and Pōuto. Recommendations are awaiting landowner/hapū feedback. The matuku-hūrepo, is one of the most endangered birds in Aotearoa and is threatened by wetland loss and predation. Staff worked with other organisations in Taitokerau working to protect this species and wetlands, to draft the Northland Regional Bittern Strategy. This has resulted in a more coordinated informed approach across the region as we actively work with communities and landowners to support this species by monitoring matuku-hūrepo using acoustic devices that detect male calls during breeding season. Matuku-hūrepo get killed on Northland roads and Biodiversity staff continue to supply gazetted road signs at hapū and communities request for bittern "blackspot" areas, this is supported by district councils and roading authorities. There were 22 "Slow for Bittern" signs installed this year at seven locations.

The Biodiversity team provided advice, and restoration plans to 16 landowners or community groups supporting wetland conservation efforts. This included site visits and advice for wetland restoration by a community group working at the DOC Ocean Beach Recreation Reserve wetland.

Wetland Condition Index (WCI) monitoring was undertaken as part of a five-yearly cycle of SOE monitoring at 21 wetlands, across nine locations. New WCI plots were established in two wetlands at Kaipeha with Te Hauora o Ninihi Trust.

Staff worked with policy and planning staff to finalise and publicise the indicative wetland maps and produce the mapping quality assurance assessment. The development of a verification process is underway.

Lakes

Lakes ecological monitoring:

Annual submerged weed surveillance was undertaken at four public lakes by divers and snorkellers with no new incursions detected. The annual lakes ecological survey using contract divers and a council shore team covered a total of nine lakes and several wetlands from the Far North to Poutō. One lake was ranked having an Outstanding ecological score and five lakes were assessed as High. LakeSPI (Submerged Plant Index) scores at most sites remain stable with an improvement at Lake Mokeno and Kanono. A survey was undertaken for the tiny native waterlily Trithuria inconspicua (Threatened - Nationally Critical) at Lake Rotoroa with no Trithuria found. As this lake had, until recently, been a stronghold for the population, the survey will be repeated next year. Lake report cards were uploaded to council's website.

Dune Lakes Kaitiaki Partnerships Programme - restoration:

- Staff supported a community planting day at Kahuparere (Poutō) led by DOC and Te Uri o Hau

» A planting day at Rototuna with Poutō School students planted 2750 native plants to replace felled pine trees

» At Rotokawau (Poutō) a contract to fell pine trees from a large section of the lake margin was stated. Replanting of native species through Kaipara Moana Remediation began and will continue over the next five years

Dune Lake Kaitiaki Partnerships Programme - weed control:

» Lake Egg remains hornwort free three years post herbicide treatment

» Endothall (Aquathol K) treatments were undertaken at Lakes Waikanae, Mt Camel North and Tutaki with effective knockdown. However, eradication through the standard permitted 1/4 lake treatment methodology is unlikely to be achieved. Approval was granted by the Environmental Protection Authority for whole-lake treatments at two lakes, which will allow herbicide to be applied at rates sufficient to eradicate hornwort in a single operation. This includes the use of granules which can be safely applied to marginal reed beds where hornwort persist. Whole-lake treatments will commence in 2027

» 500m^2 of wool matting was laid by contract divers in Rotokawau (Poutō) to smother beds of egeria (oxygen weed). Divers hand weeded smaller patches of egeria. This work was supported by the Maritime and Biosecurity teams and will continue until eradication is achieved

» Lake Ngatu was declared free of lagarosiphon following five years with no detection after a single lake-wide treatment using Endothall (Aquathol K) in September 2020. A celebration education day was held with 150 students from Paparore School

» Drone-based pampas control was undertaken around two lakes.

Biosecurity

Community led pest control

The Biosecurity Partnerships programme continues to deliver strong biosecurity and biodiversity outcomes across Northland by empowering local organisations, iwi/hapū, landowners and volunteers to lead invasive species management at both local and landscape scales. In 2025/26, the programme-maintained investment through 37 Biofund grants, supported 17 existing Community Pest Control Areas (CPCAs), and established seven new or renewed projects covering 4237ha, strengthening biosecurity efforts across the region.

A significant achievement was the continued growth of the Kiwi Coast network, which now connects more than 270 community and iwi/hapū groups. Since 2013, participating groups have removed over 1.1M pest animals and are undertaking pest control across approximately 300,000ha, making a major contribution to ecosystem restoration and species protection.

Biodiversity outcomes remain positive, with kiwi monitoring showing populations are stable or increasing in most areas where predator control is sustained. The Whangārei Heads kiwi population reached an estimated 1300 birds, an increase of 155 birds in the past year and a remarkable recovery from approximately 80 birds in 2000.

Urban biosecurity efforts also expanded through Tiakina Te Taitokerau, including the launch of Tiakina Kerikeri. Through community engagement, education initiatives, trap libraries, and the distribution of hundreds of pest control devices, the programme has increased community participation and strengthened pest management in urban environments.

Overall, the programme is building resilient community networks, attracting co-investment, increasing participation in biosecurity, and delivering measurable gains for Northland's native biodiversity.

Exotic Caulerpa response

This year, the Marine Biosecurity team progressed the submersible dredge planer (SDP) project by coordinating system development, refining the testing programme, managing ecological and operational risks, and preparing the equipment for field deployment at Omakiwi Cove. Building on earlier phases of mechanical suction dredging, the SDP was developed as a more capable and reliable solution for large scale seabed-based removal of exotic Caulerpa.

Exotic Caulerpa awareness and community engagement

The regional response to exotic Caulerpa across Taitokerau has been strengthened by combining hapū-led engagement, public education, on-water ambassador activity, and targeted surveillance. A key focus has been building a practical communication and reporting network that connects hapū, kaitiaki, local divers, community groups, council, MPI, and the Conquer Caulerpa Charitable Trust.

The Northland Hapū Engagement and Education Network delivered wānanga across Taitokerau, bringing together hapū members, whānau, and local divers to improve understanding of exotic Caulerpa, its impacts on local fisheries and marine biodiversity, and the importance of early reporting. These wānanga created space for mātauranga, local knowledge, and agency information to be shared, while also identifying gaps in awareness and the need for ongoing education.

Local kaitiaki, coordinated by Bay of Islands Water Taxi, maintained an on-water presence across the Bay of Islands, speaking directly with boaties in and around Controlled Area Notice (CAN) zones. Their work helped clarify CAN

boundaries, reinforce rāhui and biosecurity requirements, and identify ongoing confusion, especially among visitors and transient vessels.

Overall, this work has created a more informed, connected, and responsive regional biosecurity network. It has improved public awareness, strengthened hapū and kaitiaki leadership, supported compliance, and helped protect Taitokerau' s marine environment from further exotic Caulerpa spread.

Hull surveillance

Council's marine biosecurity programme helps reduce the spread of marine pests through vessel hull surveillance, early detection, and pathway management. During 2025/26, 2011 vessel inspections were completed, bringing the total since 2016 to more than 20,400. Only a small number of marine pests were detected outside known areas, with all risks successfully managed through rapid response, removal, and vessel owner engagement.

Predator Free 2050

Whangārei Heads and Pēwhairangi Whānui (Bay of Islands)

The Predator Free 2050 programmes delivered significant landscape-scale predator eradication gains across Northland over the past year, supported by innovative technology, strong community partnerships, and increased mana whenua-led delivery. The programmes continue to build momentum towards long-term biodiversity restoration goals.

At Whangārei Heads, 4000ha are now considered possum free across key coastal and peninsula areas. The programme successfully introduced a certified possum detection dog and expanded the use of AI-enabled cameras and traps, improving detection efficiency and reducing operational costs. Mana whenua involvement also increased, with 234ha under uri (descendants) management and a further 200ha commencing management in July. The programme is well positioned to complete the remaining 5000ha targeted for possum removal.

Across Pēwhairangi Whānui (Bay of Islands), the programme now spans 15,232ha, with 6000ha possum free and 1000ha rat free. Predator Free Te Ahutai has removed more than 3510 target pests across 585ha of whenua Māori, while strengthening hapū and community engagement. Pest Free Purerua-Mataroa achieved possum elimination across approximately 5000ha, while Predator Free Russell has reached a maintenance phase across 2996ha, including 1800ha that have remained possum free for nearly a year.

Despite weather-related disruptions affecting progress within the Ramakaumangamanga (Cape Brett) programme, recovery is underway and community interest in expanding predator-free initiatives continues to grow. Importantly, funding has been secured through to 2029 through the ongoing support of DOC/PF2050, council and Foundation North, providing certainty for future expansion and intensification of predator control efforts.

Overall, the Predator Free 2050 programmes have achieved substantial biodiversity outcomes through large-scale predator eradication, technological innovation, strengthened community and mana whenua partnerships, and long-term funding certainty, positioning both programmes for continued success.

Rāhui Tapu / Marine Protected Areas

The Moana Ora programme located at Mimiwhangata and Rakaumangamanga (Cape Brett) continued to strengthen marine protection outcomes across Northland through a partnership approach with hapū, combining education, compliance, and science-based ecological monitoring to support the recovery and long-term health of marine ecosystems.

Key achievements included 95 surveillance patrols, 264 vessels engaged, identifying 23 fishing-related incidents along with two infringement fines.

Ecological monitoring and recovery results are demonstrating positive protection effects for snapper populations within marine protected areas. These efforts continue to support the recovery and long-term resilience of Northland's marine ecosystems and have expanded to include manu moana (seabirds) as an indicator of overall marine ecosystem health.

Pest incursions and response

The Incursions and Response Programme continues to deliver robust biosecurity outcomes across Taitokerau/Northland, with significant progress made in wild animal eradication, pest fish control, invasive species prevention, and emerging threat preparedness.

Key highlights:

- Wild Deer Free Taitokerau continues to advance toward its objective of a wild deer-free Northland, with active management occurring across known deer locations, removing remaining isolated populations and preventing establishment within the region
- The Russell Forest sika deer eradication project has removed 65 sika deer since April 2024 and has now entered a validation phase after extensive surveillance detected no remaining deer
- Pouto Project Area – following previous control of a wild deer population, further survey is underway to confirm a wild deer-free status in this area
- Survey for wild deer at Kai Iwi lakes across approximately 20,000ha found no evidence of wild populations remaining and has now transitioned to low-impact monitoring

- Feral goats and pigs continue to increase across Taitokerau, with pigs now widespread across Northland and goats present at moderate to high densities in several priority areas. Current delivery is largely community-led under the Regional Pest Management Plan, supported by council, DOC, iwi, hapū, and landowners. Operational activity has increased over the past three years, with contractor-led control removing 418 goats and 50 pigs in the 2025/26 year to May. Targeted work using capability-building initiatives such as pig trapping and training are supporting longer-term community-led management
- The Pest Fish Programme made significant progress through surveillance and progressing eradication planning, particularly for koi carp, rudd, and tench. A major milestone was achieved at Lake Rototuna, where rudd have not been detected for five consecutive years
- Biosecurity preparedness was strengthened through responses to emerging risks, including red-eared slider turtles and highly pathogenic avian influenza (HPAI 5 - bird flu), with regional coordination and mana whenua engagement supporting readiness efforts
- The appointment of two Check, Clean, Dry (CCD) ambassadors in December 2025, resulted in an increased focus on attending events and delivering education sessions in schools and early childhood education centres. Between December 2025 and May 2026, ambassadors attended 13 events with a CCD stall. They also visited eight schools and two early childhood educations centres, delivering presentations and interactive games about native freshwater species, invasive species, with a particular focus on invasive freshwater clam, and the CCD message.

Kauri protection

The Kauri Protection Programme delivered a strong year of coordinated action to safeguard Northland's kauri forests through monitoring, community engagement, infrastructure improvements, pest control, and innovation initiatives. Delivery was supported by $200,000 of MPI funding alongside council investment of $611,342 (Opex) and $246,445 (salaries).

Key achievements included extensive disease surveillance, with 120 soil samples tested for kauri dieback and 167 tree health surveys completed. A management plan was developed for a newly detected positive site, alongside plans for previously identified sites to support ongoing disease management.

Community engagement remained a major focus, with 12 outreach activities, seven public events and workshops, and the successful launch of the Kauri Ora Engagement Trailer, enhancing public awareness and education. More than 70 representatives attended the Taitokerau "Kauri Ora, Mauri Ora" hui, strengthening partnerships across iwi, hapū, research organisations, and agencies.

Significant infrastructure improvements were completed, including approximately 2km of track upgrades, completion of the Helena Bay Ridge Track project, and installation of seven hygiene stations to help reduce disease spread and support safe public access. Pest and vector control operations removed more than 300 goats and 18 pigs, contributing to improved forest health and supporting wider biosecurity objectives through collaboration with council's Deer Eradication Programme.

Following detection of kauri dieback in a tree within AH Reed Scenic Reserve, the Kauri Protection Programme has worked alongside Whangarei District Council (WDC), local hapū, and other stakeholders to support the response. Staff have participated in wānanga, are members of both the operational and governance groups, and are helping to plan and implement management actions. Additional soil sampling supported by council has confirmed the presence of kauri dieback in one further tree. The Kauri Protection Programme will continue to support the response, including helping to design and deliver surveillance activities to better understand the extent of disease spread within the reserve. Following a delay between the initial detection and landowner notification, an internal investigation and review of systems and processes was initiated. This review has identified opportunities to strengthen future biosecurity response activities.

The programme also progressed development of AI-assisted aerial surveillance technology with Biospatial Ltd, positioning Northland to enhance large-scale kauri monitoring and detection, thus investing in future capability to protect Northland's iconic kauri forests.

Pest plants

The Pest Plants Programme delivered significant outcomes across surveillance, control, enforcement, innovation, and community engagement. The programme actively managed 30 low-incidence pest plant species, delivered the Ministry for Primary Industries' (MPI) Manchurian Wild Rice National Interest Pest Response Programme in Northland, and completed more than 1200 monitoring and control inspections across Northland. Expanded use of drone technology improved survey and treatment efficiency, particularly across difficult-to-access sites.

Excellent progress was made in the sea spurge eradication programme, with only three adult plants and five seedlings detected during the latest inspection cycle across all sites. More than 200km of coastline was surveyed and two new sites were identified, each containing a single plant, demonstrating effective early detection and containment.

The spartina programme was also a key focus, with more than 40 days of survey and control work undertaken in harbours in the mid-north, and another 40 days undertaken

in the Kaipara Harbour, with support from Te Uri O Hau kaimahi. More than 1350ha of saltmarsh were surveyed and five new spartina sites were detected.

Other key achievements included 25 days of royal fern survey and control, drone surveillance of more than 700ha of wetland, inspection of 74 nurseries and plant retail outlets, inspection of 25% of commercial quarries, and response to 31 enforcement requests relating to sustained control rules.

Community engagement was a major strength, with nine public Weed Workshops attended by 212 people, 20 additional training sessions, presentations, and school events, and participation in 12 days of A&P Shows and Field Days. The region-wide Moth Plant Competition resulted in the collection of 44,129 vines and 37,704 pods, preventing the release of more than 18M seeds. Community-led pest plant initiatives also contributed more than 5500 volunteer hours.

A major, multi-channel awareness campaign was run for Madagascar ragwort, in partnership with Biosecurity New Zealand, reaching more than 425,000 people. An Economic Impact assessment and position paper were also developed for Madagascar ragwort, co-funded by industry partners, to support the case for wider investment.

Policy and planning

Regional Plan for Northland

The Regional Plan for Northland became fully operative on 27 March 2026, bringing to completion a planning process that began with public notification in September 2017. The plan reflects many years of technical work, collaboration and statutory processes involving council staff, tāngata whenua, stakeholders and the wider community, and establishes a single integrated framework for managing Northland's natural and physical resources.

Central government bills and changes

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 ongoing. This included resolving appeals on Plan Change 1 to the Whangārei District Plan to support alignment between regional and district planning frameworks on natural hazards.

Review of the Regional Pest Management and Marine Pathways Plans

The Regional Pest and Marine Pathways Management Plan has been under review by the team. After two years of consultation, research, collaboration, workshops, and engagement, the review is on track to produce a new plan before the end of 2027. The new plan's overarching objectives are to improve our resilience towards new pests that have come to Northland, to reprioritise our council resources to manage our key risks, further enable communities and iwi and hapū to respond to localised pest management priorities. New programmes are also on the cards, focused on feral pigs and goats to address the spread of kauri dieback, as well as support for our dune lakes mahi to help remove pest fish from dune lakes where weeds are also being managed. The primary challenge for developing this plan has been reconciling our growing pest populations in a climate of financial austerity.

Indicative wetland maps

Council completed a major upgrade of wetland mapping across Northland, using LiDAR, aerial imagery and machine-learning techniques to identify and map over 100,000 potential wetland areas, including freshwater wetlands, mangroves, saltmarshes, gumlands and waterbodies. The project improved council's ability to meet national freshwater requirements, support wetland protection and restoration, and inform planning and land management decisions. New wetland mapping layers were quality assured and publicly released through council's online mapping tools, improving access to wetland information for landowners, communities and stakeholders.

Erosion and sediment risk maps

Council developed and tested new high-resolution Highly Erodible Land (HEL) and erosion risk maps for Northland, combining geology, soils, terrain, climate and overland flow information to better identify erosion and sediment risks. The mapping supports freshwater farm planning, targeting of land management programmes, understanding sediment sources, and future spatial and environmental planning, and was refined through stakeholder engagement before being prepared for public release through council's online mapping tools.

Freshwater Farm Plans

The government has been reviewing how Freshwater Farm Plans will operate, which has resulted in a delay to their implementation in 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 Dam Safety Policy

A review of council's Dangerous Dams Policy to ensure it aligns with the Building Act 2004 and the Building (Dam Safety) Regulations 2022 was undertaken this reporting year. This included preparing a new policy, undertaking public consultation, responding to submissions, supporting council workshops and deliberations, and adopting an updated policy that clarifies the responsibilities of dam owners and council in managing risks associated with dangerous, earthquake-prone and flood-prone dams. The

review ensures council continues to meet its statutory obligations while supporting the safe management of dams across Northland.

Resource management reform

The Policy and Planning team has worked alongside Northland's district councils to prepare for implementation of the Government's resource management reforms. During the year, the councils jointly established the Northland Resource Management Joint Committee, developed a coordinated regional work programme, and commenced preparatory work on regional spatial planning, Māori participation, communication and engagement and implementation readiness.

Whangārei Future Development Strategy – Implementation Plan

During 2026, staff worked jointly with WDC to develop the implementation plan for the Whangārei Future Development Strategy. Work focused on preparing a detailed delivery framework that identified actions, responsibilities, timeframes and monitoring arrangements required to implement the Strategy over the next 30 years.

Consents

Many applications received during the year 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 – 270
- Coastal permits – 133
- Discharge permits – 375
- Water permits – 243

There were no public hearings required to make a decision on a consent application.

Compliance monitoring

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

- Received 177 notifications under the National Environmental Standards – Commercial Forestry and carried out 98 site visits to check compliance.

