

2012/13 Annual Report



ISSN 1174-4573



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About this Report	5
Mayor and Chief Executive's district highlights	7
Finances at a glance	20
Audit report	24
Our strategic direction	28
Community Outcomes	28
Vision, mission, values	30
Strategic Challenges	30
Our financial strategy	31
Our district – The first to see the light	33
Our Activities in Depth	36
Contents Page	36
How to read this section	37
Commercial property	39
Commercial Operations	39
Community Planning and Services	41
Aquatic and Recreation Facility (Olympic Pool)	41
Arts and Culture	43
Community Housing	46
Community Planning and Development	48
HB Williams Memorial Library	52
Parks and Open Spaces	54
Environmental and Policy Services	57
Animal Control	57
Building Services	59
Emergency Management	61
Environmental Health	64
Environmental Policy	66
Environmental Services	69
Resource Consents	73
Governance and Support Services	75
Governance	75
Support Services	78
Infrastructure Services	81
Flood Control	81
Land Transport and Parking	83
Solid Waste Management	86
Urban Stormwater Services	88
Wastewater	91
Water Supply	93

Our Finances	97
Contents Page	97
Statement of Compliance and Responsibility	98
Statement of Comprehensive Income for the year ended 30 June 2013	99
Balanced Budget Statement of Financial Performance for the year ended 30 June 2013	100
Statement of Financial Position as at 30 June 2013	101
Statement of Changes in Equity for the year ended 30 June 2013	103
Statement of Cash Flow for the year ended 30 June 2013	104
Statement of Involvement in CCOs and Other Companies	105
Notes to the Financial Statements	105
Financial Impact Statement	143
Appendix	156
Our Council - Governance and Structure	156
Schedule of Councillors Schedule of Agents	157
Freshwater Management Plan Update	159

This Annual Report tells the story of our performance over the last financial year from 1 July 2012 to 30 June 2013. It is an important way of informing our communities about how we spent their rates. It also highlights the areas we performed well in, the areas we need to improve and provides a context for where we need to head in the future. The report is divided into the following sections:

- **Performing for our communities** (Mayor and Chief Executive's district highlights). This includes our district highlights, a financial overview and the audit opinion.
- **Our district, our direction.** This section tells you about the unique nature of Gisborne district and Council's strategic direction.
- **Our activities.** This section highlights each of Council's activities, their performance measures and how much we spent on the activities.
- **Our finances.** This section provides you with all the financial statements.

Understanding planning and reporting cycles

Council planning cycles can be confusing if you are not aware of how things work. The following is an overview of our planning and reporting framework and how it all fits together with the Annual Report.

Ten Year Plan

Council's 2012-2022 Ten Year Plan is a strategic planning document. The Ten Year Plan is Gisborne District Council's commitment to you and your community. It tells you what activities and projects the Council is planning over the period of the plan, how much they will cost and how we are going to pay for them. Government requires all councils to come up with a Ten Year Plan and review it every three years to make sure we are accountable.

Annual Plan

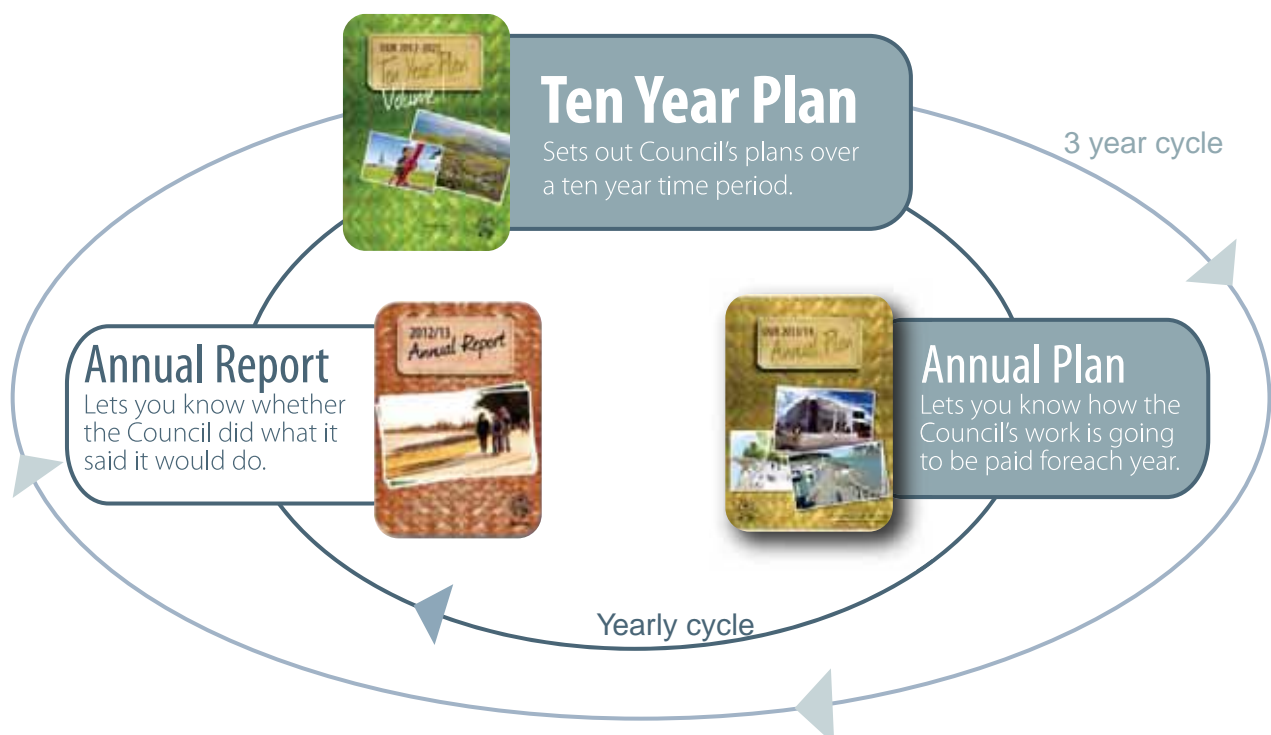
Each year Council is required to have an Annual Plan which sets out the budget for the year. This is based on what is committed to in the Ten Year Plan but also highlights any change or variance that is projected to occur which is not currently accounted for in the Ten Year Plan.

The first year of a Ten Year Plan does not require a separate Annual Plan as this is already provided for in the Ten Year Plan. However, the second and third years must have an Annual Plan.

Annual Report

Every year we are required to produce an Annual Report which reports against our Annual Plans and in this case Year 1 of the 2012-2022 Ten Year Plan. It is the key accountability document for our communities and it explains how we spent your rates and the value that you received in return.

The reporting cycle is illustrated below:



SECTION ONE

Mayor and Chief Executive's Highlights
Finances at a Glance



Inner Harbour - Gisborne



Wainui Beach Norfolk Pine



Tairāwhiti tēnā koutou

Ngā mihi nui ki a koutou katoa.

Council is developing a stronger focus on rates affordability and customer service. We have reduced our operating costs by more than \$1m and are beginning an ongoing process of identifying ways in which we can make interactions with Council more straight forward and predictable for customers. We believe that while Council has statutory accountabilities and needs to balance the interest of many stakeholders, it is possible to make the required regulatory decisions in a way that is more transparent for customers – even when the answer may inevitably sometimes have to be no.

This year's annual report sees the beginning of this work – as we attempt to become more decisive and innovative in the ways we address community needs – without increasing the rates or leaving a legacy of run down infrastructure. Several major projects have made substantial progress – the cycle and walkways, the War Memorial Theatre and the Cenotaph repairs are well underway, with the Navigations Walkway ready for a funding application and the Library extension being readied for consultation. An unexpected issue was the problems in the Council's own newer building – we moved with speed to vacate it for staff safety and are now working on resolving the problems permanently. Good planning should see these projects completed and serving the community well.

We continue to work and support the business community; our support allowed for Cedenco to consolidate to Gisborne and minor resource and minor building consents are now to have a 5 day turn around.

There have been issues with rates impacts in small pockets of the community for both this past year and the current one. We have created temporary remissions to alleviate the increases for the most affected while we continue a long term review of the way in which rates are allocated. The aim of this review is to make the rates systems we use more predictable (i.e. when a rate is set we will know who will be impacted and to what extent) and a lower cost to administer (our highly targeted system with 95 different rates and five rating areas mean there is a cost to managing that complexity).

Despite unexpected issues such as the potential cost of Council building remediation and increased costs of the War Memorial Theatre, the actions we are taking to create a cost effective operational structure, tight management of the cost of debt, innovative solution seeking and increasing responsiveness (and therefore avoidance of waste) mean that we are confident of achieving lower than forecast rates increase for the future.

None of this could have been achieved without the dedication of the elected Councillors focusing on the important issues and working together well. Councillors are networking more with our community to get an understanding of their needs and aspirations. Staff have also risen to the challenges we have set them, sometimes working in trying conditions (as we have moved staff off site and changed office configurations). We thank them for their contributions over this past year and look forward to continuing on this fast paced journey for the coming years.

Governance and advocacy



A new look Council

The elections close 10 October and the new look Council will be sworn in by the end of October. This election has seen the introduction of a new ward system that was determined by the Local Government Commission late last year. The rationale for changing the number and distribution of Councillors is to more evenly spread the number of people that each Councillor represents. The changes include:

- reducing the number of Councillors from 14 to 13
- reducing the number of rural wards and rural Councillors from six to four
- increasing the number of Councillors in the City ward from eight to nine

Welcome to the new Councillors and welcome back to those returning for another term.

A new purpose for local government

The Local Government Amendment Act 2012 was enacted in December 2012, making changes to the Local Government Act 2002 which sets the operating environment for councils. The Act is part of the Better Local Government reform programme aimed at improving the efficiency and effectiveness of local government.

The changes made by the new Act included a new purpose statement for local government, financial prudence benchmarks, governance changes and changes to the process for reorganising local authorities. Council has begun a review of all of our activities to ensure that they align with the new purpose of the Act.

Phase two of the reforms is underway. The changes announced so far will ensure councils take a longer-term view of how they manage their infrastructure assets. Other changes will aim to streamline the consultation process and provide greater flexibility about how and when councils consult with their communities.

Resource Management Act reforms

The Government has started reforms to New Zealand's resource management system. The Resource Management Reform Bill 2012 was enacted in September 2013. The amendments include a six-month time limit for processing consents for medium-sized projects, easier direct referral to the Environment Court for major regional projects and stronger requirements for councils to base their planning decisions on robust and thorough cost-benefit analysis.

Following the release of a discussion document in February 2013 and public consultation on the proposals, a second reform package is likely to be introduced this year and will include:

- A requirement for councils to develop a single plan covering all the rules in their area
- a new national planning template that sets out the structure and content for resource management plans
- a revision of the principles of the RMA
- improvements to bring about earlier and more effective iwi/hapū participation in planning
- improved tools for national direction on resource management issues and decision making.

Keeping us safe and connected



Ready for new industry – Western Industrial Ringmain Project

Water supply to the Aerodrome Road industrial development has been secured with the new ring main between Makaraka and Awapuni Road. The 2.9km long 300mm internal diameter water pipeline was completed in March, well under the approved budget. The new ring main allows for sufficient fire fighting flows in accordance with the fire fighting requirements. This project was brought forward in the Ten Year Plan to enable development in the new industrial area to continue and to encourage growth in the region.

Safer for Awapuni School students

Council staff met with concerned residents at Awapuni School in March to talk over the road safety issues along Awapuni Road. Solutions include completing the Alfred Cox – Awapuni School cycle and walkway and increased electronic school zone signage along Awapuni Road.

The Alfred Cox cycle and walkway is largely funded by the New Zealand Transport Agency as a pedestrian safety improvement and allows for parents to drop-off school children at Anzac Street rather than on busy Awapuni Road.

The walkway will also benefit the general public with the construction of the 1.5km walkway along the Waikanae Creek meandering through the underutilised Alfred Cox Park. The walkway will consist of a 3m wide concrete path, a new timber arch bridge crossing the Waikanae Creek and a variety of seating areas. Tenders have now closed and construction is due to start in October.

Preparing for a tsunami

New Tsunami evacuation zone maps have been developed for our coastal communities (Tolaga Bay, Tokomaru Bay, Te Araroa and Hicks Bay). Township Tsunami modelling was undertaken in 2012 to provide a more scientific basis to establish the evacuation zones for those communities. The Civil Defence team have been meeting with the communities to explain changes to the evacuation zones, with further meetings to be held this year. The new maps have been distributed in Tokomaru Bay and soon will be made available for Tolaga Bay, Hicks Bay and Te Araroa.

In addition to preparing our response to a tsunami, Council has initiated a project to reduce and avoid the possible effects. We have been working with other councils in the North Island and the Institute of Geological and Nuclear Sciences to explore land use planning options.

Taruheru River flowing freely

The Taruheru River is flowing more freely following this year's remedial works. A two year investigation started in 2012/13 surveyed 53 cross-sections of the river over an 8.2km stretch. The results were then compared with the 1997 designs to determine where the channel capacity has changed. Two sections out of the four surveyed had reduced channel capacity, however all the surveyed areas still retained their berm (flood plain) capacity. This meant that some sections of the Taruheru would flood during smaller events more frequently than was planned for, but large flood events would be the same as planned. The remedial works widened sections of the channel upstream of the Taruheru cemetery, behind the Museum of Transport and Technology and removed impediments at various other locations.

The two year investigation will continue to analyse the survey information along with Hydraulic modelling to update the 1997 design. The investigation will also provide costings to feed into Council's 2015-2025 Ten Year Plan so that further improvements can be funded in the future.

Reviewing speed limits

The community of Muriwai were worried about their tamariki on the roads. This year they worked with Council and the New Zealand Transport Agency to lower the speed limit on the State Highway to 70km/hr and through the township to 50km/hr. New speed limit signs were installed in March and Council will continue to monitor the area to be sure they are working to improve safety.

The Speed Limits Bylaw that sets the legal speed limits on local roads for the region was also reviewed this year. Consultation took place in July and received eight submissions, Council staff are investigating their merits and will provide recommendations back to Council by November 2013.

Stormwater upgrades

Te Araroa and Tolaga Bay both benefited from our township stormwater improvement programme this year. Council replaced stormwater pipes through Te Waha o Rerekohu Area School between Moana Parade and Arewahana Street in Te Araroa to increase stormwater capacity in this area. There was a risk of flooding during heavy rain because of the capacity of the old infrastructure. The pipes were also replaced with new concrete pipes.

In Tolaga Bay about 130 metres of large diameter pipes along Gore Street, roughly between Bank Street and Solander Street, have been renewed. The existing pipes were rundown and have failed in several locations over the last few years. In addition to the work completed to date there is approximately another 70m of this pipe renewal work programmed to be completed in late 2013.

In the City, the Whataupoko stormwater pipe renewal and upgrade project has continued. Dilapidated pipes in Whitaker Street have been replaced and some open drains upgraded to underground pipes. The changes will improve the capacity and reliability of the system. Programmed stormwater renewals and upgrades were also completed in Cobden Street and the Matokitoki stream.

Keeping our produce moving

Bridges on the Poverty Bay Flats are being upgraded to ensure that production on the highly fertile Poverty Bay Flats is as efficient as possible. The bridges on the flats were originally designed to take 3.7 metre vehicles but this is too narrow for the wider harvesting equipment many landowners now use.

The Harper Road Bridge and Tucker Road Bridge were widened earlier this year and are now open for use by vehicles up to 4.3 metres wide. The cost to widen the bridges is approximately \$120k per bridge. Two thirds of the cost is covered by a NZ Transport Agency subsidy; the rest by ratepayers. The three bridges were all built in the 1960's and were designed to last 50 years. The work being done now will extend their life by about 25 years.

Work on a two lane bridge on Kings Road will start later this year and be completed in time for the 2014 harvest.

Wainui Beach Management Strategy

Council staff have been working closely with the Wainui and Okitu communities to review the Wainui Beach Management Strategy for Coastal Erosion. A Background & Discussion document has been completed with the help of the Key Stakeholder Forum. The document outlines progress to date and will assist with the next stage of Strategy development.

Understanding the coastal erosion hazard and risk at Wainui Beach is fundamental to moving forward. Based on past data, future erosion processes at Wainui Beach can be expected to be dominated by storms and rip currents. This results in a dynamic coastline with rapid erosion events followed by slow accretion. Climate change may increase the severity of storms and result in an even more dynamic shoreline. Erosion at Wainui Beach is primarily seen as a risk for property rather than human safety.

The discussion document also includes an initial look at possible options for developing the Strategy, which is intended to provide a basis for further discussion with stakeholders. You can find the full document at: www.gdc.govt.nz/wainui-beach-management-strategy

Improving our community facilities



Cycle and walkways taking shape

The popular cycle and walkway between Customhouse Street and Waikanae Beach was officially opened 24 February 2013. The opening was followed by a fun three kilometre ride or walk along the city cycle and walkways organised by 'Frocks on Bikes'.

The family event was a great celebration of the first stage of the Waikanae beachfront cycle and walkway project.

Construction on the next section, from the Waikanae Tennis Courts to Grey Street, is expected to start later this year. Consultation for the final section from Grey Street to Midway Surf Club will also take place later this year. Together they will help us create a more vibrant, safer city where people choose to cycle or walk rather than hop in a vehicle. To view updated designs or to sign up to Council's monthly cycle and walkway newsletter, visit our website www.gdc.govt.nz/cycle-and-walkways

Bigger, better shows

Construction starts for the War Memorial Theatre upgrade this month following a very successful fundraising campaign. The War Memorial Theatre Trust raised more than \$5 million for the project; through charitable trusts, seat sponsorship, arranging a multitude of fundraising shows and events and even auctioning off the furniture and chattels of the old theatre. The first show in the 510 seat redeveloped theatre will be in 2015.

While most eyes were on the War Memorial Theatre fundraising project this year, Lawson Field Theatre quietly underwent a major makeover. The Lawson Field Theatre is now more flexible as those who visited the 'Kit Kat Club' for the show 'Cabaret' found out. Gone are the tiered, fixed seating and the old, uncomfortable upstairs movie theatre seats. They have been replaced with comfortable fixed seating upstairs and retractable seats downstairs. The theatre can now seat 280 (up from 200).

Photo News online

The iconic Gisborne Photo News, a photographic slice of the Gisborne district's social history from 1954 to 1975 has been digitised and is now available online to anyone in the world at any time. The project has been the largest community driven digitisation project in New Zealand to date. Funded in the main from community grants, the online republication launched in October 2012 has proven popular. In the first 8 months there have been well over 100,000 visits to the site and over 2 million page views.

Several years ago it became apparent the Photo News needed to be preserved. Public interest from families and researchers meant precious original copies that had been languishing in the stacks, were being handled a lot, and, not necessarily treated well. It became a concern that a complete set of the magazine could be lost. HB Williams Memorial Library worked with ME Books, to provide the online republication. Digitisation ensures the National Library of New Zealand have a repository of Gisborne's social history.

Appreciation in particular goes to John Logan and family for gifting copyright of the magazine and supporting the project from its inception. Funds were granted by First Sovereign Trust, HB Williams Memorial Library Book Trust, Margery Redstone Trust.

New spaces for our taonga

There are some exciting changes underway in Kelvin Park. The museum is being extended and consent has been granted for a new facility that will serve as an exhibition space and memorial gallery to C Company of the 28th Māori Battalion.

Construction started in February this year on the Museum Gallery and Storage Extension on the Kelvin Park side of the museum complex. The project is estimated to cost \$1.9m and will add one small and two medium sized exhibition galleries. A new storage area will also be built beneath the new gallery spaces, providing urgently needed additional storage space for the museum's collections.

Kelvin Park will also be home to a new exhibition space and memorial gallery to C Company of the 28th Māori Battalion. In November 2012, following consent being granted, Council approved a lease agreement with Nga Taonga Whakamaumahara ki Nga Tama Toa mai i Tarakeha ki Paritu i haere ki Te Mura o Te Ahi 1939-1945 Trust for part of Kelvin Park to house the new facility. The lease approved has a nominal rental (\$1 per year, the same as the museum lease) and a duration of 34 years.

The memorial gallery proposal fell outside of the permitted use of Kelvin Park as expressed in the endowment documents vesting Kelvin Park in Council. This meant ministerial approval was required to enable the land to be used for the gallery.

Walkway to the meeting of two cultures

Work began in May to install 13 three-tonne concrete frames to strengthen the inner harbour training wall and provide the foundation for a walkway from the Lone Star Restaurant through to the slipway. This is stage one of the Tairāwhiti Navigations Project which will see a cultural heritage trail through the Gisborne Inner Harbour area, Tītirangi Reserve, and key sites throughout the district, all linked to a permanent, world class Navigations experience at Tairāwhiti Museum.

The strengthening work is part of a 33 metre trial to work out best construction methods and potential costs. Eastland Port is strengthening the wall as part of its general port maintenance but collaborating with Council to enable support for a 2.5m wide walkway to be placed at the same time. The walkway is expected to help tie the whole structure together.

Once the trial is complete, concrete frames will continue to be installed along the 600 metres of the wall. The strengthening is expected to take about 14 months. The walkway will be built as funds become available. Resource consent for the full wall and walkway has been granted.

Tidying the Olympic Pool

Staff at the Olympic Pool have been working hard to improve the visual and recreational appeal of the facility.

Changes have included new wall and floor tiling in the showers, screening off utility areas, reducing clutter with storage boxes around the main pool and repairing and cleaning canopy curtains. A new barbecue area has been built in Churchill Park and shade sails are planned for around the pool kiosk and seating areas to enhance the social aspects of the pool. While scoping for the Olympic Pool upgrade major project will begin this year the physical works will not start immediately. The minor improvements are helping to keep the facility running while the wider upgrades are planned.

New tracks for Makorori Headland

The Makorori Headland reserve is looking better than ever. Many pest plants have been replaced with hundreds of native trees and the walking tracks have been extended so they now link up with the Department of Conservation's Okitu Bush Reserve. Makorori Headland is a beautiful and well used reserve with spectacular views. The extended tracks will improve the recreational flows within the reserve and make it safer for people to cross State Highway 35 to visit Okitu Bush. The new tracks have been in the pipeline since the W D Lysnar & Wainui Beach Reserves Management Plan was approved in 2008.

Caring for our environment



Environmentally friendly forestry

Council has been addressing community concerns about the downstream effects of forest harvesting. A forestry forum was held in July 2012 and a Forestry Reference Group with community and forestry representation arose from this. After a number of meetings they reported back to Council with suggested forest management, regulatory and advocacy solutions which Council accepted. Some of these require a collaborative approach with Eastland Wood Council. Others relate to Council policy. All have been given effect to. A separate Forestry Environmental Focus Group continues to address technical aspects. Solutions to woody debris movement offsite will be applied as they become available. Beaches and riverbeds will continue to be monitored for forest harvesting related woody debris.

While the emphasis is on improving relationships with the forestry sector to achieve better environmental outcomes, Council also has a role of regulation, and enforcement when necessary. In September, Council lodged a prosecution in the District Court under the Resource Management Act. The prosecution relates to forest roading and harvesting activities undertaken earlier in the year at a forest in the upper Pouawa River catchment. A hearing date has been delayed pending the outcome of discussions.

Keeping stormwater out of sewers

The pipes that carry our wastewater are very old. Many are cracked allowing stormwater to get in. In heavy rain the pipes get overloaded. This is a serious problem which leads to overflows onto properties or into the city's rivers. To address this Council is spending \$1.2m replacing old sewer pipes and \$250k on pump stations each year. In addition \$3.8m has been specifically allocated to upgrade the Kaiti wastewater pipeline between 2014 and 2016.

A project to discover where stormwater from private and public properties is flowing directly into the sewer system - usually from gully traps - and to fix all the faults, has nearly been completed. Consequently the number of overflows onto properties and into rivers has significantly reduced in the last five years. Council is also working on better notification when overflows do happen and is considering options to bring forward the work programmed if possible.

Sustainability policy for major projects

A new internal sustainability policy is ensuring that as we progress our Major Projects important considerations such as energy use and waste management are incorporated in the design and implementation, not just cost effectiveness. The three potential contractors that tendered for the main construction of the War Memorial Theatre were asked to what extent they could reuse and recycle existing resources and were judged on their response as part of the tender appraisal.

The idea of including this level of recycling and waste management in a contract was a first for Council. The aim is to minimise resources going to landfill and to save costs. Where possible existing matai flooring, rimu beams and panelling, fittings and furnishings will be recycled or reused in the new building. The successful contractor will as part of the contract implement a waste management plan that will measure and record how and where waste is disposed of.

Energy efficiency is also a prime focus. Theatre architects Shand Shelton have provided a cost analysis of savings and energy effectiveness for the building in a \$5k energy assessment which was half-funded by the Energy Efficiency and Conservation Authority. Where possible, the aim is to include energy efficient lighting and other measures to keep down operational costs. We are looking at the heating and lighting required for each part

of the theatre to ensure we have the most appropriate method of lighting and heating for each.

Bringing biodiversity back to the city

Native trees are slowly replacing the exotics and pest plants on Titirangi. The area has been overrun by invasive weeds including blackberry, Japanese honeysuckle and privet. Council continued the transformation this year with targeted weed control and the next focus areas will be down Kaiti Beach Road towards the Port.

You can also help to enhance biodiversity by planting at home. Council have worked with the Department of Conservation to develop a Streamside Planting Guide. The guide provides advice on what type of trees to plant where and is available on our website: www.gdc.govt.nz/streamside-planting

Natural Heritage Fund

During the year Council introduced a Natural Heritage Fund as a way to encourage and assist private landowners to protect or enhance indigenous biodiversity on their land. Landowners can apply for money to assist with projects such as planting natives or fencing to protect regenerating areas from grazing. At least 50% of the funding for a project must come from another source. Projects must also show long-term landowner commitment to enhancing biodiversity and to maintaining the natural area through, for example, stock exclusion and plant and animal pest control where necessary.

Any privately owned land within the Gisborne district is eligible to apply for funding. There is about \$30k available per annum which will be allocated to one or more projects. There was good interest in the first funding round; successful applicants were advised in September. A second funding round is likely about June 2014.

For details on applying for next year's funding, please visit Council's website: www.gdc.govt.nz/natural-heritage-fund

Into the nuts and bolts of the Water Plan

Staff have carried out extensive research and development of the Freshwater Management Plan in collaboration with the Fresh Water Advisory Group. This included the development of a Progressive Implementation Programme (PIP) which sets out the steps that Council is taking on developing a Freshwater Management framework for the district.

Progress on the Freshwater Management Plan so far has followed the PIP, including background research to support the Plan development; further development and refinement of district wide freshwater objectives and staged implementation of water measuring requirements (to give effect to the Measurement and Reporting of Water Takes Regulations).

Specific work has also been progressed in relation to the development of a draft Greater Waipaoa Management Plan. A key foundation for this work has been the inputs of the Freshwater Advisory Group.

We are now heading into a new phase of water plan development. This will be the "nuts and bolts" of the plan and includes the development of objectives, policies and rules as well as a management plan for the Waipaoa/Tarheru catchments. The catchment management plans will include allocation limits and water quality standards as well as any specific matters relating to each catchment. This work will come together over the next twelve months.

A more detailed description of this project and progress is available in the **Appendices** and on the Council website:

www.gdc.govt.nz/freshwater-plan-development/

Makauri and Matokitoki Aquifers

As part of the Freshwater Management Plan research, a Crown Research Institute commissioned report on Poverty Bay Flats groundwater has led to the assumption that there is no direct recharge from the Waipaoa River into the Makauri and Matokitoki Aquifers. These two aquifers are the source of more than half the groundwater used on the Flats. Rainfall recharge alone does not appear to be keeping up with demand as a slow, steady decline in overall water levels has become apparent. A change in management will be necessary and will be pursued as part of the Freshwater Management Plan development.

Ballance Environmental Awards

Council has joined Hawkes Bay Regional Council to enable farmers in the East Coast region to participate in these prestigious awards. Two Gisborne entrants made it to the finals. William and Nancy Barclay (Tahora Station) won the PGG Wrightson Land and Life Award, and Graeme Williams and Derry Stovell (Mangaroa Station) won the Massey University Discovery Award and East Coast Farming for the Future Award. Both properties are known for their soil conservation activities as part of farming sustainably.

