



Community Outcomes

Community Outcomes

This document (the 2008-2009 Annual Plan) focuses on Year 3 of the Community Plan whilst still retaining the long-term strategic direction or vision set out in the 2006 - 2016 Community Plan. The long-term vision was created after a comprehensive consultation process to identify community outcomes. Community outcomes are the priorities that the community consider important for its wellbeing.

The 2006-2016 Community Plan includes 6 community outcomes desired by the Gisborne and East Coast communities.

These outcomes are:

Vibrant Communities

- ▶ A variety of events and activities to inspire community participation and draw people to the area.
 - ▶ Town centres are alive and busy.
 - ▶ A range of sport, recreation and leisure opportunities.
 - ▶ Our heritage and uniqueness is celebrated through the arts, culture and spirituality.
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Connected Communities

- ▶ Affordable, safe and reliable transport networks.
 - ▶ People feel connected and part of communities, locally, nationally and globally.
 - ▶ Access to all essential goods and services.
 - ▶ People have a link to their heritage.
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Prosperous Communities

- ▶ A high standard of living.
 - ▶ A thriving economy that provides varied employment opportunities.
 - ▶ Future prosperity through investment in education and training.
 - ▶ Pride of self and community.
 - ▶ Communities are proud of their environment and willing and able to care for it for future generations.
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Safe and Healthy Haven

- ▶ People feel safe to walk at night in the city centre.
 - ▶ Security of person and property.
 - ▶ Our roads and footpaths are safe to walk, cycle and drive on.
 - ▶ Freedom from health risks and harm.
 - ▶ People are well and active.
 - ▶ Guardianship of our environment for future generations.
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Positive Leadership

- ▶ Businesses are leaders in their field.
 - ▶ Top quality health, education and social services.
 - ▶ People are able to reach their full potential.
 - ▶ Positive stewardship and improvements in infrastructure promoting environmental sustainability.
 - ▶ Individuals are responsible for their environment.
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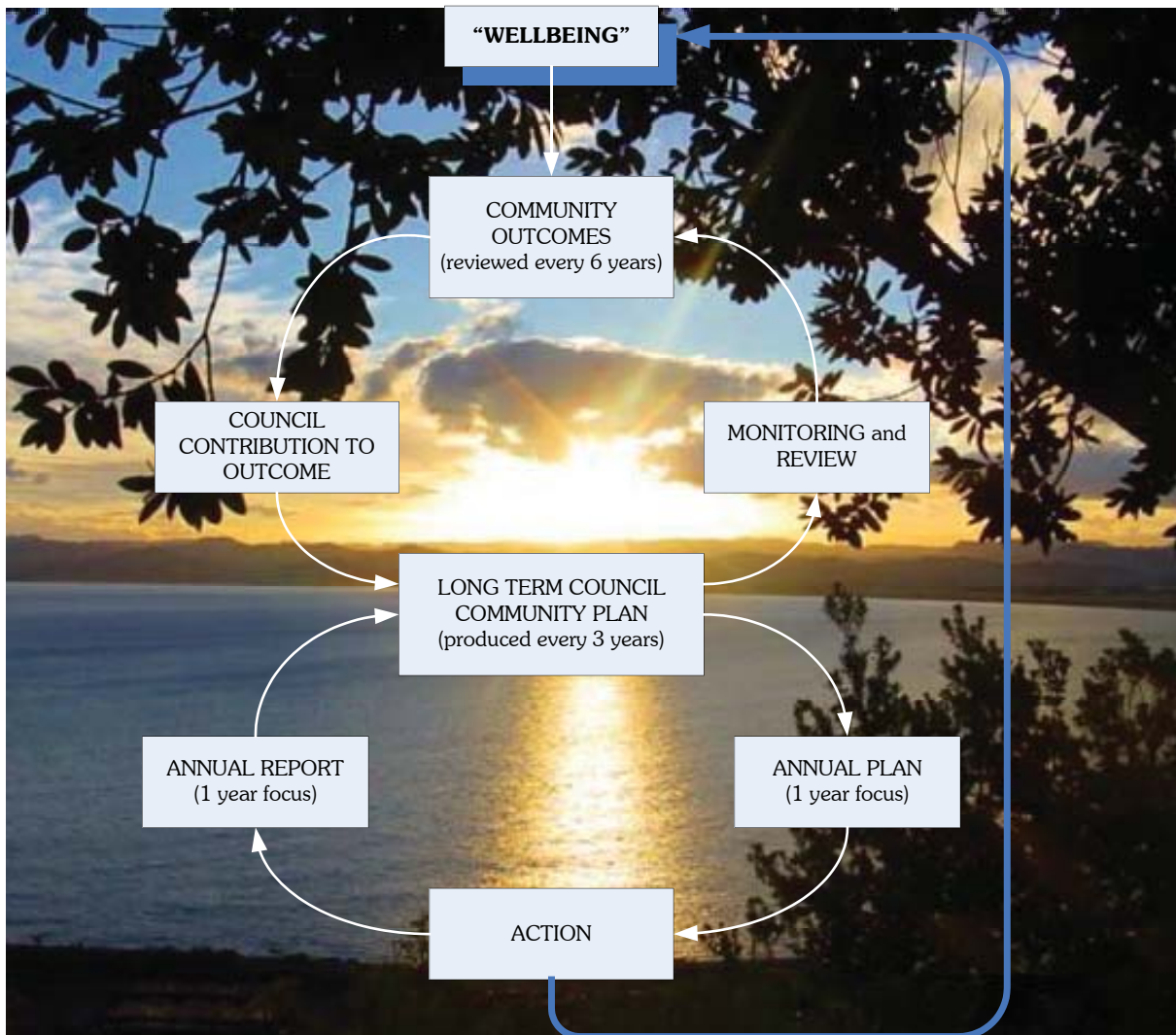
Community Outcomes