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

- 325 abatement notices
- 164 infringement notices
- One enforcement order 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	2025/26 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. 2024/25: 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 was timely, accurate and made available. 2024/25: 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. 2024/25: 100% - achieved

*openly accessible means available on NRC's 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	2025/26 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	Overall - not achieved 52.28ha – not achieved (planting) 92.82ha – achieved (fencing) The planting programme concluded in July 2025, early in the financial year, as planting must occur within the harvest and planting season. This limited the window available to achieve the target. To manage this risk, the planting and harvest window will be reviewed to identify opportunities to extend uptake of poplar and willow material and support achievement of the KPI in the next reporting period. 2024/25: 69.8ha (planting), 129ha (fencing) – achieved
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 FMU's have now received direct support through holding/attending events, and funding via the EFUND, HCEF, and TWCCF. 2024/25: 100% - achieved

*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	2025/26 result
Number of plants provided through CoastCare programme each year	15,000 or more	13,894 – not achieved The budget for providing plants was exhausted ahead of the target being reached due to increasing price of plants and fuel surcharges. This will be made up over the next planting season, which covers two financial years. This result is considered outside of council's control. 2024/25: 15,926 – achieved
Number of top-ranked lakes identified in the Northland Lakes Strategy that are under active management* with stock excluded	20 lakes	24 lakes – achieved Active management for the year included lake surveys, pine felling, planting days, hui and site visits, pest control, surveillance and monitoring, weed control and educational events at 24 lakes. 2024/25: 25 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	23 – achieved Over the year, 23 wetlands were monitored, consisting of 21 of the existing 32 wetlands, and 2 extra from the SOE monitoring framework developed by Manaaki Whenua. 2024/25: 32 wetlands - achieved
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	50% – not achieved Over the year, work was undertaken at 10 of 20 Outstanding and High Value lakes. Non-achievement was largely due to delays in completing contracts due to the fuel crisis and increasing costs. This result is considered outside of council's control. 2024/25: 100% – achieved

*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	2025/26 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	94% – achieved Majority of KPI's within the biosecurity operational plan have been achieved to support the implementation of the plan. 2024/25: 96% – achieved
Number of vessel hulls surveyed for marine pests each year as part of the marine biosecurity surveillance programme	At least 2000	2011 – achieved A contracted commercial dive team completed hull surveillance diving from October to May. 2024/25: 2300 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	2025/26 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 This was not achieved because council has not yet completed and published an efficiency and effectiveness review of the Regional Plan as required under section 35 of the Resource Management Act 1991. A recent High Court judgment clarified that monitoring the efficiency and effectiveness of plans is an ongoing responsibility and that reporting must occur at least every five years. While council has met these obligations for the Regional Policy Statement, it has not yet undertaken the required reporting for the Regional Plan. Staff have reviewed council's obligations considering the judgment and concluded that it is not currently meeting all aspects of the clarified section 35 requirements. 2024/25: not 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 principle has continued to be incorporated into freshwater planning discussions and engagement with the Primary Sector Liaison Group and Tāngata Whenua Water Advisory Group. During the year, the Government deferred implementation of regional freshwater planning requirements pending further national direction. 2024/25: included – achieved

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	2025/26 result
Percentage of all resource consent applications that are processed within the statutory timeframes	100% of applications	99.7% – not achieved A total of 339 decisions (both single and bundled activities) were made during the year and all but one in Q4 were made within the required timeframes. 2024/25: 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%	97.7% – not achieved A total of 44 decisions were made during the year and all but one were made within the required timeframe. The one non-achievement was largely due to the pandemic and subsequent effects on writing and delivery of a Cultural Impact Assessment for the application. This result is considered outside of council's control. 2024/25: 100% - achieved

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	2025/26 result
Percentage of consents that are monitored as per the council's consent monitoring programme	90% or more	90.7% – achieved Of the 5250 consents requiring monitoring, 4762 were monitored as per their monitoring programme. 2024/25: 93% - achieved
Percentage of environmental incidents reported to the Environmental Hotline resolved within 30 working days	80% or more	82% – achieved Of the 1421 incidents logged, 1170 were resolved within 30 working days. 2024/25: 80% - achieved
Percentage of significant non-compliant graded events that have enforcement action taken	100%	93.5% – not achieved There were 93 significant non-compliances for the year. Of these, six did not have enforcement action taken. This was due to either not having necessary evidence or enforcement not being the best course of action. 2024/25: 98% - not achieved

Te Taiao | Natural Environment

Funding Impact Statement

For the period ending 30 June	Amended Long Term Plan 2024/25 $000	Amended Long Term Plan 2025/26 $000	Actual 2025/26 $000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	-	-	420
Targeted rates	29,627	31,754	31,554
Subsidies and grants for operating purposes	5,252	1,083	7,690
Fees and charges	2,759	2,899	4,007
Internal charges and overheads recovered	-	-	2
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	86
TOTAL OPERATING FUNDING	**37,638**	**35,736**	**43,759**
Applications of operating funding			
Payments to staff and suppliers	34,296	31,378	38,090
Finance costs	60	90	8
Internal charges and overheads applied	10,805	11,094	12,861
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	**45,161**	**42,562**	**50,959**
Surplus/(deficit) of operating funding	**(7,523)**	**(6,826)**	**(7,200)**
Sources of capital funding			
Subsidies and grants for capital purposes	-	-	-
Increase/(decrease) in debt	564	564	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**564**	**564**	**-**
Applications of capital funding			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	316	371	276
to replace existing assets	201	261	266
Increase/(decrease) in reserves	(187)	23	(116)
Increase/(decrease) of investments	(7,289)	(6,917)	(7,626)
TOTAL APPLICATIONS OF CAPITAL FUNDING	**(6,959)**	**(6,262)**	**(7,200)**
Surplus/(deficit) of capital funding	**7,523**	**6,826**	**7,200**
FUNDING BALANCE	**-**	**-**	**-**

Te Taiao | Natural Environment

Major variances compared to year 2 (2025-26) of the Amended Long Term Plan (in thousands)

Operational Funding

Operational funding is $8,023 higher than the Long Term Plan, mainly due to:

- Higher than planned funding for the Caulerpa response,
- Higher than planned funding for the Hill Country Erosion Programme,
- Higher than planned funding for Predator Free programmes and associated interest,
- Higher than planned funding for wild deer programmes, and
- Higher than planned funding for rates revenue.

Application of Operational Funding

Application of operational funding is $8,397 higher than the Long Term Plan, mainly due to:

- Higher than planned expenditure for resource management consent costs,
- Higher than planned expenditure for climate change adaptive pathways programmes,
- Higher than planned expenditure for the Caulerpa response,
- Higher than planned expenditure for Predator Free programmes and plant eradication work,
- Higher than planned expenditure for wild deer programmes of work,
- Higher than planned expenditure for Kauri Protection activities,
- Higher than planned expenditure for the gold clam response, and
- Higher than planned expenditure for marine biosecurity and marine incursions.

Te aumangeatanga hapori

Community resilience

Kia mate ururoa, kei mate wheke

Fight like a shark, not an octopus

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 11 of 14 targets met. Of the three targets not met, one is still in progress as it spans reporting years, one was due to slower than expected progress across multiple work streams, and one was due to a series of severe weather events that took priority, as recorded in the levels of service results tables.

What we did

Flood risk management

Awanui Flood Scheme upgrade

The major components of this upgrade are substantially complete. Flood mitigation works in the Lower Whangatane consists of approximately 2km of stopbank set-back (Room for the River) and benching to the end of the scheme, and has been phased for completion over three years. Remaining works include floodwalls downstream of the splitting of the Awanui River and Lower Whangatane Spillway.

Whangārei hydraulic flood model

This is a joint project between WDC and council, with the model being upgraded to include the latest LiDAR, and upgrading the pipe network. This model will be used to run flood mitigation options for future flood mitigation.

Flood resilient Māori communities and marae

This programme included seven separate projects as follows:

1. Northland Flood Affected Marae - 35 Most Flood Prone Marae: this project was possible because of the council's region-wide flood mapping, highlighting 35 of the most flood prone marae. We know marae are de facto Civil Defence centres during floods. Making the marae more flood resilient will make Northland more resilient - this is a pro-active approach regarding flood risk.
2. Matangirau – flood benching mitigation: this project was executed to give the community and marae flood mitigation by benching upstream and downstream of the Wainui Road bridge.
3. Kawakawa Deflection Bank: this project was implemented to deflect flood water away from shops in Kawakawa and onto flood prone farmland.
4. Otiria-Moerewa Swale: this project was designed to re-instate the left-over 8m^3 per second (cms) from the large spillway and bridge that is designed to carry 200cms of flood water. This swale collects some of the remaining overland flow paths and directs it back into the Waiharekeke Stream.
5. Whirinaki – a managed retreat option was developed with, and led by, hapū. This included facilitating hui to identify suitable close by Māori land to allow relocation of houses and marae over time. This project has now been handed over to hapū.
6. Kaeo Phase 2: this project is approximately 80% complete, with completion expected by late 2026 once ground conditions are suitable for earthworks.
7. Punuruku: unfortunately, council was unable to get landowner approval for the proposed works and a scaled down version of flood works was executed, with positive local feedback.

Long Term Plan (LTP) business cases

This financial year, work began on developing business cases in four catchments with the goal for council to make informed decisions on for next LTP:

1. Awanui coastal stopbanks – council staff are working alongside The Nature Conservancy to leverage money for modelling existing BAU, low hanging fruit and blue skies options for stopbank set bank (using Room for the River principles).
2. Kerikeri flood risk reduction – staff are testing options for flood risk reduction in this catchment, including K3A dam and spillway options to preserve cross catchment flow.
3. Tauranga Bay food bund – staff are investigating bund design to give some flood protection to ~ 30 properties in Tauranga Bay.
4. Dargaville flood risk mitigation – staff are investigating current levels of service and constraints to enable to inform any future flood risk protection solutions.

Flood modelling guidelines

Council's draft flood modelling guidelines were large, impractical, and out of date, therefore staff have reviewed the information, streamlined the contents, created practical checklists for the internal project manager and finalised the guidelines. This work was project managed by the Natural Hazards team and was used to commission flood modelling work and peer review in 2026.

Flood modelling

The Whangārei, Waimea, Punakitere and Kerikeri flood models have been reviewed by the team and are now ready for publication. Staff have commissioned an updated flood model of Kawakawa to reflect the flood protection work carried out by the team over the last few years.

Climate action

Climate Resilient Communities Fund

The Climate Resilient Communities Fund is increasingly recognised as an important mechanism for council to support communities to lead their own proactive resilience building initiatives. With three years of funding now allocated ($1.69M in total) this investment signals confidence in local leadership and the value of solutions grounded in local knowledge and priorities.

The fund supports practical projects that put communities in a stronger position to withstand the increasing impacts of a changing climate, while also building long term capacity and confidence. Local people are gaining skills, strengthening networks, and developing innovative approaches that enhance resilience at the local level. These stories demonstrate how seed funding can catalyse

meaningful change, nurturing a culture of preparedness and adaptability that will serve Northland well into the future.

Work continues on measuring outcomes and tracking return on investment, ensuring that collective efforts are contributing to regional resilience goals. This evidence base will guide future investment and strengthen Northland's ability to adapt in the face of ongoing climate challenges.

Community led adaptation planning

Stage 1 of the FNDC Climate Adaptation Programme is underway across Hokianga, Herekino, Whangapē, and Waimamaku, and will continue into 2027.

WDC has done some early engagement with communities and they embark on their first pilot project in Whangaruru/Oakura. Council staff have supported the initiation of both projects and continue to support with guidance and technical advice.

Tāngata whenua led adaptation planning

There is an emerging rōpū of tāngata whenua led adaptation practitioners across the region and council provided support for some of them to attend a wānanga down in Maketu where they could share, learn and get inspiration from other practitioners from across the motu. This will support tāngata whenua led adaptation planning projects that are underway across all three districts.

Regional engagement

The first regional climate summit was held as an extension of Wānanga Waiora and was designed to highlight the need for collective, kaupapa Māori-led action. The programme brought together local leaders, hapū initiatives, and rangatahi to share practical responses, strengthen resilience, and shape pathways to protect our people and environment.

There were two successful Coastal Conversation events reaching more than 150 people across two sites (Whangārei Heads and Taipa) sharing the work of local communities in restoring coastal environments. Students from local schools charmed the audience, and tāngata whenua gave Te Ao Māori insights that were new to many. The partnership with CoastCare, Enviroschools, and district councils to host these events provides a great showcase of council's value to communities.

Te Taitokerau Can! (**TTCan.nz**) continues to evolve to share stories for how communities are responding to climate change and resources for others that want to take action. Included are examples of tāngata whenua adaptation, water resilience and regional energy projects. There has been so much activity that telling every story isn't possible with all the interest from communities.

Rivers and natural hazard enquiries

A total of 336 rivers and natural hazard enquiries were received during the 2025/26 financial year. Most of these were requesting river flood model results including levels, depths, and velocities at the property level. Other enquiries covered topics such as debris accumulation in rivers, coastal erosion and general flood risk information. This represents the highest annual number of enquiries received to date, reflecting the continued demand for reliable natural hazard information, flood risk data and effective science communication across the region.

Natural hazard data on Land Information Memorandums (LIMs)

A new regulatory requirement to improve natural hazard information on LIMs came into force in October 2025. This required all known natural hazard information held by the regional council to be shared with district councils who issue the LIMs. In the run up to October, the Natural Hazard team sourced hazard information held by different groups within the council, ensured information on our website was up to date and accessible, and organised regular meetings with the relevant staff from district council. In October, staff provided the district councils with regional natural hazard information that complies with the regulations and has been reviewed to ensure the information is clear to non-technical users. Since October, the team has regularly checked in with district councils and have provided updates as new hazard information becomes available.

Landslide mapping

The 16 January 2026 storm triggered a significant number of landslides along Taitokerau's eastern coastline between Whangārei Harbour and Cape Brett. While this event was a tragedy for those affected it has provided us with an opportunity to partner with Earth Sciences NZ (ESNZ) and map the landslides triggered by this event. Council commissioned LiDAR and aerial photography of the affected area and ESNZ has begun detailed mapping of the landslides. These maps will add to our understanding of Taitokerau landslide susceptibility and aid ESNZ in forecasting future landslide risk through their Sliding Lands project. The LiDAR and aerial photography will be hosted by Land Information NZ and will be available to our community early in the next financial year, while the landslide maps will be available later in 2026.

Resilience Explorer

Resilience Explorer (REx) is an online geospatial risk assessment platform designed to support evidence-based decision making across a range of resilience and adaptation initiatives. During the 2025/26 financial year, the project successfully transitioned from the establishment phase to implementation. Efforts have focused on embedding the tool across council functions, including transport, lifelines, rivers, and policy, while also expanding its use among external partners and stakeholders. REx was showcased

at the Climate Summit and has also been demonstrated to a range of iwi and hapū undertaking tāngata whenua-led adaptation planning. The growing interest in REx reflects the increasing demand for accessible, science-based risk information and GIS tools for adaptation.

Early flood warning system

The initial trial of the early flood warning system for the Waitangi River was delivered in March 2025, so in the past year we have been evaluating the system, including testing it in the weather events of January to March 2026. In late 2025 staff confirmed that the system (Delft FEWS) would meet council's needs, as well as being a system being adopted by a number of councils across Aotearoa. Council tendered for the next stages of the project and are working with the new contractor JB Pacific to rollout the system to other catchments across the region. This work is being project managed by the Natural Hazards team, supported by a cross-council project team.

Flood modelling guidelines and flood models

The Natural Hazards team works closely with the Rivers team and has project managed the delivery of the flood modelling guidelines and flood models reported under the River's section. Work on ground truthing the Wairoa Flood Model has been delayed due to the four Civil Defence activations in the first three months of 2026, and the unplanned landslide project. Meetings with community members starting July 2026 have been scheduled.

Whangārei urban flood strategy

This project is a joint project between WDC and council looking at options to reduce the flood risk to Whangārei and in particular to the CBD. Six possible adaptation scenarios are being modelled as part of a risk assessment with an economic assessment also underway. The outcomes will be workshopped with both councils in the coming year and public communication is underway.

NIWA's Future Coasts Aotearoa programme

We continue to support NIWA's Future Coasts Aotearoa programme with quarterly fieldwork in Rangaunu Harbour.

Updated Climate Projections summary

Earth Sciences New Zealand was commissioned to produce a report summarising updated Climate Projections for Taitokerau across two future time horizons (2040 and 2090) and considering two plausible future scenarios. The projections are based on data from the 2024 Aotearoa New Zealand national climate projections, which have been downscaled to a 5km scale for all of Aotearoa New Zealand. This replaces the previous Climate Projections that were released back in 2017.

Zero carbon transition

Future Land Use Navigator scoping

Council and Northland NZ supported the scoping of a Future Land Use Navigator to support Taitokerau farmers and landowners facing transition driven by climate change, regulation, market shifts and social expectations. Engagement showed a clear gap between awareness of change and confidence to act.

The scoping phase completed a stocktake of existing data and tools, and gathered insights from farmers, growers, hapū and industry advisors on current decision making practices and information gaps.

Next steps involve ongoing sector engagement and seeking funding to develop a detailed business case for the tool's development, likely in partnership with central and local government, regional economic development agencies and private sector investors.

During 2025/26, council partnered with different organisations to deliver the following events, supporting the transition to a low-emissions economy and society:

- Sustainable Business Network: Network and Connect – July 2025
- Electrify Te Tai Tokerau launch event – August 2025
- Sustainable Business Network: Electrify your business – November 2025
- EECA Future of Natural Gas workshop – December 2025.

Tourism Carbon Footprint Project

Council continued to support Northland NZ to deliver the Tourism Carbon Footprint Project and two workshops were held in the region, bringing businesses together to discuss the results and learn how they could reduce their footprints, both individually and together as an industry. This project supports one of Northland's key industries transition to a low-emissions economy, building resilience and efficiency, while lowering operating costs and emissions. The project found the greatest sources of emissions for tourism businesses was energy consumption, including diesel, petrol, natural gas and electricity, along with purchased goods and services. A very rough emissions intensity measure of 0.07 tonnes of CO2e per dollar spent in the industry could estimate the $1.2B Northland tourism industry contributing ~ 84,000 tonnes of CO2e annually.

Emergency management

Projects

The year focused on transitioning key initiatives from development into delivery. A staged implementation programme was established to lift capability across governance, response and community resilience, aligned to future legislative expectations. Major investments progressed, including construction of a joint regional

coordination centre, common operating tools, and the transition of the new tsunami sirens into BAU with ongoing improvements.

Operations

Core operations were maintained across the region through a strong multi-agency model, with councils, lifelines, welfare and emergency services working cohesively. Delivery of the Group Plan continued and the Group Office has commenced improved reporting and clearer performance visibility. Community and marae preparedness planning continued to expand, supported by improved risk analysis tools that strengthen decision-making and engagement. Training and capability development continued, although improvements are still required in participation, workforce depth and consistency. Public information management and lifelines coordination continued to mature. The budget has remained stable, with a positive position at year end, though future funding pressures have been identified.

Response

The year was characterised by sustained response activity, particularly through a series of severe weather events in early 2026. Multiple declarations and overlapping response and recovery phases tested system capacity, workforce resilience and coordination arrangements. Overall, response performance demonstrated strong leadership, effective multi-agency coordination and solid community engagement. However, prolonged operations highlighted pressure points, including workforce fatigue, limited surge capacity, variability in welfare delivery and challenges in integrating response and recovery. Key learnings reinforced the need to embed existing improvement priorities.

Risk reduction and readiness

Progress was made in strengthening the region's understanding and management of risk through improved hazard modelling, data integration and planning. Efforts to embed hazard information into council processes continue, alongside work to improve public accessibility and communication. Readiness capability has been maintained through training, systems development and community engagement, including the expansion of community and marae response planning. Investment in coordination capability and warning systems has supported improved preparedness, although gaps remain in business continuity planning, workforce capacity and consistent operational readiness.

Recovery

Recovery activity was significant during the year, following major weather events, with ongoing efforts to support affected communities. The recovery framework is still in development, with improving integration into response planning and increasing emphasis on early recovery considerations. While there is some leadership and engagement at both group and local levels, areas for improvement include consistency of processes, clarity of roles and pre-event recovery planning. Work has begun to formalise recovery frameworks, strengthen partnerships with iwi and communities, and ensure lessons learned are embedded into future planning and delivery.

Harbour safety and navigation

There were 160 maritime incidents reported from 01 July 2025 to 30 June 2026. These were the usual mix of bylaw offences, wrecks, abandoned vessels, aids to navigation, moorings, and small oil spills.

A review of the Northland Navigation Safety Bylaw was finalised, with consultation completed and changes adopted by council in August. Work is now underway with the Ministry of Transport to obtain the new infringement fee schedule; it is hoped the new bylaw will become operational later this year.

Northland's Safety Management System for commercial shipping was peer reviewed against the national port and harbour safety code, and found to be compliant in all systems. This review happens every 3 to 4 years.

The annual summer safety campaign "Nobody's Stronger than Tangaroa" was continued this year. The campaign delivered a practical educational program aimed at improving safety outcomes and promoting harm prevention protocols in Taitokerau. It has empowered local communities to identify risks and mitigate these by ensuring the correct use of safety equipment and best practice to help bring them home safely. To support safer habits beyond the wānanga and events, life jackets, dry bags, waterproof phone cases and dive flags were given out after each event. The combination of cultural connection, hands-on learning, and accessible safety resources made the wānanga a powerful and memorable experience for everyone involved.

On-water patrols were carried out in popular recreational boating areas during the peak summer period. Key trends observed this season: life jacket use continued to be the most common education point, towed-water-sports without an observer remained an occasional issue, jet ski use increased again. This season saw an increase in emerging technologies such as Fliteboards (electric hydrofoil surfboard), kite/wings with foil boards and autonomous tow buoys (first observed this season, cost of ownership for these is half that of an entry level jet ski). These devices can exceed 15+ knots with minimal wake, making compliance observation more difficult.

Scheduled Aids to Navigation six yearly maintenance and repairs are underway in the Bay of Islands and Whangaruru Harbour. Reactive maintenance is ongoing as required.

The team manages 2800 moorings across Taitokerau: of these 157 transfers of ownership were completed and 46 mooring applications processed.

The problem of abandoned and derelict vessels continues to grow, with larger vessels being of particular concern due to the risk they pose. Nine abandoned or derelict vessels were removed and destroyed. The team is active around the region in encouraging vessel owners to carry out corrective maintenance before their vessels reach a derelict state.

Cruise ship arrivals in the Bay of Islands continued to decline, with 47 ship visits. Key reasons for the decline appears to be increasing costs and uncertainty of gaining entry due to biofouling risks.

There are currently 44 vessels booked for 2026/27 financial year.

The team operates a Maritime New Zealand (MNZ) approved life jacket service centre in Whangārei. Certified members of the Maritime team conduct servicing requirements for all council lifejackets, making considerable savings on transport and servicing costs. A total of 40 council lifejackets have been serviced in house this year and the first audit by MNZ was successful.

In addition to core maritime work, the team supported the mahi of other council departments with 90 vessel trips.

Regional transport

Regional Land Transport Plan 2027-2033 (RLTP)

Work has started on the re-write of the RLTP for the 2027/2033 funding period. The provisional date for submission of the RLTP is 31 July 2027, however this may change dependant on the release of the Government Policy Statement on Land Transport 2027, which directs where available funding is to be utilised.