Working with our community



Supporting community-led development

Council is keen to support community-led development. We have been working with local community organisations to deliver the Rourou Programme – The Information Basket. The programme, being driven by the Gisborne Volunteer Centre, facilitates and advertises workshops that provide tools and information to support community development. Workshops included two Funding Information days held in Ruatoria and Gisborne in March. They were well attended and gained positive feedback.

Also as part of the Rourou Programme, Council partnered with Inspiring Communities to host Jim Diers, an international expert in community-led economic development and community revitalisation. Following his inspirational visit, Council has decided to establish a Community-Led Development Matching Fund.

Local communities are well placed to identify and lead local community development - they understand their own needs and are the direct beneficiaries of local activities so they have a motivation to get things right. Matching funds are tools used to assist residents with projects that will add vitality and new developments to their area. A community must demonstrate how they will match Council's monetary contribution, whether with alternative funding or resources etc. Guidelines for applications are being prepared right now so look out for application details for the matching fund later this year.

Community-led development in action

Tu Ake Te Karaka and the Te Karaka community have been busy developing their Community Plan. Turanga Health and staff assisted the group with the initial set up of the committee and high level strategic planning and Council has helped to record their priorities for the future of Te Karaka. Tu Ake Te Karaka have led much of the community consultation. One of the key priorities identified for the township so far is building relationships and they have been organising regular events such as the Christmas Jam to bring the community together and celebrate their successes.

The Manutuke Community Group which stemmed from the Manutuke Township Plan development in 2010 is still going strong. They have worked with Council to complete many of the actions originally set out in the plan and more. Highlights include; lowered speed limits on Waingake Road, Whakato Road and State Highway 2, more road-marking at intersections, two community notice boards, a bus shelter, improved drainage along Tuaraki Road and Waingake Road, a water reticulation feasibility study, a rubbish bin at the Waipaoa lay-by and the development of neighbourhood support groups.

To all of our many committees in operation throughout the District, keep up the great work!

Matawai main street upgrade

There has been a hive of activity in the Matawai township over the past year. An upgrade of the main street has been completed with contractors working on stormwater pipes, kerb and channelling, footpaths, toilets, lighting and a new rest area.

Many of the improvements first came up in 2010 when Gisborne District Council staff worked with the Matawai and Motu communities to capture a vision for their place in the world in the Matawai & Motu Township Plan. That vision has helped guide Council development planning. Young people were amongst the dozens of people who participated in a series of workshops and made their ideas known. School children provided painted tiles to liven up the rest area and give it a local feel.

Since the opening of the Motu Trails cycleway, the need for Matawai to make a positive first impression is more important than ever. The community were keen to make the most of their place as a popular rest stop for travellers to and from the district so enhancing visitor amenities and promoting local activities to encourage longer stays was a top priority.

The Matawai/Motu township plan was a joint effort between the Matawai and Motu communities. Some of the actions, particularly the infrastructure work were the responsibility of Council. Around \$350k was spent on the upgrades. The New Zealand Transport Agency also had actions for improving safety along the State Highway through the township by installing more 50km/hr signs, further road markings and trimming trees to improve visibility. Other actions in the plan are the responsibility of the communities, for example riverside planting for the Motu River.

Keeping rubbish off our beaches

We all dislike to see our gorgeous Gisborne beaches and sand dunes littered with trash. The importance of getting on top of this problem – particularly along Centennial Drive – was highlighted in a number of submissions to Council this year. In response, Council decided to allocate \$50k toward reducing illegal dumping across the region.

Reducing the number of places people can get to the beach in a vehicle, minimising the places people can hide dumped rubbish, improving parking areas that can easily be seen by passers-by and more signs are some of the things we are working on. We will also continue to investigate all reports of illegal dumping and impose fines where we can identify the culprits.

At the same time Council will also continue to promote waste minimisation. Composting workshops were held in rural townships to help reduce the amount of waste going to landfill, with attendees getting a free compost bin. The popular workshops saw 932 compost bins handed out to rural families. Second-Hand Sundays also continue to be popular with 422 households registering in 2012 to give away household items they no longer want.

Two recipients shared the \$10k Contestable Waste Fund in 2012. One was to investigate using plastic bottles in pavement reinforcing, the other was for a shredder. The Waste Minimisation Fund recognises that some of the best ideas and deliverers of waste minimisation initiatives are within our community.

Listening to our communities

It often pays to make a submission to the Annual Plan or Ten Year Plan. Of the 137 submissions received on this year's Draft Annual Plan, several were successful in their requests for more resources, funding or general endorsement for an idea. These additions will not affect the expected overall rates rise of 2.5 percent.

Councillors approved a number of funding requests including \$500 towards research into the best native tree species for bees, \$5k towards a feasibility study for the Tokomaru Bay Heritage Trust and \$9k for extending the Surf Lifesaving NZ service at Tolaga Bay.

Council also increased funding for particular Council activities in the Annual Plan in response to submissions. Changes included:

- a placeholder sum of \$100k for a new economic development agency
- increasing the public toilet maintenance budget by \$10k
- \$20k towards building a memorial wall at the Makaraka Cemetery to remember the people whose headstones were buried in the early 1980s by Cook County Council
- establishing a \$50k fund to manage rural drainage issues as they arise, separate from targeted drainage areas
- \$50k to reduce illegal rubbish dumping across the region

Our council, our people



Simplifying rates

We have a very complex rating system and we will be reviewing this in the coming year. We want to make your rates easier to understand and easier to manage. We also want to avoid the large swings – increases and decreases – some properties unexpectedly face when small changes are made to our rating policy

For the last two years, changes to three targeted rates – pests and plants, rural fires and soil conservation – have caused large rate increases on a small number of properties. In response, Council offered a rates remission last year to those properties and will do the same this year. The rates review should avoid this happening in the future.

Focus on core services with less staff

Council has a commitment to reduce rates rises and to spend rates well. In order for us to move towards a sustainable budget with rate increases more aligned to inflation, substantial ongoing savings in operations budgets are needed. As part of this we have looked closely at how we operate as an organisation.

Council started the new financial year as a leaner machine, with 11 fewer staff. Altogether the restructure will save around \$1.5m annually with salaries, overheads, capital and depreciation. However, this was not just a cost cutting exercise. The main goal of the review was to identify the best ways to deliver our core services. This meant investment increased in some areas to make the tasks easier for employees and our community or to ensure better service where we haven't been doing enough to meet community needs. Overall, 26 positions were disestablished, but another 15 were created.

Staff on the move

Safety concerns about the newest part of Council's Fitzherbert Street building complex resulted in 90 staff being moved into two new premises – The Works building at the port and the former probation building in Kahutia Street. This will leave 120 staff to stay in the safe sections of the Fitzherbert building. Fitzherbert street will remain

the first point of contact for customer services as the other sites will not have walk-in receptions.

The move was forced, but has given us the opportunity to improve service levels and staff working conditions. Open plan offices have brought teams together. New paint has tidied and brightened the Fitzherbert building and many staff have taken advantage of the change to get alternative desk set-ups such as standing work stations. New bikes offer staff a fun and healthy alternative to taking a car to travel between the buildings.

A decision on the long term future of Council's Fitzherbert Street offices will be made soon. We will ensure our buildings are safe, welcoming for customers, and energy efficient to provide long-term savings.

Savings with reduced vehicle fleet

Significant savings have been achieved this year with the sale of 15 Council vehicles and "in-house" servicing of its remaining 55 or so general purpose vehicles. In the past year, we completed a major review of vehicle requirements as part of our continuing asset management programme. This resulted in a reduction in the fleet and the Council-owned Gisborne Vehicle Testing Station took over servicing Council vehicles and arranging routine maintenance. This will result in savings from reduced consumables such as fuel and tyres, and reduced fixed costs such as depreciation, registration and insurance. At the same time a new computerised car booking system was introduced. The system is working well, and staff are more organised about using the fleet more efficiently. We continue to look at ways to further reduce our vehicle fleet without reducing operational effectiveness.

Technology to support services

Council has begun upgrading the technology that supports its operations and this will be a priority over the next few years. Information and Communications Technology improvements will enable our staff to work more efficiently (e.g electronic purchasing and approvals for goods and services), over multiple buildings (e.g. upgrade our telephone and customer services support systems) and to provide better customer service (e.g. online payments for some Council activities).

Community views on Council performance

Council uses a number of methods to measure and monitor the services we provide so that we can continue to improve Council's performance for our customers and residents. Each activity has performance targets that they aim to achieve each year. Council also uses Customer Satisfaction Surveys and the Annual Residents Satisfaction Survey to monitor our performance and compare results to previous years.

The graph below shows how well Council met its performance targets during 2012/13. Compared to last year the percentage of performance targets achieved

decreased from 65% to 56%. However, it is important to note that this is the first reporting year under the 2012-2022 Ten Year Plan and many of the non-financial performance measures are new. There are a significant number of performance measures (12%) where baselines were being established or they were not due to be measured in year one. Details of all the targets are included in the activities section of this report.

Highlights

- **Building Services:** completed 91% of their requests for service on target, up from 75% last year (target 85%).
- **Flood control:** responded to 95% of their requests for service on target, up from 91% (target 80%)
- **Governance:** 64% of residents were satisfied with the performance of the Mayor and Councillors, up 62% (target 60%).
- **HB Williams Memorial Library:** 241,121 people visited the library this year (target 230,000).
- **Olympic Pool:** 61% of households used the Olympic Pool this year, up from 52% last year (target 55%).
- **Planning & Performance:** 74% of stakeholders were satisfied with Council's Annual Plan consultation (target 65%).
- **Roading:** 98% of those surveyed rated the response from Roothing to their request for service as good or excellent, up from 93% (target 95%)
- **Soil conservation:** completed 88% of their requests for service on target, up from 83% (target 80%)
- **Solid Waste:** The amount of solid waste sent to landfill per head of population was 276kg, well below the target of 306kg.
- **Urban Stormwater:** The number of Stormwater requests for service re blockages was well down from last year with 37 compared to 67 (target 65).

Areas for Improvement

- **Economic Development:** Only 39% of residents were satisfied with Council's efforts to expand business in the region. Council is committed to working with stakeholders to establish a stand-alone Economic Development Agency.
- **Governance:** 52% of residents were satisfied with how rates are spent (target 65%), with 44% of those dissatisfied saying the reason was that rates were too high. Council reduced the rates increase for 2013/14 to 2.5% from the 5% budgeted in the Ten Year Plan and will continue to aim to limit increases near to inflation.

- **Land Transport and Parking:** The percentage of residents satisfied with our roads (44% urban, 48% rural) is still below target (85%). An opportunity exists to develop a more efficient roading management model for the region. Council is working with NZTA to investigate establishing a new Land Transport Business Unit to manage both local roads and state highways.
- **Lawson Field Theatre:** Bookings were down to 168 this year due to closures for refurbishment. With the new seating we will aim to meet the target of 203 this year.
- **Māori engagement:** Council has not achieved its performance measures for Māori engagement and we are committed to improving this. Some changes will be driven by Treaty of Waitangi settlement Acts, for example the establishment of a Local Leadership Body under the Ngai Tāmanuhiri Claims Settlement Act 2012. We are also building staff capacity in this area, including establishing of Māori focused positions in policy, land rating and development areas.
- **Public toilets:** The percentage of residents satisfied with our public toilets (42%) was again below target (65%). Parks and Community Property contracted service delivery has changed to have greater flexibility and responsiveness. If you see a public toilet that needs attention, phone our Customer Services or enter a request for service online.
- **Wastewater:** Their target for the number of requests for service regarding odour was not met (20, target 15). The target was reduced this year to be more consistent with the number per year in recent times (9 for 2011/12). More proactive odour control measures are progressively being put in place and we hope to meet the new target this year.
- **Water conservation:** We did not meet the target of maintaining Makauri aquifer static water levels. Groundwater analysis has indicated that there is no direct recharge to the Makauri and Matokitoki aquifers and that these deep aquifers may be in decline. Management options are currently being investigated and may result in a cap of water takes from these aquifers.

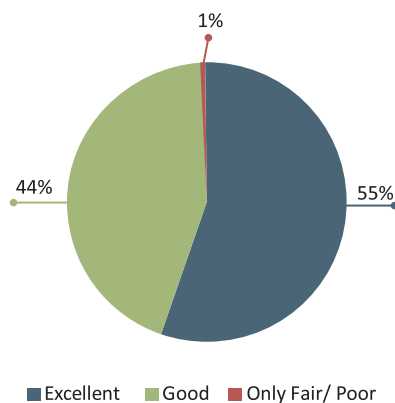
Customer Satisfaction Surveys

The Council has a Request for Service (RfS) system to manage and track all requests that members of the public make for various Council services. We also survey at least 5% of all individuals who make an RfS to determine whether they felt our response to their request was 'poor', 'only fair', 'good' or 'excellent'.

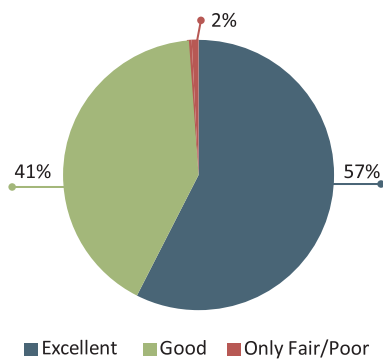
Overall our customers were satisfied with the service provided through the RfS process with 99% rating our response as either 'good' or 'excellent', a great result and an increase from last year's 97%. The total number of requests also decreased slightly from 16,615 last year to 16,440 this year and the percentage of unresolved requests remains around 1% (1.16%) compared to 0.89% last year.

The following three graphs show how satisfied our customers were with Council's service. Results have been taken for the period 1 July 2012 to 30 June 2013.

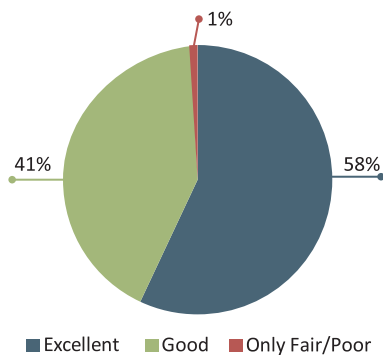
Response Times



Quality of Service



Feedback Received



Mayor and Chief Executive's district highlights

2013 Annual Residents Satisfaction Survey

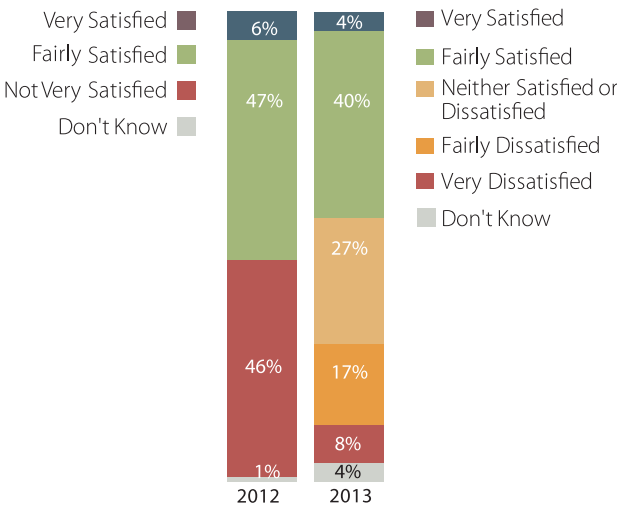
Ensuring the district's residents are satisfied with the services and facilities we provide is a priority for Council. We undertake an independent resident satisfaction survey every year to find out how well the community thinks we are doing. The Resident Satisfaction Survey was a 25 minute phone survey of 400 residents in May and June, which asked respondents their levels of satisfaction with Council's activities, facilities and performance. This is a subjective judgement based on the individual's interpretation of satisfaction. The survey is designed to be fully representative of the district's wards as well as gender, age, ethnicity of its citizens. It has a maximum margin of error 4.9%.

This year, in keeping with best practice, the number of possible responses to a question, and the wording of those responses changed from previous years. A 5-point satisfaction scale was used for all questions. In past surveys the scale used to measure satisfaction varied throughout the survey. The change gives a more detailed measurement of public perceptions of the Council and its services and facilities – and in particular it provides more detail about resident's levels of dissatisfaction. It also ensures consistency throughout the questionnaire.

Where we are measuring the level of resident satisfaction, the five point scale used is: *very satisfied*, *fairly satisfied*, *neither satisfied nor dissatisfied*, *fairly dissatisfied*, and *very dissatisfied*. In both years "don't know" responses were recorded, but not given as an option.

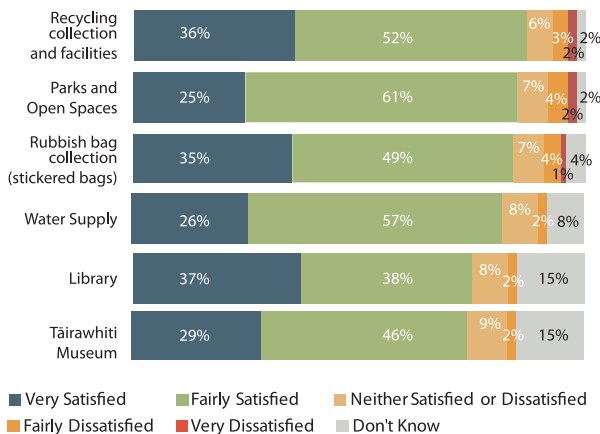
Due to the change in measurement scale the responses are not directly comparable between some sections of the 2013 survey and previous survey results.

For example, below is a graph of the responses given to the question "How satisfied were you with council roads, excluding State Highways?" for the last two years. In this example the scale changed from a 3-point scale (*very satisfied*, *fairly satisfied*, *not very satisfied*) to the new 5 point scale. The percentage of residents satisfied (*very or fairly satisfied*) with council roads decreased from 53% in 2012 to 44% in 2013. However, the number of dissatisfied residents (*not very satisfied*) also decreased from 46% in 2012 to only 25% (*fairly or very dissatisfied*) in 2013, with 27% of residents *neither satisfied or dissatisfied*. Furthermore, we can see that 8% of residents dissatisfied with Council Roads in 2013 were *very dissatisfied*. (The figures from the Annual Residents Survey have been rounded to the nearest percentage and may not total 100%.)

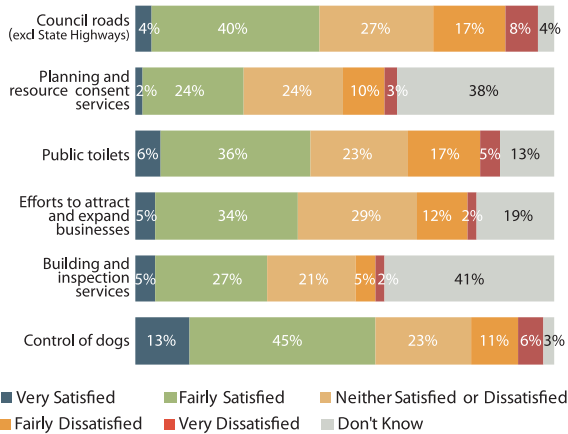


From the 2013 Annual Residents Satisfaction Survey, below are the Council facilities and services that residents were the most and the least satisfied with.

Most Satisfied



Least Satisfied



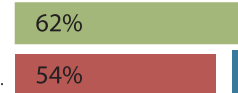
How do our results compare to last year?

Some results from the 2013 survey can be compared with last year's and key findings are shown below.

Information from Council: 52% of residents read a Council brochure (28% last year).



Representation: 64% rated the Mayor & Councillors as very good or fairly good (last year 62%) 54% were very satisfied or fairly satisfied with how Council involves the public in its decision making (last year 60%).



Staff performance: 84% rated the overall service when contacting Council offices as excellent or good (87% last year).



Quality of life: 25% felt very safe or safe in the CBD at night. (19% last year).



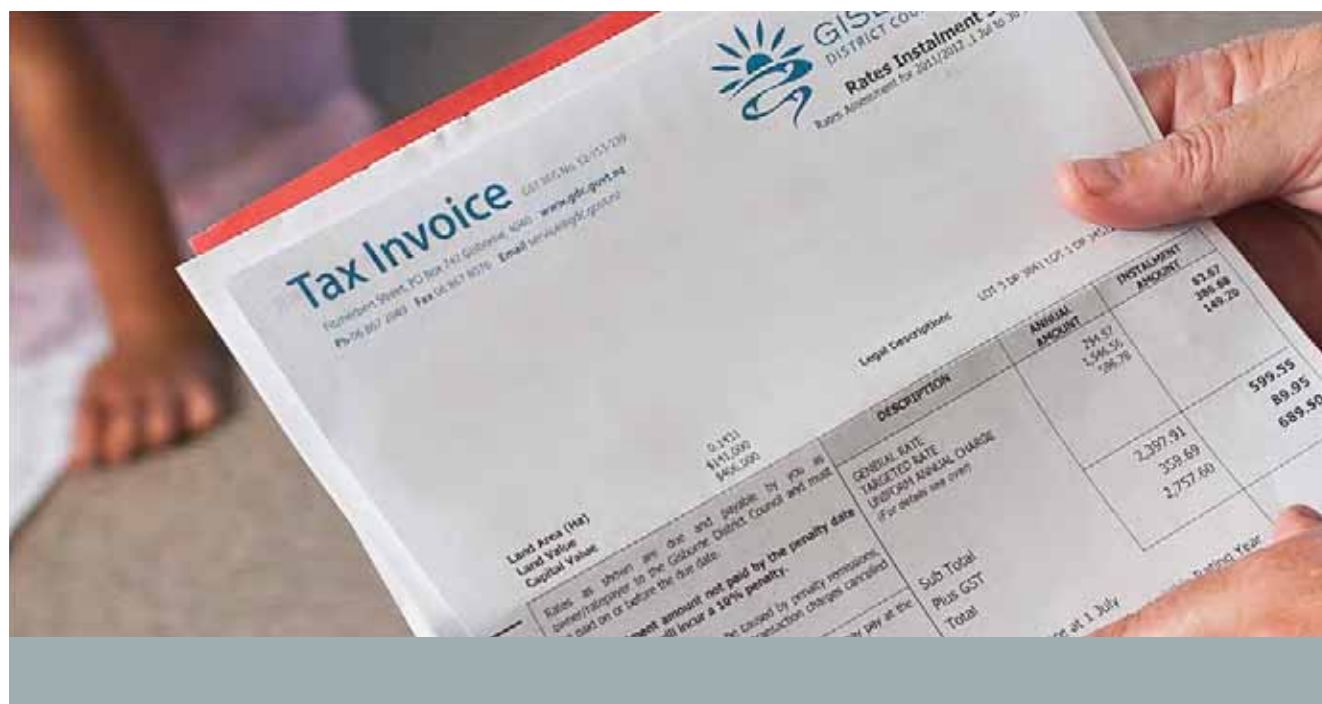
Facility Use: 61% of households used the Olympic Pool in the last year (52% last year), and 66% used the HB Williams Library (68% last year).



Key: 2011/12 | 2012/13

Increase

Decrease



Finances at a glance

This section provides an overview of the Council's financial results for the 2012/13 year. For further detailed information on the Council and the Group's financial results, refer to the full financial statements in the 'Our Finances' section.

Details of Council's Statement of Involvement in Council Controlled Organisations (CCOs) and other companies is included in the 'Our Finances' section.

The Council reports its results under New Zealand equivalents to International Financial Reporting Standards (NZIFRS). These standards represent generally accepted accounting practice in New Zealand. They prescribe the way we must recognise and disclose all financial transactions in our financial accounts.

Council continues to be in a strong financial position with relatively low debt at \$25m (\$11m less than budget). Debt levels are expected to rise as a number of major projects commence in the 2013/14 and 2014/15 year. Council made a net accounting surplus of \$4.6m compared to a budgeted surplus of \$1.7m. The main driver of the surplus was unbudgeted gain from land sales. Council also achieved lower than expected depreciation and finance costs due to a number of capital projects being delayed. Savings were made this year due to staff vacancies and the organisational restructure.

Financial Performance

The Council has made a surplus of \$4.6m⁽¹⁾. This surplus includes funding received specifically for capital projects. This income cannot be used to offset rates or fund operational expenditure.

	Council Budget 2012/13 Net Surplus	Council Actual 2012/13 Net Surplus	Council Variance Budget vs Actual Favourable/ (Adverse) \$000s
	\$000s	\$000s	
Revenue from Rates	49,066	49,314	248
Revenue from Grants and Subsidies	15,591	15,468	(123)
Revenue from Operating activities	14,427	14,078	(349)
Other Gains/(Losses)	12	1,855	1,843
Total Operating Income	79,096	80,715	1,619
Operating Costs	55,367	56,153	(786)
Depreciation and Amortisation	19,249	18,517	732
Finance Costs	2,776	1,998	778
Total Operating Expenditure	77,392	76,668	724
Subvention Income	0	600	600
Net surplus	1,704	4,647	2,943

The Council has a positive variance of \$2.9m when comparing the budgeted surplus of \$1.7m to the actual surplus of \$4.6m. Council's increased surplus was a combination of both increased income and a lower than anticipated operational spend.

¹ Understanding the Council's reported accounting surplus for the year ended 30 June 2013 - Council's net surplus is calculated using the following formula: **Total income - Total expenses = Net Surplus**

The positive income variance was mainly due to a gain on sale of land as a result of an exchange of land between Eastland Port Ltd and Gisborne District Council.

Council expenditure was \$0.7m less than the Annual Plan budget. This was due to a combination of savings in depreciation and finance costs.

Depreciation expense was planned to increase in 2012/13 as a result of new capital projects. The actual depreciation is lower than budget as a number of capital projects planned for this year have been delayed. The capital budgets have been carried over and the projects are anticipated to start in the 2013/14 year.

Council's debt at 30 June 2013 is \$25m, this is \$11m less than budget and \$6m less than the 2011/12 debt of \$31m. The lower debt combined with lower than forecast interest rates and bank margins have resulted in savings in finance costs.

The adverse variance in the operational costs is mainly the result of increased costs from emergency flood damage to our district's roads. The emergency flood damage is partially subsidised by New Zealand Transport Agency (NZTA).

Included in operational costs are Council's employee benefit expenses. Council has savings of \$0.5m when compared to budget in employee benefit expenses in 2012/13. This is the result of staff vacancies and the organisational restructure.

Significant changes in revenue/expenditure compared to the 2012/13 Annual Plan

	\$000s
Higher than budgeted grants received – mainly NZTA Flood Damage	2,371
Increase in fair value of forestry	261
Gain on sale and exchange of land	1,583
Lower than budgeted depreciation and amortisation	732
Lower than budgeted interest costs	778
Subvention Income from GHL	600
Total Positive Variances	6,325
Less	
Lower than budgeted grant income – mainly due to delays in projects that have a portion of grant funding	(2,494)
Lower than budgeted income from activities	(102)
Higher than budgeted operating costs	(786)
Total Negative Variances	(3,382)
Total Factors contributing to the underlying variance	2,941

Council sets its operating income at a level to meet each year's operating expenditure. In some cases this may not be practical or prudent due to the long term nature of the activity (i.e. wastewater, forestry and soil conservation nurseries) or the capital project funding received as grants/subsidies.

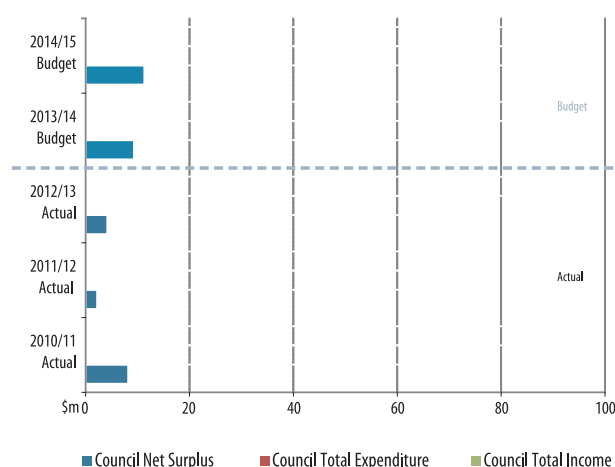
Council's forecast and actual net surplus for 2011 - 2015 is shown below. In most years Council will achieve a small surplus, usually the result of income received for capital projects.