Fair and Active Democracy

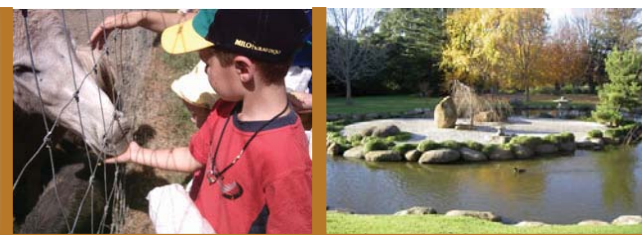
- ▶ People and organisations have confidence in the decision-making process.
- ▶ People are inspired to actively participate in community affairs.
- ▶ Open and transparent governance.
- ▶ Entrepreneurial spirit is encouraged.

These community outcomes provide a vision of the Gisborne district that Council can actively work towards in its policies and decisions. Council must also collaborate with other organisations and groups to make these outcomes a reality.

Planning Cycle



Key Financial Information



Key Financial Information

THE NATURE OF PROSPECTIVE FINANCIAL INFORMATION CAUTIONARY NOTE

The prospective financial information contained in this Statement of Proposal is a forecast, and has been prepared on the basis of assumptions as to future events that the Council reasonably expects to occur, associated with the actions it reasonably expects to take as at the date the forecast was prepared.

The forecast relates to events and actions which have not yet occurred and may not occur. As has been noted the costs stated are indicative only and the actual contract costs for the period covered is likely to vary from the financial information presented and the variations may be material.

FORECAST INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Forecast 2009 LTCCP \$000	Forecast 2009 Revised \$000
REVENUE		
Grants & Subsidies - Operational	8,679	8,654
Grants & Subsidies - Capital	9,666	9,916
Other Revenue	13,938	12,522
Rates	41,151	41,350
TOTAL REVENUE	73,434	72,442
EXPENDITURE		
Democratic Process	1,276	1,509
Policy & Facilitation	1,518	1,534
Asset Management Unit	45,510	42,328
Environmental & Sustainable Management	6,443	7,003
Business & Community Units	3,563	3,604
Support Services	7,478	8,278
TOTAL EXPENDITURE	65,778	64,256
OPERATING SURPLUS/(DEFICIT)	\$7,646	\$8,186

Note

Revenue from the Government Grants and Subsidies includes \$9.9M relating to grants received where the associated expenditure has been capitalised. Expenditure relating to these projects will be recognised (primarily as depreciation) over the life of the capitalised assets. The Gisborne District Council has budgeted for a net surplus of \$8.2M. This surplus is the result of capital grants and subsidies.