The Regional Transport Committee continues to receive funding verses expenditure reports on all transport and services related costs centres at every meeting.

Regional Public Transport Plan

Work continues on the compilation of the Regional Public Transport Plan 2026 – 2036. A draft copy was sent to all stakeholders for comment. Feedback was received from the Whangarei District Council, NZ Transport Agency (NZTA) and the Ministry of Education. Where applicable, these comments are being included in the draft to be presented to council for approval to release for public comment.

General fare increase

Whilst the fares increase implemented on 1 August 2025 led to a dip in passengers carried overall, there was a marked increase in farebox revenue. The reduction in passenger numbers occurred on the Whangārei services, with the rural services showing a slight improvement. The farebox revenue increase has allowed council to meet the recovery ratios set by NZTA. During the international fuel disruption, which resulted in marked fuel price increases, there was no increase in passengers conveyed. This would point to Northlanders being willing to pay increased costs rather than switch modes of transport.

Tendering of all Link Services.

In accordance with NZTA requirements, all Link Bus Services are being tendered following their contract periods coming to an end. The tender process being used is a combination of the NZTA tender requirements, which allow for council to receive a financial assistance rate of 54% for all services, and council's tender process. The new contracts will commence operation on 1 October 2027. The only variation is to the Hokianga Link service, which was tendered earlier in the year following the passing of the previous operator.

National Ticketing System (NTS)

The implementation of the NTS has suffered several national delays with continued uncertainty as to when it will become fully operational. For Northland, this has meant a number of implementation delays. Staff have advised NZTA that they are seeking to have all Link buses fitted in September 2027 prior to the new tenders commencing operation. Whilst NZTA have agreed to make every effort to implement the scheme, there is no certainty that this will eventuate.

CityLink and SchoolLink Services

There has been a 7% decline in passenger numbers on these services due to the fares increase. The T2 Lane introduced on the Kamo to Whangārei route has not yet provided all the benefits expected. Council staff and WDC are looking for minor changes that could be made to improve bus running times.

Hikurangi Link Service

During the year under review, staff recommended that the Hikurangi Link Service be reduced from a twice a week service to once a week. However, with the introduction of the SuperGold Card on this service, passenger numbers have begun to improve. The service frequency will remain unchanged as staff monitor loadings.

Bream Bay Link

This service continues to operate with good loadings. Staff investigated the possibility of increasing the service to twice a week, but this was rejected by the passengers who state that they are happy with traveling to Whangārei once a week.

Hokianga Link

With the passing of the previous operator, this service was put out to tender with Ritchies being the successful tender. Staff continue to work with the operator to ensure this service operates with a 15-seater vehicle and carries predominantly SuperGold Card holders who are unable to drive.

Mid North Link and Far North Link

Both the Mid North and Far North Link services continue to operate a social service, meeting the needs of the transport disadvantaged. These services are operated with midi buses due to the limited number of passengers carried.

Total Mobility Scheme Whangārei

With the government's increase in client subsidy per trip taken (65% to 75%), the reduced fare to the client resulted in an unsustainable increase in the number of trips being undertaken. This put pressure on both national and local share funding availability. The government recently reversed the subsidy level back to 65%, which should assist in returning the number of trips and financial output to a more manageable level.

Total Mobility Scheme Far North

The scheme continues to grow slowly, with a new operator recently taking over the conveyance of the clients in Kerikeri.



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	2025/26 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 There were no flooding events over the reporting year because of failures of flood protection systems. 2024/25: 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 All actions in the 35 Marae flood adaptation work programme have now been implemented. 2024/25: 100% - achieved

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	2025/26 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%	Not achieved The MER framework includes five workstreams with multiple outputs across these, spanning financial years. Currently workstreams 1 and 2 (Governance and Engagement) are on track, and 3-5 (Embedding Climate change in Council, Science and Risk, and Community Adaptation plans) are in progress, however this has been slower than expected. The progress of some of the outputs in workstreams 3-5 are outside of council control (other organisations are responsible for delivery) but are monitored as part of the delivery of the Climate Adaptation Strategy. 2024/25: 100% - achieved
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	In progress The 2024/25 financial year emissions inventory has been complete and shows a slight increase. The top five emission sources remain the CityLink bus fleet, NRC diesel and petrol fleet, staff commuting, and domestic air travel. Achieving the 2030 target is still possible via electrifying the CityLink bus fleet and continued greening of the NRC fleet. 2024/25: on track to being achieved
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 fully allocated during the financial year. 2024/25: 100% - achieved

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	2025/26 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: 63 plans) While engagement activity was impacted during Q3 due to compounding weather events, community and marae preparedness plans across Northland remain in place and continue to provide a relevant foundation for local resilience. A structured process for developing and reviewing community response plans has also been established. 2024/25: 63 plans - achieved/ baseline established
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	60% – not achieved Work programmes have largely remained on hold in the second half of the reporting year, as a direct result of a series of severe weather events early in the year leading to two district councils declaring a state of emergency. These councils remain in recovery. The Group Office has maintained a strong focus on supporting recovery efforts, both at a regional level and alongside district councils, which has limited capacity for planned programme delivery. This result is considered outside of council's control. 2024/25: 100% - achieved

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	2025/26 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	30 responders - achieved There are currently 30 trained responders, and this has been maintained throughout the year. 2024/25: average of 29 responders - not 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	2025/26 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	100% – achieved The Safety Management System for the Northland Code Area has been assessed and found to be consistent with the requirements of the New Zealand Port and Harbour Marine Safety Code (the Code) 2020. 2024/25: 95% - 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. 2024/25: 100% - achieved

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	2025/26 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 was undertaken during the 2024/2025 financial year in accordance with NZTA requirements (biennial). The next survey will be done in the 2026/27 financial year. 2024/25: 99% – achieved
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 funding reports on national funding uptake, land transport progress, and district council infrastructure have been presented at each Regional Transport Committee meeting. 2024/25: 100% – achieved
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 Purchase of vehicles over 2025/26 were in accordance with the Fleet Lifecycle Plan 2025-2027. 2024/25: 100% – achieved
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	Achieved The new contract for the Whangārei CityLink Bus Service stipulates that all buses operating this service must be fully electric. Tenders for all the Link bus services will be placed on GETS in June/July 2026 with the winning tenders commencing on 1 October 2027. 2024/25: 100% – achieved

River Management

Funding Impact Statement

For the period ending 30 June	Amended Long Term Plan 2024/25 $000	Amended Long Term Plan 2025/26 $000	Actual 2025/26 $000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	-	-	62
Targeted rates	4,765	4,816	4,838
Subsidies and grants for operating purposes	-	-	4
Fees and charges	-	-	14
Internal charges and overheads recovered	-	-	30
Local authorities fuel tax, fines, infringement fees and other receipts	69	129	54
TOTAL OPERATING FUNDING	**4,834**	**4,945**	**5,002**
Applications of operating funding			
Payments to staff and suppliers	1,326	1,251	3,320
Finance costs	614	611	800
Internal charges and overheads applied	594	610	702
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	**2,534**	**2,473**	**4,822**
Surplus/(deficit) of operating funding	**2,300**	**2,472**	**180**
Sources of capital funding			
Subsidies and grants for capital purposes	4,635	-	1,634
Increase/(decrease) in debt	1,495	300	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**6,130**	**300**	**1,634**
Applications of capital funding			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	5,730	300	4,554
to replace existing assets	-	-	609
Increase/(decrease) in reserves	5,795	1,362	1,744
Increase/(decrease) of investments	(3,095)	1,110	(5,093)
TOTAL APPLICATIONS OF CAPITAL FUNDING	**8,430**	**2,772**	**1,814**
Surplus/(deficit) of capital funding	**(2,300)**	**(2,472)**	**(180)**
FUNDING BALANCE	**-**	**-**	**-**

River Management
Major variances compared to year 2 (2025-26) of the Amended Long Term Plan (in thousands)

Operating Funding

Operational funding is $57 higher than the Long Term Plan mainly due to:

» Higher than planned rates revenue.

Application of operational funding is $2,349 higher than the Long Term Plan mainly due to:

» Higher than planned costs for river works and stopbank schemes.

» Higher than planned costs for community resilience.

» Higher than planned costs for special river programmes.

Sources of Capital Funding

Sources of capital funding are $1,334 higher than the Long Term Plan mainly due to:

» Higher than planned funding for river programmes, particularly community resilience programmes.

Application of Capital Funding

Application of capital funding is $958 lower than the Long Term Plan mainly due to:

» Higher than planned operational and community resilience activities.

» Higher than planned asset replacement activities.

» Higher than planned increase in funds transferred to reserves.

Te aumangeatanga hapori | Community Resilience

Funding Impact Statement

For the period ending 30 June	Amended Long Term Plan 2024/25 $000	Amended Long Term Plan 2025/26 $000	Actual 2025/26 $000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	-	-	105
Targeted rates	9,115	9,061	8,922
Subsidies and grants for operating purposes	7,689	5,186	4,672
Fees and charges	2,950	3,054	2,674
Internal charges and overheads recovered	-	-	132
Local authorities fuel tax, fines, infringement fees and other receipts	30	32	241
TOTAL OPERATING FUNDING	**19,784**	**17,333**	**16,746**
Applications of operating funding			
Payments to staff and suppliers	13,489	12,001	11,158
Finance costs	257	383	106
Internal charges and overheads applied	2,226	2,286	2,316
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	**15,972**	**14,671**	**13,580**
Surplus/(deficit) of operating funding	**3,812**	**2,662**	**3,166**
Sources of capital funding			
Subsidies and grants for capital purposes	1,303	230	50
Increase/(decrease) in debt	3,789	519	-
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**5,092**	**749**	**50**
Applications of capital funding			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	6,680	1,237	195
to replace existing assets	-	-	84
Increase/(decrease) in reserves	3,658	415	431
Increase/(decrease) of investments	(1,434)	1,759	2,506
TOTAL APPLICATIONS OF CAPITAL FUNDING	**8,904**	**3,411**	**3,216**
Surplus/(deficit) of capital funding	**(3,812)**	**(2,662)**	**(3,166)**
FUNDING BALANCE	**-**	**-**	**-**

Te aumangeatanga hapori | Community Resilience
Major variances compared to year 2 (2025-26) of the Amended Long Term Plan (in thousands)

Operational Funding

Operational funding is $587 lower than the Long Term Plan, mainly due to:

» Lower than planned subsidies and contributions for regional transport programmes.

Application of Operational Funding

Application of operating funding is $1,091 lower than the Long Term Plan, mainly due to:

» Lower than planned borrowing costs for the Multiagency Co-ordination Centre.

» Lower than planned passenger transport costs.

Sources of Capital Funding

Sources of capital funding are $699 lower than the Long Term Plan, mainly due to:

» Lower than planned funding and borrowing for the Multiagency Co-ordination Centre.

Application of Capital Funding

Application of capital funding is $195 lower than the Long Term Plan, mainly due to:

» Lower than planned capital expenditure on the Multiagency Co-ordination Centre and 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 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 12 of 17 targets met. Of the five targets not met, one of these was due to a request not being forwarded on in a timely manner, one was due to lack of uptake/training opportunities identified, two were due to circumstances outside of council's control, and one was due to lack of staff satisfaction, as recorded in the levels of service results tables.

What we did

Governance

Local body elections were held in 2025 with Election Day on Saturday 11 October 2025. This election was run using the First Past the Post Electoral System based on the council's representation arrangements. Elections were undertaken for nine members from eight constituencies as follows:

- Far North General (one general councillor)
- Bay of Islands-Whangaroa General (one general councillor)
- Kaipara General (one general councillor)
- Mid North General (one general councillor)
- Coastal Central General (one general councillor)
- Whangārei Central General (one general councillor)
- Coastal South General (one general councillor)
- Te Raki Māori (two Māori councillors)

There were 23 nominations received for the nine positions. The election was conducted by postal vote, resulting in 49.1% voter returns (compared to national average of 48%).

Due to a legislation change in 2024, where Māori wards or constituencies that had been established on/after 2020 without holding a poll, a poll was required to be held with the 2025 triennial election on whether to keep or remove Māori wards or constituencies. Council was therefore required to hold a Māori Constituency Poll. The result was that 30,878 electors voted to keep Māori constituencies (49.5%) and 31,539 electors voted to remove Māori constituencies (50.5%). The outcome of the poll was binding for two triennial elections (2028 and 2031).

Councillors were sworn in at the inaugural council meeting held on 5 November 2025 with Pita Tipene appointed the Northland Regional Council Chair and Jack Craw appointed the Deputy Chair.

Councillors were engaged in a comprehensive induction programme through the remainder of the year to ensure members were fully aware of their roles and responsibilities, and that of the organisation as a whole. This also addressed key issues and opportunities for the triennium ahead.

Meaningful partnerships with tāngata whenua

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

Economic development

A major focus of work for 2025/26 was supporting the Joint Regional Economic Development Committee (JREDC), including appropriate induction of new triennium members.

An important piece of work undertaken by JREDC was to commence work with Northland NZ to develop a Northland Infrastructure Plan to help understand and prioritise investment needs to support regional economic development. Another key action was to complete an impact report that highlighted the impact of economic development funding and activities over the past decade.

Work continued to support Te Tai Tokerau Water Trust (TTTWT) to improve water availability in the region. Construction of the Otawere Reservoir, which is supported by a $5M loan from council, was completed. Council is working with TTTWT, Northland NZ, central government agencies and industry to promote private sector uptake of the schemes. Opportunities to advance the commercial expansion of onshore kingfish production at Ruakaka through a Recirculated Aquaculture System (RAS) were assisted.

Community engagement

The Community Engagement team supported council priorities through strategic communications, community engagement, media relations and digital channels. Across more than 100 programmes, campaigns and initiatives, the team helped connect communities with council's work, decisions and opportunities to participate.

Communications and media

Council's digital and media channels continued to play an important role in informing and engaging residents. Social media audiences grew to more than 24,000 followers, supported by over 8000 subscribers receiving e-newsletters and website alerts. Through regular storytelling, media engagement and public information campaigns, council helped keep communities informed about regional issues, projects and opportunities to participate.

Events and engagement

Council maintained a strong presence at events and community activities across the region, engaging directly with more than 3000 people through over a dozen events. These interactions provided opportunities to share information, gather feedback and raise awareness of key environmental, regulatory and community initiatives, helping strengthen relationships between council and the communities it serves.

Campaigns and awareness

Targeted communications and engagement campaigns helped raise awareness of some of the region's most significant environmental challenges, including invasive pest plant and marine biosecurity threats such as Madagascar ragwort, invasive freshwater clam and exotic Caulerpa. Through a combination of media coverage, digital communications, community engagement and educational resources, these campaigns helped increase public awareness across Taitokerau and beyond.

Sponsorship and awards

Through its sponsorship programme, council supported events and initiatives that contributed to regional environmental, community and economic outcomes, including the Ballance Farm Environment Awards, Northland Business Excellence Awards, Whangārei Maritime Festival and the Northland Science Fair Awards.

Education

Council's education programmes continued to support environmental learning, action and leadership across Taitokerau, helping council teams achieve community outcomes through partnerships with 149 schools and early childhood centres and reaching more than 25,000 tamariki and students.

Students contributed to projects focused on freshwater, biodiversity, climate resilience, restoration, pest management and waste reduction, while around 230 students completed Project Pest Control and Wai Fencing training, gaining practical environmental and land management skills.

The Environmental Leaders Fund (ELF) provided $42,000 for 22 school and early childhood projects, supporting initiatives such as biodiversity enhancement, water conservation, food growing and climate resilience.

Career pathway and leadership opportunities continued through programmes including Find Your Future and Girls Who Grow, alongside professional learning for educators and environmental leadership initiatives that empowered young people to take action in their communities.

Customer services

The customer services team remained a key connection point for the community, handling 11,058 incoming phone calls and processing 4,943 mail items during the year. The Whangārei office visitor sign-in kiosk recorded 3,746 sign-ins, providing an indication of meeting and staff visitors; however, as it does not capture customer foot traffic, the actual number of in-person interactions is likely considerably higher.

Corporate services

The following section 17a service delivery reviews were completed and considered this year: Information Services and Technology (internally), Natural Resources and Sciences, Biodiversity and Northland CDEM Group Capability Assessment report.

Recommendations from the completed audits will help guide future service delivery decisions, considering the current local government reform environment and the need to maintain cost-effective, ongoing council services.

Over the past year, council has progressively rolled out a new integrated planning and work management platform, bringing together activity planning, KPI reporting, risk management, and programme / project tracking into a single system to improve visibility, alignment, and decision-making across the organisation.

Council's investment portfolio continued to provide strong returns for Northland ratepayers, achieving a 7.8% annual return against a target minimum annual return of 7%. Council reviewed and adopted a new Statement of Investment Policies and Objectives (SIPO) and appointed Russell Investments as a new Investment Manager of council's managed funds portfolio.

Regional Sporting Facility Rate allocation

Council approved two regional sporting facility projects for receipt of Regional Sporting Facilities Rate grants. Ruakākā Wahitakaro and Northland Regional Volleyball Arena was allocated up to $2.6M and Sportsville Dargaville Stage 2 was allocated up to $1.2M.



3.1 Governance

Levels of service, measures and targets

3.1.1 Council maintains effective and transparent democratic processes

Performance measure	Target	2025/26 result
Percentage of official information requests that are responded to within 20 working days	100%	99.8% – not achieved There was a total of 331 requests received over the year, one of which was not responded to on time. This was due to the request not being transferred to the appropriate organisation for response in a timely manner. 2024/25: 99% - not achieved
Percentage of time that elected members attend council meetings	90%	95.8% – achieved This is an average across the four quarters. 2024/25: 95% - achieved
Percentage of time that council decisions actively involve the community, in accordance with council's Significance and Engagement Policy	100%	100% – achieved All randomly sampled reports demonstrated appropriate consideration of community engagement in decision making and compliance with council's Significance and Engagement Policy. 2024/25: 100% - achieved

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	2025/26 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 Te Tiriti Health Check was completed during the reporting period, meeting the bi-annual requirement. Stage Two of the Health Check assessed council's progress in giving effect to Te Tiriti o Waitangi obligations and informed recommendations for ongoing improvement. Implementation planning is now progressing through Te Ruarangi and MTAG, with recommendations being incorporated into future Tāiki ē priorities and work programmes. 2024/25: complete- achieved
Percentage of councillors and executive leadership team that participate in annual core cultural competency training	100%	100% – achieved Annual core cultural competency training was delivered during the reporting year, with councillors and executive leadership team members completing the required programme. The training supports council's commitment to strengthening Te Tiriti partnerships and building organisational capability to engage effectively with tāngata whenua. 2024/25: 100% - achieved
Percentage of council employees that undertake cultural compenency training within 12 months of employment, and complete a refresher every three years	100%	Not achieved 87.8% (12 mth training) 81.3% (36 mth refresher) An updated Te Whāriki framework has been implemented, an online refresher module developed, and additional training opportunities provided to improve future participation rates. While these initiatives have strengthened council's approach to cultural competency development, the overall KPI target of 100% participation was not achieved. There has however been a significant improvement from the previous reporting year.