The 2010/11 surplus of \$8m is greater than the other years presented. This was in line with the budget and was mainly due to the high level of NZTA funded capital projects for that year.

The total income for 2012/13 is \$3m greater than in 2011/12. This is mainly due to an increase in gains on sale of assets.

Total expenditure is \$0.5m greater than in 2011/12 but is \$0.7m less than the actual budget. Savings were made in employee benefit expenditure and interest costs, however, roading emergency flood damage costs were nearly \$2m above budget.

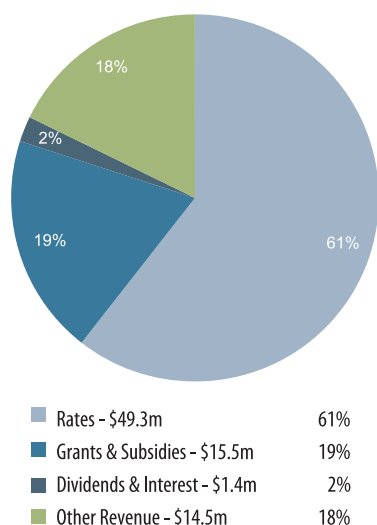
Total Net Surplus 2011-2015



Council Income

In 2012/13 the Council received income of \$80.7m compared to a budget of \$79.1m. Council mainly collects income through rates, this is 61% of total income. There have been no major changes to Council's sources of income recently, therefore the chart below is representative of the Council's funding source over a range of years.

Council 2012/13 Income \$81m



Council Expenditure

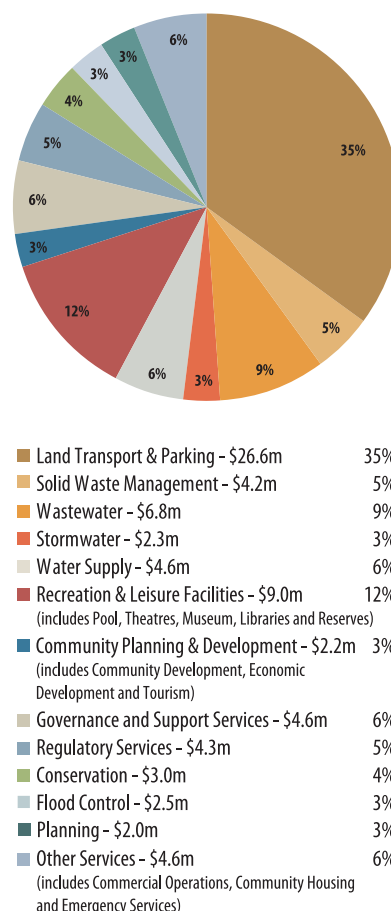
Council expenditure includes the day-to-day costs necessary to run the organisation. Costs are incurred to maintain, manage, develop and provide diverse services and facilities to the district.

The cost of Council doing its day to day business is driven by a number of factors including: inflation, debt levels, salary and wages inflation, amount of assets we own (and therefore have to maintain) and whether the Council increases or decreases the amount of services provided to the community.

As shown by the following pie graph, the roading, wastewater, stormwater, solid waste and water supply made up over 58% of total operating expenditure of the Council. The total cost of these services was \$44.5m.

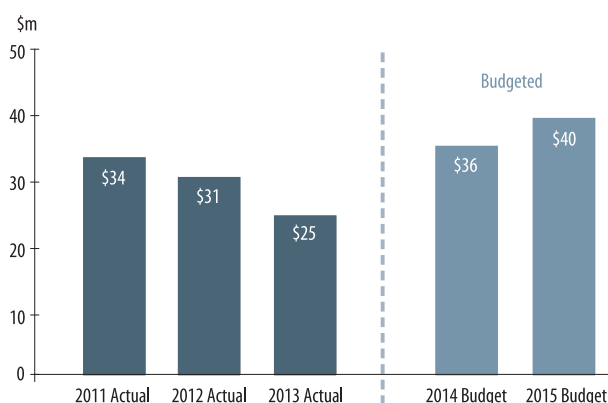
The Council has nearly \$1.9 billion invested in fixed assets. These are mainly used to provide essential services to our communities – roads, water, stormwater, wastewater, flood protection, parks, open spaces and community facilities. Council must ensure these assets are maintained and replaced if necessary so that the services they provide can continue now and into the future. The maintenance and depreciation on Council's assets are costly. In 2012/13 depreciation and amortisation charges totalled \$18.5 million; this is 24% of our total costs. Repairs and maintenance costs were \$5.8m; this is 7.5% of our total costs.

Council 2012/13 Expenditure \$77m



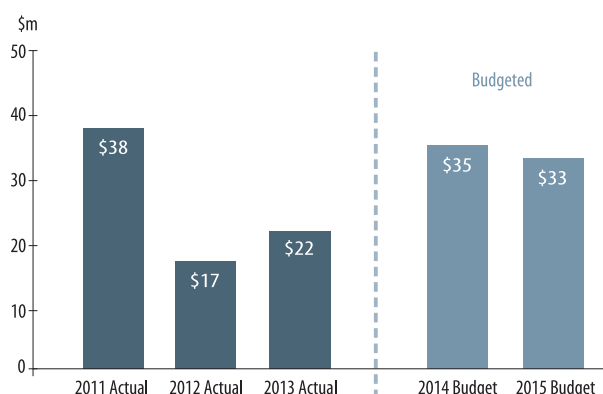
Council continues to be in a strong financial position with relatively low debt at \$25m, this is \$11m less than the Annual Plan budget of \$36m. Forecasted debt levels are expected to rise as a number of major capital projects are expected to commence.

Council Debt 2011-2015



Council's debt levels have remained lower than budget for the last few years, however improved project planning and project management is likely to result in less delays in Council's capital projects and therefore an increase in debt in the future.

Council Capital Projects 2011-2015



The major capital projects planned for the next two years include HB Williams Memorial Library extension (\$3.04m), Tāirawhiti Navigations and Inner Harbour development (\$12.55m), Cycle and Walkways (\$4.3m), War Memorial Theatre upgrade (updated budget of \$9.6m, approved at the Council's September 2013 meeting) and earthquake strengthening of Council offices (\$3.50m). These figures are sourced from the 2012-2022 Ten Year Plan. The timing and actual amounts are likely to vary and the variances could be material.

Council's five year financial performance summary

	2009	2010	2011	2012	2013
Public Debt (\$'000)	18,150	19,407	33,874	30,850	25,016
Net Surplus/(Deficit) after Tax	18,240	15,365	7,669	3,580	4,647
Net debt as a % of equity <10%	1.05%	1.11%	1.89%	1.68%	1.34%
Net debt as a % of income <95%	20.77%	22.52%	41.17%	39.64%	30.99%
Net interest as a % of income <10%	1.52%	1.86%	3.23%	2.82%	2.39%
Net interest as a % of annual rates income <15%	3.20%	3.72%	5.82%	4.66%	3.91%
Total debt per capita <\$1700	\$408	\$437	\$762	\$694	\$563
Working Capital (excluding current portion of public debt)	941	(5,061)	(3,337)	(942)	(5,313)



Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE READERS OF GISBORNE DISTRICT COUNCIL AND THE GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

The Auditor-General is the auditor of the Gisborne District Council and group. The Auditor-General has appointed me, Marcus Henry, using the staff and resources of Ernst & Young to audit:

- the financial statements of the District Council and group that comprise:
 - the statement of financial position as at 30 June 2013 on pages 101 to 102;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ending 30 June 2013 on pages 99 and 103 to 104;
 - the funding impact statement of the District Council on page 143;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 143 to 154; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 105 to 142;
- the statement of service provision (referred to as "Our Activities in Depth") of the District Council on pages 39 to 95 and the funding impact statements in relation to each group of activities of the District Council on pages 143 to 154.

In addition, the Auditor-General has appointed me to report on whether the District Council and group's annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on page 131;

- council-controlled organisations on page 105;
- reserve funds on page 132;
- each group of activities carried out by the District Council on pages 39 to 95;
- remuneration paid to the elected members and certain employees of the District Council on pages 141;
- employee staffing levels and remuneration on pages 142; and
- severance payments on page 142;
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on pages 48 to 49; and
- a statement of compliance signed by the mayor of the Council, and by the District Council and group's chief executive on page 98.

Opinion

Audited information

In our opinion:

- the financial statements of the District Council and group on pages 99 to 142:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the District Council and group's financial position as at 30 June 2013; and

- the results of its operations and cash flows for the year ended on that date.

- the funding impact statement of the District Council on page 143, fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on pages 143 to 154, fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan.
- the statement of service provision (referred to as "Our Activities in Depth") of the District Council on pages 39 to 95:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the District Council's levels of service for the year ended 30 June 2013, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.
- the funding impact statements in relation to each group of activities of the District Council on pages 143 to 154, fairly reflects by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the District Council and group's annual report complies with the Other Requirements of schedule 10 that are applicable to the annual report.

Our audit was completed on 3 October 2013. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of service provision (referred to as "Our Activities in Depth"). If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the District Council and group's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported in the statement of service provision (referred to as "Our Activities in Depth") within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the Other Requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in

accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and statement of service provision (referred to as "Our Activities in Depth") that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the District Council and group's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication

of the annual report, whether in printed or electronic form.

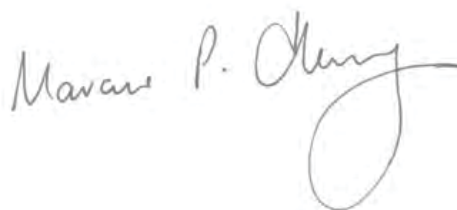
The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the Other Requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the Other Requirements, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the Other Requirements, we have no relationship with or interests in the District Council or any of its subsidiaries.



Marcus Henry
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

SECTION TWO

Our Strategic Direction

Our District - first to see the light



Coastal Sand Dunes



Beautiful Vineyards



The key components of Council's Strategic Framework is summarised over the next few pages. While the purpose of local government in the Local Government Act has recently been amended, Council's strategic framework is, at this stage, relatively unchanged. Over the next 12 months we will be undertaking a review of all our activities and services to ensure that they align to the purpose of the act. As a result our strategic direction may be altered slightly.

Community Outcomes

The achievement of Community Outcomes is closely linked to the new purpose of local government.

Community Outcomes now mean the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good quality infrastructure, local public services and performance of regulatory services. The Community Outcomes are central to Council's strategic direction as they set out what we are aiming to achieve through the services and activities we provide. All of our strategies, policies, plans (all of which are available on our website), activities and services contribute to the achievement of our community outcomes. As you will see in Section 2 all of our activities are linked to the Community Outcomes that they contribute to.

Our Community Outcomes are set out on the below.

Community Outcomes	We aim to achieve...	We support our outcomes by...
Environmentally Sustainable Tairāwhiti 	A district where natural environments are protected, restored and/or utilised sustainably in a way that enhances them for the future.	<ul style="list-style-type: none"> Providing a balanced regulatory framework that supports the natural and physical environment. Promoting and implementing systems and plans for the sustainable management of land and water resources. Pro-actively preserving and protecting indigenous biodiversity and ecosystems within the district. Supporting sustainable land use.
Healthy Tairāwhiti 	A district that has a healthy environment, easy access to active lifestyle facilities, high quality infrastructure and effective planning for a healthy and active community.	<ul style="list-style-type: none"> Providing infrastructure and services for a healthy and active region i.e. safe drinking water and waste disposal services. Supporting leisure and recreational opportunities. Promoting and regulating for safe and healthy environments. Ensuring accessibility to services and that all citizens can move around safely. Advocating for community needs.

Community Outcomes	We aim to achieve...	We support our outcomes by...
Connected Tairāwhiti 	<p>A district that has essential infrastructure that is well planned, affordable, equitable and meets the needs of our community now and in to the future.</p>	<ul style="list-style-type: none"> Facilitating people, goods and information moving safely and easily around the district. Supporting and/or advocating for a range of sustainable and secure transportation systems, reticulation, communication, energy supplies and protective infrastructure. Assessing and managing risk effectively. Having a clear planning framework that guides the district's development and encourages opportunities.
Prosperous Tairāwhiti 	<p>A district that is prosperous and an economy that is supported to sustainably grow, develop and diversify.</p>	<ul style="list-style-type: none"> Supporting communities and townships to be sustainable and prosperous. Providing services and infrastructure to help the economy develop, grow and diversify. Facilitating local, national and international business opportunities. Maximising benefits from economic initiatives and opportunities. Supporting innovative businesses to start up and relocate here. Encouraging investment in research and development. Supporting initiatives to attract talent, investment and visitors without compromising the environment, cultural values or social wellbeing and regulatory requirements.
Skilled and Educated Tairāwhiti 	<p>A district where infrastructure, leadership and advocacy supports our community to be highly skilled, educated and innovative.</p>	<ul style="list-style-type: none"> Advocating for education provision that meets lifelong learning needs, regional employment opportunities and encourages innovation. Providing centres of learning through supporting libraries and museums. Supporting leadership and education initiatives.
Vibrant Tairāwhiti 	<p>A district that is vibrant and values our unique and diverse art, culture and heritage.</p>	<ul style="list-style-type: none"> Promoting, protecting and valuing local heritage. Supporting local art access and production. Providing public facilities and initiatives to enable cultural and artistic expression. Supporting the development of cultural, heritage, artistic and community groups in the district. Respecting and fostering a local sense of place.
Safe Tairāwhiti 	<p>A district where communities are safe, caring and prepared.</p>	<ul style="list-style-type: none"> Providing information and emergency management solutions. Protection of people, properties and land from damage caused by natural hazards. Supporting and advocating for safer communities. Supporting and encouraging community capacity and capability building initiatives and processes.
Empowered Tairāwhiti 	<p>A district that leads and advocates for itself, encouraging and enabling all citizens to be actively involved in community life and participate in democratic processes.</p>	<ul style="list-style-type: none"> Promoting community wellbeing, participation and engagement. Recognising vulnerable and hard to reach communities and supporting their capacity to engage and participate in democratic processes. Advocating with and for our communities. Encouraging community responsibility.

More detail on our community outcomes is set out in the 'Tairāwhiti by Choice' document endorsed in May 2009.

Vision, mission, values

Council's vision and mission contributes to the achievement of our high level community outcomes.

Council's vision for the region is to be:

"First to see the light. First choice for lifestyle and people, enterprise and environment - Ka mau te wehi!"

This vision sees Gisborne/Tairāwhiti as more than just a place for today. It sees a place for tomorrow as well so that those who follow after us inherit a district that is better than it is now. For Council this means taking responsibility for leading our communities now and into the future; not through directing, but through helping to shape, collaborating with and listening to our communities and seeking the best advice.

Council's mission describes the purpose of Council and how it will achieve this vision. The mission is to:

"Lead and support the social, cultural, economic and environmental development of our communities - Mō tātou te Tairāwhiti".

Seven values underpin Council's mission and vision and influence the way the Council staff work with and for our communities and with each other. These values are:

- giving service
- Innovation
- doing it right the first time
- learning & improving
- solution focus
- working together
- can-do-attitude

The performance of Council and achievement of the community outcomes, vision and mission are reliant on other important elements. These include strategic challenges, strategies, policies and plans.

Strategic Challenges

In 2009, Council adopted its 'strategic challenges' which sit within the context of Council's vision, mission and values. The strategic challenges are a mix of internal and external challenges that identify critical issues that need to be addressed in order to make the district "better than it is now". The challenges and outcomes are listed below.

The Challenges we face are	The Outcomes we Seek
1. Performance Culture: Creating a culture of performance in a semi political organisation with a limited budget in a relatively remote location.	Council is a high performer within its preferred cultural framework.
2. Governance Effectiveness: Earning the confidence of the elected representatives and achieving aligned purpose.	A close and effective working relationship exists between elected members and staff that better contributes to community well-being.
3. Community Engagement: Engaging with the communities – especially Māori – within a demographically unique region.	We inter-connect with the community through collaboration and effective communication and there is effective Māori contribution to Council decision making.
4. Major Projects: Providing the district with the major community facility and infrastructure projects that are needed or desired.	The right projects are delivered at the right place, right price and the right time.
5. Natural Resource Use: Manage natural resources so that the aspirations for lifestyle, the economy and kaitiakitanga/stewardship are recognised and the needs of future generations are not compromised	Natural resource use and development is supported to be sustainable through effective leadership, collaboration, advocacy, policy development and regulation.
6. Financial Sustainability: Living within our means in the face of prevailing economic conditions, government policy changes, affordability and the limits on rates revenue.	Current and future Council commitments are funded in a way that the community can afford and which meets Council's stewardship obligations to the district.
7. Community Viability and Functioning: Improving community viability and functioning in light of economic, environmental and socio-demographic challenges affecting the district.	Communities are supported to be sustainable and prosperous so that they contribute to the district's well-being.
8. Risk Management: Identifying and managing risks to enable best use of resources.	Business objectives will continue to be met despite adverse events or changes in circumstances.
9. Business Efficiency: Improving the efficiency of processes to add value for the benefit of customers and the community.	Our business processes are optimised to produce high quality results within the political, regulatory and compliance environment.
10. Customer Need: Understanding and addressing customer and community needs in a proactive way while creating value.	An organisation that focuses on understanding current and future customer/community needs and addresses them in a way that increases value.

Our financial strategy

What is Council's financial strategy?

The over-arching aim of our financial strategy is to be financially sustainable. To Council this means that we fund our activities in ways that the community can afford now and in the future. To achieve this, our financial strategy sets out six key directions:

- Minimise and smooth rates increases
- Minimise debt levels
- Have an emphasis on "user pays and beneficiaries"
- Increase other income (not from rates)
- Maintain (and in some instances decrease) existing services, activities and infrastructure
- Assist in improving the district's ability to pay.

Financial Strategy Key Directions

1. Minimise and smooth rates increases

Total rates revenue will comprise up to 70% of Council's funding requirements. Total rates increases will be between 3.2% - 5.4% of total rates over the term of the Ten Year Plan.

Council's rates income made up 61% of our total income and our total rates increased by 4.7% for 2012/13. This is slightly higher than budget mainly due to new connections and subdivisions.

Changes made to the Revenue and Financing Policy in 2012/13 resulted in some large unexpected rates increases for some rural and semi rural ratepayers. As a result Council reviewed the funding of Pests and Plants, Rural Fires and Soil Conservation and provided a one off remission to those most effected.

A full, independent review of Council's Revenue and Financing Policy is being undertaken this year.

2. Minimise debt levels

Debt will be kept in the low to medium band (\$18m - \$55m).

The Annual Report shows debt to be \$25m. This is \$11m less than the debt forecast in the 2012-2022 Ten Year Plan. Council's debt for 2011/12 was lower than budgeted and this has had a positive flow on effect on our debt for 2012/13.

3. Have an emphasis on "user pays and beneficiaries"

The Revenue and Financing Policy, including rates remissions policies, will be used to allocate the cost of services and "public good".

In trying to be fair to all ratepayers Council has applied a 'user pays' philosophy. Those that use or benefit from a service should be rated for it.

Although the current review of our Revenue and Financing Policy will aim at reducing the complexity of our targeted rates, we will still aim for a fair rating system.

4. Increase other income (not from rates)

Fees and cost recoveries will be consistent with those charged by other Councils or the private sector. Fees and charges will increase by inflation at between 2% - 4% a year. The objective for holding and managing commercial investments is to provide income streams that are available to reduce rates.

The cost of Council providing services is increasing; therefore most of Council's fees and charges increased slightly by inflation.

5. Maintain (and in some instances decrease) existing services, activities and infrastructure

The focus will be on delivering and maintaining essential services and infrastructure (community and network infrastructure) at their current levels.

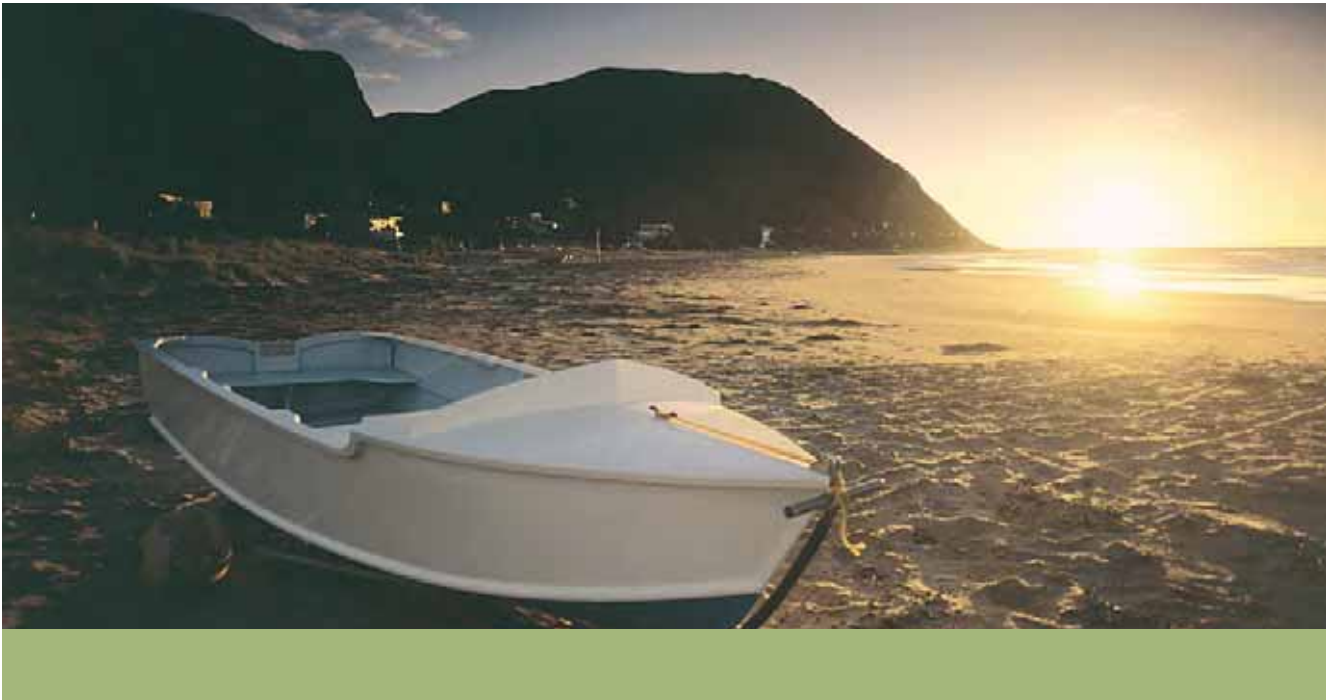
Council has made no changes to the existing levels of service for all activities in 2012/13. Each activity's performance against their levels of service are outlined in the "Our Activities in Depth" section.

6. Assist in improving the district's ability to pay

Economic agencies will be supported to assist in growing the district's economy. Key stakeholders and others will be helped to improve the productivity of Māori land. Infrastructure to support and attract businesses into our district will be provided. Community infrastructure will be provided that attracts people to the district to "Live, Work, and Play".

Key stakeholders, economic development agencies and others will be supported in growing the district's economy and improving the productivity of Māori land. Council is working on the long standing issue of Māori land rates arrears, which is closely linked to the productivity of Māori land.

Council has a focus on core infrastructure to support and attract businesses. Community infrastructure will be provided that attracts people to the district to live, work and play. Council's capital spend for 2012/13 is \$22m. This is mainly for core infrastructure. In 2013/14 and 2014/15 Council plans to make significant progress on our major projects as highlighted in the 2012-2022 Ten Year Plan and the 2013/14 Annual Plan.



Our district covers the largest land area in the North Island of New Zealand with 8,360 square kilometres of land. We are located in the north-eastern corner of the central North Island and are referred to as Tairāwhiti, the East Cape, East Coast and the Eastland region.

The unspoiled East Coast region is still one of the world's best kept secrets and has inspired authors, poets, artists and wine lovers. It has some of New Zealand's most exciting and consistent surf breaks and safe swimming.

Our Uniqueness

As the site of the first meeting between Māori and European, our district is rich in history. You can see Gisborne's bi-cultural heritage everywhere from the elaborate Māori canoe masthead to the Cook memorial. Over 100 marae in the district are living treasure houses of traditional Māori history. We have a unique population mix with the highest proportion of Māori (44%) to non-Māori in the country. At Kaiti beach, near the city of Gisborne, Māori landed their waka Te Ikaroa-a-Rauru. This was also the first landing place of Captain Cook in 1769. He named the area "Poverty Bay". It had previously been known by the pre-Europeans as Tūranganui-a-Kiwa meaning "the waiting place of Kiwa" (who was said to have landed on our shores around 1450AD).

What sets Gisborne apart from the rest of New Zealand is the beauty and isolation of our key distinctive features. These include our picturesque coastline and beaches, native bush and hill country, Rere falls and rockslide, productive and fertile land and our numerous rivers which flow out to the surrounding Pacific Ocean.

Overlooking our city and its rivers is Titirangi (Kaiti Hill), offering views of Poverty Bay and the surrounding rural areas. The white cliff headlands of Young Nick's Head (Te Kuri-a-Paoa, The Dog of Paoa) stand out against the skyline.

In the distance stands Mount Hikurangi, a mountain of great cultural significance to the people of Ngāti Porou. Hikurangi is the first mountain in the world to see the sun each day.

Quick facts	
District Land area	8,360km*
Percentage of total NZ land area	4.9%
Reserves	950 hectares**
Population	44,460 (2006 census)
Capital value	\$8.6 billion (30 June 2013)
Land value	\$4.8 billion (30 June 2013)
Average population density	5.3 persons per sq km
Number of rateable properties	23,358
Council's total asset value	\$1.9 billion (30 June 2013)
* Based on the high water mark	** Land zoned "reserve"

Our Lifestyle

Gisborne is home to a vibrant and progressive community, serviced by a full range of modern amenities. Our district is renowned for its warm climate with a total of 2,200 sunshine hours each year, and over 65 days where the temperature reaches above 24 degrees centigrade. Rainfall varies from about 1,000mm near the coast to over 2,500mm in the higher inland country. Property costs here are relatively low and wherever you choose to live, you're never too far from the beach.

Along with a range of local and national retail stores, the city's numerous municipal facilities include excellent libraries, museums and theatres that stage some 40 plus performances every year. Our Tairāwhiti Museum and Art Gallery has a reputation as one of the most innovative regional museums in New Zealand.

Gisborne residents enjoy many outdoor activities because of the key distinctive features of the region's environment. Our coastal environment is an integral part of our region and its people. Gisborne is renowned for its surf breaks and has a keen surfing and surf lifesaving culture. Avid cyclists and multi-sport enthusiasts also make use of Gisborne's coastline. Many other well patronised sports take advantage of Gisborne's rivers and coastal environment including waka ama, paddling, rowing, kayaking, fishing and diving.

Our rural lifestyle is also important to our region with much of the district's economy underpinned by land based activities. Gisborne has many recreational hunters as well as walkers and trampers who enjoy our hill country, native bush and coastal tracks throughout the district.

Our Economy

Gisborne is rich with business and employment opportunities. There are more than 4,800 businesses located in the Gisborne district (Statistics NZ February 2012).

Agriculture has been the most important industry since earliest settlement. However, agriculture has diversified over the years and now forestry, viticulture, horticulture and related industries such as food processing are becoming increasingly important. Tourism has also been targeted as an industry of high growth potential.

Gisborne is one of the three main grape growing areas in New Zealand. Here 2,003 hectares support 24 wineries (2009 NZ Wine statistics). Gisborne has historically been known for its outstanding Chardonnay, but other varieties are now getting national and international recognition. The region has a particularly favourable environment for industry with a stable labour force combined with high tech skills associated with food processing and manufacturing.

