Northland
REGIONAL COUNCIL
Te Kaunihera ā rohe o Te Taitokerau

Pūrongo ā Tau Whakarāpopototanga 2026

Annual Report Summary 2026





This summary of Northland Regional Council activities is for the year 1 July 2025 to 30 June 2026 and contains information from our full Annual Report 2026. The full report for the financial year to 30 June 2026, and this Annual Report Summary, were authorised for issue by resolution of Northland Regional Council on 20 October 2026. For our full audited Annual Report, visit www.nrc.govt.nz/annualreport



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Kia ora and welcome

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



Ngā hua o 2025/26 | Highlights of 2025/26

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 reflects 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.

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

Te taiao | 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 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.

The Land Management team delivered three funding programmes incentivising sustainable land management, allocating more than $1.33M.

Community led pest control

The Biosecurity Partnerships Programme continues to deliver robust biosecurity and biodiversity outcomes across Northland by empowering iwi/hapū, 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 $862,000 towards these.

The Biosecurity Partnerships Programme continues to deliver strong biodiversity and community outcomes across Northland, allocating $862,000.

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 Pureua-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.

The programmes delivered significant landscape-scale predator eradication gains across Northland, supported by innovative technology, strong community partnerships, and increased mana whenua-led delivery.

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.

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.

Tiakina te taiao, tuia te here tangata
Nurture the environment, bring together the people.

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.

One lake was ranked having an 'Outstanding' ecological score and five lake were assessed as 'High'.





Te aumangeatanga hapori | 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.

Council developed and tested new high-resolution Highly Erodible Land (HEL) and erosion risk maps.

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 410m3 of floodwaters were flowing down the Awanui River every second. That compared to a figure of 220m3 a second during the catastrophic 1958 flood and 258m3 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.

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.

Te hautūtanga ā-rohe | 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.

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

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.

Tā mātou mahi whakarāpopoto
Summary of our performance

For more information, please refer to the full Annual Report 2026.

Te taiao
Natural environment



11 out of 18 targets met

100%

Time that flood-level monitoring is accurate (to enable flood warnings to be developed) and is made available on council's website

100%

Council environmental networks monitored for water quality and quantity, and ecology, with results made available on council's website

100%

Freshwater management units where council is providing sustainable land management support

13,894 (target 15,000)

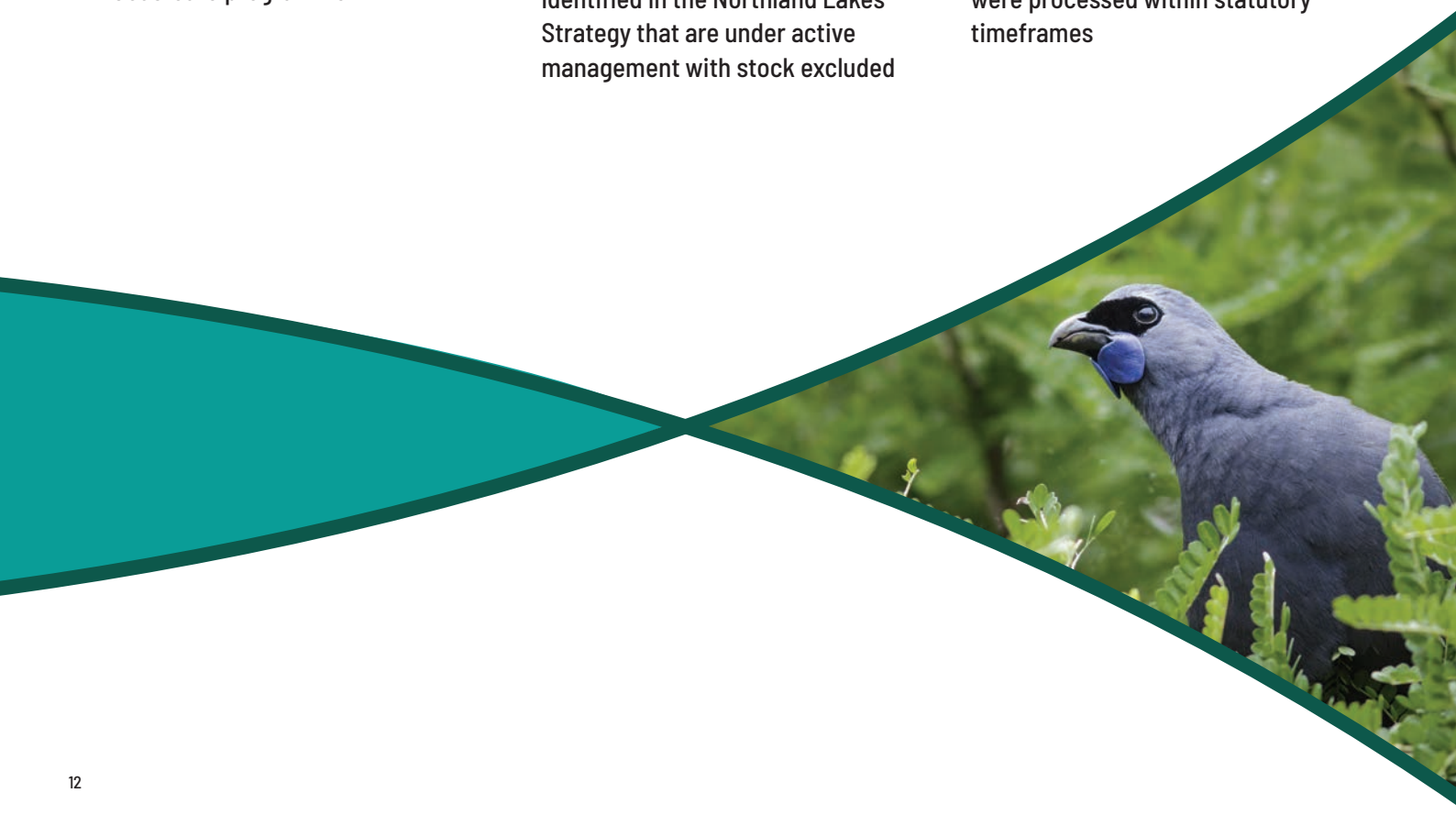
Plants provided through the Coastcare programme