		2024/25: 56% (12 mth training), 33% (36 mth refresher) – not achieved
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 A review of existing Mana Whakahono ā Rohe agreements was progressed during the year, alongside consideration of new requests for agreements. All active agreements remained compliant with statutory requirements and continued to support respectful and mutually beneficial relationships between council and iwi and hapū. 2024/25: 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	72% (baseline established) – achieved Tāngata whenua satisfaction has increased from 67% to an estimated 2025 proxy of 72%, based on the stronger positive relationship in the 2025 Te Tiriti Health Check. This is a proxy measure, not a formal survey result. In 2025 Te Ruarangi directed that tāngata whenua satisfaction be assessed through the Tiriti Health Check noting that the key indicators for this was improved qualitative satisfaction described as a relationship that remains strong, and that the dial is moving positively where Te Ruarangi is highly valued, Tāiki ē positively received, and improved cultural competency and successful projects demonstrate a partnership and relationship that is moving in the right direction. 2024/25: baseline not established - not achieved
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	100% – achieved All priority actions scheduled for commencement within the reporting period have either commenced or been incorporated into active work programmes. 2024/25: 100% - achieved
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	100% – achieved All funding was allocated through a contestable process. 2024/25: 100% - achieved

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	2025/26 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	Not achieved Northland Inc's (now Northland NZ) SOI 2025/26 was agreed to by the Joint Regional Economic Development Committee (JRED) at its meeting on 25 July 2025 and at the direction of the JRED, it does not contain a KPI relating to supporting businesses transition to net zero-carbon. This result is considered outside of council's control. 2024/25: 100% - achieved
Council is contributing to at least one big infrastructure project that supports economic development in the region each year	At least one a year	Two – achieved At its meeting on 25 November 2025, council allocated $385k from the Property Reinvestment Fund (RFP) to undertake due diligence and investigations and design for the subdivision of its 13.9ha property on Fertiliser Road, Whangārei. Council is also actively engaging with NIWA regarding completion of a business case and information memorandum for construction of a 3000 tonnes/pa kingfish RAS facility at Ruakākā. 2024/25: 100% - achieved
Percentage of actions in the regional economic development strategy being implemented in accordance with the phasing schedule/plan each year	100% of actions	Not achieved An implementation plan was not prepared by Northland NZ to assess annual achievement against. Northland NZ explains that the lack of specific external funding has meant it has been unable to do this,

	giving priority to impactful and project-focused activities rather than facilitation and secretarial leadership. However, the report prepared for the Joint Regional Economic Development Committee in March 2026 shows that even without a plan, many of the key actions are being progressed. This result is considered outside of council's control. 2024/25: unknown - not achieved

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	2025/26 result
Percentage of residents surveyed who are satisfied with overall communication and engagement	Maintain or increase	39.7% – achieved (Baseline is 33%) A total of 277 people responded to the question "How satisfied are you with how we communicate and engage with you?" Of those, 110 were either 'very satisfied' or 'satisfied', and 125 were neither satisfied nor dissatisfied. Only 15% expressed dissatisfaction. 2024/25: 39.2% - achieved

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	2025/26 result
Percentage of customers surveyed who are satisfied with the quality of service received following an interaction with council	Maintain or increase	88% (baseline established) – achieved There were a total 67 responses received over the year, 59 of which were either "Very satisfied" or "Satisfied". While this is a relatively low number of responses, this is largely due to the first half of the year being about updating the feedback form and looking at ways of improving participation, which has gradually occurred. 2024/25: insufficient data - not achieved/ baseline not established

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	2025/26 result
Percentage of staff satisfied with the quality of internal systems and processes that support the delivery of council work	90% of staff satisfied	88% – not achieved An annual staff survey resulted in 73 responses, of which 61 were either 'extremely satisfied' or 'satisfied'. This result demonstrates continued improvement on the prior year's 69%. 2024/25: 69% - not achieved
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	7.8% – achieved 2024/25: 25.5% - achieved

Te hautūtanga ā-rohe | Regional Leadership

Funding Impact Statement

For the period ending 30 June	Amended Long Term Plan 2024/25 $000	Amended Long Term Plan 2025/26 $000	Actual 2025/26 $000
Sources of operating funding			
General rates, uniform annual general charges, and rates penalties	-	-	163
Targeted rates	11,309	12,357	11,820
Subsidies and grants for operating purposes	456	562	1,323
Fees and charges	633	647	853
Internal charges and overheads recovered	15,724	16,156	17,689
Local authorities fuel tax, fines, infringement fees and other receipts	10,840	14,659	14,360
TOTAL OPERATING FUNDING	**38,962**	**44,381**	**46,208**
Applications of operating funding			
Payments to staff and suppliers	30,765	32,768	30,163
Finance costs	1,192	3,026	2,521
Internal charges and overheads applied	2,008	2,062	1,737
Other operating funding applications	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	**33,965**	**37,857**	**34,421**
Surplus/(deficit) of operating funding	**4,997**	**6,524**	**11,787**
Sources of capital funding			
Subsidies and grants for capital purposes	-	-	-
Increase/(decrease) in debt	40,118	-	(4,398)
Gross proceeds from sale of assets	-	-	2,156
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**40,118**	**-**	**(2,242)**
Applications of capital funding			
Capital expenditure:			
to meet additional demand	-	-	-
to improve levels of service	4,857	4,888	1,456
to replace existing assets	535	436	1,393
Increase/(decrease) in reserves	(1,487)	363	5,964
Increase/(decrease) of investments	41,210	838	732
TOTAL APPLICATIONS OF CAPITAL FUNDING	**45,115**	**6,524**	**9,545**
Surplus/(deficit) of capital funding	**(4,997)**	**(6,524)**	**(11,787)**
FUNDING BALANCE	**-**	**-**	**-**

Te hautūtanga ā-rohe | Regional Leadership

Major variances compared to year 2 (2025-26) of the Amended Long Term Plan (in thousands)

Operational funding is $1,827 higher than the Long Term plan mainly due to:

» Higher than planned contributions to support council controlled organisations,

» Higher than planned recovery costs for council wide operations, offset by lower than planned rates revenue.

Application of Operational Funding

Application of operational funding is $3,436 lower than the Long Term Plan mainly due to:

» Lower than planned consultancy costs for the strategic review, information systems and road projects

» Lower than planned finance costs due to lower borrowing for the year.

Sources of Capital Funding

Sources of capital funding are $2,242 lower than the Long Term Plan, mainly due to:

» repayment of debt

offset by;

» gross proceeds received from the sale of investment property and other council assets.

Application of Capital Funding

Application of capital funding is $3,021 higher than the Long Term Plan mainly due to:

» Lower than planned capital expenditure on the development of commercial properties and council headquarters

offset by;

» Higher than planned capital asset replacement programmes.

Financial prudence

Rates affordability benchmarks

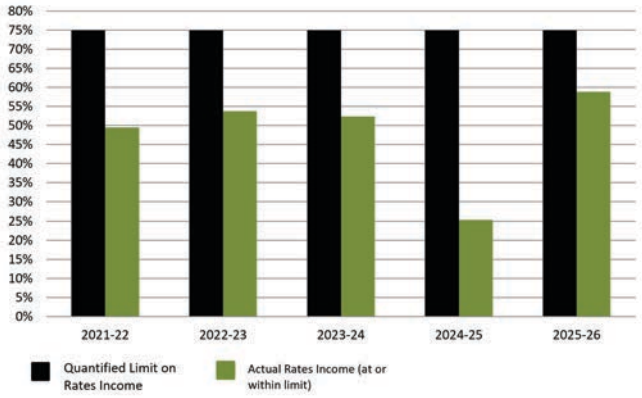
The council meets the rates affordability benchmark if:

- Its actual rates income equals or is less than each quantified limit on rates (no more than 75% total revenue); and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

Rates income affordability

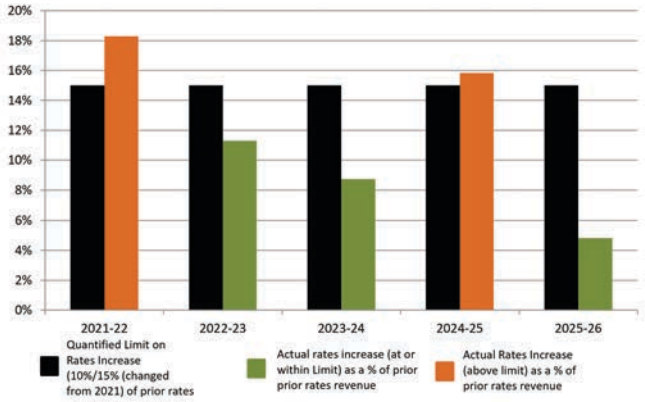
The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's Amended LongTerm Plan 2024-2034. The quantified limit is no more than 75% of total revenue.

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%.



In 2021-22 and 2024-25 council decided to breach it's quantified limit on rates rises in order to undertake programmes that allow it 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

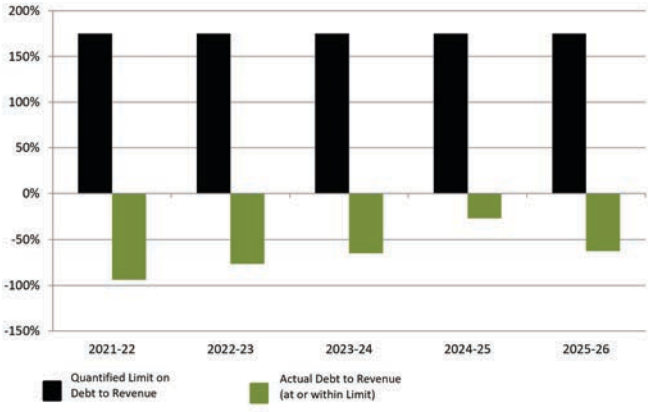
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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 $61,642,809 of external debt.

Net debt to total revenue

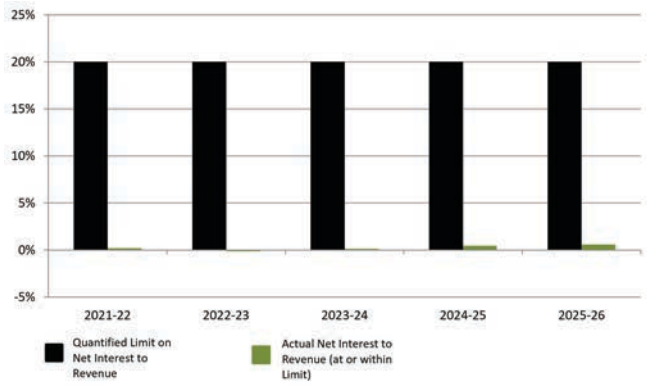
The quantified limit for net debt as a proportion of total revenue is 175%.



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

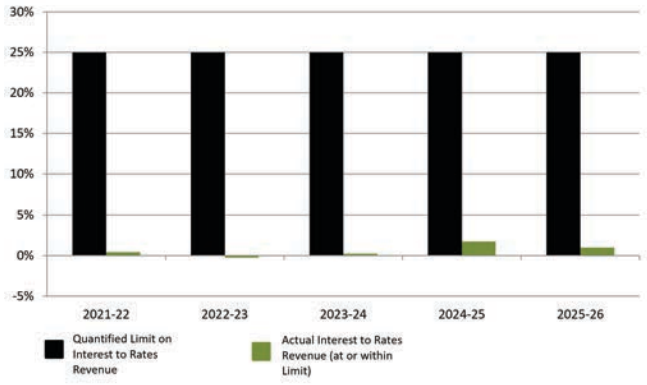
Net interest to total revenue

The quantified limit for Net Interest as a proportion of total revenue is 20%.



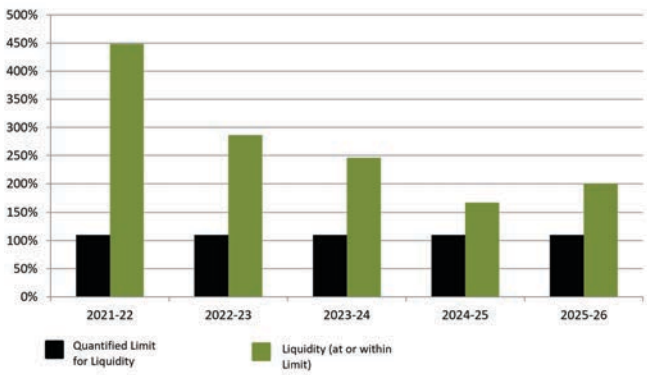
Net interest to annual rates revenue

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



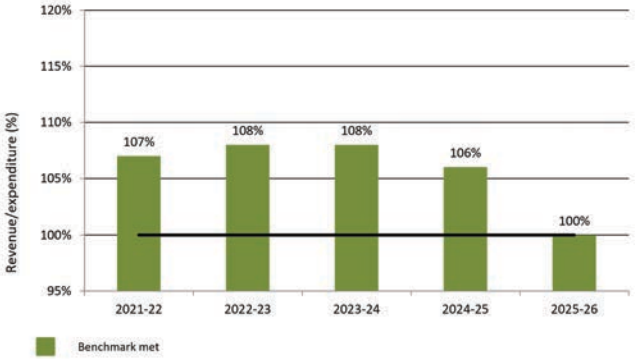
Liquidity

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

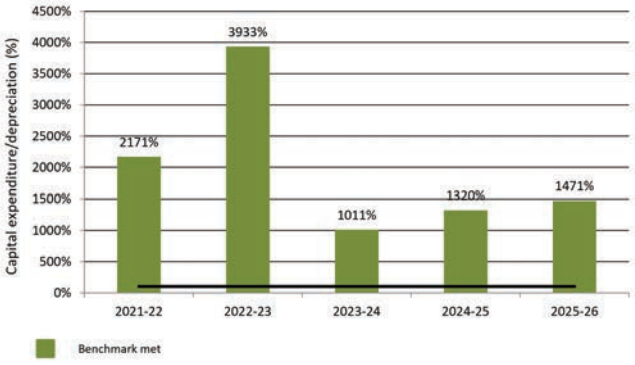
This graph shows council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and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

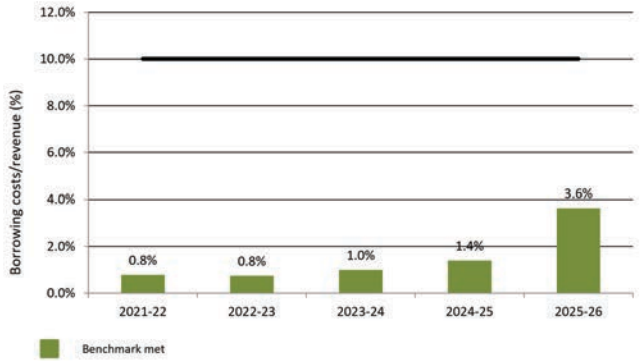
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. The benchmark is represented by the black line.



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.



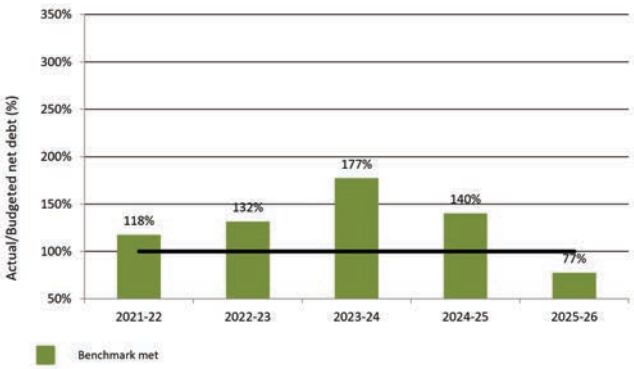
Debt control benchmark

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.

2025-26 reflects lower actual net debt due to the lower than planned borrowings required for capital works and a higher than planned debt repayment.

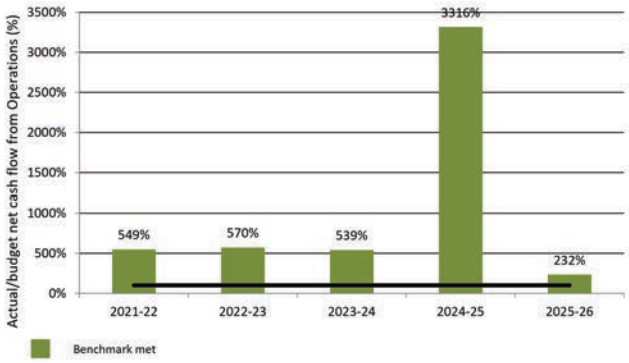


Operations control benchmark

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 2026	Note	Council 30-Jun-26 $000	Annual Plan 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only*) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Revenue						
Rates		57,884	56,758	55,216	57,884	55,216
Fees and charges		7,548	5,925	7,327	7,548	9,616
Subsidies and grants	2(ii)	15,373	11,132	21,630	15,373	21,630
Revenue from activities		-	-	-	-	50
Interest revenue	2(iii)	2,635	2,553	953	2,635	985
Other revenue	2(iv)	4,628	3,469	6,180	4,628	13,843
Other gains	2(v)	10,334	5,948	126,690	10,334	50,112
TOTAL REVENUE AND FAIR VALUE GAINS	1	**98,402**	**85,785**	**217,996**	**98,402**	**151,452**
Expenses						
Personnel costs	3	34,715	35,820	32,093	34,715	34,827
Depreciation and amortisation expense	13	2,279	2,675	2,176	2,279	2,757
Finance costs		3,198	3,461	1,277	3,198	3,601
Other expenses	4	53,362	46,361	51,279	53,362	62,824
TOTAL EXPENSES	1	**93,554**	**88,317**	**86,825**	**93,554**	**104,009**
Share of associate and joint venture surplus	12(i),(ii)	6,481	4,171	34	6,481	8,553
SURPLUS BEFORE TAX		**11,329**	**1,639**	**131,205**	**11,329**	55,996
Income tax credit	5	1,752	-	-	1,752	114
SURPLUS AFTER TAX		**13,081**	**1,639**	**131,205**	**13,081**	**56,110**
SURPLUS ATTRIBUTABLE TO:						
Northland Regional Council		13,081	1,639	131,205	13,081	53,739
Non-controlling interest					-	2,371
Other comprehensive revenue and expense						
Items that will be reclassified to surplus:						
Share of subsidiary net cashflow hedge gain/(loss)	16	-	-	-	-	(781)
Share of joint venture net cashflow hedge gain/(loss)	12(i)	24	-	-	24	-
Items that will not be reclassified to surplus:						
Gain on property revaluations (other than investment properties)	13	312	-	1,075	312	3,987
Gain on infrastructure asset revaluations	13	1,092	1,057	-	1,092	-
Share of joint venture gain on asset revaluations	12(i)	3,020	-	-	3,020	-
Share of joint venture gain on property revaluations (other than investment properties)	12(i)	773	-	-	773	-
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE		**5,221**	1,057	**1,075**	**5,221**	**3,206**
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		**18,302**	**2,696**	**132,280**	**18,302**	**59,316**
TOTAL COMPREHENSIVE REVENUE AND EXPENSE ATTRIBUTABLE TO:						
Northland Regional Council					18,302	55,958
Non-controlling interest in Marsden Maritime Holdings Limited					-	3,358
					18,302	**59,316**

* The 2026 consolidated column is presented for consistency with the prior year; however, following the deconsolidation of Marsden Maritime Holdings Limited in 2025, it reflects Northland Regional Council only. Refer to Note 1.4 Statement of Accounting Policies for further information.

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 Annual Plan 2025-26 (in thousands)

Revenue

Revenue is $12,617 more than Annual Plan, mainly due to higher than planned:

» Rates revenue of $1,126 for the year.

» Cost recoveries and reimbursements of $872, mainly relating to Kaipara Moana Remediation, commercial tenancies, maritime operations, and other programme recoveries.

» Regulatory and compliance fees of $664.

» Public transport revenue of $78.

» Biosecurity and environmental programme funding of $3,415, mainly for exotic Caulerpa management, kauri protection, wilding conifer programmes, and marine incursion responses.

» River and flood resilience funding of $1,705, including resilient community programmes, Kaeo River, Upper Kawakawa Catchment, Hātea River channel works, and flood intelligence initiatives.

» Transport programme subsidies of $379.

» Emergency management funding of $241.

» Contributions from other councils of $59 for project across council.

» Net interest revenue of $83, with higher bank, term deposit and LGFA borrow note interest partly offset by lower interest from shareholder and other loans.

» Property and other operating revenue of $1,136, mainly from rental revenue and recovery of strategic review costs.

» Investment gains of $2,979 on externally managed funds.

» Valuation gains of $1,400, mainly from, investment property revaluations, forestry asset revaluations, and gains on disposal of operational assets.

Partially offset by lower than planned revenue of

» Programme funding of $1,577 that was deferred for use in future years, mainly relating to Predator Free programmes, Wild Deer Free Te Taitokerau, wild rice funding, and land management planning.

Expenditure

Expenditure is $5,237 more than the Annual Plan budget mainly due to:

» Divested assets of $5,089 higher than planned due to the transfer of flood infrastructure assets relating to the Pokapu and Quarry Road bridges to the Far North District Council.

» Consent applications expenditure of $600, mainly due to consultancy and legal fees.

» Lake Ōmāpere grant expenditure of $244, supported by council approved funding.

» Exotic Caulerpa response contractor costs of $3,137, supported by external funding.

» Kauri protection track upgrades of $372, partly supported by external funding.

» Wilding conifer operational activities of $100 supported by external funding.

» Biosecurity weed programme contractor costs of $158.

» Partnership programme fieldwork and materials costs of $320.

» Climate resilience programme costs of $326, supported by council approved funding and other councils' contributions.

» Operational rivers programme costs of $1,561, mainly due to consultants, contractors and river scheme works.

» Civil Defence Emergency Management operations of $135, mainly for flood resilience programmes supported by external funding.

» Passenger and regional transport programme costs of $325 supported by NZTA subsidies.

» Commercial property investment expenditure of $574.

» Corporate strategy expenditure of $121.

Partially offset by lower than planned expenditure for:

» Personnel costs of $1,105 due to lower than budgeted salaries, and staff-related costs.

» Depreciation and amortisation of $396, mainly due to lower vessel depreciation following a useful life reassessment and lower than planned vehicle depreciation.

» Finance costs of $263 primarily due to lower than budgeted borrowing costs for council projects, such as the Joint Emergency Centre as planned.

- Biodiversity programme operational costs of $155.
- Planning and Policy operational costs of $385.
- Hill Country Erosion, Environmental Services consultancy and software costs of $354.
- Natural resource science programme costs of $157.
- Data management and Kaipara Moana Remediation programme costs of $153.
- Pest management operational costs of $522.
- Partnership programme contractor and consultancy costs of $395.
- Predator Free Whangārei and Pewhairangi costs of $860.
- Harbour safety operational and vessel cost recoveries of $192.
- Community engagement operational costs of $227.
- Commercial rents and cost recoveries of $531.
- People and Culture operational costs of $303.
- Information Technology costs of $968.
- Council property management costs of $1,124.

An income tax benefit of $1,752 has been recognised to reflect the probable benefit of tax losses being utilised against taxable income from Northport Group Limited in the future.