SECTION THREE

Our Activities in Depth



Waingake Water Treatment Plant



New subdivision water pipes

Contents Page



	Page No.		
How to Read this Section	37	Governance and Support Services	
		Governance	75
Commercial Property		Support Services	78
Commercial Operations	39		
		Infrastructure Services	
Community Planning and Services		Flood Control	81
Aquatic and Recreation Facility (Olympic Pool)	41	Land Transport and Parking	83
Arts and Culture	43	Solid Waste Management	86
Community Housing	46	Urban Stormwater Services	88
Community Planning and Development	48	Wastewater	91
HB Williams Memorial Library	52	Water Supply	93
Parks and Open Spaces	54		
Environmental and Policy Services			
Animal Control	57		
Building Services	59		
Emergency Management	61		
Environmental Health	64		
Environmental Policy	66		
Environmental Services	69		
Resource Consents	73		

How to read this section

The following sections describe Council's activities. Each activity section includes a description of the activity and why we do it (including a link to relevant community outcomes), what Council did during 2012/13, how well we performed against our targets and what it cost.

Sections are structured as follows:

Why we do it

This provides a brief description of why Council undertakes this activity including the benefits to the community.

What we do

This provides a brief description of what the activity involves.

Contribution to community outcomes

Where an activity of Council contributes to a community outcome it is identified in this document by the relevant icon (see page 24 for a full list of our community outcomes).

Our strategic challenges

The strategic challenge areas that the activity contributes to are listed (see page 26 for a full list of our strategic challenges).

What we did

Under 'What we did' we report on the actions carried out in the activity area over the last year. The emphasis is on highlights for the year rather than business as usual activities.

Our progress

Under 'Our progress' we set out the levels of service we aim to reach, the performance measure targets for the 2012/13 year as well as our actual results for the year.

The measures have targets that were outlined in the 2012-2022 Ten Year Plan. The previous results are taken from the 2011/12 Annual Report. Because this is the first year of reporting on the current Ten Year Plan there are a number of performance measures that are new and do not have previous results.

The performance measures used are either customer or technical focused. Technical focused measures are based on best practice industry standards. The customer focused measures come primarily from our Requests for Service results or our annual resident satisfaction survey.

Requests for service performance measures

The Council has a Request for Service (RfS) system to manage and track all requests that members of the public make for various Council services. Each activity area has a range of specific request for service, each with their own timeframe for when Council is required to respond to and/or resolve the request. These requests range from urgent matters that must be resolved within hours to ongoing requests that can take up to a year depending on work plans and budgets. Each activity has different criteria for prioritising the matter and determining the response timeframe. The timeframes are not mentioned in each situation as there may be hundreds of different timeframes for each activity. Those interested may contact Customer Services to find out any of the specific RfS timeframes.

We also survey 5% of all individuals who make a request for service to determine whether they felt our response to their request was poor, only fair, good or excellent. The responses given depend on the individual's opinion of what meets those criteria.

2013 Annual Residents Satisfaction Survey

The Resident Satisfaction Survey was a 25 minute phone survey of 400 residents in June, which asked respondents their levels of satisfaction with Council's activities, facilities and performance. This is a subjective judgement based on the individual's interpretation of satisfaction. The survey is designed to be fully representative of the district's wards as well as gender, age, ethnicity of its citizens. It has a maximum margin of error 4.9%.

This year, in keeping with best practice, the number of possible responses to a question, and the wording of those responses changed from previous years. A 5-point satisfaction scale was used for all questions. In past surveys the scale used to measure satisfaction varied throughout the survey. The change gives a more detailed measurement of public perceptions of the Council and its services and facilities – and in particular it provides more detail about resident's levels of dissatisfaction. It also ensures consistency throughout the questionnaire.

Where we are measuring the level of resident satisfaction, the five point scale used is: *very satisfied, fairly satisfied, neither satisfied nor dissatisfied, fairly dissatisfied, and very dissatisfied*. Last year the scale used for these questions was *very satisfied, fairly satisfied, not very satisfied*. In both years "don't know" responses were recorded, but not given as an option.

Due to the change in measurement scale the responses are not directly comparable between some sections of the 2013 survey and previous survey results. Please see page 17 for details.

What was different

Under 'What was different' we give reasons for any significant changes to the previous year's performance measure results and any further explanation required of the performance measures.

What it cost

Under 'What it cost' we present the net cost to the ratepayer for the services provided by each activity and compare the cost to what Council had budgeted for the activity in the Ten Year Plan. Capital expenditure is funded from a variety of sources.

The Operating Revenue and Operating Expenses only include external revenue and expense. Any internal recoveries or charges are excluded.

Capital Rates: These are rates specifically collected for a capital project e.g. wastewater treatment plant.

Capital Grants and Subsidies: These are grants and subsidies received for specific capital works.

Other Capital Revenue: This includes income from assets vested in Council.

Reserves: These are transfers from Council's Reserve Accounts. This is usually the Depreciation Reserve Account.

Internal Loans: New capital works are loan funded internally by the Treasury.

What was different from the budget

Under 'What was different from the budget' we give the reason for any changes to the cost of the activity compared to the budget.

The 2011/12 actual figures may differ from the actual 2011/12 Annual Report due to the different activity groupings in that year. We have restated the 2011/12 actuals to provide comparative figures that are relevant with the 2012/13 groupings.

Please note for ease of reporting, this document contains the same activity groupings and levels of service as those used in the 2012-2022 Ten Year Plan.

Commercial Operations



Why we do it

Commercial Operations contains the commercial and business activities of Council. The primary reason for holding these investments is to generate cost savings or provide income to Council to reduce its reliance on rates income.

What we do

The Commercial Operations Group includes:

- Gisborne Vehicle Testing
- Waikanae Beach Top 10 Holiday Park
- Commercial Property
- Commercial Forestry
- Council Controlled Organisations (CCOs)

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
These operations contribute to a Prosperous Tairāwhiti as income generated from these assets is an important income stream for Council and is used to reduce the level of rates. The primary focus of Commercial Operations is to operate profitably and increase their returns to Council.				
Gisborne Vehicle Testing	Expected return (Operations) - Return on Revenue (ROR) in the range (before contribution to Council overheads) of 5% to 10% pa.	New measure	5-10%	21% Achieved
	Expected return (Property) - Return on assets employed in the range 2% to 4%.	New measure	2-4%	7% Achieved
Waikanae Beach Top 10 Holiday Park	Expected return - Return on Revenue (ROR) (before contribution to Council overheads) in the range 12% to 16%.	New measure	12-16%	15% Achieved
	Annual revenue per occupied room.	New measure	12-16%	Not measured ¹
	Annual revenue per available room	New measure	12-16%	Not measured ¹
Commercial Property	Expected return - Market based returns 4%-6% return on investment	New measure	4-6%	6% Achieved
	Municipal Buildings - small return 1%-2% to offset future capital requirements and to smooth fluctuations in operating costs.	New measure	1-2%	0% Not Achieved ²

Our Commercial Operations are made up of a number of commercial investments. The investment portfolio contains a range of mostly locally run businesses and services; some are run on a commercial basis for the benefit of Council operations, while others are run to supplement Council's rates income.

This activity contributes to the following community outcome



Prosperous
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Financial Sustainability
- Business Efficiency

What we did

- Improved the profitability of Gisborne Vehicle testing and the Waikanae beach top 10 holiday park during tough trading times for both activities.
- Completed Emissions trading scheme registration and associated emissions returns for Councils forestry blocks.

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
	Properties supporting Council business units (e.g. Gisborne Vehicle Testing (GVT), Holiday Park) market based returns after taking into account encumbrances on the land.	New measure	Achieved	Achieved
	All disposals at current market rates based on independent valuation.	New measure	Achieved	Achieved
Commercial Forestry	Expected return - Forestry Joint Venture with Juken NZ Ltd net proceeds on harvest 16.75% to GDC 83.25% to Juken Nissho.	New measure	Achieved	Harvest expected 2018
	Other forestry blocks - the Internal Rate of Return (IRR) 5%-7% (excluding CPI inflation).	New measure	Achieved	Achieved
	Proceeds from sale of excess carbon credits.	New measure	Achieved	Not achieved ³
Council Controlled Organisations	Expected return (Gisborne Holdings Ltd) - An interim dividend of \$500k paid in February each year. The final dividend making a total of 70% of the net distributable income will be paid in October. Estimated dividends disclosed in the 2012 Statement of Intent (SOI) range from \$1.012m – \$1.051m per annum.	New measure	Achieved	Not achieved ⁴

What was different

- These performance measures were not intended to remain in the 2012-2022 Ten Year Plan. They are not a relevant indication of the Waikanae Beach Top 10 Holiday Park business and are not documented. They have been removed from the 2013/14 Annual Plan.
- The small return traditionally provided by Councils municipal buildings was used to contribute towards the relocation of Council's administration centre from the Fitzherbert street site. Using the return in this way avoided the need to raise internal charges to cover the increased expenditure.
- There were no proceeds from the sale of excess carbon credits.
- A reduction in return from Gisborne Holdings Ltd was primarily due to the significant drought event during the year. No dividend was achieved, however a subvention payment of \$600k was made to Council.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	3,126	2,516	610	2,200
Operating Expenses	3,634	3,533	(102)	3,396
Net Cost of Service	509	1,017	508	1,196
Capital Expenditure (\$000)				
Capital Projects	252	524	272	777
Funded By:				
Other Capital Revenue	30	0	30	180
Depreciation or Other Reserves (Renewals)	152	494	(342)	129
Internal Loans	70	30	40	468
	0	0	0	0

What was different from the budget

- Operating revenue was \$610k above budget. This is a result of profit on the sale of land \$551k and increased revenue at the holiday park \$43k.
- Capital expenditure is \$272k below budget. This is a result of delays and difficulties in the earthquake strengthening of the Council offices.
- Commercial Operations recovers its costs through charges to other activities for accommodation, when these are taken into account the activity has a \$215k surplus for the year.

Aquatic and Recreation Facility (Olympic Pool)



Why we do it

The Olympic Pool Complex is one of the key recreational facilities in the Gisborne district and listed as a strategic community asset.

What we do

A wide range of activity programmes are available for individuals and groups like schools and community organisations. The facility's purpose is:

- To offer opportunities for aquatic recreation, fitness, sport, play, fun, education, health and social interaction.
- To meet the recreational demands of the people in our community and tourists.
- To provide access to events space and affordable accommodation for groups.
- To present a safe and accessible facility for people of all ages and abilities.

The Gisborne Olympic Pool Complex is currently managed as a Council owned and operated community unit. By definition, community units are not business units as they do not exist to create a financial profit.

The rationale for Council's investment into facilities for recreation, sports, fitness, active living, arts and cultural services is the wider community good that is created and the non-monetary benefits that are generated for the community.

This activity contributes to the following community outcomes



Healthy
Tairāwhiti



Prosperous
Tairāwhiti



Safe
Tairāwhiti



Vibrant
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Major Projects
- Financial Sustainability
- Community Viability and Functioning
- Risk Management
- Business Efficiency
- Customer Needs

What we did

- Achieved very good results for admission numbers and external revenue
- Maintained operational quality and achieved unqualified PoolSafe accreditation ("The Gisborne Olympic Pool is a great facility and staff are very friendly and professional." – quote from PoolSafe audit report; February 2013)
- Further reduced the number of accidents / incidents at the pool and instances of unwanted behaviour, despite record visitor numbers
- Offered a number of successful promotions (i.e. 'Come Have a Look 2013', 'Swim the Distance 2012') and events (i.e. 'Do it 4 You – Women's Triathlon')
- Improved the visual and user appeal of the facility in key areas (i.e. repair and cleaning of canopy curtains, renovation and tiling of showers, installation of screen fence for utility area, tidy-up and improvement of beach volleyball area and basketball hoop, removed clutter through storage boxes around main pool)
- Initiated the decision making process regarding the future terms and conditions for pool use by the resident Comet Swim Club (expiry of the 20-year-lease contract), to be finalised by December 2013.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Healthy, Prosperous and Vibrant Tairāwhiti by providing a range of sustainable, quality aquatic and recreational opportunities for Gisborne district residents and visitors.	Percentage of residents satisfied with the Olympic Pool as found in our Annual Resident Satisfaction Survey.	61%	70%	60% ¹ Not achieved
	Percentage of households who have used the pool in the last 12 months as found in our Annual Resident Satisfaction Survey.	52%	55%	61% Achieved
	Number of pool admissions per annum.	140,935	150,000	157,664 Achieved
	Percentage of external revenue from users versus expenditure.	39%	40%	36% Not achieved
We contribute to a Safe and Healthy Tairāwhiti by providing a safe place for aquatic and recreational activities in a managed healthy environment.	Percentage of customers who are satisfied that the pool provides a safe environment for aquatic recreation as found in annual user survey.	100%	95%	98% Achieved
	Percentage of customers who are satisfied that the pool water is clean and pleasant as found in annual user survey.	92%	90%	95% Achieved
	Percentage of time pool water quality meets NZ Standard 5826:2010.	97% Main Pool 97% Hot Pools	90%	96% Main Pool 97% Hot Pools Achieved
	Compliance with PoolSafe Management Scheme – an independent assessment of pools management and operation in accordance with industry standards.	Achieved	Achieved	Achieved

What was different

- This year the scale of the resident satisfaction survey changed so the percentage of satisfied residents is not directly comparable between the 2013 survey and previous surveys, see page 17 for details.

What was different from the budget

- Operating revenue was \$46k lower than budget. Lower than anticipated shop sales \$26k and admission fees \$20k account for this variance.
- Operating expenses were \$155k lower than budget. This was the result of lower than anticipated salary costs \$42k and feasibility work being delayed \$51k. Savings in other operating costs relate to financing of debt and overheads.
- Capital expenditure was \$34k lower than budget. This is the result of the PA replacement occurring in the previous financial year.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	529	575	(46)	498
Operating Expenses	1,349	1,504	155	1,354
Net Cost of Service	820	929	109	855
This activity was funded 66% from rates and 33% from fees and charges				
Capital Expenditure (\$000)				
Capital Projects	23	57	34	40
Funded By:				
Grants and Subsidies	0	5	(5)	22
Depreciation or Other Reserves (Renewals)	20	45	(26)	33
Internal Loans	3	7	(3)	(16)
	0	0	0	0

Arts and Culture



Why we do it

To provide facilities, services and art in public places that enable the public to experience and participate in the performing and visual arts, and to house and support a regional museum to provide a safe repository for the district's taonga (treasures).

What we do

Arts and Culture includes:

- Theatres
- Art in Public Places and arts and cultural heritage facilitation
- Museum grants
- Tairāwhiti Navigations Project.
- Provision of land for community halls.

This activity involves providing facilities, services and projects not only for the enjoyment of locals and visitors; but to create a sense of pride and place, and to reflect the diverse cultures of the district's people. Arts and cultural institutions, and access to the arts and culture generally, make a significant contribution to the social and economic development of an area. Arts and culture plays an important role in enhancing a sense of identity and local distinctiveness.

Theatres and Community Halls

Theatres and community halls are facilities that encourage and enable the public to experience the performing and visual arts, and to provide venues suitable for seminars, weddings and other community activities. Council owns and administers three theatres:

- Lawson Field Theatre on Fitzherbert Street
- War Memorial Theatre on Bright Street
- Outdoor Theatre on Centennial Marine Drive

Also included within the activity is provision of land for rural communities to construct and operate community halls. Council requires lease agreements for all community facilities on public land.

Art in Public Places and Art and Cultural Heritage Facilitation

Council provides Art in Public Places spaces such as parks, squares and other public and civic areas/buildings. Funding for the maintenance of Art in Public Places is provided for under the Parks and Open Spaces Activity. Council also administers the Creative Communities NZ fund, allocating funding for arts and cultural projects that:

- Increase community participation in the arts and the range and diversity of arts available to communities.
- Enhance or strengthen the local arts sector.

A small amount of grant funding is provided to aid in the delivery of services to support and build community capacity in the area of arts and culture:

Council also has an Arts and Culture Strategy 2011-2013 which it adopted in May 2011. The strategy was developed in consultation with the community and interested people and includes a vision, goals and action plan.

Museum Grants

Tairāwhiti Museum

In accordance with the 21 year contractual agreement signed in 2001, Council provides an annual allocation to the museum trust to maintain, develop, document, exhibit and make accessible the region's heritage collections and to research and promote the region's art, culture and heritage.

The Gisborne Museum of Art and History Trust Incorporated own and operates the Tairāwhiti Museum. Council owns three ancillary buildings, and the land, at the Stout Street properties in Gisborne.

East Coast Museum of Technology

Council provides a smaller annual grant to assist the East Coast Museum of Technology, at Makaraka, to preserve, protect, catalogue and restore the region's collection of interesting vehicles and machinery, many of which have been restored to working condition.

Tairāwhiti Navigations Project

Tairāwhiti has a unique and rich heritage based around Māori and European navigational stories, contact and settlement. The Tairāwhiti Navigations project is about unlocking our tourism and economic potential, celebrating our rich culture and ensuring the inner harbour area is attractive and vibrant. A cultural heritage trail through Gisborne's inner harbour, Titirangi Reserve and other key sites will be developed.

This activity contributes to the following community outcomes



Prosperous
Tairāwhiti



Vibrant
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Community Engagement.

What we did

- Set up Gisborne War Memorial Theatre Trust to raise funds to support redevelopment of theatre. A

number of fundraising events were held during the year at both WMT and Lawson Field Theatre.

- Closed Gisborne War Memorial Theatre at end of year, signalling the start of major refurbishment of theatre building.
- Installed new retractable seating and additional seats at Lawson Field Theatre, increasing seating capacity and flexibility of use of the theatre.
- Installed new air conditioning at Lawson Field Theatre.
- Installed 'the guardian' sculpture in Gladstone Road, adding a colourful lighting display to the city nightscape
- Tairāwhiti Museum Trust began work on an extension to building, to create a gallery and storage area, largely supported by Jack Richards.
- Worked with Eastland Port and Downer to begin strengthening work on the inner harbour training wall. This is stage one of the Tairāwhiti Navigations project.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Vibrant and Prosperous Tairāwhiti by providing facilities and services that help create a strong sense of community mana, pride and identity, reflecting the heritage and culture of the region.	Number of booking days per annum:			
	Lawson Field Theatre	163	190	168 ¹
	War Memorial Theatre	77	78	71 Not achieved
	Percentage of residents satisfied (according to our Annual Resident Satisfaction Survey) with:			
	Lawson Field Theatre	67%	75%	57% ²
	War Memorial Theatre	49%	55%	50% Not achieved
	Percentage of revenue return on operational cost. (Theatres)	12%	35%	45% ³ Achieved
	Compliance with Health & Safety codes of practice.	Achieved	Achieved	Achieved
	Number of publicly displayed artwork projects worked on that contribute to enhancing arts and culture in the district.	New measure	3	1 Not achieved
We contribute to a Vibrant Tairāwhiti by providing adequate facilities and contracted management of the distinctive museum collection and displays.	Number of visitors per annum to Tairāwhiti Museum.	New Measure	40,000	35,321 Not achieved
	Percentage of residents satisfied with Tairāwhiti Museum as found in our Annual Resident Satisfaction Survey.	74%	81%	75% Not achieved

What was different

1. Lawson Field Theatre was closed for several weeks whilst seating refurbishment and upgrade of toilet facilities work undertaken
2. This year the scale of the resident satisfaction survey changed so the percentage of satisfied residents is not directly comparable between the 2013 survey and previous surveys, see page 17 for details.
3. The percentage of revenue return on operational cost is for the Theatres only.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	101	112	(11)	111
Operating Expenses	1,055	1,180	125	1,072
Net Cost of Service	955	1,069	114	961
This activity was funded 97% from rates and 3% from fees and charges				
Capital Expenditure (\$000)				
Capital Projects	989	800	(189)	226
Funded By:				
Grants and Subsidies	0	440	(440)	0
Other Capital Revenue	1	0	1	1
Depreciation or Other Reserves (Renewals)	648	120	528	152
Internal Loans	340	240	100	73
	0	0	0	0

What was different from the budget

1. Operating revenue was \$11k lower than budget. Reduced theatre hire revenue of \$18k was offset by other income sources.
2. Operating expenses were \$125k lower than budget. Lower than budgeted expenditure was seen in financing and depreciation charges of \$81k due to delays in the start of the War Memorial Theatre project. Savings were also made in administration and other operational costs.
3. Capital expenditure was \$189k higher than budgeted. This is due to the War Memorial Theatre Project which began during the year.

Community Housing



Why we do it

To provide quality housing for older people who have difficulty in providing it for themselves.

What we do

Provide and maintain a range of one bedroom units (120 units in 10 complexes) to enable independent living for people aged 55 years and over. Council does not provide social welfare services for its tenants but works with other agencies to ensure that these services are known about and readily accessible for tenants that may need them.

This activity contributes to the following community outcomes



Healthy
Tairāwhiti



Safe
Tairāwhiti

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Safe and Healthy Tairāwhiti by providing housing suitable for the elderly who have difficulty providing it themselves.	Percentage of customer satisfaction with standard of accommodation and services as found in our annual inspection survey.	98%	95%	95% ¹ Achieved
	No cost to ratepayers for Council's housing services.	\$(154,393)	\$0	\$(114,339) ² Achieved
	Annual occupancy rate.	98%	95%	98% Achieved
	Rent as a percentage of market rate (lower quartile) not to exceed 90%.	Achieved	Achieved	Achieved

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Community Engagement
- Financial Sustainability
- Community Viability and Functioning
- Risk Management
- Business Efficiency
- Customer Needs.

What we did

- Continued building component replacements across the range of accommodation in line with modern building standards.
- Replaced outdated heating with modern energy efficient heat pumps across the larger complexes, replacements will continue across other complexes in future financial years.
- Continued to focus on providing an appropriate level of community service while also providing a financial return to Council.

What was different

1. Changes in tenancy make ups across the units can vary customer satisfaction levels. Targets set and achieved are based on a historically higher level of service for Community housing tenants when compared against an average residential tenancy.
2. While the overall income has increased for the activity during 2012/13, a variation in income accrual has meant a reduction in the contribution to Council for this financial year. This is expected to normalise over the coming financial year

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	867	875	(8)	951
Operating Expenses	667	721	54	705
Net Cost/(Benefit) of Service	(200)	(154)	46	(247)

This activity was funded 100% from fees and charges

Capital Expenditure (\$000)

Capital Projects	182	175	(7)	237
Funded By:				
Depreciation or Other Reserves (Renewals)	182	175	7	237
	0	0	0	0

What was different from the budget

1. Operating Revenue is \$9k below budget. Please note that overall revenue is \$62k lower than it should be due to the amount being recognised in 2011/12 rather than 2012/13.
2. Operating expenses are \$54k under budget. This is a result of lower than anticipated expenditure for repairs and general operating costs.
3. The activity has contributed an internal dividend of \$77k (\$5k lower than budgeted) which goes directly to reducing rates. The activity also contributes \$154k toward the cost of Council overheads.

Community Planning and Development



Why we do it

Council has a leadership and essential public service role in understanding, planning and promoting community well-being within the district and its communities.

Council sees that integrated, balanced development, community engagement and collaborative partnerships are critical to the success of this plan.

This activity assists Council to contribute to a civil society, the functioning of democracy, social inclusion, a sense of place and sustainable economic development.

What we do

The Community Planning and Development Group includes the following activities:

- Planning and Performance
- Community Policy and Resources (includes community and economic development)
- Māori Engagement
- Area Liaison

The activities undertaken in the Community Planning and Development Group collectively provide the policy, planning, and engagement mechanisms required for Council to meet legislative requirements. The group of activities enables Council to:

- Set directions and deliver on them.
- Be accountable to the community.
- Provide mechanisms for community engagement.
- Grow and develop the community.

Planning and Performance

The driver for this activity arises from legislative requirements under the Local Government Act 2002. The major strategic documents include the Ten Year Plan, Annual Plans and Annual Reports.

This activity enables Council to formulate and manage processes to set the strategic direction of the organisation and to report to ratepayers and residents on the performance of Council in terms of its direction and objectives.

The communications function has also recently been transferred to the Planning and Performance activity so that Council's communication and engagement activities can be coordinated across the whole organisation in line with our strategic direction. These internal and external services are provided as a 'shared service' to the organisation to support the marketing and communications requirements of all sections and activities delivered to our customers including planned programmes, projects and strategies.

Community Policy and Resources

This activity assists the Council and the community to:

- Provide research and policy information to Council to assist in strong decision making.
- Support and assist community capacity building initiatives and processes.
- Assist in developing and delivering coordinated and agreed strategic social and cultural outcomes for the region.
- Connect people (young and old) and organisations for the social and cultural betterment of the community.
- Advocate on behalf of communities to influence Central Government decisions and action.
- Contribute to, and facilitate, sustainable long term and strategic economic planning for the region.
- Facilitate collaboration of all relevant parties in achieving agreed strategic economic outcomes for the region.
- Create leverage to take advantage of funding opportunities.

Māori Engagement

The driver for the Māori Engagement activity arises from legislative requirements under the Local Government Act 2002 and the Resource Management Act 1991. The purpose of the activity is to:

- Assist in developing mutually beneficial relationships between Council, Māori and tangata whenua.
- Facilitate input from the Māori community and tangata whenua into decision making processes.
- Assist in building the capability and/or capacity of Māori to engage in Council decision making processes.

- Improve the internal capability and capacity of Council to fulfil its legislative requirements.
- Provide advice to Council on matters relating to Māori and tangata whenua to assist in strong decision making.

Area Liaison

The Area Liaison activity is closely aligned to support local communities and customers by providing information, advice and advocacy and helps Council services become more responsive by providing local knowledge or liaison. This activity contributes to the wider outcomes of community policy and resources.

This activity contributes to the following community outcomes



Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Governance Effectiveness
- Community Engagement
- Major Projects
- Financial Sustainability
- Community Viability and Functioning
- Customer Needs
- Performance Culture

What we did

Planning and Performance

- Oversaw the development and preparation of the 2013/14 Annual Plan. This organisation-wide project included an extensive programme of community consultation. An amendment to Council's Revenue and Financing Policy was also consulted on and adopted with the Annual Plan.
- Worked to ensure the successful delivery of the 2011/12 Annual Report, including a summary booklet that was distributed to all households.
- Incorporated the communications function into the Planning and Performance activity so that Council's communication and engagement activities can be coordinated across the whole organisation in line with our strategic direction.

Community Policy and Resources

- Prepared applications for funding for the War Memorial Theatre that secured \$4.45m to complement Council's contribution to the project.
- Secured non-rates funding of \$244k to support community and economic development initiatives in the District.
- Allocated \$35k from Creative New Zealand to support community art projects.
- Allocated \$20k from Sport New Zealand to support rural communities to attend regular sporting fixtures.
- Held community workshops for with Seattle-based Jim Diers to promote community-led development.
- Restructured the Community Policy & Resources section to refocus staff resources to policy and strategy development and delivery.

Area Liaison

- Improved the time to process fire permits including more time completing site visits for customers.
- Assisted NZ fire Service with Marae fire safety initiatives
- Streamlined the use of local contractors and community care-takers.