Key Financial Information

FORECAST STATEMENT OF MOVEMENT IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

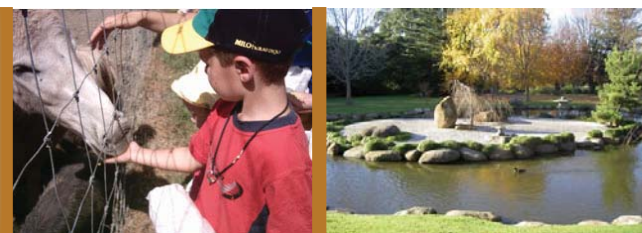
	FORECAST 2009 LTCCP \$000	FORECAST 2009 Revised \$000
EQUITY AT START OF YEAR	1,559,851	1,559,852
Net Surplus for the Year	7,646	8,186
Increase in Asset Revaluation Reserve	(500)	303,410
Transfer to Retained Earnings included in Revaluation Reserve	501	(13,698)
TOTAL RECOGNISED REVENUES AND EXPENSES	7,647	297,898
EQUITY AT END OF YEAR	\$1,567,498	\$1,857,750
Equity is made up as follows:		
Accumulated Funds	389,800	370,565
Special Funds & Reserves	16,112	21,689
Revaluation Reserves	1,161,586	1,465,496
	\$1,567,498	\$1,857,750

The forecast Balance Sheet has been reviewed to incorporate the audited Balance Sheet for the year ended 30 June 2007, the movements per the 2007-2008 Annual Plan and the Community Plan amendments. It has also been adjusted for any material events during the current financial year.

FORECAST STATEMENT OF BALANCE SHEET AS AT 30 JUNE 2009

	FORECAST 2009 LTCCP \$000	FORECAST 2009 Revised \$000
TOTAL EQUITY	\$1,567,498	\$1,857,750
ASSETS		
CURRENT ASSETS		
Debtors	9,535	9,370
Inventory	104	202
Bank	287	364
Funds Invested	2,000	2,140
Other Current Assets	0	448
	11,926	12,524
NON CURRENT ASSETS		
Other Non Current Assets	533	1,146
Shares in Companies	20,799	20,299
	21,332	21,445
PROPERTY PLANT and EQUIPMENT	1,580,724	1,864,287
TOTAL ASSETS	1,613,982	1,898,256

Key Financial Information



	FORECAST 2009 LTCCP \$000	FORECAST 2009 Revised \$000
LIABILITIES		
Current Liabilities	8,609	11,857
Non Current Provisions	529	1,618
Non Current Liabilities	37,346	27,031
TOTAL LIABILITIES	46,484	40,506
TOTAL NET ASSETS	\$1,567,498	\$1,857,750

FORECAST STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2009

	FORECAST 2009 LTCCP \$000	FORECAST 2009 Revised \$000
CASH FLOW FROM OPERATING ACTIVITIES		
Cash will be provided from:-		
Rates	41,151	41,511
Recoveries & User Charges	13,296	12,618
Interest	165	165
Subsidies	18,345	18,820
	72,957	73,114
Cash will be applied to:-		
Suppliers & Employees	48,228	46,949
Interest	2,596	1,920
	50,824	48,869
Net Cash from Operating Activities	22,133	24,245
CASH FLOW FROM INVESTING ACTIVITIES		
Cash will be provided from:-		
Sale of Assets	500	92
Sale of Investments	0	(89)
	500	3
Cash will be applied to:-		
Purchase of Fixed Assets	23,231	22,854
	23,231	22,854
Net Cash from Investing Activities	(22,731)	(22,851)



Key Financial Information

	FORECAST 2009 LTCCP \$000	FORECAST 2009 Revised \$000
CASH FLOW FROM FINANCING ACTIVITIES		
Cash will be provided from:-		
Loans Raised	598	0
	598	0
Cash will be applied to:-		
Repayment of Principal	0	1,317
	0	1,317
Net Cash from Financing Activities	598	(1,317)
Net Increase/(Decrease) in Cash	0	77
Opening Cash Balance	287	287
Closing Cash Balance	\$287	\$364

Balanced Budget

The Council is required under the provisions of the LGA 2002 (S101) to manage its revenues, expenses, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of its community. The LGA 2002 Section 100 requires local authorities to “balance the books”. That means Council must ensure that each year’s projected operating revenues are set at a level sufficient to meet that year’s projected operating expenses.

However, the LGA 2002 allows some flexibility in that it permits a local authority to project operating deficits and surpluses in its Community Plan as long as it is financially prudent to do so, and the local authority discloses the rationale for doing so.