Statement of changes in equity

For the year ended 30 June 2026	Note	Accumulated funds $000	Reserves $000	Total Council $000	Annual Plan $000
Council					
Balance at 30 June 2024		**168,165**	**63,982**	**232,147**	**231,470**
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	-	-
Balance at 30 June 2025		**341,491**	**22,936**	**364,427**	**356,277**
Total comprehensive revenue and expense for the year		18,302	-	18,302	2,696
Net transfers in special reserves	20	(8,023)	8,023	-	-
Net transfers in other reserves		(5,221)	5,221	-	-
Balance at 30 June 2026		**346,549**	**36,180**	**382,729**	**358,973**

For the year ended 30 June 2026	Note	Accumulated funds $000	Reserves $000	Subtotal Group $000	Non-controlling interest $000	Total Consolidated (Council only) $000
Consolidated (2026 Council only)						
Balance at 30 June 2024		**208,259**	**100,070**	**308,329**	**73,850**	**382,179**
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)
Balance at 30 June 2025		**341,491**	**22,936**	**364,427**	**0**	**364,427**
Total comprehensive revenue and expense for the year		18,302	-	18,302	-	18,302
Net transfers in special reserves	20	(8,023)	8,023	-	-	-
Net transfers in other reserves		(5,221)	5,221	-	-	-
Balance at 30 June 2026		**346,549**	**36,180**	**382,729**	**(0)**	**382,729**

* 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 2026	Note	Council 30-Jun-26 $000	Annual Plan 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
EQUITY						
Accumulated funds	20	346,549	346,725	341,491	346,549	341,491
Reserves	20	36,180	12,248	22,936	36,180	22,936
TOTAL EQUITY		**382,729**	**358,973**	**364,427**	**382,729**	**364,427**
ASSETS						
Current assets						
Cash and cash equivalents	6	11,769	10,551	11,524	11,769	11,524
Receivables	7	9,700	9,450	8,488	9,700	8,488
Inventory	8	315	361	304	315	304
Assets held for sale	9	9,377	4,127	-	9,377	-
Other financial assets	10	4,926	12,443	11,565	4,926	11,565
TOTAL CURRENT ASSETS		**36,087**	**36,932**	**31,881**	**36,087**	**31,881**
Non-current assets						
Receivables	7	678	784	142	678	142
Investment property	11	76,280	79,932	84,807	76,280	84,807
Investment in joint venture companies and associates (excluding council controlled organisations)	12(i)	140,748	131,606	130,638	140,748	130,638
Other financial assets	10	106,531	95,292	102,516	106,531	102,516
Investment in Council Controlled Organisations	12(ii)	134	282	440	134	440
Property, plant and equipment	13	80,788	92,878	78,672	80,788	78,672
Capital projects in progress	13	11,860	-	11,241	11,860	11,241
Intangible assets	14	227	-	278	227	278
Forestry assets	15	5,035	4,330	5,013	5,035	5,013
Deferred tax asset	5	1,752	-	-	1,752	-
TOTAL NON-CURRENT ASSETS		**424,033**	**405,104**	**413,747**	**424,033**	**413,747**
TOTAL ASSETS		**460,120**	**442,036**	**445,628**	**460,120**	**445,628**

As at 30 June 2026	Note	Council 30-Jun-26 $000	Annual Plan 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
LIABILITIES						
Current liabilities						
Payables and deferred revenue	17	10,440	10,669	10,809	10,440	10,809
Employee entitlements	18	4,290	3,552	3,706	4,290	3,706
Borrowings	19	4,085	4,127	6,883	4,085	6,883
TOTAL CURRENT LIABILITIES		**18,815**	**18,348**	**21,398**	**18,815**	**21,398**
Non-current liabilities						
Payables and deferred revenue	17	998	610	626	998	626
Employee entitlements	18	20	25	19	20	19
Borrowings	19	57,558	64,080	59,158	57,558	59,158
TOTAL NON-CURRENT LIABILITIES		**58,576**	**64,715**	**59,803**	**58,576**	**59,803**
TOTAL LIABILITIES		**77,391**	**83,063**	**81,201**	**77,391**	**81,201**
NET ASSETS		**382,729**	**358,973**	**364,427**	**382,729**	**364,427**

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 Annual Plan 2025-2026 (in thousands)

Asset variances

Cash and cash equivalents are $1,218 higher than the Annual Plan, due to cash on hand for short-term cash requirements.

Receivables are $144 higher than the Annual Plan, due to higher levels of general and rates debtors than planned for the year.

» Current receivables are $250 higher than planned, offset by

» Non-current receivables are $106 lower than planned prepayments

Inventory is $46 below the Annual Plan due to lower than planned consumable inventory held at year end.

Assets held for sale are $5,250 above the Annual Plan mainly due to

» The reclassification of investment properties as available for sale.

Other financial assets are $3,722 above the Annual Plan, primarily due to

» Current portion $7,517 lower than planned investments in cash deposits

» Non-current $11,239 higher than planned managed investment fund balances and lending balances at year end.

Investment property are $3,652 below the Annual Plan, mainly due to

» The reclassification of properties as held for sale, and the sale of a commercial property during the year.

Investment in joint ventures and associates is $9,142 above the Annual Plan, reflecting council's share of a higher-than-expected comprehensive income from its joint venture, Northport Group Limited.

Property, plant and equipment is $12,090 below the Annual Plan due to

» The divestment of infrastructure assets and a delay in the construction of a planned building.

Capital projects in progress are $11,860 above the Annual Plan reflecting council assets not fully completed at the end of the year and remain under development mainly for rivers capital projects and commercial investments.

Intangible assets are $227 above the Annual Plan due to increase in operational software for the year.

Forestry assets are $705 above the Annual Plan due to gains on the revaluation of council's forestry asset for the year.

A total deferred tax asset of $1,752 has been recognised to reflect the probable benefit of tax losses being utilised against taxable income from Northport Group Limited in the future.

Liability variances

Payables and deferred revenue were $159 above the Annual Plan, primarily due to

» higher than planned revenue deferred for future funding requirements, and payables at year end.

Employee entitlements are $733 above the Annual Plan due to an increase in employee leave balances and salaries and wages due at year end.

Borrowings were $6,564 below the Annual Plan, due to

» Current borrowings being $42 below the Annual Plan, reflecting debt repayments made during the year.

» Non-current borrowings of $6,522 below the Annual Plan, reflecting lower than planned borrowings drawn down for major projects such as the Joint Emergency Centre.

Equity variances

Total equity was $23,756 above the Annual Plan, mainly due to

» Higher than planned comprehensive revenue and expense for the year.

» Favourable movements in revaluation and joint venture reserves, reflecting asset revaluations and investment gains.

» Higher special reserve balances, particularly joint venture enterprise reserves, reflecting a focus on debt repayment.

Statement of cash flows

For the year ended 30 June 2026	Council 30-Jun-26 $000	Annual Plan 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Cash flows from operating activities					
Receipts from rates revenue	56,106	55,999	53,070	56,106	53,070
Receipts from customers	11,163	18,456	15,414	11,163	26,291
Interest received	2,198	2,525	825	2,198	857
Dividends received	-	-	1,273	-	5,674
Subsidies and grants received	14,849	12,486	20,473	14,849	20,473
Payments to suppliers and employees/members	(80,539)	(95,014)	(82,264)	(80,539)	(97,376)
Interest paid	(2,992)	(3,461)	(1,093)	(2,992)	(3,156)
Income tax paid	-	-	-	-	(10)
Net goods and services tax received/(paid)	143	6,111	417	143	417
Net cash from operating activities	**928**	**(2,898)**	**8,115**	**928**	**6,240**
Cash flows from investing activities					
Receipts from sale of property, plant and equipment	37	-	92	37	101
Receipts from sale of forestry carbon credits	-	-	1,075	-	1,075
Receipts from sale of investment property & assets held for sale	2,119	3,385	-	2,119	-
Receipt from the sale of investments	17,235	10,934	44,221	17,235	44,221
Loan repayments received	4,163	-	35	4,163	35
Loans made	-	-	(39,133)	-	(39,133)
Purchase of property, plant and equipment and intangible assets	(8,629)	(8,071)	(8,240)	(8,629)	(8,978)
Capital contribution (to)/refunds from joint venture company	186	-	(6,638)	186	(6,638)
Purchase of investment property	(181)	(3,796)	(126)	(181)	(2,811)
Purchase of financial investments	(11,228)	(2,388)	(37,855)	(11,228)	(37,855)
Net cash derecognised on disposal of subsidiary	-	-	-	-	(433)
Net cash from investing activities	**3,702**	**64**	**(46,569)**	**3,702**	**(50,416)**
Cash flows from financing activities					
Proceeds received from ASB facility	-	-	-	-	6,610
Dividends paid	-	-	-	-	(1,101)
Proceeds from borrowings	2,478	3,803	39,828	2,478	39,828
Repayment of borrowings	(6,863)	(3,385)	-	(6,863)	-
Net cash from financing activities	**(4,385)**	**418**	**39,828**	**(4,385)**	**45,337**
Net increase (decrease) in cash, cash equivalents and bank overdrafts	**245**	**(2,416)**	**1,374**	**245**	**1,161**
Cash, cash equivalents and bank overdrafts at the beginning of the year	11,524	12,967	10,150	11,524	10,363
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT THE END OF THE YEAR	**11,769**	**10,551**	**11,524**	**11,769**	**11,524**

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

For the year ended 30 June 2026	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Surplus/(deficit) after tax	**13,081**	**131,205**	**13,081**	**56,110**
Add/(less) non cash items				
Depreciation & amortisation expense	2,279	2,176	2,279	2,757
Taxation	(1,752)	-	(1,752)	-
Divested assets	5,089	-	5,089	-
Gain on derecognition of subsidiary	-	(116,173)	-	(37,500)
Gain in fair value of investment property and investment property assets held for sale	(2,793)	(3,422)	(2,793)	(5,365)
Gain in fair value of forestry assets	(22)	(683)	(22)	(683)
Share of associate companies' surplus	(2)	(34)	(2)	(8,553)
Share of joint venture company surplus	(6,479)	-	(6,479)	-
Share of dividends from joint venture	-	-	-	5,625
Other losses in fair value	251	(137)	251	(279)
Non cash gain on managed investment funds	(7,479)	(5,963)	(7,479)	(5,963)
Other non-cash items	(19)	77	(19)	1,898
Total non cash items	**(10,927)**	**(124,159)**	**(10,927)**	**(48,063)**
Add/(less) items classified as investing or financing activities				
Gain on sale of property plant and equipment	(35)	(58)	(35)	(68)
Gain on sale of forestry carbon credits	-	(218)	-	(218)
Loss on disposal of investment property	5	755	5	755
Total items classified as investing or financing activities	**(30)**	**479**	**(30)**	**469**
Add/(Less) movements in working capital				
Decrease (increase) in trade and other receivables	(1,188)	2,510	(1,188)	3,290
Decrease (increase) in prepayments	(24)	(195)	(24)	(39)
Decrease (increase) in inventory	(11)	57	(11)	141
(Decrease) increase in tax payable	-	-	-	(297)
(Decrease) increase in non current receivables	(536)	(142)	(536)	(142)
(Decrease) increase in trade and other payables	74	(2,033)	74	(5,445)
(Decrease) increase in revenue received in advance	(71)	(0)	(71)	(208)
(Decrease) Increase in employee entitlements accrual	585	421	585	334
Investing capital items included in working capital movements	(25)	(28)	(25)	90
	(1,196)	**590**	**(1,196)**	**(2,276)**
Net cashflows from operating activities	**928**	**8,115**	**928**	**6,240**

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 (LGA) and the Local Government (Rating) Act 2002.

The primary objective of Northland Regional Council (the council) is to provide goods or services and perform regulatory functions for the community benefit rather than making a financial return. Accordingly, the council has designated itself as a Public Benefit Entity and applies Tier 1 Public Sector Public Benefit Entity accounting standards (PBE Accounting Standards).

The council's principal address is 36 Water Street, Whangārei, New Zealand

(i) 30 June 2026 reporting period

The reported council figures consist of the council and the council's 43% interest in its joint venture - Northport Group Limited and 25% interest in its Associate – Northland NZ Limited (previously known as Northland Inc Limited).

The council and its joint venture and associate are incorporated, domiciled, and operate in New Zealand.

(ii) 30 June 2025 reporting period

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

- Subsidiary ('controlled entity') – Marsden Maritime Holdings Limited which was derecognised in a step-down transaction during the reporting period.
- Joint ventures – Northport Group Limited (acquired in 2025) and North Port Limited (disposed of in 2025), and
- Associates - Northland Inc Limited, and Regional Software Holdings Limited (significant influence ceased during 2025).

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.

1.2.1 Local Government reform uncertainty

During the year, the Government announced its Simplifying Local Government programme, which includes proposed changes to local government structures and governance arrangements, including a signalled intention to phase out regional councils, with regional councillors not expected to be elected in 2028. The council endorsed the Northland Head Start proposal, which proposes a staged transition to new unitary governance arrangements in Northland, with the longer-term objective of a single Northland unitary authority. The Government has indicated that Head Start proposals will be considered by Cabinet in early 2027 and if endorsed by Cabinet they will be developed in detail and considered for final Government approval later in 2027. Government has also indicated that those council's not subject to the Head Start pathway will be subject to the Back Stop local government reform process.

The outcome, timing and final form of any reform remain uncertain at the date these financial statements were authorised for issue.

The council has prepared these financial statements on a going concern basis, as the uncertainty regarding the outcome and timing of the Government's reform programme means any changes to the council's future structure and functions cannot yet be determined.

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.

1.4 Basis of consolidation

Joint venture

The council holds a 43% joint controlling shareholding in Northport Group Limited classified as a joint venture.

A joint venture is a joint arrangement whereby the parties which have joint control of the arrangement have rights to, and only to, the residual net assets of the arrangement. Joint control is the agreed sharing of control by way of a binding contractual arrangement, which exists only when decisions about the entity's relevant activities require the unanimous consent of the parties sharing control.

The council's investment in its joint venture is accounted for in the council financial statements using the equity method. The investment is initially recognised at cost and the carrying amount is increased or decreased to recognise councils share of the surplus or deficit of the joint venture less any dividends/distributions received.

Associate

Council's 25% shareholding in Northland NZ Limited is classified as an associate.

Associates are entities where the council has significant influence over their operating and financial policies, and is neither a controlled entity nor a joint venture. The council's investment in its associate is accounted for in the council financial statements using the equity method. The investment is initially recognised at cost and the carrying

amount is increased or decreased to recognise councils share of the surplus or deficit of the associate less any dividends/distributions received.

Subsidiary (controlled entity)

Subsidiaries are entities controlled by the council. Control over an entity is determined when the council has exposure, or rights, to variable benefits (either financial or no financial) from its involvement with the entity and has the ability to affect the nature or amount of these benefits through its power over the other entity.

Consolidated financial statements are prepared up to and including the reporting period in which control of a subsidiary is lost.

Although presented as consolidated financial statements for consistency with prior years, the group consists solely of Northland Regional Council. Following the loss of control and deconsolidation of Marsden Maritime Holdings Limited in the prior year, there are no entities requiring consolidation. Accordingly, the consolidated financial statements are identical to the council (parent company) financial statements.

1.5 Reporting period

The financial statements for the council, the joint venture, and the associate are for the year ended 30 June 2026. The financial statements were authorised for issue by the council on 20 October 2026.

1.6 Statement of Compliance

The financial statements and service performance information of the council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements and service performance information have been prepared in accordance and comply with PBE Accounting Standards.

1.7 Presentation currency and rounding

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

1.8 New or amended standards issued and adopted

There are no new standards or amendments effective for the current reporting period.

1.9 Accounting standards issued but not yet effective

The council will adopt the following accounting standards in the reporting period after the effective date.

2024 Omnibus Amendments to PBE Standards

The 2024 Omnibus Amendments issued in October 2024 include updates to PBE IPSAS 1 Presentation of Financial Reports to clarify the principles for classifying liabilities as current or non-current. The amendments are effective from reporting periods beginning on or after 1 January 2026 with early adoption permitted. The council has not assessed the effect of the amendments in detail.

PBE IFRS 17 Insurance Contracts

PBE IFRS 17 Insurance Contracts for public sector entities 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. The council has not assessed the effect of the new standard in detail.

PBE Conceptual Framework Update

The updates to the PBE Conceptual Framework include updates to the guidance on materiality, clarification of the concept of 'prudence' in the context of faithful representation, updates to the definitions of an asset and a liability and new guidance on the unit of account and on binding arrangements that are equally unperformed. The updates are effective from reporting periods beginning on or after 1 January 2028 with early adoption permitted for periods ending on or after 19 September 2024. The council has not assessed the effect of the updates in detail.

1.10 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.

1.11 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.

1.12 Budget figures

The 2026 budget figures are those approved by the council in its 2025/26 Annual 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.

1.13 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 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 infrastructure assets are revalued by an independent valuer at regular intervals, with the most recent infrastructure valuation, undertaken in 2026. 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.

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.

Councils investment in Regional Software Holdings Limited is independently valued using a discounted cashflow model which requires assumptions and estimates, including discount rate, inflation rate and a value of an equivalent software solution to that developed by Regional Software Holdings Limited. Further detail is provided in Note 24.

1.14 Climate change

In preparing the council's 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 2026 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.

1.15 Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2026.

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 Northport Group Limited's relevant activities, and
- The joint investees have access to, and only to, the net assets of the joint arrangement.

Council's investment in Northland NZ Limited has been treated as an associate as it is considered that council holds significant influence over the financial and operating policies of Northland NZ Limited due to the fact that council shares joint control of Northland NZ 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-26 $000	Annual Plan 30-Jun-26 $000	Council 30-Jun-25 $000
Revenue			
Community Resilience	16,796	15,332	21,660
Natural Environment	43,759	39,912	41,284
River Management	6,636	4,867	8,548
Regional Leadership	46,208	45,761	42,475
Total activity revenue and rates as per activity funding impact statements	**113,399**	**105,872**	**113,967**
Internal charges and overheads recovered	(17,852)	(18,430)	(16,698)
Other gains not attributable to an activity	2,855	(1,657)	120,727
Total revenue and fair value gains as per statement of comprehensive revenue and expense	**98,402**	**85,785**	**217,996**
Expenses			
Community Resilience	13,580	13,499	14,504
Natural Environment	50,959	49,792	47,825
River Management	4,822	2,528	5,123
Regional Leadership	34,421	38,253	32,895
Total activity expenses as per activity funding impact statements	**103,782**	**104,072**	**100,347**
Internal charges and overheads recovered	(17,852)	(18,430)	(16,698)
Other expenses not attributable to an activity	5,345	-	1,000
Depreciation and amortisation	2,279	2,675	2,176
Total expenses as per statement of comprehensive revenue and expense	**93,554**	**88,317**	**86,825**

BREAKDOWN OF DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY	Council 30-Jun-26 $000	Annual Plan 30-Jun-26 $000	Council 30-Jun-25 $000
Community Resilience	275	373	284
Natural Environment	711	800	631
River Management	351	557	356
Regional Leadership	942	945	905
TOTAL DEPRECIATION AND AMORTISATION EXPENSE	**2,279**	**2,675**	**2,176**

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 subsidies and grants

	Note	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Central government ministries and departments		7,841	7,295	7,841	7,295
Territorial local authorities		2,966	5,162	2,966	5,162
National Infrastructure Funding and Financing Limited		1,592	4,610	1,592	4,610
NZ Transport Agency Waka Kotahi		2,799	2,792	2,799	2,792

Predator Free 2050*		-	1,537	-	1,537
Other subsidies and grants		175	234	175	234
Total other subsidies and grants		**15,373**	**21,630**	**15,373**	**21,630**

* During the year the management of Predator Free 2050 was transferred to DOC.

During the year, Foundation North approved total funding of $1,200,000 (GST exclusive) to council to support the delivery of the Predator Free programme by community groups. The first tranche of this funding, being $400,000 (GST exclusive), will be received by council in the next reporting period.

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

2(iii) Breakdown of interest revenue

	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Interest earned from financial assets measured at amortised cost				
Bank and term deposits	466	642	466	674
Shareholder loan to joint venture	1,656	23	1,656	23
LGFA borrower notes	107	29	107	29
Other loans	406	259	406	259
Total interest revenue	**2,635**	**953**	**2,635**	**985**

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-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Not later than one year	1,976	3,278	1,976	3,278
Later than one year and not later than five years	2,231	3,921	2,231	3,921
Later than five years	1,715	2,743	1,715	2,743
Total non-cancellable operating leases	**5,922**	**9,942**	**5,922**	**9,942**

Operating leases relate to investment properties owned by Northland Regional Council. The majority (in terms of numbers) of council's investment property portfolio is made up of 63 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. Council owns 35 freehold commercial properties plus eight that are owner occupied. Eleven of the commercial properties are vacant, carparking or have month to month lease terms; nine of which are planned for redevelopment.