Our progress

50

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
PLANNING AND PERFORMANCE				
We contribute to all Council outcomes by supporting Council and the community to formulate the region's direction by coordinating Council's strategic planning and reporting documents that take into account the community's views and preferences.	Council's planning and reporting documents meet compliance standards.	New measure	Achieved	Achieved
	Percentage of residents satisfied with the way Council involves the public in the decisions it makes as found in the Annual Resident Satisfaction Survey.	60%	65%	54% ¹ Not achieved
	Percentage of respondents' satisfaction with Council's long term planning consultation and direction as found in a biannual survey of key internal and external stakeholders.	New Measure	65%	Consultation 74% Direction 66% Achieved
	Percentage of residents who have seen or read the Annual Plan Summary or Annual Report Summary as found in the Annual Resident Satisfaction Survey.	New Measure	60%	Annual Plan 58% Annual Report 46% ² Not achieved
COMMUNITY POLICY AND RESOURCES				
We contribute to a Prosperous and Connected Tairāwhiti by providing and contracting services that enhance and promote the city centre and region in order to attract people and businesses.	Contracted organisations meet agreed performance targets.	New Measure	Achieved	Not achieved ³
	Percentage of stakeholders satisfied with district and city centre promotion and marketing as found in two yearly stakeholder survey.	New Measure	Establish baseline	To be measured 2014/15
We contribute to a Prosperous Tairāwhiti by working collaboratively with organisations and community groups to support and/or enhance economic development opportunities in the region.	Percentage of stakeholders satisfied with Council's participation in economic development as found in two yearly stakeholder survey.	New Measure	Establish baseline	To be measured 2014/15
	Percentage of residents satisfied with Council's efforts to expand business within the region as found in the Annual Resident Satisfaction Survey.	59%	60%	39% ⁴ Not achieved
We contribute to an Empowered Tairāwhiti by supporting communities to participate in decision making processes.	Stakeholder surveys show that interventions have improved targeted community understanding of, and participation in, decision making processes.	New Measure	60%	Improved understanding 79% Participation 79% Achieved
	Number of workshops between targeted community groups and Council that address participation in decision making.	New Measure	Establish baseline	10
We contribute to an Empowered, Prosperous, Skilled and Educated, Vibrant and Safe Tairāwhiti by working with communities and government agencies to deliver and/or coordinate resources and programmes into the community so that they are supported to find their own solutions to issues.	Key stakeholder satisfaction with Council's contribution to community development as found in bi-annual stakeholder survey.	New Measure	65%	84% Achieved
	Number of partnerships maintained with government/non-government agencies and community groups.	New Measure	Establish baseline	42
	Number of external funding programmes supported to assist collaborative/community initiatives.	New Measure	Establish baseline	4

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
MĀORI ENGAGEMENT				
We contribute to an Empowered Tairāwhiti by supporting and encouraging effective Māori participation in Council processes and by meeting the obligation to the Local Leadership Body as set out in the statute.	Level of service agreements (or Memorandums of Understanding) are in place with Māori entities.	New Measure	Achieved	Not achieved ⁵
	Council's obligations to the Local Leadership Body as set out in the statute are met.	New Measure	Achieved	Not achieved ⁶
	Relationships are working as evidenced by the Local Leadership Body annual satisfaction survey.	New Measure	Achieved	Not achieved ⁶

What was different

1. Consultation this year differed from last year as we did not include a pre-consultation round as we did for the Ten Year Plan. The stakeholder survey that was sent to submitters and meeting attendees had a response of 73% satisfaction for our consultation. This indicates that the issue may be with the people we haven't reached with the consultation yet and we need to focus on expanding our audiences this year.
2. The Annual Report summary was distributed in October 2012, about eight months before the survey which could have meant fewer people recalled receiving it compared the the Annual Plan Summary which was distributed in March 2013.
3. Two out of ten organisations that have Service Level Agreements for funding did not meet agreed performance targets.
4. This year the scale of the resident satisfaction survey changed so the percentage of satisfied residents is not directly comparable between the 2013 survey and previous surveys, see page 17 for details.
5. Relationships and agreements are still being developed with Māori entities.
6. The Local Leadership Body has not yet been established. Council is waiting on the claimant groups to initiate this as per the statute.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	304	135	170	339
Operating Expenses	1,772	1,834	62	2,054
Net Cost of Service	1,467	1,699	232	1,715
This activity was funded 86% from rates and 14% from grants and subsidies				
Capital Expenditure (\$000)				
Capital Projects	0	25	25	0
Funded By:				
Loans	0	25	(25)	0
	0	0	0	0

What was different from the budget

1. Operational revenue was \$170k above budget. This is a result of the receipt of Ministry of Youth Development grants \$42k being carried forward from 2011/12 and the remainder received in 2012/13.
2. Operating expenses are \$62k below budget. This is a result of lower than anticipated community consultation costs.
3. Capital expenditure is \$25k below budget. This is due to a delay in the start of a performance management IT project. This expenditure will be incurred early in 2013/14.

HB Williams Memorial Library



Why we do it

The Council aims to contribute to our community's life-long learning, literacy development and education, as well as its intellectual, recreational, economic and cultural needs through the provision of library activities and services.

What we do

Council library services provide a wide range of resources for the community that individuals may not be able to afford for themselves. Council operates the HB Williams Memorial Library, serving Gisborne's urban and rural communities by providing space and resources including professional staff, books, a website, databases, free internet, e-books, magazines, talking books, music and art works. In addition, the following six smaller community libraries, managed by volunteers, also operate to enhance rural access to library resources:

- Matawai
- Motu
- Tolaga Bay
- Rere
- Tokomaru Bay
- Waikura Valley

Our Progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Vibrant, Empowered, Connected, Skilled and Educated Tairāwhiti by providing a range of accessible, quality library services tailored to meet the needs of Gisborne district residents.	Percentage of households that have used the HB Williams Memorial Library in the last 12 months as found in the Annual Resident Satisfaction Survey.	68%	66%	66% Achieved
	Number of visitors to HB Williams Memorial Library per annum.	New measure	230,000	241,121 Achieved
	Number of registered members as a percentage of total population according to Library Information Association of New Zealand Aotearoa (LIANZA) standard E.3.1 - 35% of total population.	49%	50%	52% Achieved

This activity contributes to the following community outcomes



Connected
Tairāwhiti



Empowered
Tairāwhiti



Skilled and
Educated
Tairāwhiti



Vibrant
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Community Engagement
- Major Projects
- Financial Sustainability
- Risk Management
- Business Efficiency
- Customer Needs.

What we did

- Launched the largest community driven digitisation project ever undertaken in New Zealand by making Gisborne Photo News available online <http://photonews.org.nz/gisborne/index.html>
- A lot of 'backroom' work was done improving and reviewing existing operations
- Hiki Taumata programme for rural kura kaupapa children results in laudable improvements in children's reading levels
- Assisted customers with over 35,000 internet sessions in library.

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
	To provide new book and non-book items including e-books according to LIANZA standard D.1.3.	New Measure	350 per 1000 capita	240 per 1000 capita ¹ Not achieved
	Percentage of residents satisfied with Gisborne district's library services as found in the Annual Resident Satisfaction Survey.	81%	80%	75% ² Not achieved
	Compliance with LIANZA Guidelines for library opening hours per week.	47 hours per week Not Achieved	47 hours per week	47 hours per week Achieved
	Number of key literacy / education programmes run each year.	38	30	32 with 497 group sessions Achieved

What was different

1. Available funds for book purchase was \$15,000 less than previous year, therefore fewer books were purchased.
2. This year the scale of the resident satisfaction survey changed so the percentage of satisfied residents is not directly comparable between the 2013 survey and previous surveys, see page 17 for details.

What was different from the budget

1. Operating revenue was \$38k below budget. This is due to lower than anticipated income for book rents \$10k, fines \$10k and miscellaneous income \$15k.
2. Operating expenses were \$209 below budget. Salary savings of \$44k were a result of a vacancy. \$59k was a result of delays to the project for expansion of the library. There were further savings made in financing charges and overheads of \$64k.
3. Capital expenditure was \$219k below budget. This is a result of delays to the start of the Library expansion programme.

What it cost

	2012/13			
2012/13	TYP	2012/13	2011/12	
Actual	Budget	Variance	Actual	

Operating Expenditure (\$000)

Operating Revenue	99	137	(38)	104
Operating Expenses	1,287	1,495	209	1,367
Net Cost of Service	1,187	1,358	171	1,263

This activity was funded 93% from rates, 7% from fees and charges

Capital Expenditure (\$000)

Capital Projects	174	393	219	255
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Funded By:

Grants and Subsidies	13	20	(7)	22
Depreciation or Other Reserves (Renewals)	161	280	(119)	205
Internal Loans	0	93	(93)	28
	0	0	0	0

Parks and Open Spaces



Why we do it

The Council maintains a Parks and Open Spaces network that provides our district with areas that allow cultural, leisure and recreational activity and opportunities while ensuring landscape amenity values and ecological protection and enhancement of these areas is achieved.

What we do

The Parks and Open Spaces activity has now become Parks and Community Property and management of the activity has moved from the Engineering and Works Group to the Community Planning and Development group.

The Parks and Community Property section includes:

- Parks and Open Spaces
- Cemeteries
- Public Conveniences

Council provides a range of parks and open space areas, amenities, services and venues for both active and passive recreation across the district.

The parks and open spaces network includes assets that relate to public parks and reserves, sports grounds, cycle and walkways, coastal foreshore and beaches, bush, rivers, esplanade and other open space areas throughout the district.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
PARKS and OPEN SPACES				
We contribute to a Healthy Vibrant and Environmentally Sustainable Tairāwhiti by providing a parks and open spaces network that protects landscape amenity values and biodiversity while promoting leisure and recreational opportunities that meet the needs of the district.	Percentage of residents satisfied with our local parks as found in the Annual Resident Satisfaction Survey.	87%	86%	86% Achieved
	Percentage of Requests for Service regarding Parks and Open Spaces resolved within target timeframes ranging from 2 days for emergency	93%	95%	89% ¹ Not achieved

Approximately two thirds of the value of these assets are located within the Gisborne City urban area, with the balance spread throughout the district, roughly in proportion to population distribution.

This activity contributes to the following community outcomes



Connected
Tairāwhiti



Environmentally
Sustainable
Tairāwhiti



Healthy
Tairāwhiti



Vibrant
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Community Engagement.

What we did

- Improved the carpark and entranceway to Rere Falls and Rere Rockslide.
- Established new walking access tracks and native plantings at Makorori Headland.
- Started a sports field turf renovations programme alongside the District Sports Park Management Plan development.
- Refurbished public toilet facilities at Patutahi, Te Araroa, Whales, Tokomaru Bay, Onepoto Bay and Tolaga Bay.
- Planted Pohutukawa and installed new bollards around carparks at Kaiti Beach Reserve.
- Worked with dune care groups to fence off dune areas and supplied plants for replanting at Wainui.

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
	public convenience matters to 60 days for ongoing street tree issues.			
	Percentage of customers who rate Request for Survey responses as excellent/good.	97%	100%	97% Not achieved
	User satisfaction with sports field surface conditions and maintenance.	77%	82%	50% ¹ Not achieved
	User satisfaction with park cleanliness and lack of litter and graffiti.	74%	Increasing	74% Not achieved
	Percentage of playgrounds that meet relevant New Zealand safety standards.	75%	Increasing	Not measured ²
	Percentage of operating costs recovered from user charges per annum.	4%	5%	6% Achieved
	Number of collaborative projects undertaken with community groups that maintain or improve Parks and Open Spaces.	New Measure	10	13 Achieved
CEMETERIES				
We contribute to a Connected Tairāwhiti by ensuring cemeteries and crematoria are accessible, affordable and cater for the cultural, spiritual and burial needs of the district.	Compliance with the Burials and Cremation Act 1964 to achieve safe and hygienic burials and cremations.	Achieved	Achieved	Achieved
	Percentage of operating costs recovered from user charges per annum.	56%	80%	47% ³ Not achieved
PUBLIC CONVENIENCES				
We contribute to a Connected Tairāwhiti by providing safe, fit for purpose and appropriately located public conveniences that meet the needs of the district.	Percentage of residents satisfied with public conveniences as found in the Annual Resident Satisfaction Survey.	49%	65%	42% ⁴ Not achieved

What was different

1. An organisation-wide restructure saw two Parks Officer roles and one Asset Manager role disestablished. This impacted on the ability of staff to respond to Requests for Service within timeframes.
2. This audit will be undertaken as part of the wider playground review over the next two years (planned for years 1-3 in the Ten Year Plan).
3. 2012 was a very wet year, meaning the number of burials reduced, reducing the income from user charges.
4. Parks and Community Property contracted service delivery with main parks contractor has changed to facilitate greater flexibility and responsiveness in delivering what is important to the customer in the most effective way (ongoing).

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	1,343	334	1,009	398
Operating Expenses	4,024	4,155	129	4,192
Net Cost of Service	2,681	3,820	1,139	3,794
This activity was funded 72% from rates, 28% from fees and charges				
Capital Expenditure (\$000)				
Capital Projects	2,489	757	(1,732)	945
Funded By:				
Grants and Subsidies	0	24	(24)	95
Depreciation or Other Reserves (Renewals)	22	570	(548)	510
Internal Loans	166	163	3	340
Asset Sales	2,301	0	2,301	0
	0	0	0	0

What was different from the budget

1. Operating revenue is \$1,009k above budget. This is a result of recognising a gain on the sale of land as part of the port land swap agreement.
2. Operating expenses are \$129k below budget. This is a result of reduced staffing costs.
3. Capital expenditure is \$1,732k above budget. This is a result of recognising the purchase of land as part of the port land swap agreement.

Animal Control



Why we do it

To minimise the danger, distress and nuisance caused by stray dogs, and to ensure the control of stock on the roads of the district in the interests of public safety.

What we do

The Animal and Stock Control section is responsible for effective dog and stock control in the Gisborne district. This includes:

- Investigating complaints received in relation to dog and stock behaviour.
- Encouraging dog registration compliance through education, microchip compliance and the maintenance of a district dog database to assist in identifying and processing unregistered dogs. Dog registration data is also added to the National Dog database.
- Controlling stock on all district roads and on State Highways 2 and 35 on behalf of the New Zealand Transport Agency.
- Maintaining a service and facilities for the impounding and care of stray and seized dogs and stock. The new dog pound in Dunstan Road is working well and an upgrade of the Te Puia Service Centre dog pound has recently been completed.
- Providing education on dog and stock control, ownership and safety.
- Monitoring and enforcing regulations and bylaws.

This activity contributes to the following community outcomes



Healthy
Tairāwhiti



Safe
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Community Engagement
- Financial Sustainability
- Community Viability and Functioning
- Risk Management
- Business Efficiency
- Customer Needs.

What we did

- Decreased the dogs known to be unsociable or classified as menacing from 235 to 187. This is in part due to registration and identification of menacing dogs by breed. The enforcement and destruction of dogs that have attacked any person or any other domestic animals and natural attrition have also lowered numbers.
- Rehomed 45 dogs from the shelter and local SPCA.
- Responded to 3521 complaints, of which 193 were for attacks on people or livestock.
- Patrolled a land area of 8,360km² with 3,360 km of public roads and 330km of state highway.
- Carried out 2,836 annual property visits to find new unregistered dogs. This led to 503 new microchips this year; there are now 4231 dogs microchipped in the district.
- Impounded 968 dogs.
- Sold 5794 pills for the voluntary treatment of hydatid worms and control of Ovis.
- Gave dog safety presentations to postal staff, meter readers, and Gisborne cubs.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Safe and Healthy Tairāwhiti by providing a service that controls dogs and stock to minimise risk to the public.	Percentage of Requests for Service resolved within target timeframes (ranging from 1 day for "person attacked" to 60 days for "ongoing fouling").	94%	95%	97% Achieved
	Percentage of customers who rate Requests for Service responses as excellent/good.	99%	95%	99% Achieved
	Percentage of residents satisfied with Council's efforts in controlling dogs as found in Annual Resident Satisfaction Survey.	70%	70%	58% ¹ Not achieved
	Percentage of known dogs that are registered.	91%	97%	98% Achieved
	Percentage of properties with known dogs visited per year.	80%	90%	91% Achieved

What was different

- This year the scale of the resident satisfaction survey changed so the percentage of satisfied residents is not directly comparable between the 2013 survey and previous surveys, see page 17 for details.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	699	697	2	684
Operating Expenses	525	575	49	532
Net Cost/(Benefit) of Service	(174)	(123)	51	(152)

This activity was funded 26% from rates and 74% from grants and fees and charges

What was different from the budget

Operating expenses were \$49k lower than budget. This was due to salary savings and lower than anticipated transport and vehicle expenses.

Building Services



Why we do it

To promote the safety of people living and working in buildings and provide information on request to applicants who either intend to build on or purchase a property.

What we do

The Building Services activity is governed by the Building Act 2004 and the Local Government Official Information and Meeting Act and provides the following services:

- Issuing and monitoring building consents which ensure new structures meet the NZ Building Code.
- Issuing Code Compliance Certificates (CCCs) for building works that have been completed in accordance with the building consent.
- Issuing Land Information Memoranda (LIMs) which identify and disclose information about the property or surrounding properties including which consents have been issued for the property.
- Providing accurate and up to date information in relation to the building consent process to members of the public.
- Issuing compliance schedules and monitoring the currency of building warrants of fitness.
- Responding to requests for service on building related matters and drainage on private property.
- Provide a building management and overview service for the Parks and Open Spaces section for public conveniences.

- Ensure all new pools comply with the provisions of the Fencing of Swimming Pools Act and monitor the district for pools without building consent or non compliant pool fences for compliance with this Act.
- Assess buildings constructed before 1976 (the implementation of New Zealand Standard 4203) against the definition of earthquake prone as defined in the Building Act.

This activity contributes to the following community outcomes



Healthy
Tairāwhiti



Environmentally
Sustainable
Tairāwhiti



Prosperous
Tairāwhiti



Safe
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Governance Effectiveness
- Natural Resource Use
- Financial Sustainability
- Community Viability and Functioning
- Risk Management
- Business Efficiency
- Customer Needs.

What we did

- Continued with the earthquake strengthening program for the district.
- Converted all the Building Warrant of Fitness' for commercial buildings into the new format.
- Provided building consent processing and inspection services to Opotiki District Council while they sourced a new officer.
- Provided administration and work for the Parks and Community Facilities section, refurbishing our public toilets.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Safe, Healthy, Environmentally Sustainable and Prosperous Tairāwhiti by promoting the safety of people living and working in buildings through processing and monitoring building consent applications.	Percentage of Requests for Service resolved within target timeframes.	75%	85%	91% Achieved
	Percentage of customers who rate Request for Service responses as excellent / good.	98%	90%	100% Achieved
	Percentage of Building Consents processed within target timeframes.	93%	90%	96% Achieved
	Percentage of Land Information Memorandums (LIM) processed within target timeframes.	100%	90%	100% Achieved
	Advise building owners / occupiers of the expiry date of their Warrant of Fitness one month before the expiry date.	100%	95%	100% Achieved
	Percentage of Code Compliance Certificates that remain unresolved annually.	11%	16%	10% Achieved

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	730	844	(114)	767
Operating Expenses	1,270	1,021	(249)	1,112
Net Cost of Service	540	177	(363)	345

This activity was funded 45% from rates and 41% from fees and charges and the remainder through activity balances

What was different from the budget

- Operating revenue was \$114k lower than budget. This is a result of fewer building consents being requested and processed.
- Operating expenses were \$249k over budget. Settlement of unbudgeted weather tight home claims of \$470k were offset by savings in salaries \$48k, insurance \$120k and recoveries for services provided to other departments \$95k.

Emergency Management



Why we do it

Civil Defence Emergency Management (CDEM)

To increase community awareness, understanding, preparedness and participation in CDEM, reduce the risks from hazards to the district and enhance the district's capability to manage and recover from emergencies.

Rural Fires

To safeguard life, property and the environment by the prevention, detention, control, restriction, suppression and extinction of fire in forest and rural areas within the Gisborne District Council Rural Fire Authority boundaries.

Marine Oil Spill

To protect our marine environment from pollution accidents.

What we do

Civil Defence Emergency Management

In accordance with the Civil Defence Emergency Management Act 2002, the Council:

- Ensures there is organisational capability to provide overall leadership for the response to, and the recovery from, an emergency.
- Has established and maintains a network of volunteers.
- Promotes and raises awareness of hazards and levels of preparedness.
- Provides the necessary planning and advice to the community for the management of response to, and recovery from, an emergency.
- Establishes and maintains systems for effective emergency communication (including radio links) with the communities and other service providers.

Rural Fires

Gisborne District Council has a statutory obligation to carry out the functions of a Rural Fire Authority as set out within the Forest and Rural Fires Act 1977 and the Forest and Rural Fires Regulations 2005.

The Gisborne District Council Rural Fire Authority works closely with other partners to ensure the most effective response to fires within the district, including:

- Establishment and operation of Volunteer Rural Fire Forces (Hicks Bay, Gisborne and Tiniroto)
- Co-locating rural fire authority tankers in New Zealand Fire Service Stations (Ruatoria, Tolaga Bay and Patutahi)
- A joint operational response and fire management partnership with the Eastland Rural Fire District which is responsible for fire management of commercial forests.
- A close working relationship with the Department of Conservation and Wairoa District Council.

Marine Oil Spill

The primary objective of the Marine Oil Spill is to safely mitigate the effects of an oil spill (in the marine environment) within the Gisborne district and, if practicable, to assist with the restoration of an oil damaged environment.

The safety of human life takes precedence over every aspect of the response operation. There are no financial impacts on Council by this activity as Maritime New Zealand reimburse all costs.

This activity contributes to the following community outcomes



Connected
Tairāwhiti



Empowered
Tairāwhiti



Environmentally
Sustainable
Tairāwhiti



Healthy
Tairāwhiti



Safe
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Risk Management.

What we did

Civil Defence Emergency Management

- We completed the new Tsunami evacuation zone maps and procedures for the coastal townships. Some community meetings were held. The Tokomaru Bay maps have been delivered but the Tolaga, Hicks Bay and Te Araroa ones are still to be distributed.
- Conducted several community link refresher training evenings.
- Established the ground work for tsunami land-use issues and further contour data gathering for the next financial year.

Rural Fires

- Worked closely with other Fire Authorities to utilise their combined resources when needed. The National Rural Fire Authority has praised the GDC and Eastland Rural Fire District and the local Department of Conservation for their approach, and it was recorded that the Gisborne District had a very low number of incidents, whilst the rest of the country experienced a substantial number of larger fires.
- Improved the speed of response to incidences through implementation of the district wide combined "Operational Plan". This has resulted in quick extinguishment and therefore reduced the costs.
- Initiated a "Total Fire Ban" which raised awareness of the risk. Where fires did occur the costs of the fires have been recovered from either the land owners directly or the Fire Authority involved, which also raised awareness.

Marine Oil Spill

- Carried out a successful oil spill exercise at Wherowhero lagoon.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
CIVIL DEFENCE AND EMERGENCY MANAGEMENT (CDEM)				
We contribute to a Safe, Connected and Empowered Tairāwhiti by helping to build a more resilient district where communities understand and manage their hazards and risks.	Percentage of residents able to manage for 2-3 days without access to normal day to day services (i.e. having 2-3 days of emergency food, water and supplies) in the event of a natural disaster as found in our Annual Resident Satisfaction Survey.	92%	80%	86% Achieved
	The percentage of residents aware of the risks of natural hazards (i.e. earthquakes, flooding/heavy rainfall and tsunami). This will be measured by a four yearly survey (next survey to be undertaken in 2013).	New measure	Establish baseline	Will be completed by end of calendar year
	CDEM partner relationships are actively maintained and enhanced. Measured by annual survey of Coordinating Executive Group (CEG) on partnership readiness.	New measure	Achieved	Achieved
	CDEM response and recovery is carried out in accordance with established plans and procedures in order to minimise harm or damage to people and property. This is measured by event logs, reports and debrief notes.	New Measure	100%	100% Achieved

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
	Communication systems that support business as usual systems in emergencies maintain reliability in events and are tested regularly so that any breakdowns are repaired as soon as practical. This is measured through check logs.	Achieved	Achieved	Achieved
RURAL FIRES				
We contribute to a Healthy, Safe and Connected Tairāwhiti by protecting life and property from rural fires with trained personnel within the Gisborne District Council rural fire authority area.	Percentage of customers who rate Requests for Service responses as excellent/good.	94%	94%	100% Achieved
	Mutual response and assistance agreements in place with other fire authorities.	Achieved	Achieved	Achieved
	Initial investigations of all fires which are to be claimed from the National Rural Fire fund.	100%	100%	100% Achieved
	Percentage of fire fighters who meet the National Rural Fire Authority Training Standards.	90%	80%	100% Achieved
MARINE OIL SPILL				
We contribute to a Safe and Environmentally Sustainable Tairāwhiti by protecting the environment from pollutants spilled in marine accidents.	The Marine Oil Spill Plan is current and staff lists are updated annually.	New Measure	Achieved	Achieved
	Quarterly maintenance of equipment is completed.	New Measure	Achieved	Not achieved ¹
	Maritime New Zealand requirements for staff training are met.	New Measure	Achieved	Achieved

What was different

- No inspection was completed for the quarter ended June 2013.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
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Operating Expenditure (\$000)

Operating Revenue	78	83	(5)	230
Operating Expenses	614	736	123	795
Net Cost of Service	536	653	117	565

This activity was funded 91% from rates and 9% from fees and charges

Capital Expenditure (\$000)

Capital Projects	21	5	(16)	124
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Funded By:

Other Capital Revenue	11	0	11	5
Depreciation or Other Reserves (Renewals)	4	5	(1)	119
Internal Loans	6	0	6	0
	0	0	0	0

What was different from the budget

- Operating expenses were \$123k lower than budgeted. This is a result of a dry summer with few rural fires.
- Capital expenditure is \$16k above budget. This is a result of unbudgeted projects for telemetry equipment (\$12k), these projects are however externally funded.

Environmental Health



Why we do it

To provide environmental health services that efficiently and effectively enhance the quality of life for all current and future residents and visitors to the Gisborne district. This involves environmental health management and community health protection in a manner that will promote and improve human health, safety, comfort and wellbeing for all persons in the Gisborne district as well as protect the environment.

What we do

Council undertakes a number of services each year to ensure that Gisborne remains a healthy and safe place to live, work and play. These include education, administration, enforcement and monitoring of:

- Food, liquor, premises and disease control.
- Living conditions.
- Environmental protection e.g. air quality and noise control.
- Waste management.
- Hazardous substances.
- Local bylaws such as Port regulations and public area control.

Environmental Health is primarily concerned with bringing about community well-being in a healthy environment through planning, education, surveillance, regulation, enforcement and response. The activity is split into a number of functions to perform this role:

This activity contributes to the following community outcomes



Healthy
Tairāwhiti



Environmentally
Sustainable
Tairāwhiti



Safe
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Governance Effectiveness
- Community Engagement
- Natural Resource Use
- Financial Sustainability
- Community Viability and Viability
- Risk Management
- Business Efficiency
- Customer Needs.

What we did

- Completed licensing and monitoring for food premises, alcohol licensed premises, offensive trades, mobile shops, funeral director, camping grounds and hairdressing premises. There were similar numbers of alcohol and food licenses considered and issued during the year.
- Increased monitoring for compliance with resource consents, food and alcohol licensing and camping at large scale events over the summer period.
- Finalised and implemented the rules about septic tanks and on-site wastewater systems.
- Provided input to apply the National Environmental Standards for Assessing and Managing Environmental Contaminants in Soil to Protect Human Health on land use changes.
- Reviewed and updated bylaws for navigational safety and keeping animals, bees and poultry.
- Increased monitoring on recreational bathing water during November to March to meet the Ministry for the Environment Guidelines.
- Monitored the quality of the water supplies for Gisborne, Te Karaka and Whatatutu.
- Monitored air quality at set sites around Gisborne.
- Monitored environment noise from commercial and industrial sites.
- Monitored sites where rubbish gets illegally dumped and took enforcement action wherever possible
- Attended to 2924 requests for service including 1967 noise; 171 dumped rubbish; 160 stray cats; 52 animal nuisance; 21 vermin/bees; 26 dust; 70 smoky fires; 38 odour; 30 food or alcohol premises; 47 pollution response; 42 housing/sewage.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Safe, Healthy and Environmentally Sustainable Tairāwhiti by regulating commercial operations and responding to environmental health issues in the interest of protecting public and environmental health.	Percentage of applications for liquor licences and food certificates processed within target timeframes.	97%	95%	89% ¹ Not achieved
	Percentage of registered and licensed premises that undergo a compliance inspection annually.	100%	100%	100% Achieved
	Compliance with Building Act standards notice within specified timeframe.	100%	100%	100% Achieved
	Percentage of Requests for Service resolved within target timeframes ranging from 5 days for urgent animal nuisance matters to 60 days for ongoing abandoned vehicle issues.	99%	99%	99% Achieved
	Percentage of customers who rate Requests for Service responses as excellent/good.	99%	93%	100% Achieved
	Percentage of noise complaints to be assessed within half an hour of receiving a complaint.	New Measure	95%	95% ² Achieved
	Percentage of pollution incidents to be responded to within one hour.	New Measure	98%	100% Achieved

What was different

1. The senior Environmental Health Officer who was in charge of food and liquor was made redundant. This influenced the timeframes for processing food certificates and workflow.
2. There were greater numbers of noise complaints, enforcement actions and stereo's impounded.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	251	274	(23)	252
Operating Expenses	1,177	1,244	67	1,215
Net Cost of Service	926	970	45	963

This activity was funded 85% from rates and 15% from fees and charges

What was different from the budget

1. Operating Revenue was \$23k lower than budgeted. This is a result of less user fees being received.
2. Operating expenses are \$67k below budget. This is a result of better control over general operating costs within the activity.