24 (target 20)

Number of top-ranked lakes identified in the Northland Lakes Strategy that are under active management with stock excluded

99.7% (target 100)

Resource consent applications that were processed within statutory timeframes



Te aumangeatanga hapori Community resilience



11 out of 14 targets met

Zero

Floods occurred as result of failures of flood protection systems below specified design levels for the Awanui, Whangārei, Kāeo, Panguru and Otiria/Moerewa schemes

100%

Actions implemented to reduce flood risk across the region, particularly in the most vulnerable communities, as set out in the flood adaptation work programme

63 plans (baseline 63)

Number of up-to-date community response plans and marae preparedness plans in place

100%

Council's Climate Resilience Communities Fund allocated to Northland's most vulnerable communities

99%

Passengers surveyed on the Whangārei, Kaitaia and Mid-North bus services every two years that are satisfied with the overall service provided

Te hautūtanga ā-rohe Regional Leadership



12 out of 17 targets met

99.8% (target 100%)

Official information requests that were responded to within 20 working days

100%

Time that council decisions actively involve the community, in accordance with council's Significance and Engagement Policy

Complete

An independent Treaty Health Check is completed bi-annually, and recommendations from this are being implemented

100%

Councillors and Executive Leadership Team that participated in annual core cultural competency training

100%

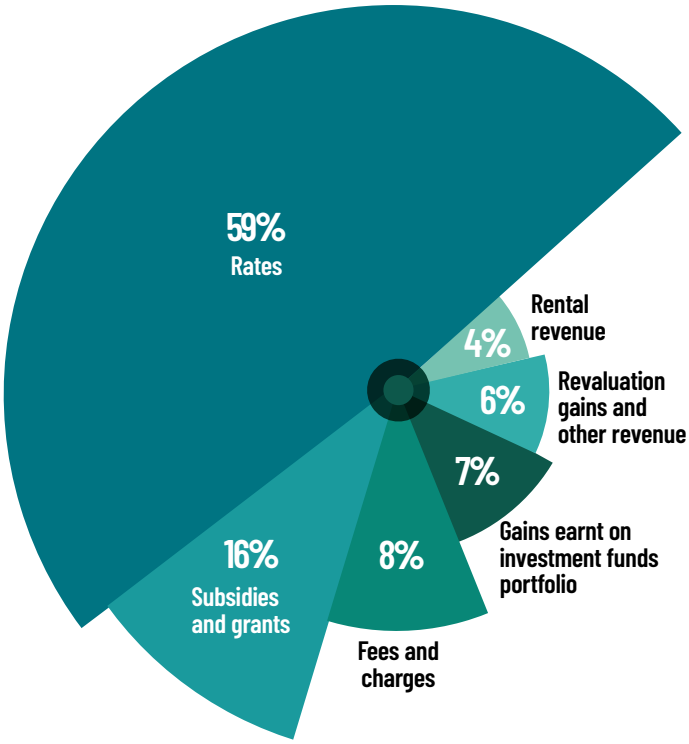
Council is contributing to at least one big infrastructure project that supports economic development in the region each year

88% (baseline 88%)