2(iv) Breakdown of other revenue

	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Rental revenue from investment properties	4,024	4,321	4,024	13,257
Dividend revenue - Marsden Maritime Holdings Limited	-	1,273	-	-
Sundry revenue	604	586	604	586
Total other revenue	**4,628**	**6,180**	**4,628**	**13,843**

2(v) Breakdown of other gains:

	Note	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Gain on revaluation of investment property	11	2,340	3,422	2,340	5,365
Gain on revaluation of investment property assets held for sale	9	453		453	
Gain on revaluation of forestry assets	15	22	683	22	683
Gain on disposal of forestry carbon credits		-	218	-	218
Gain on disposal of property, plant and equipment		35	58	35	68
Net Gain on derecognition of subsidiary		-	116,173	-	37,500
Total non-financial instruments gains		**2,850**	**120,554**	**2,850**	**43,834**
Externally Managed Investment Funds		7,479	5,963	7,479	5,963
Gain on fair value adjustment of financial assets		-	137	-	279
Reversal of impairment		5	36	5	36
Total financial instruments gains		**7,484**	**6,136**	**7,484**	**6,278**
Total other gains		**10,334**	**126,690**	**10,334**	**50,112**

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-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Salaries and wages		32,977	30,633	32,977	33,033
Employer contributions to defined contribution plans		1,153	1,039	1,153	1,039
Increase/(decrease) in employee benefit liabilities	18	585	421	585	755
Total personnel costs		**34,715**	**32,093**	34,715	34,827

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 2026 to the Chief Executive was $420,113 (2025: $395,527).

	Council 30-Jun-26 $000	Council 30-Jun-25 $000
Salary	394	371
Vehicle - FBT cost	9	9
Kiwisaver employer contribution	16	15
Memberships and allowances	1	1
Total remuneration	**420**	**396**

Elected representatives

Elected representatives received the following remuneration:

	Note	Salary 30-Jun-26 $000	Non-salary 30-Jun-26 $000	Total Council Remuneration 30-Jun-26 $000	Total Council Remuneration 30-Jun-25 $000
Pita Tipene, Chair		90	1	91	-
Jack Craw, Deputy Chair		83	2	85	76
John Blackwell		76	13	89	85
Joe Carr		76	14	90	83
Geoff Crawford, ex Chair		99	3	102	144
John Hunt		49	1	50	-
Colin Kitchen		49	17	66	-
Amy Macdonald		75	3	78	78
Arama Morunga		49	1	50	-
Tui Shortland, ex Deputy Chair		31	-	31	88
Peter-Lucas Jones, ex Councillor		26	-	26	73
Marty Robinson, ex Councillor		26	4	30	83
Rick Stolwerk, ex Councillor		27	3	30	78
Total elected representatives' remuneration	4	**756**	**62**	**818**	**788**

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 2026 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-26	Council 30-Jun-25
< $60,000	32	56
$60,000 - $79,999	66	82
$80,000 - $99,999	139	130
$100,000 - $119,999	79	60
$120,000 - $139,999	31	20
$140,000 - $159,999	9	8
$160,000 - $199,999	9	5
$220,000 - $259,999	7	8
$260,000 - $299,999	2	1
$340,000 - $439,999	1	1
Total employees	**375**	**371**

Total remuneration includes any non financial benefits provided to employees.

At 30 June 2026, the council employed 312 (2025: 296) full time employees with the balance of staff representing 37.46 (2025: 35.92) full time equivalent employees. A full time employee is determined on the basis of a 36, and 40 hour where applicable, working week.

Severance payments

For the year ending 30 June 2026, the council made no severance payments (2025: one payment of $25,000).

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-26 $000	Council (Council only) 30-Jun-25 $000	Consolidated 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Fees for audit firms' services		266	346	266	477
Directors/councillors' fees and trustee remuneration	3	818	788	818	1,207
Donations		1,188	1,314	1,188	1,314
Operating lease payments		416	295	416	305
Current year rates written off		187	169	187	169
Impairment of receivables	7	1,429	1,032	1,429	1,085
Operating grants to Northland NZ Limited		2,400	2,245	2,400	2,245
Other payments to Northland NZ Limited		577	421	577	421
Payments to Regional Software Holdings Limited		869	778	869	778
Divested assets	13	5,089	-	5,089	
Loss on disposal of investment property		5	755	5	755
Loss on change in fair value of financial assets		251	-	251	-
Other operating expenses		39,867	43,136	39,867	54,068
Total other expenses		**53,362**	**51,279**	**53,362**	**62,824**

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-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Not later than one year	453	288	453	288
Later than one year and not later than five years	787	420	787	420
Later than five years	585	616	585	616
Total non-cancellable operating leases	**1,825**	**1,324**	**1,825**	**1,324**

Breakdown of fees for audit firms' services

	Note	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Audit and review of the financial report		**253**	**253**	253	320
Audit or review related services					
Audit of the 2024-34 Long Term Plan & Amendments		-	40	-	40
Assurance engagements related to council's debenture trust deed		13	13	13	13
		13	**53**	13	**53**
Other services*		-	40	-	104
Total fees for audit firms' services		266	346	266	477

*The fees paid to the council's auditors for other services for the year ending 30 June 2025 were $31,500 for forensic risk and integrity analytics and $9000 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 council's auditors undertake an agreed procedures engagement for the KMRP and the fee for 2025-26 is expected to be approximately $15,600 (2025: $15,000).

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:

	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Components of tax expense				
Current tax expense/(credit)	-	-	-	183
Deferred tax asset	(1,752)	-	(1,752)	(297)
Tax expense/(credit)	**(1,752)**	**-**	**(1,752)**	**(114)**
Relationship between tax expense and accounting surplus				
Surplus/(deficit) before tax	**11,329**	**131,205**	**11,329**	**55,996**
Taxation at 28%	**3,172**	**36,737**	**3,172**	**15,678**
Plus (less) tax effect of:				
Non-deductible expenditure	-	-	-	-
Imputation dividend receipts	-	-	-	(1,575)
Non dividend revenue from CCO, port or energy company	464	-	464	-
Non-taxable income	(3,173)	(36,738)	(3,173)	(13,385)
Tax paid on joint venture company earnings	-	-	-	(810)
Carried forward losses derecognised/(recognised)	(463)	1	(463)	(22)
Tax expense/(credit)	**-**	**-**	**-**	**(114)**
Deferred tax				
Balance at 1 July	-	-	-	(374)
Items charged to profit and loss	1,752	-	1,752	297
Deferred tax derecognised upon disposal of subsidiary	-	-	-	77
Balance at 30 June	**1,752**	**-**	**1,752**	**-**
Represented by:				
Deferred tax asset (tax effect of losses carried forward)	1,752	-	1,752	-
Net deferred tax asset / (liability)	**1,752**	**-**	**1,752**	**-**

Council's net income subject to income tax consists of its non dividend income from a CCO. All other income currently derived by council is exempt from income tax.

A deferred tax asset has been recognised in relation to tax losses of $6,257,143 (tax effect $1,752,000), (2025: $0) as council considers it probable that the benefit of these losses will be utilised against future taxable income.

A deferred tax asset has not been recognised in relation to tax losses in council of $7,439,523 (2025: $15,348,270) as council considers it unlikely that the benefit of these losses will be utilised against future taxable income.

Note 6: Cash and Cash Equivalents

	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Cash on hand and at trading banks *	3,597	8,469	3,597	8,469
Cash on hand and at trading banks held as part of the Long Term Investment Fund	7	55	7	55
Term deposits, held as part of the Short Term Fund - with maturities of less than 3 months acquisition **	-	3,000	-	3,000
Term deposits, held as part of the Long Term Fund - with maturities of less than 3 months acquisition	8,165	-	8,165	-
Total cash and cash equivalents	**11,769**	**11,524**	**11,769**	**11,524**

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 $379,929 (2025: $206,970) that are subject to restrictions. These unspent funds relate to marine farm bonds $83,552 (2025: $83,552); retention monies withheld under commercial construction contracts $164,739 (2025: $0) and other funds received with restrictions where the spending of the funds are separately monitored.

** The Short Term Fund was disestablished in December 2025.

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-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
CURRENT PORTION				
Rates receivables	10,757	9,409	10,757	9,409
Other receivables	5,096	3,844	5,096	3,844
GST receivable	243	493	243	493
Prepayments	1,082	1,058	1,082	1,058
Gross debtors and other receivables	17,178	14,804	17,178	14,804
Less allowance for credit losses	(7,478)	(6,316)	(7,478)	(6,316)
Total current receivables	**9,700**	**8,488**	**9,700**	**8,488**
NON CURRENT PORTION				
Prepayments	678	142	678	142
Total Non Current Receivables	**678**	**142**	**678**	**142**
Total Receivables	**10,378**	**8,630**	**10,378**	**8,630**
Total receivables comprise:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements and fees and charges that are partly subsidised by rates	7,552	6,625	7,552	6,625
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	2,826	2,005	2,826	2,005
	10,378	**8,630**	**10,378**	**8,630**

Expected Credit Losses (ECL)

The ECL rates applicable for other receivables and rates receivables at 30 June 2026 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:

			Current receivable past due		
	1 to 30 days	30 to 60 days	60 to 90 days	More than 90 days	Total
Council - 30 June 2026					
Rates receivable					
Expected credit loss rate	0.0%	-	-	77.0%	-
Gross receivable amount ($,000)	1,511	-	-	9,246	**10,757**
Lifetime ECL ($,000)	-	-	-	7,122	**7,122**
Other receivable					
Expected credit loss rate	0.22%	0.35%	1.5%	100%	-
Gross receivable amount ($,000)	4,708	38	4	346	**5,096**
Lifetime ECL ($,000)	10	-	-	346	**356**
Total Rates and Other Receivable Lifetime ECL ($,000)	**10**	**-**	**-**	**7,468**	**7,478**

Council - 30 June 2025					
Rates receivable					
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**
Other receivable					
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	-	2	241	**250**
Total Rates and Other Receivable Lifetime ECL ($,000)	**7**	**-**	**2**	**6,307**	**6,316**
Consolidated (Council only) - 30 June 2026					
Rates receivable					
Expected credit loss rate	0.0%	0.0%	0.0%	77.0%	-
Gross receivable amount ($,000)	1,511	-	-	9,246	**10,757**
Lifetime ECL ($,000)	-	-	-	7,122	**7,122**
Other receivable					
Expected credit loss rate	0.22%	0.35%	1.5%	100%	-
Gross receivable amount ($,000)	4,708	38	4	346	**5,096**
Lifetime ECL ($,000)	10	-	-	346	**356**
Total Rates and Other Receivable Lifetime ECL ($,000)	**10**	**-**	**-**	**7,468**	**7,478**
Consolidated - 30 June 2025					
Rates receivable					
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**
Other receivable					
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	-	2	241	**250**
Total Rates and Other Receivable Lifetime ECL ($,000)	**7**	**-**	**2**	**6,307**	**6,316**

	Note	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Movements in the allowance for credit losses are as follows:					
Opening balances for credit losses at 1 July		6,316	5,794	6,316	5,829
Additional provisions made during the year	4	1,429	1,032	1,429	1,085
Derecognition of credit losses on disposal of subsidiary		-	-	-	(88)
Rate arrear receivables written off during the year		(243)	(217)	(243)	(217)
Other receivables written off during the year		(24)	(293)	(24)	(293)
Balance at 30 June		**7,478**	**6,316**	**7,478**	**6,316**

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-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Stores and materials		315	304	315	304
		315	**304**	**315**	**304**

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-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Balance at 1 July		**-**	**857**	**-**	**857**
Transfers of property from/(to) investment properties	11	8,924	-	8,924	-
Fair value gain/(loss) on valuation of property assets held for sale	2(v)	453	(857)	453	(857)
Total assets held for sale		**9,377**	**-**	**9,377**	**-**
Total assets held for sale are:					
- investment buildings		125	-	125	-

- investment land		9,252	-	9,252	-
Total assets held for sale		**9,377**	**-**	**9,377**	**-**

During the year, council transferred 14 investment properties to assets held for sale comprising land of $8,809,000 and buildings of $115,000 (2025: nil). The properties have been presented as held for sale following the approval by the council on 24 June 2025 to sell the properties and active marketing of the properties and offer letters issued to leaseholders commencing during the year. The sales are expected to be completed by 30 June 2027 and proceeds from the sales will be used to repay debt associated with the council's investment in Northport Group Limited.

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 portfolios 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-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
CURRENT PORTION					
Term deposits, and other securities *		2,426	5,307	2,426	5,307
Term deposits held as part of the Short Term Fund**		-	2,984	-	2,984
Term deposits held as part of the managed investment funds portfolio		2,500	-	2,500	-
Short term investment fund		-	3,274	-	3,274
Total current portion		**4,926**	**11,565**	**4,926**	**11,565**
NON-CURRENT PORTION					
Borrower notes		2,261	2,261	2,261	2,261
Loan to Joint Venture company	12(i)	29,975	34,133	29,975	34,133
Other loans		1,323	1,316	1,323	1,316
Convertible notes		5,047	4,990	5,047	4,990
Managed investment funds portfolio (previously the Long Term Fund)		67,925	59,816	67,925	59,816
Total non-current portion		**106,531**	**102,516**	**106,531**	**102,516**
TOTAL OTHER FINANCIAL ASSETS		**111,457**	**114,081**	**111,457**	**114,081**

* At year end, no term deposits or other securities held in respect to retention monies withheld under commercial construction contracts (2025: $151,196).
** The Short Term Investment Fund was disestablished in December 2025.

Borrower notes

Borrower notes are subordinated convertible debt instruments that the council is required to subscribe for when borrowing from the LGFA, currently set at 5% (2025: 5%) of the aggregate borrowings by that local authority. The borrower notes are held at amortised cost. Amortised cost at initial recognition is the fair value of the underlying asset at initial recognition plus or minus any transaction costs.

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 council's 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 shareholder loan to Northport Group Limited (NGL) is a financial asset that is classified as, and subsequently measured at, amortised cost as it is held by the council to collect contractual cashflows that represent solely payments of principal and interest.

The shareholder loan to NGL has 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 2026 were between 4.95% and 5.27% (2025: 6.09%).

Other loans

Reconciliation of the carrying value of Other Loans:

	Note	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Opening balance		**1,316**	**1,226**	**1,316**	**1,226**
Fair value gain/(loss) on valuation		1	85	1	85
Expected credit loss allowance recognised during the year		-	-	-	-
Unwind of discount and interest charged		6	5	6	5
Closing balance		**1,323**	**1,316**	**1,323**	**1,316**

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 $1,323,184 (2025: $1,316,463) reflecting a non-cash fair value adjustment of $10,211 (2025: $16,932) to account for the fact the interest rate is below an assessed market interest rate of 6.81% (2025: 6.81%) being 350 basis points above the 2 year Swap rate at year end. The fair value adjustment of $10,211 will be unwound through interest revenue until the repayment date. In addition, an estimated life to date credit loss (ECL) of $16,605 (2025: $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

Reconciliation of the carrying value of Convertible Notes:

	Note	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Opening balance		**4,990**	**0**	**4,990**	**0**
Subscriptions during the year		-	5,000	-	5,000
Fair value gain/(loss) on valuation		57	52	57	52
Expected credit loss allowance recognised during the year		-	(62)	-	(62)
Closing balance		**5,047**	**4,990**	**5,047**	**4,990**

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 6.3% per annum (2025: 6.3%), paid quarterly.

The carrying value of the Convertible Notes is $5,046,949 (2025: 4,990,417) reflecting a non-cash fair value increase of $56,532 (2025: 51,917). Refer to Note 24 for more detail.

In addition, a life to date ECL of $61,500 (2025: 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

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

Externally managed investment funds

Russell Investments (2025: Eriksen and Associates Limited) are appointed as council's investment advisor for a managed investment funds portfolio providing independent overarching investment guidance for this portfolio. Council's externally managed investment funds are classified as a financial asset at fair value through surplus or deficit as Russell Investments evaluates and reports 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 investment 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 managed investment funds portfolio 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 private equity funds with uncalled committed investments at year end	Council 30-Jun-26 $000	Council 30-Jun-25 $000
Continuity Capital Fund (No.2)	50	50
Continuity Capital Fund (No.4)	84	104
Continuity Capital Fund (No.5)	365	502
Continuity Capital Fund (No.6)	416	560
Continuity Capital Fund (No.7)	444	691
Continuity Capital Fund (No.8)	710	900
CPE Capital (No.9)	280	313
Direct Capital Fund (No.6)	350	364
Milford PE Fund (No.3)	230	365
MLC Private Equity fund (No.2)	169	150
MLC Private Equity fund (No.3)	30	47
MLC Private Equity fund (No.4)	2,190	1,943
Oriens Fund (No.2)	250	280
Pioneer Capital Partners Fund (No.3)	-	16
Pioneer Capital Partners Fund (No.4)	216	284
	5,784	**6,569**

Managed investment funds performance (12 month return net of fees)

	Council 30-Jun-26	Council 30-Jun-25
Managed investment funds portfolio (previously known as the Long Term fund)	12.71%	8.90%
Short Term fund (disestablished December 2025)	N/A	6.30%

Weighted average effective interest rates achieved during the year

	Council 30-Jun-26	Council 30-Jun-25
Term deposits	2.83%	4.77%
Other securities	4.75%	4.75%

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-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Balance at 1 July		**84,807**	**81,994**	**84,807**	**191,754**
Additions		181	146	181	2,864
Disposals		(2,124)	(755)	(2,124)	(755)
Transfers from/(to) assets held for sale	9	(8,924)	-	(8,924)	-
Transfers from/(to) property plant and equipment - buildings	13	-	-	-	(2,960)
Investment property derecognised on disposal of subsidiary		-	-	-	(111,431)
Movement in lease incentives		-	-	-	(30)
Fair value gains/(losses) on valuation	2(v)	2,340	3,422	2,340	5,365
Balance at 30 June		**76,280**	**84,807**	**76,280**	**84,807**

Investment properties valuation - council

The annual valuation of council's investment properties was performed by CBRE Limited (2025: CBRE Limited). The valuation is effective as at 30 June 2026.

During the year one property was sold and 14 were reclassified as investment properties held for sale.

At year end council's investment properties are valued at fair value comprising of ground leases of $17,142,000 (2025: $26,244,000), and freehold, and lessee's interest investment properties (land, buildings and improvements) of $59,137,666 (2025: $58,562,666).

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 5.40% to 13.55% (2025: 5.75% to 10.00%)

Future market rents

+5.50% for five-yearly ground lease rent reviews (2025: 5.50%)

+5.75% for seven-yearly ground lease rent reviews (2025: 5.75%)

+6.90% for 21-yearly ground lease rent reviews (2025: 6.90%)

Annual inflation on land values: 1.75% (2025: 1.75%)

Discount rate: 7.25% (2025: 7.25%)

Note 12(i): Investment in Joint Venture companies and Associates (excluding council controlled organisations)

Accounting policy

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 council holds between 20% and 50% of the voting power of another entity.

Investments in associates and joint ventures are equity accounted investments and accounted for using the equity method.

Under the equity method, the investment is initially recognised at cost in the parent and group financial statements and subsequently adjusted to recognise the councils share of the post-acquisition surplus or deficit and movements in other comprehensive revenue of the joint venture or associate less any dividends/distributions received. The council's share of the joint venture or associate surplus or deficit and movements in other comprehensive revenue are recognised in the parent and group statement of comprehensive revenue and expense.

Where a Joint venture or Associate was previously a subsidiary of the council, the initial carrying of the value retained interest is measured at fair value at the date control of the subsidiary is lost.

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

Entity Name	Held by	Relationship	Ownership/Control	
			2026	2025
Northport Group Limited	Council	Joint Venture	43.00%	43.00%
Northland NZ Limited (formerly Northland Inc. Limited)	Council	Associate (CCO)	25.00%	25.00%

Breakdown of investment in joint venture companies and associates (excluding CCOs)

	Note	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Investment in Joint Venture companies		140,748	130,638	140,748	130,638
Total investment in Joint Venture companies and Associates (excluding CCOs)		**140,748**	**130,638**	**140,748**	**130,638**

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 Holdings 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 MMH 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(v)).