Environmental Policy



Why we do it

To manage the use, development and protection of our natural and physical resources, now and into the future.

What we do

The role of the Environmental Policy activity is to develop strategy, policy and planning provisions on the management of the Gisborne district's natural and physical resources and to provide policy advice on resource management.

As a unitary authority the Council exercises both district and regional planning functions so the Environmental Policy activity covers a broad range of policy work across natural and built environments.

The activity involves:

- Ensuring a sustainable approach to land use and development.
- Ensuring the sustainable management of natural resources.
- Improving the quality of our built environment and public space.
- Monitoring and reporting on environmental change.
- Assisting with policy on the provision and funding of infrastructure.
- Collaborating with tangata whenua on resource management issues of cultural importance and giving effect to Tiriti o Waitangi/Treaty of Waitangi settlements in Council's Resource Management Act Plans.

In preparing resource management policy and assessing applications for private plan changes, we must ensure policy is robust and evidence based, the costs of policy initiatives are borne equitably, and community perspectives are reflected in policy outcomes.

The statutory framework for resource management within which the Environmental Policy activity operates includes the Resource Management Act 1991, Reserves Act 1977, Marine and Coastal (Takutai Moana) Act 2010, Historic Places Act 1993 and Local Government Act 2002.

This activity contributes to the following community outcomes



Connected
Tairāwhiti



Empowered
Tairāwhiti



Environmentally
Sustainable
Tairāwhiti



Healthy
Tairāwhiti



Prosperous
Tairāwhiti



Safe
Tairāwhiti



Vibrant
Tairāwhiti

Our strategic challenges

The primary strategic challenge areas that this activity contributes to are:

- Community Engagement
- Natural Resource Use
- Community Viability and Functioning
- Customer Need

What we did

The 2012/13 year was a year of significant change for environmental policy. This included changes within Council's planning team (management and structure), and changes/proposed changes to the Resource Management Act.

- Carried out extensive research and development of the Freshwater Management Plan in collaboration with the Fresh Water Advisory Group. This included the development of a Progressive Implementation Programme (PIP).
- Carried out initial scoping and analysis of the Regional Policy Statement (RPS) including the scoping of inclusion of the RPS as the first stage of development of a single resource management plan (Uni-Plan).
- Processed a significant private plan change, Citrus Grove which provides for the rezoning of Rural Production land to approximately 8.7 ha of Rural Industrial A land and 6ha of Aviation Commercial land.

- Assisted in the development of the Rere Falls Cycle Trail.
- Developed and undertook a plan change to assist in the management of flood hazards for the Wainui Stream catchment.
- Assisted in the development, in collaboration with the Kopututea Trust, of a Co- Management Plan for Kopututea.
- Created the document Nga Whakaaetanga a Ture mo Te Tairāwhiti, to help implement Statutory

Acknowledgements for the following Treaty Settlements:

- Ngati Porou Claims Settlement Act 2012;
 - Ngai Tamanuhiri Claims Settlement Act 2012; and
 - Rongowhakaata Claims Settlement Act 2012.
- Made extensive submissions to the "Improving our resource management system" and "Freshwater reform 2013 and beyond" reforms of the Resource Management Act.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to an Environmentally Sustainable, Healthy and Connected Tairāwhiti by preparing statutory plans and policies to protect and enhance the quality of the Gisborne district's natural and physical environment, now and into the future.	Percentage of high priority Environmental Policy projects completed as outlined in the Activity Management Plan.	New measure	80%	In progress ¹
	Percentage of private and Council-initiated plan change processes completed as per requirements under the First Schedule to the Resource Management Act.	New measure	100%	100% Achieved
	Number of efficiency and effectiveness reports completed in accordance with Council's nominated plan monitoring framework and published.	New measure	1	4 ² Achieved
	Percentage of residents satisfied with Council's management of the natural and built environment as found in Annual Resident Satisfaction Survey.	New measure	75%	Built 72% Natural 69% Not achieved
We contribute to a Vibrant, Safe, Prosperous and Empowered Tairāwhiti by developing and facilitating the implementation of non-statutory environmental and urban design plans that ensure the needs and aspirations of our communities are recognised.	Percentage of Township Plan reviews completed to ensure currency of implementation plans feeding into Ten Year Plan processes.	New Measure	100% 3 Yearly	To be measured 2015/16 ³
	Percentage of plans developed that have specific and deliverable action plans.	New measure	75%	Not measured ³
	Percentage of stakeholders who are at least satisfied with community engagement on plan development as measured through feedback forms.			

What was different

- The priority projects outlined in the 2012-2022 Ten Year Plan are not single year projects and are in progress. With the publication of Resource Management Act reform documents, which potentially may have a significant impact into how we perform and prioritise our tasks, there is the need and the opportunity to reprioritise actions. This, and a change of management, has resulted in a redevelopment of the teams work programmes with a target of creating a single resource management plan in the future.
- Efficiency and effectiveness reports have been completed for plan changes as a mandatory part of the process under section 32 of the Resource Management Act.
- As part of a new structure and management regime we have refocused our energies to be more Resource Management Act focused and to alter our longer term work programme. Some activities such as township plans have been transferred to other Council teams. This has resulted in the need to reassess levels of service and related performance measures as they have limited applicability to our team's core functions.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	86	7	79	101
Operating Expenses	698	966	268	968
Net Cost of Service	612	959	347	867

This activity was funded 91% from rates, 5% from fees and charges and 4% from grants and subsidies

What was different from the budget

1. Operating revenue was \$79k above budget. This is a result of additional government grants being received \$37k and additional fees relating to district plan changes.
2. Operating expenses were \$268k below budget. The activity has held vacancies throughout most of the year and these savings are \$99k. Other savings were made in strategy and plan costs which are a direct result of the activity being understaffed and a need to re-prioritise some actions pending Central Government proposals to change RMA and Freshwater management provisions.

Environmental Services



Why we do it

To sustainably manage the district's land and water resources and minimise and prevent animal and plant pests (using a range of regulatory and non-regulatory measures) in order to protect and where possible enhance the district's natural environment.

What we do

The Environmental Services activity disseminates information, regulates, monitors, reports and carries out some direct control on animal and plant pest management, and sustainable land and water resource management. The activity enables the Council to give effect to statutory responsibilities under the Biosecurity Act 1993, Resource Management Act 1991 and Soil Conservation and Rivers Control Act 1941.

The Environmental Services Group includes the following activities:

Environmental Data Management

The principal goal is to ensure natural resource management and response decisions are made using sound data. To achieve this we undertake:

- Maintenance of hydrological equipment.
- River discharge measurements relevant to flooding.
- Monitoring of climate forecasts and telemetry readings.
- Management of a database of time dependent data.
- Data analysis and report generation.

Biosecurity

The principal goal is to limit the adverse effects of unwanted plants and animals. Effects may be on human health, indigenous flora and fauna, our heritage or the economy. To achieve this we undertake:

- Implementation of Regional Pest Management Strategy rules requiring control or eradication of pest populations. This includes compliance monitoring and enforcement.

- Direct control of specific low incidence, high threat pests and possums (on account of the district's Tuberculosis free status).
- Introduction and spread of biological control agents for pests.
- Surveillance for introduction of new pests.

Soil Conservation

The principal goal is sustainable management of land resources that suffer from biodiversity loss and soil erosion. To achieve this we undertake:

- Promotion of sustainable land management, mitigation and prevention of soil erosion and soil degradation, and maintenance and enhancement of biodiversity.
- Land instability assessment, especially with respect to the Building Act (1991).
- Management of two soil conservation reserves and a poplar and willow nursery providing a base of superior clones for soil conservation plantings.
- Implementation of Part Operative Regional Land and District Plan rules which set permitted activity standards or require resource consents for achieving effective tree cover, land disturbance or vegetation removal. This includes compliance monitoring and enforcement.
- Maintenance and interpretation of Land Use Capability and other specialised resource databases used for monitoring and planning.

Water Conservation

The principal goal is sustainable management of the district's water resources and environs. This includes surface ground and coastal waters, riverbeds and the seabed. To achieve this we undertake:

- Surface water and groundwater quality and quantity monitoring.
- Coastal water quality monitoring.
- Beach and river sand and gravel monitoring.
- Analysis of data.
- Implementation of statutory plan rules for water management which set permitted activity standards or require resource consents. This includes processing of water discharge consents, water takes, coastal permits, bore permits, shingle/sand extraction permits and waterway permits. This comprises compliance monitoring and enforcement.

This activity contributes to the following community outcomes



Environmentally Sustainable Tairāwhiti



Healthy Tairāwhiti



Prosperous Tairāwhiti



Safe Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Community Engagement
- Major Projects
- Natural Resource Use
- Community Viability and Functioning
- Risk Management.

What we did

Environmental Data Management

- Continue to convert telemetry equipment that gives "real time" river and climate information for flood warning to high speed.

Biosecurity

- Continued Argentine ant summer awareness programme. This year there were fewer reports of ants as well as less ant bait being sold, indicating declining ant numbers.
- Continued the didymo CHECK CLEAN DRY (CCD) summer awareness programme. This year also included awareness of other aquatic pest organisms such as Koi carp and lagarosiphon (oxygen weed). There was also a new focus on rural primary schools at Tiniroto, Rere, Matawai and Motu.
- Improved site specific possum control programme tracking with GPS units now being used to record

operator coverage. Data can now be down loaded into Council's GIS system.

- Carried out a practical Privet control demonstration using hand tools and application of suitable herbicides in the Ruatoria township.
- Monitored over 2,000 nodding thistle sites with 25% recorded as having active plant growth and 75% of sites with nil plant growth.
- Recovered and re-released around 500 Lace bug, the Woolly nightshade bio-agent, to a new area to assist in wider spread and establishment.

Soil Conservation

- Continued liaison with landholders on development of Overlay 3A Works Plans. Emphasis on large properties and large Overlay 3A areas
- Harvested more than 50% of the Waerenga-o-kuri Soil Conservation Reserve forest. On track for completion during 2013.
- Participated in the Ballance Farm Environment Awards, resulting in awards to two local farming enterprises
- Initiated prosecution proceedings for breach of conditions of a forest harvesting consent.
- Set up Forest Forum and Forest Reference Groups to discuss downstream effects of forest harvesting.
- Processed resource consent applications for an exploratory oil well near Te Karaka which were subjected to further information requests and a detailed peer review.

Water Conservation

- Increased hydrological data checking and analysis capability in response to demand.
- Worked with the Fresh Water Advisory Group and Environmental Policy to progress the Fresh Water Management Plan.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
Environmental Data Management				
We contribute to an Environmentally Sustainable Tairāwhiti by ensuring resource management decisions are made using sound data.	Number of valid physical environmental data measure points.	99%	85%	100% Achieved
	Hits received on environmental data pages (river levels, rainfall etc) on Council website.	New Measure	7,500	19,161
Soil Conservation				
We contribute to a Safe and Environmentally Sustainable Tairāwhiti by managing land resources to conserve natural values, prevent or mitigate adverse effects and sustain productive capability.	Percentage of Requests for Service resolved within target timeframes ranging from 5 days for urgent matters and within 60 days for ongoing matters.	83%	80%	88% Achieved
	Percentage of customers who rate Requests for Service responses as excellent/good.	98%	93%	100% Achieved
	Number of issues of Conservation Quorum published per annum.	4	4	4 Achieved
	Number of farm properties visited per annum for environmental advocacy purposes.	217	150	172 Achieved
Water Conservation				
We contribute to a Safe, Prosperous and Environmentally Sustainable Tairāwhiti by managing natural water resources, river and lake beds and coastal areas to conserve natural values and sustain consumptive usage.	Percentage of Requests for Service resolved within target timeframes ranging from 5 days for urgent matters and within 60 days for ongoing matters.	85%	80%	79% Not achieved
	Percentage of customers who rate Requests for Service responses as excellent/good.	96%	90%	95% Achieved
	Makauri aquifer static water levels are maintained with respect to three year rolling average.	Not achieved	100%	Not achieved ¹
	Percentage of compliance with consent conditions under recorded rectification or enforcement within 20 working days.	83%	100%	100% Achieved
Biosecurity				
We contribute to a Healthy and Environmentally Sustainable Tairāwhiti by managing animal and plant pests for human health and to reduce impacts on indigenous fauna and flora and primary production.	Percentage of Requests for Service resolved within target timeframes ranging from 5 days for urgent matters and within 60 days for ongoing matters.	98%	97%	96% Not achieved
	Percentage of customers who rate Requests for Service responses as excellent/good.	100%	98%	100% Achieved
	All 5 random sample lines assessed post possum poisoning, trapping or night shooting achieves 5% residual trap, catch or less.	New Measure	100%	100% Achieved
	Percentage of known significant noxious plants sites visited and all plants controlled.	New Measure	100%	100% Achieved
	Percentage of known active rookeries controlled.	New Measure	100%	100% Achieved

What was different

1. Groundwater analysis has indicated that there is no direct recharge to the Makauri and Matokitoki aquifers and that these deep aquifers may be in decline. Management options are currently being investigated and may result in a cap of water takes from these aquifers.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	340	532	(192)	708
Operating Expenses	2,614	3,162	548	2,823
Net Cost of Service	2,274	2,630	355	2,115
This activity was funded 89% from rates and 11% from grants and subsidies				
Capital Expenditure (\$000)				
Capital Projects	69	72	3	45
Funded By:				
Grants and Subsidies	0	0	0	6
Depreciation or Other Reserves (Renewals)	69	72	(3)	39
	0	0	0	0

What was different from the budget

1. Operating revenue was \$192k lower than budget. This is a result of lower than budgeted forestry income being recognised which is a direct result of lower than anticipated forestry expenditure being incurred. The Council manages Waerenga-O-Kuri reserve on behalf of the Crown.
2. Operating expenses were \$548k below budget. This is a result of lower than anticipated harvesting costs \$127k, monitoring costs \$52k, transport and vehicle costs \$60k and general operating costs \$280k.

Resource Consents



Why we do it

To protect and enhance the quality of the district's natural and physical environment now and into the future.

What we do

This activity ensures that subdivision and land uses are developed in an environmentally sensitive way to ensure that adverse effects are avoided, remedied or mitigated.

The Resource Consent section undertakes the following activities in accordance with the District Plan and Resource Management Act 1991:

- Processing resource consents:
 - Decide on whether to process resource consent applications on a notified or non-notified basis.
 - Assessing the potential effects on the environment of resource consent applications.
 - Impose conditions on resource consents to mitigate any adverse effects on the environment.
 - Prepare resource consent reports determined under delegation and reports for the Hearings Committee, Independent Commissioners or the Environment Court.
 - Provide information and advice to applicants, developers and other interested members of the community on the Resource Management Act 1991, the resource consent process and the District Plan rules.
 - Manage the appeal and mediation process on matters before the Environment Court.

- Monitor resource consent conditions. This requires coordinating technical staff and scheduling site visits to check that activities are undertaken in accordance with consent conditions. Compliance with conditions should achieve anticipated environmental results. Equally Plan rules are enforced to prevent inappropriate development that may adversely affect the environment.
- Provide administrative support for resource consent processing. This includes a team of three administrative staff who undertake all administrative tasks for all district and regional resource consents. This provides for a more efficient process and better data integrity.

This activity contributes to the following community outcomes



Empowered
Tairāwhiti



Environmentally
Sustainable
Tairāwhiti



Healthy
Tairāwhiti



Safe
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Community Engagement
- Natural Resource Use
- Community Viability and Functioning
- Business Efficiency
- Customer Needs.

What we did

- The new Monitoring and Compliance team worked on improving systems for monitoring resource consents. Also, complaints regarding possible breaches of the District Plan rules are being promptly responded to.
- Continued to provide a full duty planner service responding to customers queries regarding planning matters.
- An external review was undertaken on the effectiveness and customer service of the resource consents section and as a result projects are being established to implement improvements for customer service.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Safe, Vibrant, Empowered and Environmentally Sustainable Tairāwhiti by promoting the sustainable management of natural and physical resources through processing and monitoring resource consent applications.	Percentage of Requests for Service (RFS) resolved within target timeframes.	91%	98%	90% ¹ Not achieved
	Percentage of customers who rate RFS responses as excellent/good.	100%	91%	100% Achieved
	Availability of the duty planner for public enquiries.	Achieved	9.00am - 5.00pm	8.00am - 5.00pm Achieved
	Resource Consents are processed within statutory timeframes.	97%	100%	95% ¹ Not achieved
	Percentage of resource consents monitored within one month of monitoring date.	87%	80%	76% Not achieved
	Percentage of reported non-compliance with Plan rules rectified or subject to enforcement action within three months.	67%	100%	87% ² Not achieved

What was different

1. The number of resource consents processed over the last financial year was less than the previous year. The size of the resource consent team was reduced given the decline in resource consent numbers.
2. The monitoring and compliance team is still relatively new and continues to improve our ability to deal with non-compliance with plan rules.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	195	266	(71)	227
Operating Expenses	702	873	171	727
Net Cost of Service	507	606	100	500

This activity was funded 81% from rates and 19% from fees and charges

What was different from the budget

1. Operating revenue was \$71k below budget. This is a result of fewer resource consents, land use consents and subdivisions being processed.
2. Operating expenses were \$171 below budget. This was a result of a number of vacancies within the activity.

Governance



Why we do it

To provide for the representation of the community in an open, democratically accountable manner, to enable decision making and action and to promote its wellbeing.

To provide for the stewardship of the assets of the corporation and to implement the laws that enable physical and natural resources to be allocated.

What we do

Representation and Democracy

- Meet the obligations of the Mayor and Councillors under the Local Government Act.
- Actively promote and provide a fair triennial election process which is compliant with the Local Electoral Act.
- Manage elected members' remuneration, allowances and expenditure processes in line with Remuneration Authority determinations.
- Comply with the Local Electoral Act which also controls Representation Reviews.
- Comply with the Local Government Official Information and Meetings Act requirements and processes to service Council and its committees.
- Respond to Official Information requests within legislative timeframes.
- Support membership of Local Government NZ and participation in its sector groups.
- Advocate at a national level on policy, wider participation and representation.

Civic Duties

- Resource the Office of the Mayor including the delivery of civic functions/events such as; Naval visits, Anzac Day, Citizenship ceremonies, Sister Cities events, scholarships, awards, grants and VIP presentations.

Stewardship

- Protect Council assets including those invested in Council Controlled Organisations.
- Support the relationship with Eastland Community Trust and meet Councils' obligations under the Trust Deed.
- Meet Council's obligations to be a good employer.

The Governance activity supports the elected members in their roles and ensures that the purposes of the Local Government Act 2002 are met and the principles in that Act are applied.

This activity contributes to the following community outcomes

			
Connected Tairāwhiti	Empowered Tairāwhiti	Environmentally Sustainable Tairāwhiti	Healthy Tairāwhiti
			
Prosperous Tairāwhiti	Safe Tairāwhiti	Skilled and Educated Tairāwhiti	Vibrant Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Governance Effectiveness
- Community Engagement
- Major Projects
- Natural Resource Use
- Financial Sustainability
- Community Viability
- Risk Management
- Business Efficiency
- Customer Needs.

What we did

During the course of the year councillors worked to ensure people of the Tairāwhiti district were well represented. This included consultation and adoption of a new Remissions Policy to address unintended and unexpected rates increases for some properties.

In addition the councillors have:

- Worked with Eastland Community Trust over their deed and charitable status
- Worked with Gisborne Holdings Limited on their Statement of Intent
- Heard and read 137 submissions and then unanimously adopted the 2013/14 Annual Plan and Amendment to Council's Revenue and Financing Policy

- Heard and read 36 submissions and then unanimously adopted the Rates Remission Policy
- Worked with project teams on progressing major projects
- Established the Chief Executive performance goals
- Reviewed for efficiency the way council delivers local body elections. Appointed an external Election Service for 2013 Local Body Elections
- Worked with the Local Government Commission through a Representation Review resulting in a reduction in rural wards and one additional councillor position in the city ward
- Completed a restructure of the Mayoral office resulting in a reduction in salary levels.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to all Council outcomes by providing for the representation of the community in open, democratically accountable decision making.	Percentage of residents satisfied with the way Council involves the public in the decisions it makes as found in the Annual Resident Satisfaction Survey.	60%	60%	54% ¹ Not achieved
	Percentage of residents who rate the performance of the Mayor and Councillors as good as found in the Annual Resident Satisfaction Survey.	62%	60%	64% Achieved
	Percentage of residents satisfied with how rates are spent on services and facilities provided by the Council as found in the Annual Resident Satisfaction Survey.	68%	65%	52% ² Not achieved
	The requirements of the Local Government Act 2002, Local Government Official Information and Meetings Act 1987, Standing Orders and other appropriate legislation are met, as measured by complaints upheld by the Ombudsman.	New Measure	No complaints upheld by the Ombudsman	Achieved
	Agendas for meetings (other than extraordinary meetings) of council and its committees are publicly available (either via the internet or in Council service centres or at Council libraries), as measured by Committee Secretary's checklist.	New Measure	All agendas are publicly available two clear working days before each meeting	Achieved
We contribute to a Connected, Prosperous and Environmentally Sustainable Tairāwhiti by providing for the stewardship of corporation assets and by implementing laws that deal with the district's physical and natural resources and the issues that arise in communities.	Approve the Statements of Intent for Council Controlled Organisation's (CCO's) in agreed time frames.	New Measure	60 days from receipt (1 March)	BoPLASS & ECT Achieved GHL received and agreed in July ³
	Appoint directors of CCO's according to the respective constitution or Trust Deed.	New Measure	In line with constitutional and Trust Deed requirements	Achieved

What was different

1. Consultation this year differed from last year as we did not include a pre-consultation round as we did for the Ten Year Plan. The stakeholder survey that was sent to submitters and meeting attendees had a response of 73% satisfaction for our consultation. This indicates that the issue may be with the people we haven't reached with the consultation yet and we need to focus on expanding our audiences this year.
2. Of the residents who were dissatisfied with rates, 44% gave the reason that rates were too high. Council reduced the rates increase for 2013/14 to 2.5% from the 5% budgeted in the Ten Year Plan and will continue to aim to limit increases to near inflation. Also, this year the scale of this part of the resident satisfaction survey changed so the results are not directly comparable between the 2013 survey and previous surveys. See page 17 for details.
3. The variation in this measure is due to availability of information for the CCO.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	(2)	12	(14)	11
Operating Expenses	871	1,103	231	1,060
Net Cost of Service	873	1,091	217	1,049

This activity was funded 100% from rates

What was different from the budget

1. Operating revenue was \$14k lower than budget. This is due to a lack of hearing recoveries.
2. Operating expenses were \$231k under budget. This is due to savings in staff and recruitment costs \$89k, savings in financing charges \$101k and savings in transport and vehicle expenses \$19k.

Support Services



Why we do it

These services are provided to support the Council in the effective and efficient running of the organisation.

What we do

Council's internal support activities comprise:

Finance and Treasury Operations

These services are provided as all large organisations require a framework by which they can set their plans and budgets for future years. Well performing organisations routinely track and improve their organisational performance, as well as having financial, internal control, risk management and governance processes in place.

Many of these services are mandated by the Local Government Act 2002 or the Local Government (Rating) Act 2002.

Democracy and Support Services

These provide secretarial support services to Council, Council Committees, Council teams and managers including managing building facilities, meeting rooms and Council chambers.

Information Services

Information Technology, Information Management and related services provide computer systems and records technology to support the Council and Council business units in the effective and efficient running of the organisation.

Plant and Vehicles

This section provides fleet management (maintenance, sustainability and replacement of the car pool, specialist vehicles and other plant). The services are centralised for efficiency.

Legal Services

Provide legal advice to elected members and management and help manage the engagement of external legal advice.

Human Resources

Human Resources provides support to the Chief Executive and Managers on employment relations matters to promote best practice. The support service includes advice and support in recruitment, organisation development, performance and remuneration management, industrial and employee relations, employee care and change management.

Customer Services

Provide walk-in based customer services at Council's main office and Te Puia Service Centre. Along with Call Centre services, managing all "first point" contact through core contact channels (phone, e-mail, facsimile and letter). This group drives improvements to customer-facing processes with a focus on improving business efficiency.

This activity contributes to the following community outcomes



Connected
Tairāwhiti



Empowered
Tairāwhiti



Environmentally
Sustainable
Tairāwhiti



Healthy
Tairāwhiti



Prosperous
Tairāwhiti



Safe
Tairāwhiti



Skilled and
Educated
Tairāwhiti



Vibrant
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Governance Effectiveness
- Community Engagement
- Major Projects
- Natural Resource Use
- Financial Sustainability
- Community Viability and Functioning
- Risk Management.

What we did

- Prepared and consulted on the Rates Remissions Policy on unwelcome rates for Pests and Plants, Rural Fires and Soil Conservation.
- Prepared the financial information for the 2013/14 Annual Plan, including working with Price Waterhouse Coopers to review Council's Revenue and Financing Policy for Pests and Plants, Rural Fires and Soil Conservation.
- Reviewed the vehicle requirements of Council resulting in the sale of 15 vehicles, a change to in-house servicing, and a new on-line booking system.
- Enabled staff relocation to two new buildings by upgrading phone and internet systems.
- Continued to focus on providing quality customer service including developing systems to manage enquiries for staff in multiple buildings.
- Continued to improve systems and processes so that staff can work more efficiently and provide better customer service, including:
 - introduced online and over the counter credit card payments for rates
 - implemented an electronic purchase order system
 - upgraded the internal geographical mapping programme
 - updated the aerial photography for the whole district
 - developed an integrated performance reporting framework
 - progressed the electronic filing system upgrade.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to all Council Outcomes by supporting the organisation to deliver Council services and to provide good quality information to the public.	Compliance with statutory requirements for the Annual Plan and Annual Report and Ten Year Plan processes, including audit requirements and specified timeframes.	Achieved	Achieved	Achieved
	Percentage of residents who rate the ease of getting hold of a staff member who could assist them with their inquiry as excellent/good as found in the Annual Resident Satisfaction Survey.	85%	85%	82% ¹ Not achieved
	Percentage of residents who are satisfied with Council customer service at first point of contact:			
	In person Email/Website Phone	New measure New measure New measure	95% 85% 90%	90% 90%/71% 88% Not achieved (except email - achieved)
	Percentage of residents who rate helpfulness of staff as excellent/good as found in the Annual Resident Satisfaction Survey.	90%	90%	86% Not achieved
	Percentage of residents (as found in the Annual Resident Satisfaction Survey) who in the last twelve months have seen or read:			
	- Town and Country Matters - Information with their rates invoice - A Council brochure	New Measure	Establish baseline	59% 63% 52% ²
	Percentage of residents who rate the content in Council publications as informative as found in the Annual Resident Satisfaction Survey:			

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
	- Town and Country Matters - Information with their rates invoice - A Council brochure	New Measure	Establish baseline	86% 80% 88% ^{2,3}
	Number of page views on website.	760,054	Increasing	719,795 ^{2,4} Not achieved
	Percentage of residents who rate the content on the Council website as excellent/good.	New Measure	Establish baseline	69% ^{2,5}

What was different

- During May/June 2013 many staff were being relocated due to the earthquake risk of the main Fitzherbert St building. This may have affected the ease of getting hold of the right staff member.
- The communications function was joined with the Planning and Performance team this year. Reporting on these performance measures will be done in the Community Planning and Development activity for 2013/14.
- The question in the Annual Residents Satisfaction Survey asked respondents how satisfied they were with the various information sources, it did not specifically ask how informative they thought they were.
- There were no major rain events this year, compared to three last year. This reduced the spikes of website views over the year.
- This question related to website users only, not all residents.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	2,781	2,092	689	3,070
Operating Expenses	9,364	8,452	(911)	9,509
Net Cost of Service	6,583	6,360	(223)	6,440
Capital Expenditure (\$000)				
Capital Projects	2,007	461	(1,546)	1,393
Funded By:				
Grants and Subsidies	442	0	442	29
Other Capital Revenue	296	816	(520)	1,021
Depreciation or Other Reserves (Renewals)	255	(555)	810	(693)
Internal Loans	980	200	780	904
Asset Sales	34	0	34	132
	0	0	0	0

What was different from budget

- Operational revenue was \$689k above budget. This is a result of the write up in the fair value of interest rate swaps.
- Operational expenses were \$911k above budget. This is as result of a write off of bad debts in relation to rates of \$1.1m.
- Capital expenditure is \$1,546 above budget. This is a result of the early start of the document management programme and other IT programmes \$769k combined with the unbudgeted spend on Tologa Bay Wharf \$806k.