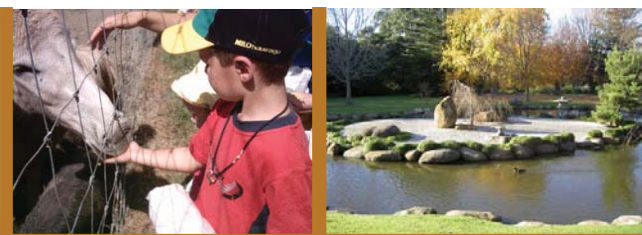
In setting the budget Council has had regard for the following matters:

- a. Maintaining levels of service;
- b. Maintaining service capacity and integrity of assets;
- c. Intergenerational equity; and
- d. Compliance with Council funding and financing policies (established under S102).

The Annual Plan is projecting an operating surplus for the 2008-2009 year. Having considered the overall impact of Council’s financial management policies and decisions Council, believes it remains financially prudent.



Key Financial Information



Forecast Balanced Budget	2009 \$000
Operating Income	72,442
Operating Expenditure	64,256
Operating Surplus	\$8,186

Receipt of Capital Income

In the infrastructure activities the Council has budgeted to receive various amounts of income that are of a capital nature. This capital income is in the form of Transfund subsidies, development contributions and capital grants / donations. This income is not used to fund operational expense. Therefore it will not reduce the amounts of rates charged to an activity. These amounts are used to fund specific capital projects.

Receipt of Capital Rates

The rates included in the Income Statement include capital rates for the Millennium/CBD rate and the Wastewater Treatment Project. These capital rates do not cover Council's operating costs.

Intergenerational equity is concerned with the spread of benefits across time. Many of Council's capital expenditure is in relation to infrastructure that have long service lives (such as the treatment plant and the CBD upgrade). Current ratepayers should not be expected to fund benefits for future users, so there is some spreading of costs across current and future users.

The capital rates were initiated to ensure intergenerational equity in relation to Council's major capital projects such as the Wastewater Treatment Project and the Millennium/CBD upgrade.

Funding of Depreciation

In accordance with legislation Council continues to fully fund all the depreciation owing on Council's share of its assets, except in relation to those assets which:

1. Would not be replaced at the end of their useful life.
2. When replaced, a set proportion of the capital expenditure would be funded through Central Government. Roading capital expenditure is partially funded by Transfund New Zealand.
3. Council is leasing to an external party and both parties have formally agreed that the asset will be returned to Council at the end of the lease in the same condition as present (i.e. Eastland Infrastructure Ltd's lease of Airport assets).

Council considers it financially prudent not to fund all depreciation.



Key Financial Information

Gisborne District Council is not funding \$5.4M of depreciation on the following assets:

- ▶ The War Memorial Hall.
- ▶ Patutahi Community Hall.
- ▶ Tolaga Bay Wharf.
- ▶ Roading (being the proportion of the capital expenditure on roading that has been funded through Central Government).
- ▶ Gisborne Airport Assets.
- ▶ Landfill (Waiapu).

Deficit Funding

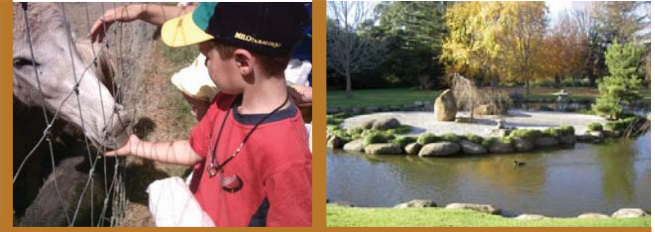
Council initiated deficit funding primarily to spread the impact of funding depreciation charges in the 1999 - 2000 year. The major deficits occurred in the water supply, wastewater and solid waste activities and the recovery of these deficits is to be over several years of the Community Plan. Council is also continuing to carry forward deficits in some other activities such as the Soil Conservation Nurseries and Forestry. Council has resolved to adopt a draft budget for 2008-2009 that does not fully fund all of the 2008-2009 budgeted expenditure.

Reserve Transfers

Council has specific reserve funds that it has accumulated over a number of years. Some operational costs are funded directly through a transfer from a specific reserve fund.

Council allocates internal interest to the reserve funds. The wastewater treatment reserve and the depreciation reserve are Council's largest reserves receiving interest.

Key Financial Information



Statement of LAND TRANSPORT (NZ) for the year ended 30 June 2009

Council is required, under Section 3 of the Transit New Zealand Amendment Act 1995, to report on in-house business units that perform work and charge against Transfund New Zealand financially-assisted roading programmes.

Roading Professional Services	2009 Forecast \$000
Revenue From	
In-House Professional Services for Transit NZ Financially Assisted Works	2,238
Other Activities	427
Total Works Performed	2,665
Total Operating Costs	2,720
Net Deficit on Operations	\$55