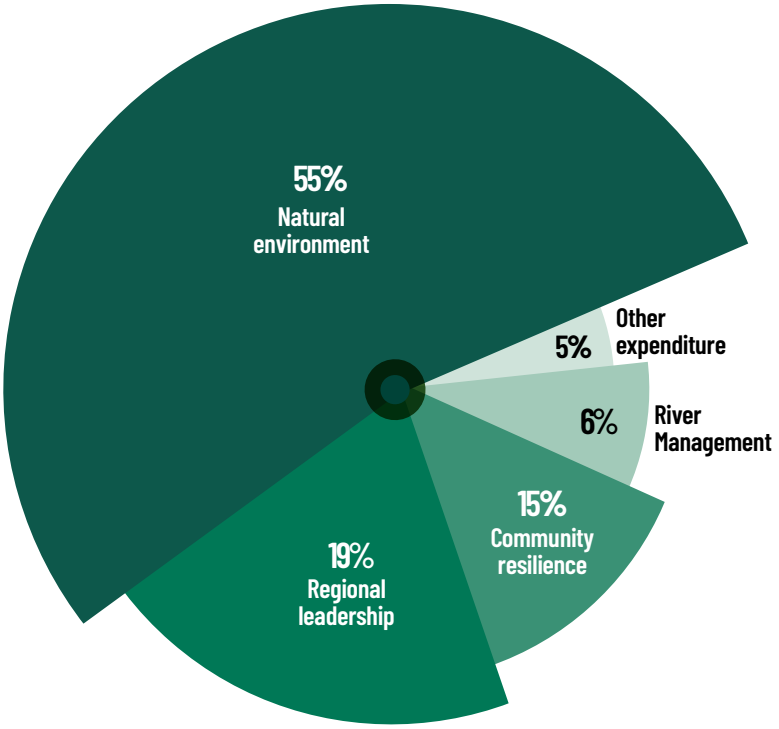
Customers surveyed who are satisfied with the quality of service received following an interaction with council

Te whakarāpopoto o te pūrongo pūtea
Financial summary

$98m Actual Revenue and fair value gains



$94m Actual Operational Spending



Council's revenue and fair value gains for the 2025-26 financial year was $12.6m more than the Annual Plan budget for 2025-26, primarily due to:

» Higher than budgeted gains generated from the investment funds portfolio of $3m.

» Higher than budgeted subsidies received for exotic Caulerpa response of $3m.

» Higher than budgeted gains on revaluation of investment property of $1.4m.

» Unbudgeted subsidies received for the flood resilience programme of $1.4m.

» Higher than budgeted rental revenue and unbudgeted recovery of Strategic review costs of $1.1m.

Council's total expenditure for the 2025-26 financial year was $5.2m more than the Annual Plan budget for 2025-26 primarily due to:

» The divestment of flood infrastructure assets valued at $5.1m to the Far North District Council.

Other budget variations

Council's non current assets are higher than the Annual Plan budget for 2025-26 primarily due to council's higher than budgeted share of Northport Group Limited's surplus, which increased the carrying value of the investment.

Council's non-current liabilities are lower than the Annual Plan budget for 2025-26 primarily due to lower than planned long term borrowings drawn down for projects and investment activities.

Statement of Comprehensive Revenue and Expense

For the year ended	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					
Net gain on derecognition of subsidiary	-	-	116,173	-	37,500
Rates	57,884	56,758	55,216	57,884	55,216
Other Operating revenue (excluding share of associate and joint venture surplus)	40,518	29,027	46,607	40,518	58,736
Total revenue and fair value gains	**98,402**	**85,785**	**217,996**	**98,402**	**151,452**
EXPENDITURE					
Finance costs	3,198	3,461	1,277	3,198	3,601
Other Operating expenses	90,356	84,856	85,548	90,356	100,408
Total expenditure	**93,554**	**88,317**	**86,825**	**93,554**	**104,009**
Share of associate and joint venture surplus	6,481	4,171	34	6,481	8.553
Income tax credit	1,752	-	-	1,752	114
SURPLUS/(DEFICIT) AFTER TAX	**13,081**	**1,639**	**131,205**	**13,081**	**56,110**
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/(deficit)					
Share of joint venture net cashflow hedge gain/(loss)	24	-	-	24	-
Share of subsidiary net cashflow hedge gain/(loss)	-	-	-	-	(781)
Items that will be reclassified to surplus/(deficit)					
Gain on property revaluations (other than investment properties)	312	-	1,075	312	3,987
Gain on infrastructure asset revaluations	1,092	1,057	-	1,092	-
Share of joint venture gain on asset revaluations	3,020	-	-	3,020	-
Share of joint venture gain on property revaluations (other than investment properties)	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**
Attributable to:					
Northland Regional Council	18,302	2,696	132,280	18,302	55,958
Non-controlling interest	-	-	-	-	3,358
	18,302	**2,696**	**132,280**	**18,302**	**59,316**