Flood Control



Why we do it

To provide and manage the protection of people and their properties including land from flooding, river erosion, and coastal erosion in identified areas.

To maintain the Land Drainage, Rivers and Streams, and Coastal Protection assets to their design standard utilising the most cost effective, long-term asset management options.

To monitor rivers, streams and the coast within the Gisborne district, and provide advisory and investigatory service to mitigate flood risk and coastal erosion.

What we do

The Flood Control Group includes the following activities:

- Rivers Asset Management
- Flood Control Schemes
- Land Drainage Schemes
- Wainui Beach Foredune Protection
- River Channel Maintenance.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Healthy, Prosperous, Connected, Safe and Environmentally Sustainable Tairāwhiti by monitoring drainage of rivers and streams to minimise flood risk and coastal erosion to ensure communities are safe and prepared.	Percentage of Requests for Service resolved within target timeframes.	91%	80%	95% ¹ Achieved
	Percentage of customers who rate Requests for Service responses as excellent/good.	96%	92%	97% ² achieved
	Land drains contain a 1 in 5 year flood whereby at least 90% of all drains within the network will, at any given time without overtopping, contain a flood discharge up to a five year	100%	100%	Achieved ³

This activity contributes to the following community outcomes



Connected Tairāwhiti



Empowered Tairāwhiti



Healthy Tairāwhiti



Prosperous Tairāwhiti



Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Natural Resource Use
- Financial Sustainability
- Business Efficiency
- Customer Needs.

What we did

- Completed a Risk & Condition Assessment Report for the City Revetments
- Completed a Risk & Condition Assessment Report for the Waipaoa River Flood Control Scheme
- Completed Taruheru River remedial works
- Completed the first stage of Taruheru River Modelling for future improvements
- Worked with the Wainui and Okitu communities through extensive consultation to progress the review of the Wainui Beach Management Strategy.

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
	return period flood event for each particular drain.			
	25% of flood control stopbank length is inspected annually and maintained to 70-year protection standard.	Achieved	Achieved	Achieved ⁴
	Percentage of identified river flow impediments corrected, or remedial works included in approved annual budgets for following year.	100%	81%	100% ⁵ Achieved
	Resource and Building Consents including Coastal, Land Use & Discharge are processed within the agreed timeframes.	New Measure	76%	Building Consents - not measured ⁶ Resource Consents - 76% Achieved

What was different

1. Better programming of target timeframes has improved Requests for Service resolution times.
2. To improve Requests for Service feedback, increased effort was made to ensure customers understood the limitations of budgets especially in cases where Council could not provide assistance.
3. Twice yearly inspections undertaken by spray crews ensure defects are picked up for maintenance.
4. Inspections completed, reports written, repairs programmed.
5. River impediments reported from inspections are given high priority to ensure they are dealt with quickly.
6. For Building Consents it is not possible to determine the timeframes for individual departments. 96% of building consents were completed on target for Council as a whole.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	217	167	50	160
Operating Expenses	1,723	1,868	145	1,531
Net Cost of Service	1,507	1,702	194	1,371
This activity was funded 91% from rates and 9% from fees and charges				
Capital Expenditure (\$000)				
Capital Projects	294	223	(71)	217
Funded By:				
Other Capital Revenue	10	10	0	10
Depreciation or Other Reserves (Renewals)	(10)	13	(23)	(10)
Internal Loans	294	200	94	217
	0	0	0	0

What was different from budget

1. Operating revenue was \$50k above budget. This is a result of changes in lease terms and additional income being collected.
2. Operating expenses were \$145k below budget. This is a result of reduced salary costs \$100k and savings against professional service costs of \$72k.
3. Capital Expenditure is \$71k above budget. This is due to the completion of projects from the previous financial year.

Land Transport and Parking



Why we do it

An effective transportation network is a key element in the efficient functioning of Gisborne district and its economy. As a community Gisborne is highly dependent on the mobility of its population, and particularly dependant on a well designed and maintained roading network as its primary means of physical daily commuting.

Agriculture, forestry and fishing are the major industries in Gisborne. Linkages to both domestic and international markets are crucial in maintaining Council's healthy economic status.

Car parking availability within the CBD is also an important factor to ensure the viability of the local businesses and the local economy as a whole. Providing and managing this parking provision appropriately can sustain and even aid growth in the local economy.

Walking and cycling are environmentally friendly transportation modes, which complement vehicle networks. Public transport is also a major consideration for Gisborne, even with relatively low population volumes and dispersed communities, and for parts of the community it is an essential component of their actual mobility.

What we do

Council's Land Transport Business Unit is responsible for managing the Land Transport and Parking Activity. This includes all elements of transportation planning, road maintenance and operation, parking provision and walking and cycling provision. In addition, and by virtue of being a Unitary Authority, activities such as regional land transport planning including passenger transport, mobility assistance for the disabled and road safety co-ordination are undertaken.

The eight key activities undertaken as part of Land Transport and Parking are:

- Road asset maintenance and renewal
- Road safety engineering and education
- Transportation planning
- Traffic management

- Road asset design and construction
- Public transport provision
- Pedestrian and cycling provision
- Parking provision and control.

This activity contributes to the following community outcomes



Connected
Tairāwhiti



Environmentally
Sustainable
Tairāwhiti



Healthy
Tairāwhiti



Prosperous
Tairāwhiti



Safe
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Major Projects
- Financial Sustainability
- Community Viability and Functioning
- Risk Management
- Business Efficiency
- Customer Needs.

What we did

- Worked with the Matawai and Motu communities to complete a \$350k main street upgrade for Matawai, including new kerb and channelling, footpaths, lighting, toilets and a rest area.
- Upgraded Harper Road Bridge and Tucker Bridge so that they can take the wider vehicles that are being used for harvesting on the Poverty Bay Flats.
- Worked with the Muriwai community to lower the speed limit to 50km/hr through the township and to 70km/hr on the State Highway.
- Initiated the Speed Limit Bylaw review which will be completed this year.
- Installed flashing school zone signage along Ormond Road (Mangapapa School) and worked with the NZTA to install signage for Awapuni School following a meeting with concerned residents about road safety in the area.

Our progress

84

Level of Service	Performance Measure	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Connected and Prosperous Tairāwhiti by operating and maintaining a reliable roading network that is up to date, in good condition and fit for purpose	Percentage of Requests for Service resolved within target timeframes for the following: Roading Parking in the CBD	86% 86%	95% 95%	85% - Not achieved 98% - Achieved
	Percentage of customers who rate Requests for Service responses as excellent/good for: Roading Parking in the CBD	93% (reported as 59% last year) 84%	95% 95%	98% - Achieved 100% - Achieved
	Percentage of residents satisfied with Council roads (excluding state highways) as found in Annual Resident Satisfaction Survey: Urban residents Rural residents	54% 50%	85% 85%	43% ¹ - Not achieved 45% - Not achieved
	Percentage of residents satisfied with footpaths as found in Annual Resident Satisfaction Survey.	78%	85%	58% ¹ - Not achieved
	Percentage of sealed roads that fit within the recommended industry smoothness counts - according to NAASRA (National Association of Australian State Roading Authorities) guidelines.	New Measure	50% to have NAASRA count of 110 or better	Urban 62% Rural 79% Achieved ²
		New Measure	Not more than 20% to exceed NAASRA count of 150	Urban 20% Rural 9% Achieved
We contribute to a Safe Tairāwhiti by ensuring the roading network is designed and managed for safe use with low crash and injury rates.	Percentage of residents who feel that riding a bicycle is dangerous as found in Annual Resident Satisfaction Survey.	New measure	Establish baseline	31% ³
	Annual number of roading fatalities.*	New measure	Establish baseline	6
	Annual number of serious injury crashes.*	New measure	Establish baseline	12
	Annual number of pedestrian and cyclist injury accidents.*	30 (reported as 3 last year)	Maintain or decrease	33 Not achieved
	Annual total number of registered road crashes.*	372	Maintain or decrease	355 Achieved
We contribute to a Connected, Healthy and Environmentally Sustainable Tairāwhiti by providing and maintaining affordable and accessible transportation services that balance the needs of all users.	The number of bus passengers per annum.	157,576	1.8% increase per annum	157,008 Not achieved
	Percentage of customers who rate the passenger transport system as excellent/very good.	Not measured	80%	100% ⁴ Achieved
	The availability of Council carparks within the CBD during business hours.	30%	5%	50% ⁵ Achieved
	Number of residents using walking and cycling networks	New measure	Establish baseline	Walkways 76% Cycleways 37%

What was different

1. This year the scale of the resident satisfaction survey changed so the percentage of satisfied residents is not directly comparable between the 2013 survey and previous surveys, see page 17 for details.
2. 5.3km of the sealed network (0.6%) has never been surveyed. This is due to roads being too short or sections of sealed road being isolated by unsealed sections.
3. This result is the number of cyclists who felt *unsafe* or *very unsafe*.
4. A survey of bus patrons was undertaken in January 2013. One of the questions was "How do you rate the Gisborne bus service - Very good, good or poor?" None of the bus patrons rated it as poor, this could be because they did not want to say it was poor in person.
5. Increase in car park availability due to increased parking charges.

What was different from the budget

1. Operating revenue was \$1,414k above budget. This is due to an increase in subsidy from NZTA in relation to emergency works completed result of heavy rain events in the early part of 2012.
2. Operating expenses were \$2,430k above budget. \$1.9m of this relates to emergency works due to heavy rain events. There was additional depreciation charge of \$419k as a result of the revaluation of roading assets. There was unbudgeted spend for traffic service renewals of \$472k. These additional costs were partially offset by savings in other programmes.
3. Capital expenditure was \$515k below budget. This is a result of delays to the start of some of the waking and cycling projects.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	10,787	9,373	1,414	9,562
Operating Expenses	25,397	22,967	(2,430)	24,072
Net Cost of Service	14,611	13,594	(1,016)	14,510
This activity was funded 48% from rates, 7% from fees and charges and 45% from grants and subsidies				
Capital Expenditure (\$000)				
Capital Projects	10,509	11,024	515	10,873
Funded By:				
Grants and Subsidies	5,243	6,417	(1,174)	6,264
Depreciation or Other Reserves (Renewals)	4,960	4,243	717	4,207
Internal Loans	306	364	(58)	402
	0	0	0	0

Solid Waste Management



Why we do it

The provision of solid waste activities is a fundamental requirement for every district or city within New Zealand pursuant to the provisions of the Local Government Activity and Public Health Act 1956. The Council has a duty to ensure that this activity is managed effectively and efficiently. The Waste Minimisation Act 2008 requires all local authorities in New Zealand to adopt a Waste Management and Minimisation Plan (WMMP).

As a result Council's principal objectives for solid waste are:

- Reduced quantity of waste disposed to landfill per head of population.
- Highly effective and efficient waste management and minimisation services – whether or not these are provided by the Council.
- Communities that are well informed about the effects of waste, opportunities they have to reduce waste and take responsibility for their waste.
- Cleaner streets and public places.
- No significant health risks created by waste.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Connected and Environmentally Sustainable Tairāwhiti by providing community recycling facilities and regular kerbside collections to encourage recycling and waste reduction.	Percentage of Requests for Service (RfS) resolved within target timeframes.	84%	92%	85% ¹ Not achieved
	Percentage of customers who rate RfS responses as excellent/good.	97%	95%	100% Achieved

What we do

The eight key activities undertaken as part of Solid Waste are:

- Rural and urban kerbside collection
- Rural transfer operations
- Waste minimisation and education
- Recycling initiatives
- Cleaning public places
- Landfill operations and aftercare
- Contract management
- Policy development.

This activity contributes to the following community outcomes



Connected
Tairāwhiti



Environmentally
Sustainable
Tairāwhiti



Healthy
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Major Projects
- Financial Sustainability
- Risk Management
- Business Efficiency
- Customer Needs.

What we did

- Implemented a new sticker system for rural transfer stations.
- Held composting workshops for rural transfer station communities and gave free compost bins to households that attended.
- Continued the rural school waste education programme.

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
	Resident satisfaction with rubbish bag collections as found in the Annual Resident Satisfaction Survey.	79%	85%	84% Not achieved
	Resident satisfaction with Council's recycling collection and facilities as found in the Annual Resident Satisfaction Survey.	87%	90%	88% Not achieved
	Reduction in waste to landfill. Measured in kg per head of population.	New Measure	306kg	275kg Achieved
We contribute to a Healthy Tairāwhiti by providing clean, safe footpaths and litter free public spaces with a network of litter bins.	Percentage of litter on city streets compared to 2011 base level as found in Annual Litter Reduction Survey.	395 pieces	Decreasing	2% increase (404 pieces) Not achieved
	Total waste received as illegal dumping.	New Measure	Establish baseline	32 tonnes

What was different

1. We are continuing to work with contractors to improve our response times, and completion within target time frames is trending upwards.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	309	149	160	148
Operating Expenses	4,117	4,249	132	4,308
Net Cost of Service	3,808	4,100	292	4,159

This activity was funded 93% from rates and 7% from fees and charges

What was different from the budget

1. Operating revenue was \$160k above budget. Additional revenue was received for waste minimisation \$101k and the sale of refuse stickers \$50k.
2. Operating expenses were \$132k below budget. Lower than anticipated costs in salaries \$34k and financing costs \$253k. These were partially offset by increased operating costs elsewhere within the activity.

Urban Stormwater Services



Why we do it

To protect people, dwellings, private property and public areas from flooding by removing stormwater. To discharge stormwater and collect contaminants in a manner that protects the environment and public health.

What we do

Stormwater can be described as rain that runs off hard surfaces such as roofs, paved streets, driveways and roads. Council owns and operates the public stormwater systems for Gisborne City including Wainui and Okitu, and urban areas in the following rural communities:

- Hicks Bay
- Tikitiki
- Ruatoria
- Tolaga Bay
- Matawai
- Te Karaka
- Tokomaru Bay
- Te Puia Springs
- Te Araroa
- Whatatutu
- Manutuke
- Patutahi

Stormwater systems carry away surface water runoff from rain events, protecting properties from the impacts of flooding. The environment and public health is also provided a level of protection, such as reducing the level of pollutants discharged in natural waterways. This is achieved through:

- The primary stormwater system, which consists of pipes, drains, swales, sumps and channels.
- The secondary stormwater system, which comes into play during significant heavy rain events. This consists of stormwater flow paths through reserves, private properties and along road corridors.
- Reducing the level of pollutants discharged into natural waterways. This is via a range of measures including swale drains, green infrastructure, gross pollutant traps and education.

This activity contributes to the following community outcomes



Connected
Tairāwhiti



Environmentally
Sustainable
Tairāwhiti



Healthy
Tairāwhiti



Prosperous
Tairāwhiti



Safe
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Major Projects
- Financial Sustainability
- Risk Management
- Business Efficiency
- Customer Needs.

What we did

- Completed improvements to City and Townships stormwater asset information.
- Completed Criticality Assessment of City stormwater pipes and open drains.
- Completed catchment study investigations.
- Undertook programmed capital work renewals and upgrades in the City.
- Undertook programmed capital work upgrades and renewals in Townships (Onepoto Bay, Te Araroa, Tolaga Bay).
- Completed asset identification and asset management system information maintenance.
- Undertook CCTV investigations.
- Progressed ongoing scheduled City drain cutting maintenance.
- Completed asset attributes identification and as-building.

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Healthy, Prosperous, Safe Connected and Environmentally Sustainable Tairāwhiti by providing high quality infrastructure and by ensuring a healthy community through the removal of stormwater and contaminants to protect dwellings, the environment and people.	Number of Requests for Service regarding blockages.	67	65	37 ¹ Achieved
	The percentage of blockage Requests for Service resolved within target timeframes ranging from 1 day for emergency work to 480 days for 2 year scheduled work.	79%	86%	77% Not achieved
	Number of Requests for Service regarding emergency repairs.	23	45	11 ² Achieved
	The percentage of emergency repair Requests for Service resolved within target timeframes ranging from 1 day for emergency flooding work to 5 days for emergency covers/grates collapses.	88%	90%	64% ³ Not achieved
	Percentage of customers who rate Request for Service responses as excellent / good.	97%	92%	99% Achieved
	Percentage of residents satisfied with the district's urban stormwater services as found in Annual Resident Satisfaction Survey.	65%	61%	60% Not achieved
	Number of residential buildings flooded during the year. (This includes habitable parts of residential buildings only).	0	5	0 Achieved
	A 24/7 call out service is available for reporting stormwater problems.	100%	100%	100% Achieved
	All consents are processed in accordance with the Engineering and Works Code of Practice.	Achieved	Achieved	Achieved

What was different

- The number of RfS's regarding 'Blockages' (37 RfS's) was significantly under the target of 65 RfS's. This is an excellent result and can be largely explained by the lack of rain events and drought conditions for the District. Routine proactive maintenance activities and inspections were also a contributing factor.
- The number of RfS's regarding 'Emergency Repairs' (11 RfS's) was significantly under the target of 45 RfS's. This excellent result is a reflection of the drought conditions experienced during the period and also proactive maintenance activities and inspections.
- Only 4 'Emergency Repairs' RfS's were not resolved within target timeframes.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	0	0	0	0
Operating Expenses	2,283	2,726	443	2,276
Net Cost of Service	2,283	2,726	443	2,276
This activity was funded 100% from rates				
Capital Expenditure (\$000)				
Capital Projects	711	731	20	990
Funded By:				
Other Capital Revenue	0	0	0	7
Depreciation or Other Reserves (Renewals)	711	731	(20)	482
Internal Loans	0	0	0	501
	0	0	0	0

What was different from budget

1. Operating expenses were \$443k lower than budget. The main areas of reduced expenditure were investigation costs \$188k, repairs and maintenance \$82k and in financing of debt \$128k.
2. Capital expenditure of \$711k was in line with budget. The main items of expenditure for the year were pipeline renewals and localised urban upgrades to the system.

Wastewater



Why we do it

The Wastewater activity protects public health by providing Gisborne city and Te Karaka with a reliable and efficient wastewater system. This activity conveys, treats and discharges wastewater in a manner that minimises adverse effects on the environment.

What we do

The operation and maintenance of wastewater networks, including treatment and disposal, for Gisborne city (including the western industrial area) and Te Karaka.

The operation and maintenance of septage disposal sites at Te Araroa, Tikitiki, Ruatoria (Waiapu) and Te Puia.

This activity contributes to the following community outcomes



Connected
Tairāwhiti



Environmentally
Sustainable
Tairāwhiti



Healthy
Tairāwhiti



Prosperous
Tairāwhiti



Safe
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Natural Resource Use
- Financial Sustainability
- Business Efficiency
- Customer Needs.

What we did

- Completed wastewater pipe renewals across Gisborne (outside Elgin Shops, Collins Street, Ormond Rd, Hospital Rd, Hillview Rd, Customhouse St, Kahutia St, the Esplanade).
- Renewed wastewater pump station in Te Karaka.
- Completed wastewater pump station renewals in Gisborne (Fergusson Drive, Innes Street Domestic, Wilson Street).

Our progress

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Healthy, Prosperous, Safe Connected and Environmentally Sustainable Tairāwhiti by providing high quality infrastructure and by ensuring a healthy community through the removal of stormwater and contaminants to protect dwellings, the environment and people.*	Number of Requests for Service regarding odours.	9	15	20 ¹ Not achieved
	The percentage of odour requests resolved within target timeframes.	80%	91%	70% ² Not achieved
	Number of Requests for Service regarding blockages.	132	100	94 Achieved
	The percentage of blockage requests resolved within target timeframes.	89%	91%	87% ³ Not achieved
	Percentage of customers who rate Request for Service responses as excellent/good.	98%	91%	100% Achieved

Level of Service	Performance Measures	Results 2011/12	Targets 2012/13	Results 2012/13
	Percentage of residents satisfied with the Gisborne district's sewerage system as found in Annual Resident Satisfaction Survey.	73%	60%	71% Achieved
	Percentage of samples that are compliant with outfall waste consent conditions for suspended solids (measured in accordance with consent requirements).	New Measure	95%	100% Achieved
	Percentage of samples that are compliant with outfall waste consent conditions for total oil and grease (measured in accordance with consent requirements).	New Measure	95%	100% Achieved
	The annual number of events where sewerage is discharged from Council's reticulation into rivers or streams (based on a 1 in 10 year event).	3	4	3 ⁴ Achieved
<p>This level of service applies only to Gisborne city. There are no performance measures specific to Te Karaka or the septage sites. These will be developed over the next three years and will be included in the 2015-2025 Ten Year Plan.</p>				

What was different

- The target number of odour Requests for Service has been reduced this year to be more consistent with the number per year in recent time. This year appears to be an anomaly compared to recent years; however more proactive odour control measures are progressively being put in place.
- When resources are stretched an odour is much less of a public health issue than that of a blockage or break and is therefore given a lower priority. Odour sources can also be very difficult to pinpoint. Again, this year, this has resulted in delays to RfS completion. We are working on this response rate and it has been progressively improving over the past three years.
- We are working with our maintenance contractor to improve the response to RfS regarding blockages.
- The wastewater treatment plant continues to be compliant with the conditions of the resource consent.

What was different from budget

- Operating Revenue was \$295 below budget. This is a result of grant income not being received (\$200k) linking to a project that has been delayed. The remainder is a result of lower than anticipated tradewaste income.
- Operating expenses were \$1,211k lower than budget. This is a result of a review of depreciation which lowered costs by \$613k, delays to a number

of operational projects \$442k and lower than anticipated debt and financing costs \$399k.

- Capital expenditure is \$1,326k below budget. This is a result of delays to UV installation project. The majority of capital was spent on pipeline and pump station renewals.

What it cost

2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
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Operating Expenditure (\$000)

Operating Revenue	312	607	(295)	394
Operating Expenses	6,596	7,807	1,211	6,393
Net Cost of Service	6,283	7,199	916	5,999

This activity was funded 98% from rates and 2% from fees and charges

Capital Expenditure (\$000)

Capital Projects	2,659	3,985	1,326	1,495
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Funded By:

Other Capital Revenue	15	0	15	0
Depreciation or Other Reserves (Renewals)	1,740	1,620	120	1,200
Internal Loans	904	2,365	(1,461)	273
Asset Sales	0	0	0	22
	0	0	0	0

Water Supply



Why we do it

To provide a continuous, sustainable, safe water supply and provide assured availability of water for fire fighting purposes to the Gisborne City supply area and the townships of Te Karaka and Whatatutu.

Key components:

- Provide potable water for domestic, commercial and industrial purposes.
- Provide water to provide fire protection.
- Provide water to public service providers and community facilities such as schools, hospitals, sporting facilities and grounds etc.

What we do

The following area communities are reticulated by Council administered supplies:

- Gisborne City, including parts of Manutuke and Makaraka
- Te Karaka
- Whatatutu.

For these areas, Council owns and maintains the whole water supply network which covers:

- Collection of raw water.
- Treatment of raw water to produce suitable quality and quantities of drinking water.
- Distribution of treated water to the point of supply to the customer, where it consistently meets

appropriate flow, pressure and quality standards. This includes water required for the city's emergency fire-fighting services.

The following area communities are reticulated by non-Council administered supplies:

- Te Puia Springs.

All other areas are non-reticulated, private supply systems sourced from roof catchments, ground water bores/springs or surface water. These other water supplies are not Council owned or administered.

This activity contributes to the following community outcomes



Connected
Tairāwhiti



Environmentally
Sustainable
Tairāwhiti



Healthy
Tairāwhiti



Prosperous
Tairāwhiti

Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Natural Resource Use
- Financial Sustainability
- Business Efficiency
- Customer Needs.

What we did

- Completed construction of a 2.9km water pipeline, linking the City trunk pipeline at Makaraka with the Western Industrial pipeline at the Awapuni/Aerodrome Road intersection. Pipeline was successfully commissioned on 28 March 2013.
- Undertook water pipeline renewal work in Mangapapa. Work commenced in January 2013. The physical work is expected to be fully completed by early July 2013.

Our progress

Level of Service	Performance Measure	Results 2011/12	Targets 2012/13	Results 2012/13
We contribute to a Healthy, Prosperous, Environmentally Sustainable and Connected Tairāwhiti by providing water supply infrastructure that meets the needs of our community now and into the future by delivering safe, clean water in a sustainable manner.	Number of complaints per annum regarding water quality.	2	15	5 Achieved
	Compliance with NZ Drinking Water Standards (excluding P2 determinants until Capital Assistance Program funding is decided). Gisborne City Te Karaka Whatatutu	Achieved Not Achieved Not Achieved	Achieved Achieved Achieved	Achieved Not achieved ¹ Not achieved ²
	Number of public advisory notices issued to boil water.	Zero	Zero	Zero Achieved
	Number of Requests for Service regarding water leaks.	72	85	103 ³ Not achieved
	The percentage of water leak Requests for Service resolved within target timeframes.	86%	84%	75% ⁴ Not achieved
	Number of events regarding no water / or low pressure (less than 300 kilopascals).	29	50	44 Achieved
	Percentage of residents satisfied with the water supply system as found in the Annual Resident Satisfaction Survey.	81%	75% - 82%	83% Achieved
	Water provided continuously and without restriction in compliance with the maintenance contract for up to a 50-year drought in the Gisborne region.	Achieved	Achieved	Achieved

What was different

- Te Karaka compliance issues are likely to be addressed as part of 2013/14 Te Karaka Water Treatment Upgrade contract.
- Whatatutu was found to have not complied with the protozoa requirements as this plant lacks appropriate treatment units. Under the Health (Drinking Water) Amendment Act this supply falls into the category of a small drinking water supply. Therefore the legal requirement to take all practicable to comply with the Drinking Water Standards does not apply until 1 July 2015.
- Much higher than average water demand was due to North Island wide draught period between January and May 2013. The continued higher than normal flows and pressures have put a strain on the reticulation system that has resulted in increased leakage.
- Completion of leak RfS's within target timeframes was difficult as Council's maintenance contractor Fulton Hogan had significant staff resourcing issues, that resulted in frontline staff not being able to meet target deadlines in all instances.

What it cost

	2012/13 Actual	2012/13 TYP Budget	2012/13 Variance	2011/12 Actual
Operating Expenditure (\$000)				
Operating Revenue	2,193	2,131	62	2,068
Operating Expenses	4,929	5,220	290	4,793
Net Cost of Service	2,736	3,088	352	2,725
This activity was funded 53% from rates and 47% from fees and charges				
Capital Expenditure (\$000)				
Capital Projects	2,049	2,977	928	172
Funded By:				
Grants and Subsidies	0	390	(390)	0
Depreciation or Other Reserves (Renewals)	1,084	1,246	(162)	78
Internal Loans	965	1,341	(376)	94
	0	0	0	0

What was different from the budget

1. Operational revenue was \$62k more than budget. This is a result of higher than anticipated water meter income.
2. Operational expenses were \$290k below budget. Costs for repairs and maintenance were below budget \$93k. There were also savings made due to a review of depreciation \$92k and lower than anticipated financing charges \$151k.
3. Capital expenditure was \$928k below budget. This is a result in delays to the start of the Te Karaka water supply project \$494k which is contracted to commence in March 2014, combined with the UV programme for Waipaoa no longer being required \$290k.