Gain/(Loss) on derecognition of subsidiary

	Note	Consolidated 30-Jun-2025 $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(v)	**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 30 June 2025 reporting period. Its results as a Discontinued operation are presented below:

	30-Jun-26 $000	30-Jun-25 $000
Comprehensive revenue and expense of Discontinued Operation		
Revenue	-	13,769
Operating expenses	-	(16,970)
Depreciation and amortisation	-	(581)
Share of associate and joint venture company surplus/(deficit)	-	8,519
Surplus/(Deficit) before tax	-	4,737
Income tax benefit/(expense)	-	114
Other comprehensive revenue and expense	-	2,131
Surplus/(deficit) for the period before loss in derecognition	-	**6,982**
Carrying values of net assets derecognised during the year		
Cash and cash equivalents	-	433
Current receivables	-	1,971
Inventory	-	122

Investment property	-	111,432
Investment in joint venture company	-	56,976
Other financial assets - current portion	-	378
Property, plant and equipment	-	25,103
Capital projects in progress	-	9,911
Payables and deferred revenue - current portion	-	(1,340)
Employee entitlements	-	(194)
Payables and deferred revenue - non current portion	-	(1,692)
Other financial liabilities - non current portion	-	(246)
Deferred tax liability	-	(77)
Borrowings	-	(40,050)
Net assets derecognised during the year	-	**162,727**
Cash flows from discontinued operation		
Cash flows from/(used) in operating activities	-	(601)
Cash flows from/(used) in investing activities	-	(3,414)
Cash flows from/(used) in financing activities	-	4,235
Net cash inflow/(outflow)	-	**220**

Investment in joint venture companies

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 30-Jun-26 $000*	*Council 30-Jun-25 $000*	*Consolidated (Council only) 30-Jun-26 $000*	*Consolidated 30-Jun-25 $000*
Opening carrying value of investment in Northport Group Ltd		164,771	-	164,771	-
Initial fair value of investment in Northport Group Ltd		-	124,000	-	124,000
Additional capital contribution to Northport Group Ltd		-	6,638	-	6,638
Shareholder loan issued to / (repaid from) Northport Group Ltd		(4,158)	34,133	(4,158)	34,133
Share of surplus/(deficit) after tax and equity movements		6,293	-	6,293	-
Share of other comprehensive revenue and expense		3,817	-	3,817	-
Dividends received		-	-	-	-
Closing carrying value of investment in Northport Group Ltd		**170,723**	**164,771**	**170,723**	**164,771**
represented as:					
Loan to Joint Venture company	10	29,975	34,133	29,975	34,133
Investment in joint venture		140,748	130,638	140,748	130,638
Closing carrying value		**170,723**	**164,771**	**170,723**	**164,771**
Summarised financial information of Northport Group Ltd is presented below:					
Total revenue		60,538	-	60,538	-
Total expense		44,775	-	44,775	-
Share of surplus/(deficit) of joint venture company		3,347	-	3,347	-
Tax expense		4,042	-	4,042	-
Total surplus/(deficit) after tax		15,068	-	15,068	-

Share of Northport Group Ltd net surplus/(deficit) after tax	**6,479**	**-**	**6,479**	**-**
Gain/(loss) on asset revaluations	7,023	-	7,023	-
Gain/(loss) on property revaluations (other than investment properties)	1,798	-	1,798	-
Gain/(loss) on net cashflow hedge	55	-	55	-
Total other comprehensive revenue and expense	8,876	-	8,876	-
Share of Northport Group Ltd other comprehensive revenue and expense	**3,817**	**-**	**3,817**	**-**
Share of Northport Group Ltd total comprehensive revenue	**10,296**	**-**	**10,296**	**-**
Current assets	8,005	-	8,005	-
Non-current assets	498,624	-	498,624	-
Current liabilities	78,339	-	78,339	-
Non-current liabilities	100,535	-	100,535	-
Total net assets	**327,755**	**-**	**327,755**	**-**
Councils interest in Northport Group Limited	43%	43%	43%	43%
Current period eliminations	(186)	-	(186)	-
Closing carrying value of investment in Northport Group Ltd	**140,748**	**-**	**140,748**	**-**

Assets, liabilities, revenues and expenses relating to council's interest in Northport Group Limited are accounted for in line with councils accounting policies.

Note 12(ii): Investments in council-controlled organisations

Breakdown of investments in council-controlled organisations and further information:

	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Investment in Northland NZ Limited (Associate)	55	53	55	53
Investment in Regional Software Holdings Limited	79	387	79	387
Total investments in council controlled organisations	**134**	**440**	**134**	**440**

Investment in Northland NZ Limited (formerly Northland Inc. Limited)

Northland NZ 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 NZ 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 NZ Limited presented on a gross basis:

	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Current assets	1,712	1,735	1,712	1,735
Non-current assets	222	218	222	218
Current liabilities	1,714	1,742	1,714	1,742
Non-current liabilities	-	-	-	-
Net assets	**220**	**211**	**220**	**211**

Council's interest in associate	25%	25%	25%	25%
Carrying amount of investment in associate (using Equity method)	**55**	**53**	**55**	**53**
Total revenue	4,815	5,686	4,815	5,686
Total expense	4,806	5,674	4,806	5,674
Total comprehensive revenue and expense	9	12	9	12
Councils interest in associate*	25%	25%	25%	25%
Council share of comprehensive revenue and expense	**2**	**(14)**	**2**	**(14)**

* Activity during the 30 June 2025 reporting period

During the prior year, the council reduced its shareholding in Northland NZ Limited from 33% to 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.

The council's investment in RSHL is as a a financial investment in a CCO and is accounted for at fair value through surplus or deficit.

Reconciliation of the carrying value of investment in Regional Software Holdings Limited (RSHL):

	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Opening balance	**387**	-	**387**	-
Reclassified from investment in associate	-	387	-	387
Fair value gain/(loss) on valuation	(308)	-	(308)	-
Closing balance	**79**	**387**	**79**	**387**

Activity during the 30 June 2025 reporting period

During the prior year, the investment in RSHL was reclassified from an investment in associate to a financial asset and is now 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 and Consolidated	Freehold Land $000	Forestry Land $000	Freehold Land - Port $000	Buildings and amenities $000	Infra-structure $000	Plant, equipment, vehicles and vessels $000	TOTAL $000	Work in progress $000
Year ended 30 June 2025								
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**
At 30 June 2025								
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**
Year ended 30 June 2026								
Opening net book value	5,520	707	0	14,050	50,445	7,950	78,672	11,241
Additions	-	-	-	620	1,791	2,242	4,653	4,627
Divested assets*	-	-	-	-	(4,976)	(113)	(5,089)	-
Disposals*				-	-	(2)	(2)	
Transfer between asset classes	-	-	-	46	3,213	119	3,378	(3,378)
Revaluation movement	210	-	-	102	1,092	-	1,404	-
Transfer to operations	-	-	-	-	-	-	-	(630)
Depreciation expense	-	-	-	(288)	(351)	(1,589)	(2,228)	-
Fixed assets derecognised in disposal of subsidiary	-	-	-	-	-	-	-	-
Closing net book value	**5,730**	**707**	**0**	**14,530**	**51,214**	**8,607**	**80,788**	**11,860**
At 30 June 2026								
Assets at cost/valuation	5,730	707	-	14,530	51,214	21,439	93,620	11,860
Accumulated depreciation	-	-	-	-	-	(12,832)	(12,832)	-
Net book value	**5,730**	**707**	**0**	**14,530**	**51,214**	**8,607**	**80,788**	**11,860**

Depreciation and amortisation expense		Council and Consolidated 30-Jun-26	Council and Consolidated 30-Jun-25
Property, plant and equipment		2,228	2,090
Intangibles	Note 14	51	86
Total		**2,279**	**2,176**

** disposals are reported net after accumulated depreciation*

During the year council incurred a one-off divestment expense of $4,975,548 arising from the transfer of bridge infrastructure assets to Far North District Council. The bridges were originally constructed by council as part of its flood protection programme but have been transferred to the authority responsible for the associated roading infrastructure. The carrying value of the transferred assets as the date of the transfer has been recognised as a divestment expense in the Statement of Comprehensive Revenue and Expense.

Valuation of operational land and buildings

The most recent valuation of council's freehold land and buildings was performed by independent registered valuers CBRE Limited (2025: CBRE Limited) and is effective as at 30 June 2026.

Council's land and buildings are valued as fair value of $20,260,000 (2025 $ 19,570,000) using a market-based approach based on the highest and best use approach, whereby the potential market rents are capitalised to derive a market value of the property. Significant assumptions in the 30 June 2026 valuations include market rentals and capitalisation rates:

- Market rents range from: $54.25 to $338.10 per square metre. (2025: $48.81 to $325)
- Capitalisation rates are market-based rates of returns ranging from 6.19% to 9.33% (2025: 6.41% to 9.67%)

Valuation of infrastructure assets

The most recent valuation of council's infrastructure assets was performed by independent registered valuers AON Valuation Services and is effective as at 30 June 2026.

Flood protection assets are valued using the depreciated replacement cost (DRC) method. The DRC is the current cost of replacing an assert with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

DRC is determined using a number of estimates and assumptions:

- The replacement costs of infrastructure assets are adjusted where appropriate for optimisation due to overdesign or surplus capacity. There have been no optimisation adjustments applied in the most recent valuations.
- Estimates of the replacement cost of the asset are based on the expected charges from a local, experienced, and efficient contractor as opposed to “in-house” construction at historical cost levels. Costs are based on replacing the asset in the current environment and derived from councils project managers with experience in similar types and scales of assets, or from published industry rates where available.
- The remaining useful life of infrastructure assets is estimated after considering the asset's age, condition, and maintenance programme. These estimates can be affected by the local conditions, such as weather patterns. Asset inspections are also carried out regularly as part of asset management planning activities, which provide further assurance over useful life estimates.

Infrastructure 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.

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	Disposals: divested by Council $000	Most recent replacement cost estimate for revalued assets $000
2026					
Whangārei Urban Rivers Flood Protection Scheme	9,264	-	-	-	8,422
Awanui River Flood Protection Scheme	32,793	3,046	-	-1,679	30,418
Kāeo-Whangaroa Flood Protection Scheme	1,532	-	-	-	1,532
Panguru Flood Protection Scheme	1,244	-	-	-	1,244
Taumārere Rivers Flood Protection Scheme	5,072	756	-	-3,297	4,971
Kawakawa Flood Protection Scheme	579	563	-	-	579
Mangamuka Flood Protection Scheme	730	639	-	-	730
Total	**51,214**	**5,004**	**-**	**-4,976**	**47,896**
2025					
Whangārei Urban Rivers Flood Protection Scheme	8,788	-	-	-	8,875
Awanui River Flood Protection Scheme	30,408	-	-	-	31,247
Kaeo-Whangaroa Flood Protection Scheme	1,544	485	-	-	1,127
Panguru Flood Protection Scheme	1,207	-	-	-	1,233
Taumārere Rivers Flood Protection Scheme	8,498	8,577	-	-	8,577
Total	**50,445**	**9,062**	**-**	**-**	**51,059**

Capital commitments

	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Property plant and equipment	127	48	127	48
Total capital commitments	**127**	**48**	**127**	**48**

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 (NZU) 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 of 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 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Computer software					
Cost - opening balance		1,986	1,737	1,986	1,737
Accumulated amortisation		(1,708)	(1,622)	(1,708)	(1,622)
Computer software opening carrying amount		**278**	**115**	**278**	**115**
Additions		-	249	-	249
Net disposals*		-	-	-	-
Amortisation charge		(51)	(86)	(51)	(86)
Total computer software closing balance		**227**	**278**	**227**	**278**
Cost		1,986	1,986	1,986	1,986
Accumulated amortisation		(1,759)	(1,708)	(1,759)	(1,708)
Total computer software closing balance		**227**	**278**	**227**	**278**
Total Intangible Assets		**227**	**278**	**227**	**278**

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 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Balance at 1 July		5,013	4,330	5,013	4,330
Gain/(Loss) arising from changes in fair values less estimated point-of-sale costs	2(v)	22	683	22	683
Balance at 30 June		**5,035**	**5,013**	**5,035**	**5,013**

Northland Regional Council owns 295.7ha (2025: 295.7ha) of radiata pine forest which are at varying stages of maturity, ranging from five to 35 years.

Valuation assumptions

Independent registered forestry industry consultants, Forme, have valued forestry assets at fair value less estimated selling costs as at 30 June 2026.

In 2026 (and 2025) 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 2026). The calculated net present value is linked to sales evidence through the application of a discount rate of 7.8% (2025: 7.8%) derived with consideration to the opportunity 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 2026 NZ dollars, i.e. the net impact of inflation is assumed to be zero.

Note 16: Derivative financial instruments

Accounting policy

When Marsden Maritime Holdings Limited was controlled and consolidated by the council, Marsden Maritime Holdings Limited used 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 in 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 of deficit. However, if it expected that all or a portion of a loss 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	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Movement in Marsden Maritime Holdings Limited (parent) hedging		-	(625)
Movement in share of joint venture hedging reserve		-	(461)
Total movement in hedging reserve before tax		-	(1,086)
Taxation on above items		-	304
Total movement in hedging reserve after tax		**-**	**(782)**
Balance 1 July		-	521
Recycled to surplus/(deficit) on disposal of subsidiary		-	261
Balance 30 June		-	-
Balance 30 June - Attributable to controlling interest in Marsden Maritime Holdings Ltd		**-**	**-**

Note 17: Payables and deferred revenue

Breakdown of payables and deferred revenue and further information:

	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
CURRENT PORTION				
Payables and deferred revenue under exchange transactions				
Payables and accruals	5,647	4,845	5,647	4,845
Revenue received in advance	512	583	512	583
	6,159	**5,428**	**6,159**	**5,428**
Payables and deferred revenue under non-exchange transactions				
Grants payable	61	62	61	62
Other grants and deferred revenue received subject to conditions not yet met	3,885	4,877	3,885	4,877
Other taxes	335	442	335	442
	4,281	**5,381**	**4,281**	**5,381**
Current total payables and deferred revenue	**10,440**	**10,809**	**10,440**	**10,809**
NON-CURRENT PORTION				
Payables and deferred revenue under non-exchange transactions				
Other grants received and deferred revenue subject to conditions not yet met	998	626	998	626
Non-current total payables and deferred revenue	**998**	**626**	**998**	**626**

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-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Annual leave	2,081	1,871	2,081	1,871
Accrued salaries and wages	1,611	1,386	1,611	1,386
Other leave	618	468	618	468
	4,310	**3,725**	**4,310**	**3,725**
Represented by:				
Current benefit liabilities	4,290	3,706	4,290	3,706
Non-current benefit liabilities	20	19	20	19
	4,310	**3,725**	**4,310**	**3,725**

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-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Current				
Local Government Funding Agency - borrowing	4,085	6,883	4,085	6,883
Total current borrowings	**4,085**	**6,883**	**4,085**	**6,883**
Non-current				
Local Government Funding Agency - borrowing	57,558	59,158	57,558	59,158
Total non-current borrowings	**57,558**	**59,158**	**57,558**	**59,158**
TOTAL borrowings	**61,643**	**66,041**	**61,643**	**66,041**

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% (2025: 1.98% to 5.65%). The weighted average interest rate for council's outstanding borrowings as at balance date was 4.97% (2025: 4.87%).

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 2026 is $64,921,908 (2025: $69,616,120). Fair values are based on a yield to maturity basis and semi annual interest payments. Fair value rates range from 3.51% to 4.48% (2025: 3.63% to 4.49%).

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-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Accumulated funds				
As at 1 July	341,491	168,165	341,491	208,259
Surplus/(deficit) for year	13,081	131,205	13,081	53,739
Net transfers from/(to) special reserves	(8,023)	41,311	(8,023)	41,311
Net transfers from/(to) other reserves	-	810	-	38,182
As at 30 June	**346,549**	**341,491**	**346,549**	**341,491**

Reserves	Note	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Asset revaluation reserve					
As at 1 July		8,977	8,712	8,977	44,522
Revaluation gains/(losses) - buildings and amenities		875	1,105	875	1,080
Revaluation gains/(losses) - land		3,230	(30)	3,230	1,557
Revaluation gains/(losses) - infrastructure assets		1,092	-	1,092	-
Transfer to accumulated funds		-	(810)	-	(38,182)
As at 30 June		**14,174**	**8,977**	**14,174**	**8,977**
Asset revaluation reserve attributable to:					

Land		6,552	3,322	6,552	3,322
Buildings and amenities		2,424	1,549	2,424	1,549
Infrastructure assets		5,198	4,106	5,198	4,106
Total Asset revaluation reserve		**14,174**	**8,977**	**14,174**	**8,977**
Special reserves					
As at 1 July		**13,959**	**55,270**	**13,959**	**55,270**
Transfers from/(to) accumulated funds		8,023	(41,311)	8,023	(41,311)
As at 30 June		**21,982**	**13,959**	**21,982**	**13,959**
Cashflow hedge reserve					
As at 1 July		**-**	**-**	-	278
Fair value gain/(loss) in the year		24	**-**	24	(418)
Recycled to surplus/(deficit) on disposal of subsidiary		-	-	-	140
As at 30 June		**24**	**-**	**24**	**0**
Total reserves		**36,180**	**22,936**	**36,180**	**22,936**
Non-controlling interest		-	-	-	-
Total equity		**382,729**	**364,427**	**382,729**	**364,427**
Non-controlling interest					
Balance at 1 July		-	-	-	73,850
Share of total comprehensive revenue and expense attributable to the non controlling interest in Marsden Maritime Holdings Limited		-	-	-	3,358
Dividends paid		-	-	-	(1,101)
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)
Balance at 30 June		-	-	-	-

Information about special reserve funds held for a specific purpose is provided below:

Note 20 continued	Activities to which the reserve relates	Balance at 30 June 2026 $000	Balance at 30 June 2025 $000
Land and Freshwater Management reserve	Land and Freshwater	3,400	3,343
Awanui River reserve	River management	(1,246)	(911)
Kaihū River reserve	River management	97	74
Kāeo-Whangaroa Rivers reserve	River management	(294)	329
Whangārei Urban Rivers reserve	River management	(5,530)	(6,040)
Property Reinvestment reserve	Economic development	24,348	24,700
Equalisation reserve	All	1,687	2,413
Hātea River Maintenance reserve	Harbour safety and navigation	20	40
Investment and Growth reserve	Economic development	743	471
Economic Development reserve	Economic development	18,224	17,425
Regional Projects reserve	All	9,643	8,687
Whangārei Transport reserve	Transport	1,421	1,583
Regional Rescue Services Reserve	Community representation and engagement	29	210

Approved Carry Forwards reserve	All	593	711
Flood Infrastructure reserve	River management	(10,880)	(9,545)
Kāeo-Whangaroa Flood Infrastructure reserve	River management	324	926
Awanui Flood Infrastructure reserve	River management	(1,524)	(944)
Whangārei Flood Infrastructure reserve	River management	230	269
Taumārere Flood Infrastructure reserve	River management	(296)	(101)
Far North Transport reserve	Transport	987	795
Regional Sporting Facilities reserve	Economic development	3,193	1,793
Resilience and Volatility reserve (formerly Opex reserve)	All	6,616	6,616
Kaipara Moana Remediation reserve	Kaipara Moana remediation programme	329	(86)
Enterprise System reserve	Enterprise System	(2,700)	(3,097)
Vessel Replacement reserve	Harbour safety and navigation	(2,327)	(2,536)
IRIS Next Generation reserve	IRIS Next Generation	981	759
CDEM Multi Agency Coordination Centre Reserve	Multi Agency Coordination Centre	4,118	3,699
Biosecurity Pest Incursions Response Reserve	Biosecurity	295	311
Joint Venture Company Equalisation reserve	All	(30,499)	(37,935)
Total Special Reserves		**21,982**	**13,959**

Purpose of each reserve fund:

Land and Freshwater Management Reserve
This reserve was created to set aside Land and Freshwater 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.

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) Multi Agency Coordination Centre Reserve
This reserve represents the shortfall in funding relating to the CDEM multi agency coordination 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 programme will accumulate and be held to repay the borrowing at the end of the loan term.

Vessel Replacement Reserve
This reserve represents the balance of the borrowing remaining on the Waikare II vessel, 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).

Regional Rescue Services Reserve
This reserve represents any accumulated targeted Regional Rescue Services Reserve rates collected and unspent in any given year, and held in reserve to cover any future funding shortfalls of Emergency Services funding.

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.

Resilience and Volatility Reserve
This reserve, formerly known as the Operational 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 programme. 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 Northland's 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 invasive 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

Northland Regional 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 of AAA and a foreign currency rating of **AA+**. NZLGFA has a local currency rating from Fitch of AA+ and a foreign currency rating of AA+.

As at 30 June 2026, Northland Regional Council is one of 74 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, Northland Regional Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2026, NZLGFA had borrowings totalling $26,551 million (2025: $25,530 million). Financial reporting standards require council to recognise the guarantee liability at fair value. However, council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. 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 four 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 insurer's counsel. At the end of the reporting period the proceedings were still 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 loses 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 High Court upheld the Māori Land Court's ruling that it does not have jurisdiction to make orders for customary title in respect of freshwater or to order damages for injury to customary title to water. The Appellant subsequently appealed the decision to the Court of Appeal which upheld High Court's ruling. The Appellant has sought leave to the Supreme Court to appeal against the findings of the Court of Appeal (and High Court). The council has opposed the application for leave to appeal and is waiting on the decision from the Supreme Court.

The outcome of these proceedings and any financial exposure for this claim 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 in August 2023 concerning mixed defect claims, a number of proceedings against Riskpool have progressed.

Several member councils have brought proceedings against Riskpool related to such claims. Two of these proceedings have been heard by the High Court, with judgement currently awaited. These cases are expected to provide clarity on the scope of Riskpool's historical obligations and the interpretation of scheme documentation.

At this stage the total potential liability associated with these matters cannot be reliably 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 2026 the council has no contingent assets (2025: Nil).

21(iii): Investment commitments

At 30 June 2026 the council had uncalled committed capital relating to its investment in private equity fund managers of $5,784,263 (2025: $6,568,745).

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.