Statement of Financial Position

As at:	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
Current assets	36,087	36,932	31,881	36,087	31,881
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**
Current liabilities	(18,815)	(18,348)	(21,398)	(18,815)	(21,398)
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/EQUITY	**382,729**	**358,973**	**364,427**	**382,729**	**364,427**

Statement of Changes in Equity

For the year ended	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
OPENING BALANCE	364,427	356,277	232,147	364,427	382,179
Total comprehensive revenue and expense for the year	18,302	2,696	132,280	18,302	59,316
Dividends paid	-	-	-	-	(1,101)
Derecognition of hedging reserve on derecognition of subsidiary	-	-	-	-	260
Elimination of non controlling interest on derecognition of subsidiary	-	-	-	-	(76,227)
CLOSING EQUITY	**382,729**	**358,973**	**364,427**	**382,729**	**364,427**
Attributable to:					
Northland Regional Council	382,729	358,973	364,427	382,729	364,427
Non-controlling Interest	-	-	-	-	-
	382,729	**358,973**	**364,427**	**382,729**	**364,427**
COMPONENTS OF EQUITY					
Accumulated funds	346,549	346,725	341,491	346,549	341,491
Asset revaluation reserve	14,174	9,460	8,977	14,174	8,977
Hedging reserve	24	-	-	24	-
Special reserves	21,982	2,788	13,959	21,982	13,959
	382,729	**358,973**	**364,427**	**382,729**	**364,427**

Consolidated Statement of Cash Flows

For the year ended	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
Net cash from operating activities	928	(2,898)	8,115	928	6,240
Net cash from investing activities	3,702	64	(46,569)	3,702	(50,416)
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
Closing cash, cash equivalents and bank overdrafts at the end of the year	**11,769**	**10,551**	**11,524**	**11,769**	**11,524**

The accompanying notes form part of these financial statements.
The summary financial statements are presented in New Zealand dollars rounded to the nearest thousand dollars ($000), unless otherwise stated.
* 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.

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 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.

Accounting Policies

Northland Regional Council (the 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 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, the council, and the council's interests in its:

» Subsidiary ('controlled entity') – Marsden Maritime Holding Limited which was derecognised in a step-down transaction during the reporting period.

» 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).

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.

Audited statements of the council and group for the 12 months to 30 June 2026 have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

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

The Annual Report Summary has been audited for consistency with the full Annual Report and the audit opinion issued by Deloitte, on behalf of the Auditor-General is included as part of this document. The full Annual Report received an unmodified Audit Report and was adopted by council on 20 October 2026.

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

Summary of Contingent Assets and Liabilities

Contingent assets

At 30 June 2026 the council has no contingent assets.

Contingent liabilities

Council is a guarantor of the New Zealand Local Government Funding Agency (NZLGFA). As part of the arrangement council has guaranteed the debt obligations of the LGFA along with other guaranteeing shareholders and participants of the LGFA in proportion to its level of rates revenue.

At 30 June 2026, the NZLGFA had borrowings totalling $26,551m (2025: $25,530m).

Legal claims

A complicated civil claim was lodged against council in 2024, and 4 other parties, seeking damages of $3.5m for alleged negligence in performing its responsibilities regarding the granting and monitoring of a resource consent.

Council is defending the claim and is a third party to the proceedings, represented by its 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 losses associated with council exercising its powers under the Resource Management Act 1991. Those proceedings have been on hold while the jurisdiction of Māori Land Court to hear and determine the proceedings is established by the higher courts. The 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.

The 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.

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.

Other Legal Claims

At year end the council was a respondent or defendant in several 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 councils 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.

Breach of legislation

There were no significant breaches of legislation during the year.

Events after balance date

There were no significant events after balance date.

The Audit Office
Te Mana Arotake

Independent Auditor's Report

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

The summary of the annual report was derived from the annual report of the Northland Regional Council (the Council) for the year ended 30 June 2026.

The summary of the annual report comprises the following information on pages 12 to 18:

- the summary statement of financial position of the Council as at 30 June 2026;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and consolidated statement of cash flows of the Council for the year ended 30 June 2026;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the statement of service provision.

Opinion

In our opinion:

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

Emphasis of Matter: Local Government reform

- As described on page 16, 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.

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2026 in our auditor's report dated 20 October 2026.

Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

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.



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

Northland
REGIONAL COUNCIL
Te Kaunihera ā rohe o Te Taitokerau

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