	Note	Council 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Key management personnel compensation					
Directors/councillor remuneration	4	818	788	818	1,207
Independent (non elected) members of the council remuneration		64	45	64	45
Senior management team including the Chief Executive remuneration		1,898	1,777	1,898	3,137
Total key management personnel compensation		**2,780**	**2,610**	**2,780**	**4,389**
Councillors - full time equivalent members		9	9		
Independent (non elected) members of the council - full time equivalent		3	4		
Senior management team including the Chief Executive - full time equivalent		7	7		
Total key management personnel full time equivalent		**19.00**	**20.00**		

Note 23: Events after balance sheet date

There were no significant events after balance date.

Note 24: Financial instruments

Note 24A: Financial instrument categories

	Note	Council 30-Jun-26 $000	Council 30-Jun-25 $000	(Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
FINANCIAL ASSETS					
Financial assets at amortised cost					
Cash on hand and at trading banks	6	3,604	8,524	3,604	8,524
Term deposits	6,10	13,091	11,291	13,091	11,291
Local government funding agency borrower notes	10	2,261	2,261	2,261	2,261
Debtors and other receivables	7	9,700	8,488	9,700	8,488
Loan to Joint Venture company	10	29,975	34,133	29,975	34,133
Other receivables (long term)	7	678	142	678	142
Total financial assets at amortised cost		**59,309**	**64,839**	**59,309**	**64,839**
Financial assets at fair value through surplus or deficit					
Other financial assets:					
Income funds	10	19,999	21,746	19,999	21,746
Equity Funds	10	47,926	41,344	47,926	41,344
Convertible Notes	10	5,047	4,990	5,047	4,990
Other loans	10	1,323	1,316	1,323	1,316
Investment in Regional Software Holdings Limited	12(ii)	79	387	79	387
Total financial assets at fair value through surplus or deficit		**74,375**	**69,783**	**74,375**	**69,783**
FINANCIAL LIABILITIES					
Financial liabilities measured at amortised cost					
Creditors and other payables	17	11,438	11,435	11,438	11,435
Borrowings:					
Local government funding agency - bond issuance	19	61,643	66,041	61,643	66,041
Total financial liabilities measured at amortised cost		**73,081**	**77,476**	**73,081**	**77,476**

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 and investment in Regional Software Holdings Limited (below) which are classified as level 3.

Level 3 fair values - Convertible Notes

The value of the convertible feature at Inception associated with the Convertible Note (CN) was assessed using a binomial model. In the binomial model 100 steps have been used, with projected share price adjusted for dilution that would take place by exercise of the option at $30k per share compared to the existing share price.

At Inception the value of the straight bond element of the CN was assessed to be $3,991k, the value remaining after deducting the assessed CN value of $1,009k from the face value of $5,000k. This value of $3,991k, was used to calculate the implied Internal Rate of Return, based on the cash flows for interest and principal, and timings for the straight bond. This implied discount rate has been used to assess the margin above risk-free rate at Inception.

At 30 June 2026, the value of the convertible feature of $837k has been valued using the updated assumptions at that date, and the value of the straight bond was assessed using the cash flows until maturity and an updated discount rate, considering the risk-free rate at 30 June 2026 and the margin above risk-free rate determined at Inception.

		30-Jun-26	30-Jun-25
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.	3.84%	3.86%
Discount rate	The discount rate used for determining the valuation of the straight bonds was determined by taking the risk-free rate at Valuation Date, and adding the margin above risk-free rate determined at Inception.	11.91%	11.93%
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.	22.2% average annualised	23.2% average annualised

A reasonable possible change in these key inputs holding all other constants, would have the following impact to surplus or deficit:

	30-Jun-26 Surplus or Deficit		30-Jun-25 Surplus or Deficit	
	+1% $000	-1% $000	+1% $000	-1% $000
Risk free rate (at 30 June 2026)	2	117	(66)	75
Discount Rate (at 30 June 2026)	(61)	179	(41)	43
Share price volatility (average annualised)	81	32	25	(25)

Level 3 fair values - Investment in Regional Software Holdings Limited

The investment in Regional Software Holdings Limited (RSHL) was valued using a discounted cash flow methodology.

The value of the council's 1,675 Class B shares was determined based on the estimated cost savings from continuing to use RSHL's legacy software (IRIS Classic) until its expected retirement in mid 2029, compared with paying for a comparable market-based software solution. The resulting valuation was $79,000.

Under the RSHL Shareholders Agreement, Class A shares can only be sold for $1.00. As a result, the council's single Class A share was valued at $1 in accordance with PBE IPSAS 41.

The Key inputs and assumption used in the valuation include:

		30-Jun-26	30-Jun-25
Discount rate	Based on council's 2025 weighted average rate of borrowing	5.00%	-
Inflation rate	Estimate over next three years	2.50%	-
Annual cost of an equivalent software solution	Estimated mid-point of 3 similar software solutions currently available in the market	$135,000	-
Annual cost paid to RSHL for the use of IRIS Classic	Actual cost paid by council in RSHL in 2026	$97,000	-

A reasonable possible change in these key inputs holding all other constants, would have the following impact to council's surplus or deficit:

		30-Jun-26 Surplus or Deficit		30-Jun-25 Surplus or Deficit	
		$000	$000	$000	$000
Discount rate	+/-1%	(1)	1	-	-
Inflation Rate	+/-1%	1	(1)	-	-
Annual cost of an equivalent software solution	+/-$10,000	20	(20)	-	-
Annual cost paid to RSHL for the use of IRIS Classic	+/-$10,000	(20)	20	-	-

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 has an investment funds portfolio and administers this with overarching independent investment advice from Russell Investments. This portfolio is 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 investment is prepared by Russell Investments, and any breach of compliance with the SIPO is also reported quarterly to council's Investment 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:

Investment Funds Portfolio;

Equity securities price risk arises on listed share investments and can be minimised through diversification. At 30 June 2026 council's externally managed investment fund was diversified over 9 fund managers (2025: 18). The use of a wide range of fund managers with different mandates and different asset allocations mitigates councils 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. Refer to Note 24B for more detail.

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 30-Jun-26 $000	Council 30-Jun-25 $000	Consolidated (Council only) 30-Jun-26 $000	Consolidated 30-Jun-25 $000
Managed Investment funds portfolio: Private equity investments in:				
Continuity Capital Fund (No.5) & (No.7)	4,561	3,451	4,561	3,451
MLC Private Equity funds (II) & (III) & (IV)	1,792	1,680	1,792	1,680
Schroders Real Return +5% Fund	-	2,485	-	2,485
Federation Alternative Fund	416	1,390	416	1,390
Fermat ILS Fund	-	953	-	953
Nanuk New World Fund	-	1,489	-	1,489
CPE Capital (No.9)	226	137	226	137
Total exposure to currency risk	**6,995**	**11,585**	**6,995**	**11,585**

During the year, the Federation Alternative Private Equity Fund wrote down its investment in Fast Group to zero, resulting in a 71% reduction in the Federation Alternative Fund's net asset value. This reduction has been reflected in the fair value of the council's funds investment portfolio (Note 10) at balance date.

Currency risk is managed through the portfolio's strategic asset allocation and hedging programme. Income-generating defensive asset classes are targeted to be fully hedged back to New Zealand dollars. Growth asset classes may have hedging levels ranging from 0% to 100%, with the appropriate level determined by council's Investment Committee in consultation with Russell Investments, taking into account market conditions and long-term investment objectives. The Investment funds portfolio does not speculate on currency.

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 and its $61.6m (2025: $66m) borrowings in the form of Local Government Funding Agency fixed coupon and fixed zero 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.

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 Investment Funds Portfolio is minimised by setting maximum portfolio limits on each asset class of investment. Council's SIPO ensures credit risk of each fund 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%.

Contractual maturity of financial liabilities	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
Council 2026						
Creditors and other payables	11,438	11,438	10,440	998	-	-
Local Government Funding Agency - Bond Issuance	61,643	84,979	7,114	19,241	6,645	51,979
Total	**73,081**	**96,417**	**17,554**	**20,239**	**6,645**	**51,979**
Consolidated (Council only) 2026						
Creditors and other payables	11,438	11,438	10,440	998	-	-
Local Government Funding Agency - Bond Issuance	61,643	84,979	7,114	19,241	6,645	51,979
Total	**73,081**	**96,417**	**17,554**	**20,239**	**6,645**	**51,979**
Council 2025						
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
Total	**77,476**	**103,923**	**20,863**	**15,853**	**13,007**	**54,200**
Consolidated 2025						
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
Total	**77,476**	**103,923**	**20,863**	**15,853**	**13,007**	**54,200**

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	2026				2025			
	+1%		-1%		+1%		-1%	
	Surplus $000	Other Equity $000	Surplus $000	Other Equity $000	Surplus $000	Other Equity $000	Surplus $000	Other Equity $000
COUNCIL								
Total sensitivity to interest rate risk	1,169	-	(1,169)	-	852	-	(852)	-

	2026				2025			
	+1%		-1%		+1%		-1%	
	Surplus $000	Other Equity $000	Surplus $000	Other Equity $000	Surplus $000	Other Equity $000	Surplus $000	Other Equity $000
CONSOLIDATED (Council only)								
Total sensitivity to interest rate risk	1,169	-	(1,169)	-	852	-	(852)	-

Borrowings

Council has $61.6m of external borrowings in the form of Local Government Funding Agency fixed coupon and fixed zero 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-26	30-Jun-25
The number of rating units within council's region at 30 June:	102,908	101,612
The total capital value of rating units within council's region at 30 June:	$93,447,851,740	$91,221,328,115
The total land value of rating units within council's region at 30 June:	$51,268,089,485	$49,762,700,460

Insurance of assets

At 30 June 2026 council had assets covered by full replacement insurance of $167,259,766 (2025: $164,673,108) and indemnity insurance of $70,000 (2025: $70,000). At 30 June 2026 there are no assets self insured (2025: 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 2026 council had no internal borrowing (2025: nil).

Council funding impact statement

Period ending 30 June 2026

	Amended Long Term Plan 2024/25 $000	Actual 2024/25 $000	Annual Plan 2025/26 $000	Actual 2025/26 $000
Sources of operating funding				
General rates, uniform annual general charges, and rates penalties	-	699	-	751
Targeted rates	54,815	54,517	56,758	57,133
Subsidies and grants for operating purposes	13,397	15,203	10,902	13,690
Fees and charges	6,342	7,913	5,925	7,548
Interest and dividends from investments	1,462	8,190	5,889	10,114
Local authorities fuel tax, fines, infringement fees and other receipts	9,491	4,321	7,968	4,628
TOTAL OPERATING FUNDING	**85,507**	**90,843**	**87,442**	**93,864**
Applications of operating funding				
Payments to staff and suppliers	79,876	82,372	82,181	82,732
Finance costs	2,031	1,277	3,461	3,198
Other operating funding applications	-	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING	**81,907**	**83,649**	**85,642**	**85,930**
Surplus/(deficit) of operating funding	**3,600**	**7,194**	**1,800**	**7,934**
Sources of capital funding				
Subsidies and grants for capital purposes	5,938	6,427	230	1,683
Increase/(decrease) in debt	45,966	40,190	3,804	(4,398)
Gross proceeds from sale of assets	-	-	-	2,156
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING	**51,904**	**46,617**	**4,034**	**(559)**
Applications of capital funding				
Capital expenditure:				
to meet additional demand	-	-	-	-
to improve levels of service	17,582	4,937	11,094	6,482
to replace existing assets	736	3,423	773	2,351
Increase/(decrease) in reserves	7,779	11,315	(752)	8,023
Increase/(decrease) of investments	29,407	34,136	(5,281)	(9,481)
TOTAL APPLICATIONS OF CAPITAL FUNDING	**55,504**	**53,811**	**5,834**	**7,375**
Surplus/(deficit) of capital funding	**(3,600)**	**(7,194)**	**(1,800)**	**(7,934)**
FUNDING BALANCE	**-**	-	**-**	-

Reconciliation to the statement of comprehensive revenue and expense

Period ending 30 June 2026

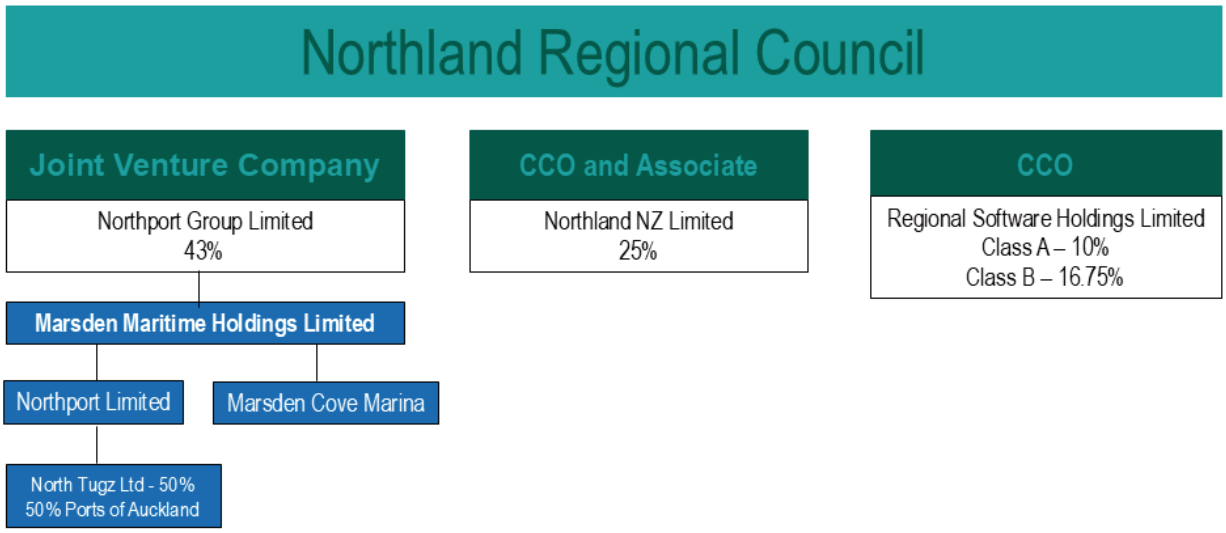
	Amended Long Term Plan 2024/25 $000	Actual 2024/25 $000	Annual Plan 2025/26 $000	Actual 2025/26 $000
Capital expenditure included above, not in comprehensive revenue and expense	18,318	8,360	11,867	8,832
Investment movements included above, not in comprehensive revenue and expense	29,407	34,136	(5,281)	(9,480)
Gross proceeds included above, not in comprehensive revenue and expense	-	-	-	(2,156)
Increase/(decrease) in debt included above, not in comprehensive revenue and expense	(45,966)	(40,190)	(3,804)	4,398
Transfers to/(from) special reserves included above, not in comprehensive revenue and expense	7,779	11,315	(752)	8,023
Gains on asset disposals included in comprehensive revenue and expense, not above	-	(478)	-	30
Depreciation and amortisation expense included in comprehensive revenue and expense, not above	(2,442)	(2,176)	(2,675)	(2,279)
Divested assets included in comprehensive revenue and expense, not above	-	-	-	(5,089)
Financial assets fair value adjustments included in comprehensive revenue and expense, not above	116,172	116,126	-	(251)
Revaluation adjustments included in comprehensive revenue and expense, not above	1,539	4,105	1,451	2,815
Share of associate and joint venture company surplus/(deficit) included in comprehensive revenue and expense, not above	-	34	834	6,481
Income tax expense included in comprehensive revenue and expense, not above	-	-	-	1,752
Reversal of impairment included in comprehensive revenue and expense, not above	-	(27)	-	5
Revaluation adjustments included in other comprehensive revenue and expense, not above	-	1,075	1,057	5,221
Total comprehensive revenue and expense per the statement of comprehensive revenue and expense	**124,807**	**132,280**	**2,696**	**18,302**

Wāhanga tuarima: Ngā rōpū e tūhonongia ana ki te Kaunihera

Section five: Related organisations



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 NZ Limited and Regional Software Holdings Limited.

During the 2025 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 2025 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 NZ Limited

About this council-controlled organisation (CCO)

Northland NZ Limited, formerly named Northland Inc Limited, was established in July 2012, and is the region's economic development agency and regional tourism organisation. Prior to 1 July 2021, it was 100% owned by Northland Regional Council (NRC). 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 NZ 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 through the Joint Regional Economic Development Committee. Operational activity is led by a chief executive officer.

Policies and objectives

The mission of Northland NZ Limited is to make purposeful economic development impact that builds resilience and improves the prosperity, wellness and equity of Taitokerau Northland. Ten work areas separated into four strategic priorities (pou) and six enablers are set out in the 2025-26 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.
Strategic Pou 4: Innovation & Enterprise	Support small to medium enterprises SME's and Start Ups who want to start or grow their business in Te Tai Tokerau Northland.
Enabler 1: 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 NZ to ensure that Te Tai Tokerau Northland understands and values the efforts of Northland NZ.
Enabler 2: 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 3: Environmental Sustainability	Help Te Tai Tokerau Northland businesses achieve environmental sustainability; through partnerships that provide support and practical programmes.
Enabler 4: 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 5: Organisational Culture and Capability	Uphold our culture where we are respectful, and supportive of one another; our histories, our whānau, our aspirations and development journey.
Enabler 6: Workforce Development	Support the development of a skilled and resilient workforce and workforce pipeline, to ensure our people match employment opportunities.

Investment and Growth Reserve

Northland NZ 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 NZ 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 NZ Limited.
- 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 NZ Limited.
- 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 NZ Limited's activities during 2025-26 against the 15 key performance indicators set for seven of the work areas. Key performance indicators were not set for enablers 4-6.

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, 8
Number of high impact projects that are being actively supported	4	Achieved, 7

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, 8
Number of businesses and landowners that as a result of engagement are exploring, developing, leading and delivering on change activity	24	Achieved, 24

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, 2
Number of Destination Management Plan initiatives completed in partnership with stakeholders	7	Not 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, 342
Proportion of those businesses assisted that are Māori	35%	Not achieved, 32%
Client satisfaction with businesses assistance provided by Northland NZ as measured by Net Promotor Score	NPS>50	Achieved, 94

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, 10
Number of media features that profile the region	24	Achieved, 37
Number of media activity that reference Northland NZ	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	20	Achieved, 20
Proportion of Māori organisations that are satisfied with Northland NZ support	>80%	Achieved, 83%

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 environmental sustainability	20	Achieved, 25

There were two enabling investment project allocations made in 2025-26 by the Joint Regional Economic Development Committee, both received by Northland NZ: $250,000 for the Tuputupu-Grow Northland programme and $90,000 for Inward Delegations. Four projects received project development funding totalling $130,000.

Regional Software Holdings Limited

Regional Software Holdings Limited (RSHL) is the shared services vehicle for Te Uru Kahika. RSHL is a public limited liability company owned by 10 regional and unitary councils. RSHL is a not-for-profit Council Controlled Organisation (CCO) and all 16 regional and unitary councils in New Zealand are customers of RSHL along with a small number of territorial authorities and central government.

RSHL provides a framework for collaboration in local government and delivers a wide range of digital, operational and financial programmes for councils at national and inter regional scale. RSHL provides a more cost-effective alternative than individual councils can achieve on their own.

The shareholding of RSHL as at 30 June 2026 is as follows:

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	

Performance Measures

The following performance measures were incorporated into the Statement of Intent for the 2025-26 financial year.

Non-financial	1 July 2025 - 30 June 2026
All projects and programmes will follow an appropriate approval pathway for their size, scope and complexity.	Achieved
All programmes will have an effective governance structure and planning processes appropriate to the size and complexity of the programme.	Achieved
Draft plans and budgets will be set before 1 March, final plans and budgets will be set by 30 June.	Achieved
An independent assurance review will be completed for major programmes each year.	Not Achieved - During FY26 the IRIS NextGen programme progressed from build and testing into the implementation phase, with the pilot implementation at Otago Regional Council providing the opportunity to validate the solution, implementation approach and change model before wider rollout. In this period, the Programme navigated a series of delays while the software platform was being completed. RSHL also worked with councils to assess the impacts of the new resource planning system and local government reform. Because of this, there was insufficient budget or operational capacity to support an independent quality review. A review will be conducted in the first part of FY27, and scoping and procurement activities are under way.
All programmes will meet agreed delivery targets set by the programme governance group each year.	Achieved
Annual performance surveys will be completed with participating councils. Survey feedback will be considered and actioned where appropriate – including sharing feedback with the Board.	Partially Achieved. In December 2025 the board approved an agreement with BioSecurity NZ for $3M in funding to support regional preparedness for the Avian Influenza. As the project was initiated and completed within a 6-month timeframe, independent quality assurance was not practical. Councils were surveyed to assess their preparedness for HPAI. Councils were not surveyed with respect to RSHL Performance.
All services are clearly defined, including service definition, service level expectations and funding models.	Achieved

All services will have an effective customer advisory structure appropriate to the size and complexity of the service.	Achieved
All services will meet or exceed agreed service level expectations each year.	N/A - this performance measure is to be in place for FY2027.
We will operate within approved budget, with any material variations approved by the board.	Achieved
We will meet all statutory governance and reporting deadlines.	Achieved
The board will operate according to the Institute of Directors' Code of Practice.	Achieved - in the previous 6 months the board has developed and adopted a charter and Code of Conduct to underpin their commitment to operate according to the Institute of Directors Code of Practice.

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