SECTION FOUR

Our Finances



Contents Page



Statement of Compliance and Responsibility	98
Statement of Comprehensive Income	99
Balanced Budget Statement of Financial Performance	100
Explanation of Council's Balanced Budget Requirement	100
Statement of Financial Position	101
Statement of Changes in Equity	103
Statement of Cash Flow	104
Statement of Involvement in CCOs and other Companies	105

Notes to the Financial Statements

Note 1 Statement of Accounting Policies	105	Note 22 Borrowings	122
Note 2 Summary Cost of Services by Activity	114	Note 22A Fair Value	122
Note 3 Rates Revenue	115	Note 23 Provision for Other Liabilities	122
Note 4 Revenue from Grants and Subsidies	115	Note 24 Property Plant and Equipment	124
Note 5 Revenue from Operating Activities	115	Note 24A Assets under Construction	128
Note 6 Revenue from Other Gains	115	Note 25 Intangible Assets	128
Note 7 Vested Assets	116	Note 26A Biological Assets - Livestock	128
Note 8 Employee Benefit Expense	116	Note 26B Biological Assets - Livestock	129
Note 9 Depreciation and Amortisation Expense	116	Note 26C Biological Assets - Livestock	129
Note 10 Expenditure on Operating Activities	117	Note 26D Forestry	130
Note 11 Finance Costs	117	Note 27 Equity	130
Note 12 Income Tax	117	Note 27A Asset Revaluation Reserve	131
Note 13 Cash and Cash Equivalents	118	Note 27B Internal Borrowings	131
Note 14 Trade and Other Receivables	118	Note 27C Special Funds and Other Reserves	132
Note 14A Impairment	119	Note 28 Reconciliation of Net Surplus	133
Note 14B Receivables	119	Note 29 Financial Instruments	133
Note 14C Rates Receivables	119	Note 29A Financial Instruments	133
Note 15 Inventories	119	Note 30 Commitments	139
Note 16 Investments	120	Note 31A Leases	139
Note 17 Derivatives	120	Note 31B Residential Lease	139
Note 18 Non Current Assets Held for Sale	120	Note 32 Contingent Liabilities	140
Note 19 Deposits Held	120	Note 33 Related Party Transactions	141
Note 20 Trade and Other Payables	121	Note 34 Remuneration and Severance Payments	141
Note 21 Employee Benefit Liabilities	121	Note 35 Events After Balance Date	142

Statement of Compliance and Responsibility

Compliance

The Council and Management of the Gisborne District Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in Schedule 10 of the Local Government Act 2002, have been complied with.

Responsibility

The Council and Management accept responsibility for the preparation of the annual financial statements and the judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide a reasonable assurance as to the integrity and reliability of the financial reporting.

In the opinion of Council and Management, the annual financial statements for the year ended 30 June 2013 fairly reflect the financial position, results of operations and service performance achievements of the Gisborne District Council.



Meng Foon
Mayor



Judy Campbell
Chief Executive



Marianne Gillies
Finance Manager

Statement of Comprehensive Income for the year ended 30 June 2013

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Notes	Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Income						
47,106	47,020	Revenue from Rates	3	49,066	49,314	49,206
15,237	15,277	Revenue from Grants and Subsidies	4	15,591	15,468	15,471
15,543	20,607	Revenue from Operating Activities	5	14,427	14,078	19,836
(69)	(2,483)	Other Grants/(Losses)	6	12	1,855	(940)
77,817	80,421	Total Operating Income		79,096	80,715	83,573
Operating Expenditure						
14,507	15,251	Employee Benefit Expenses	8	15,187	14,668	15,473
18,348	18,689	Depreciation and Amortisation	9	19,249	18,517	18,869
39,738	42,260	Expenditure on Operating Activities	10	40,180	41,485	43,928
3,661	3,886	Finance Costs	11	2,776	1,998	2,154
76,254	80,086	Total Operating Expenditure		77,392	76,668	80,424
2,017	0	Subvention Income from GHL	12	0	600	0
3,580	335	Net Surplus/(Deficit) Before Taxation		1,704	4,647	3,149
0	(970)	Income Tax Expense / (Benefit)	12	0	0	227
3,580	1,305	Net Surplus/(Deficit) After Taxation		1,704	4,647	2,922
Other Comprehensive Income						
43,489	45,122	Gains/(Loss) on Property Revaluations	27	704	17,069	17,865
0	(1)	Net Fair Value Gain/(Loss) on available-for-sale Financial Assets		0	0	0
0	0	Deferred Tax on Building Revaluations		0	0	0
43,489	45,121	Total Other Comprehensive Income		704	17,069	17,865
47,069	46,426	Total Comprehensive Income		2,408	21,716	20,787

The accompanying notes form an integral part of these financial statements.

Balanced Budget Statement of Financial Performance for the year ended 30 June 2013

Council 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s
77,817	Operating Income	79,096	80,715
76,254	Operating Expenditure	77,392	76,668
2,017	Subvention Payment	0	600
3,580	Net Operating/Surplus/(Deficit) After Taxation	1,704	4,647
	Less		
100	Capital Rates Income	422	422
6,338	Capital Grants and Subsidies	7,296	5,698
1,386	Other Capital Grants, Donations and Contributions	816	359
(1,529)	Operations funded by Reserve funds	(119)	1,828
	Plus		
6,499	Depreciation not Funded	6,304	6,907
(3,784)	(Decrease)/increase in Council deficit	407	(3,247)
0	Balanced Budget - Operating income agrees to operating expenditure	0	0

The accompanying notes form an integral part of these financial statements.

Explanation of Council's Balanced Budget Requirement

Council is required under the provisions of the LGA 2002 (s.101) 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 (s.100) requires that local authorities "balance the books". This 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 (break even).

Statement of Financial Position as at 30 June 2013

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Notes	Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
CURRENT ASSETS						
1,255	2,503	Cash and Cash Equivalents	13	349	171	1,359
9,267	7,499	Trade and Other Receivables	14	12,519	8,769	8,397
146	222	Inventories	15	139	136	168
1,268	1,268	Investments	16	1,268	1,272	1,272
908	908	Non-current Assets Held for Sale	18	0	687	687
12,844	12,400	Total Current Assets		14,275	11,035	11,883
CURRENT LIABILITIES						
358	358	Deposits Held	19	0	371	371
9,586	9,913	Trade and Other Payables	20	14,509	12,780	13,057
2,698	2,780	Employee Benefit Liabilities	21	2,755	2,434	2,532
21,754	21,754	Borrowings	22	0	10,984	10,984
236	236	Provision for Other Liabilities	23	0	78	78
1,066	1,150	Derivative Financial Instruments	29A	2,991	1,035	1,082
35,698	36,191	Total Current Liabilities		20,255	27,682	28,104
(22,854)	(23,791)	Net Working Capital		(5,980)	(16,647)	(16,221)
NON-CURRENT ASSETS						
0	0	Trade and Other Receivables	14	0	0	0
1,854,172	1,884,814	Property Plant and Equipment	24	1,820,725	1,873,032	1,904,174
1,050	1,902	Intangible Assets	25	1,455	988	1,248
1,676	17,455	Biological Assets	26	1,022	1,936	15,700
20,307	349	Investments	16	20,385	20,478	549
1,877,205	1,904,520	Total Non-Current Assets		1,843,587	1,896,434	1,921,671

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Notes	Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
NON-CURRENT LIABILITIES						
9,096	10,829	Borrowings	22	35,831	14,032	15,765
317	317	Employee Benefit Liabilities	21	224	265	265
1,410	1,410	Provision for Other Liabilities	23	1,052	1,564	1,564
0	1,991	Deferred Tax Liability	12	0	0	2,218
3,184	3,215	Derivative Financial Instruments	29A	0	1,860	1878
14,007	17,762	Total Non-Current Liabilities		37,107	17,721	21,690
1,840,344	1,862,967	Net Funds Employed		1,800,500	1,862,066	1,883,760
EQUITY						
395,016	388,635	Accumulated Surplus	27	401,147	399,689	391,583
31,491	31,491	Special Funds	27	28,301	32,645	32,645
1,413,837	1,442,841	Revaluation Reserves	27	1,371,052	1,429,732	1,459,532
1,840,344	1,862,967	Total Equity		1,800,500	1,862,066	1,883,760

The accompanying notes form an integral part of these financial statements.

Authorised for and on behalf of Gisborne District Council on 3 October 2013.



Meng Foon
Mayor



Judy Campbell
Chief Executive

Statement of Changes in Equity for the year ended 30 June 2013

103

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Notes	Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
EQUITY OPENING BALANCES						
393,258	389,152	Accumulated Funds and Retained Earnings		399,443	395,016	388,635
29,986	29,986	Special Funds and Reserves		28,301	31,491	31,491
1,370,348	1,397,720	Revaluation Reserves		1,370,348	1,413,837	1,442,841
1,793,592	1,816,858	Total Equity Opening Balance		1,798,092	1,840,344	1,862,967
CHANGES IN EQUITY						
Accumulated Surplus (Retained Earnings)/Revaluation Reserves						
(1,505)	(1,505)	Transfer to Special Funds and Reserves		0	(1,154)	(1,154)
(334)	(334)	Transfer Waerenga-O-Kuri Reserve Receivable		0	0	0
0	0	Transfer to Creative Arts Liability		0	0	0
0	0	Transfer to Gisborne District Disaster Relief Fund		0	0	0
0	0	Transfer to Library Book Trust Liability		0	0	0
17	17	Transfer to Restricted Funds Liability movement		0	6	6
47,069	46,426	Total Comprehensive Income		2,408	21,716	20,787
Special Funds and Reserves						
0	0	Transfer to Restricted Funds Liability		0	0	0
1,505	1,505	Transfer to/(from) Retained Earnings		0	1,154	1,154
0	0	Transfer to Lytton West Reserve Development Liability		0	0	0
0	0	Transfer to/(from) Library Book Trust Liability		0	0	0
46,752	46,109	Total Changes in Equity		2,408	21,722	20,793
EQUITY CLOSING BALANCES						
395,016	388,635	Accumulated Funds and Retained Earnings		401,147	399,689	391,583
31,491	31,491	Special Funds and Reserves		28,301	32,645	32,645
1,413,837	1,442,841	Revaluation Reserves	27	1,371,052	1,429,732	1,459,532
1,840,344	1,862,967	Total Equity Closing Balance		1,800,500	1,862,066	1,883,760
Attributable to:						
1,840,344	1,862,967	Gisborne District Council		\$1,800,500	\$1,862,066	\$1,883,760

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flow for the year ended 30 June 2013

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Notes	Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Cash Flow from Operating Activities						
47,915	47,829	Receipts from Rates		47,877	46,941	46,833
13,776	20,039	Receipts from Activities		15,861	16,831	22,690
16,924	16,924	Receipts from Government Grants and Subsidies		15,590	14,812	14,815
74	124	Interest received		71	71	84
1,561	2	Dividends received		784	0	1
0	0	Subvention payment received		0	2,017	0
(53,862)	(57,147)	Payments to Suppliers and Employees		(54,077)	(53,588)	(57,084)
(1,105)	(1,105)	Grants paid		0	(1,028)	(1,028)
319	297	Net GST paid		0	(710)	(737)
(2,579)	(2,858)	Interest paid		(2,776)	(2,022)	(2,178)
23,023	24,105	Net Cash Inflow from Operating Activities	28	23,330	23,324	23,396
154	230	Sale of Property Plant and Equipment		12	2,179	2,199
0	0	Sale of Carbon Credits		0	0	156
1,267	1,267	Sale of Investments		0	1,268	1,268
(18,701)	(18,961)	Purchase of Property Plant and Equipment		(22,209)	(20,407)	(20,475)
(526)	(526)	Purchase of Intangible Assets		0	(160)	(160)
(1,319)	(1,319)	Purchase of Investments		(100)	(1,454)	(1,454)
0	(61)	Forestry expenditure		0	0	(240)
(19,125)	(19,370)	Net Cash Outflow from Investing Activities		(22,297)	(18,574)	(18,706)
Cash Flow from Financing Activities						
(3,024)	(4,524)	Increase/(Decrease)in Borrowings		(1,033)	(5,834)	(5,834)
44	44	Net movement in Deposits held		0	0	0
(2,980)	(4,480)	Net Cash Outflow from Financing Activities		(1,033)	(5,834)	(5,834)
918	255	Net Increase/(decrease) in Cash		0	(1,084)	(1,144)
337	2,248	Cash at beginning of the year		349	1,255	2,503
1,255	2,503	Cash and Cash Equivalents at Year End		349	171	1,359

The accompanying notes form an integral part of these financial statements.

Statement of Involvement in CCOs and Other Companies

The Council has control of the following entities:

The Gisborne Disaster Relief Trust

The Trust has been established to provide a vehicle for the collection and distribution of funds in support of local disaster relief efforts. Council passed a resolution to exempt the Trust from Statement of Intent (SOI) reporting requirements under the Local Government Act 2002.

Gisborne Holdings Ltd

This CCO comprises Gisborne Holdings Ltd and its subsidiaries, Tauwhareparae Farms Ltd and Tauwhareparae Forests Ltd.

The cost to the above enterprise for the financial interest, finance or financial assistance of the Council is as follows:

Statement of Involvement in CCOs and Other Companies

	Dividends 2013 \$000s	Dividends 2012 \$000s	Interest 2013 \$000s	Interest 2012 \$000s	Total 2013 \$000s	Total 2012 \$000s
Gisborne Holdings Ltd	0	1,561	0	0	0	1,561

Total Cost

The provision of financial assistance by the Gisborne District Council to this organisation and the related companies Tauwhareparae Farms Ltd and Tauwhareparae Forests Ltd is by way of share capital. Council also incurred a \$0.9m interest cost to finance its investment in Gisborne Holdings Ltd.

Performance Targets

The Council's objective in establishing Gisborne Holdings Ltd and its subsidiaries was to provide a commercial vehicle for operating its commercial activities.

Achievements

Gisborne Holdings Ltd reported a net loss after tax of \$1.73m for the year. The total income for the year included an increase in the value of land and buildings of \$0.8m. Net assets decreased \$0.9m from \$42.8m to \$41.9m.

Notes to the Financial Statements

Note 1 : Statement of Accounting Policies

Reporting Entity

Gisborne District Council ("Council") is a Unitary Authority governed by the Local Government Act 2002.

The Gisborne District Council Group (the "Group") consists of Gisborne District Council and its subsidiaries, Gisborne Holdings Ltd (100% owned), Tauwhareparae Farms Ltd (100% owned) and Tauwhareparae Forests Ltd (100% owned). All Council subsidiaries are incorporated in New Zealand.

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the Group as Public Benefit Entities ("PBE") for the purposes of New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

The financial statements of the Group are for the year ended 30 June 2013. The financial statements were authorised for issue by Council on 3 October 2013.

Basis of Preparation

The Council and Group financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain fixed assets, forestry assets, livestock assets and certain financial instruments to reflect fair value. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Council is New Zealand dollars.

There have been no changes in accounting policies during the financial year.

The Council and Group have not adopted any new or revised accounting standards during the financial year. No standards, amendments, or interpretations issued but not yet effective have been early adopted by the Council and Group.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS).

These standards have been developed by the XRB based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is for reporting periods beginning on or after 1 July 2014. The Council will transition to the new standards in preparing its 30 June 2015 financial statements.

The Council has completed an initial assessment of the implications of the new Accounting Standards Framework, as the new framework is based off the existing NZ IFRS framework it is not expected to have a significant impact on the Council and Group financial statements. The likely areas of impact are as follows -

- Gains reported under other income will now be reported as part of revenue.
- A registered valuer will no longer be required when revaluing property, plant and equipment.
- The definition of Key Management Personnel and Key Management Personnel remuneration has been widened which will potentially capture more employees.
- The treatment of revenue from non-exchange transactions is covered under a specific standard. There was previously no equivalent standard under NZ IFRS. The new standard may lead to earlier recognition of some non-exchange revenue, and the recognition of fewer liabilities in respect of transferred assets.
- Impairment of non cash generating assets is specifically addressed with minimum indicators of impairment. Assets not previously assessed as being impaired now may be impaired.
- Service concession arrangements for the grantor are now covered under a specific standard, there was previously no equivalent standard under NZ IFRS.

Any impact of these changes on the financial statements of the Council and Group is yet to be quantified.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities until the new Accounting Standard Framework is effective after 1 July 2014. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Specific Accounting Policies

The following specific Accounting Policies which materially affect the measurement of financial performance and the financial position have been applied.

Basis of Consolidation

Subsidiaries

Council consolidates as subsidiaries in the group financial statements all entities where Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Council measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the Statement of Comprehensive Income.

Subsidiaries are accounted for using the purchase method which involves adding together corresponding assets, liabilities, revenues and expenses on a line-by-line basis. All significant inter-company/Council transactions are eliminated on consolidation. Council's investment in its subsidiaries is carried at cost in Council's own "parent entity" financial statements.

Revenue Recognition

Revenue is measured at the fair value of consideration received. The following specific recognition criteria must be met before revenue is recognised:

Rates Revenue

Rates are set annually by a resolution from 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 when payable.

Government Grants and Subsidies

Government Grants are initially recognised as income at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Council receives government grants from New Zealand Transport Agency, which subsidises part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other Revenue

Revenue from the rendering of services is recognised, based on the actual service provided on an accrual basis.

Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash or by electronic payment. The recorded revenue is the gross amount of the sale, excluding GST. Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

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 Council are recognised as revenue when control over the asset is obtained.

Borrowing Costs

Borrowing costs (except borrowing costs incurred as a result of capital work) are recognised as an expense in the period in which they are incurred.

When the construction of assets are loan funded, all borrowing costs incurred as a result of the capital work are capitalised as part of the total cost of the asset up until the point where the asset enters service.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria. They are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax 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. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

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 basis 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 is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where Council can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Income except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the Group recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life.

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.

Trade and Other Receivables

Trade and other receivables are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for uncollectible amounts.

A provision for impairment of receivables (doubtful debts) is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method. Non-current receivables are recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset.

Inventories

Inventories are recognised at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out (FIFO) principle and includes expenditure in acquiring the inventories and bringing them to their existing location and condition.

Financial Assets

The Group classifies its financial assets in the following two categories:

- Available-for-sale financial assets; and
- Loans and receivables.

The classification depends on the purpose for which the assets are held. Management determines the classification of its investments at initial recognition and re-evaluates the designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through the Statement of Comprehensive Income in which case the transaction costs are recognised in the Statement of Comprehensive Income.

Purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price is the current bid price.

The fair value of financial instruments not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments.

Derecognition of Financial Assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

The Group presently has the following categories of financial assets:

a. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Council's general and community loans are designated as loans and receivables. They are recognised initially at fair value, and subsequently carried at amortised cost less impairment losses.

Loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the Statement of Comprehensive Income as a grant. Loans to other parties at market rates are measured at amortised cost using the effective interest method. Non-current loans are discounted at the current market rate of return for a similar asset.

b. Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

The Group's investments in equity securities are classified as available for sale and are stated at fair value. Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the Statement of Comprehensive Income.

In the event of impairment any cumulative losses previously recognised in equity will be removed and recognised in the Statement of Comprehensive Income even though the asset has not been derecognised.

Impairment of Financial Assets

At each balance date the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Statement of Comprehensive Income.

Accounting for Derivative Financial Instruments and Hedging Activities

The Group uses derivative financial instruments such as interest rate swaps ("hedges") and forward rate agreements to manage its cash flow and interest rate risk. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date.

The Group does not satisfy all the conditions for hedge accounting and therefore all gains or losses in fair value of instruments used to manage cashflow and interest rate risk are recognised through the Statement of Comprehensive Income.

Non-Current Assets Held for Sale

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

Any impairment losses for write-downs of assets held for sale are recognised in the Statement of Comprehensive Income.

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

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, Plant and Equipment

Property, Plant and Equipment consists of:

Operational Assets

These include land, buildings, improvements, library books, wharves, floating plant, plant, equipment, and motor vehicles.

Infrastructural Assets

Infrastructural assets are the fixed utility systems owned by Council and comprise the sewer, water, stormwater, roading, flood control, and the waste disposal infrastructures. Each asset type includes all items that are required for the network to function, for example, sewer reticulation piping and sewer pump stations.

Biological Assets

Livestock

Livestock is valued at fair value less point of sale costs. Changes in the value of existing productive livestock and the numbers and/or composition of the livestock are treated as revenue items.

Forestry Assets

Forestry Assets consist of the Group's forestry holdings. Forestry assets are valued on the basis of fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. Forestry Assets are revalued annually. Valuation movements pass through the Statement of Comprehensive Income. The costs to maintain the forestry assets are included in the Statement of Comprehensive Income.

Council has transferred forestry rights in respect of a total of 1,608 hectares of land to Juken New Zealand Limited. The transfer relates to one harvest cycle. Under the agreement Council has contributed the land and is entitled to 16.47% of stumpage. All costs of development are borne by Juken New Zealand Limited. The value of the land (excluding the trees) and Council's right to a share of the stumpage is reflected in the Statement of Financial Position.

Intangible Assets

Intangible assets predominately comprise computer software and carbon credits.

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 associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use or with the acquisition of software licences by the Group, are recognised as an intangible asset.

Amortisation

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 Statement of Comprehensive Income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- Computer software 6 years

Emissions Trading Scheme

The Groups forestry holdings incorporates forestry assets held by the Council and its subsidiary Tauwhareparae Farms Ltd.

Tauwhareparae Farms Ltd (TFL), a subsidiary of Gisborne Holdings Limited (GHL) has voluntarily entered the New Zealand Emissions Trading Scheme (ETS) in respect of 1,138.2 hectares of forest land located in the Tauwhareparae area. This entitles TFL to receive emission units (units) for carbon stored in the specified area from a 1 January 2008 baseline.

Units received are recognised at fair value on the date they are received and subsequently measured at cost subject to impairment. While there are no specific conditions attached to units received, should carbon stored in the specified area fall below the amount compensated for, a portion of units received must be returned. Units received are recorded on the Statement of Financial Position as an intangible asset until it is clear that they will not be required to meet future emissions obligations. The value of units is then recognised in the Statement of Comprehensive Income. Where there is an obligation to return units this liability is recognised on the Statement of Financial Position, measured with reference to the carrying value of units on hand.

Where there are insufficient units on hand to meet the emissions obligation, this is measured by reference to the current market value for units held.

Future cash flows associated with units receivable/payable are taken into consideration in determining the valuation of the specified area.

Council's forestry holdings separate from the subsidiaries holdings, consist of approximately 97 hectares of small woodlots and 1124 hectares held by the Pamoia Forest Joint Venture. These forestry blocks were registered with ETS in November 2011. This entitles the Council to receive emission units (units) for carbon stored in the specified area from a 1 January 2008 baseline.

At balance date, no units had been issued to the Council and no units have been recognised in the Statement of Financial Position.

Property, Plant and Equipment Valuation

The Group has elected to use the Public Benefit Entities exemption which permits it to revalue property, plant and equipment on an asset class basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of comprehensive income.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount

previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

Additions between valuations are recorded at cost, except for vested assets. Certain infrastructural assets and land have been vested in Council as part of the subdivision consent process. Vested assets are recognised as revenue when control over the asset is obtained. Vested assets are valued at fair value when received.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent Costs

Costs incurred subsequent to the initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Group and the cost of the item can be reliably measured.

Operational Assets Valuations

All Operational Assets are carried at cost less accumulated depreciation and impairment losses except for:

Operational Land

Operational land is valued at fair value and is not depreciated.

Operational Buildings

Operational buildings are revalued to optimised depreciated replacement cost and depreciated between valuations. These assets are independently revalued every 3 years, or more frequently when there are indicators that the values may have changed substantially from carrying value.

Library Books - General Collections

All new and replacement books are capitalised in the year they are purchased and subsequently depreciated based on useful lives. The valuations are performed by the Head librarian and are not subject to independent review because there are readily available market prices to determine fair value.

Library Books – Permanent Collection

The permanent collection is carried at deemed cost.

Infrastructure Assets Valuations

Infrastructural Assets

Infrastructural Assets are initially recorded at depreciated replacement cost. Infrastructure assets other than roading are independently valued every 3 years at depreciated replacement costs, unless conditions indicate that carrying value is materially different to fair value, in which case assets are revalued more frequently.

Roading Assets

Roading assets are independently revalued annually.

Airport Assets

Airport assets include land, buildings, runway aprons, roading and below ground infrastructure. Airport assets are independently valued every 3 years or more frequently when there are indicators that the fair values may have changed substantially from carrying value.

Assets Under Construction

Assets under construction are valued at cost.

Depreciation

Depreciation is provided on a straight-line basis on all fixed assets other than land and land under roads. The depreciation rates used 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 rates of major classes of assets have been estimated as follows:

Infrastructural Assets

Roads

*Pavement Surface (seal)	1 – 20 years
*Pavement Surface (unsealed) Wearing Course	5 years
*Pavement Layers (basecourse)	75 – 100 years
*Formation	(not depreciated)
*Culverts	25 – 50 years
*Footpaths	20 – 75 years
*Surface Water Channels	50 years
*Signs	12 years
*Street Lights	15 – 25 years
*Bridges	25 – 80 years
*Retaining Structures	80 years
*Traffic Signals	15 years
*Parking Meters	25 years
*Railings	10 - 15 years
*Safety Projects	10 – 13 years

Water Reticulation

*Pipes	30 – 165 years
*Valves, Hydrants	25 years
*Pump Stations	15 – 100 years
*Dams	400 years
*Structures	16 – 200 years

Sewerage Reticulation

*Pipes	60 – 100 years
*Pump Station	15 – 100 years
*Manholes	100 years
*Treatment Plant	15 – 50 years

*Laterals	100 years
Stormwater Systems	
*Pipes	62 – 100 years
*In-drain structures	25 – 100 years

Flood Control Systems	25 – 100 years
Solid Waste	4 – 25 years

Operational Assets	
Land	(not depreciated)
Buildings/Land Improvements	3 – 100 years
Plant/Machinery/Motor Vehicles	2 – 20 years
Office Equipment/Furniture	3 – 50 years
Other Equipment	5 – 25 years
Library Books	1 - 50 years
Wharves	50 years
Floating Plant	25 years
Leased Assets	3 - 8 years

Capital work in progress is not depreciated. The total cost of a project is transferred to freehold buildings, plant and equipment or infrastructural assets on its completion and then depreciated.

Impairment of Non Financial Assets

Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If the recoverable amount of a non-financial asset is less than its carrying amount, the item is written down to its recoverable amount. The write down of an item recorded at cost is recognised as an expense in the Statement of Comprehensive Income. When a revalued item is written down to recoverable amount, the write down is recognised as a downward revaluation to the extent of the corresponding revaluation reserve, and any balance recognised in the Statement of Comprehensive Income.

The carrying amount of a non-financial asset that has previously been written down to a recoverable amount is increased to its current recoverable amount if there has been a change in the estimates used to determine the amount of the write down.

The increased carrying amount of the item will not exceed the carrying amount that would have been determined if the write down to recoverable amount had not occurred.

Trade and Other Payables

Trade and other payables are non-interest bearing and are normally settled on 30 day terms. Therefore, the carrying value of trade and other payables used in the Statement of Financial Position approximates their fair value.

Financial Liabilities : Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Employee Entitlements

The provision for annual leave employee entitlement and other employee benefits expected to be settled within 12 months of balance date has been calculated on an actual entitlement basis at current rates of pay while the other provisions have been calculated on future rates of pay, discounted using an appropriate discount rate.

Provision for accumulated sick leave is made only to the extent that it is expected to be used in future periods. The expected usage is assessed using historical average rates of use.

Long Service Leave and Retirement Leave

For retiring leave and long-service leave not expected to be taken within 12 months of balance date, the liability is equal to the present value of the estimated future cash outflows, as a result of employee services provided at balance date.

Superannuation Schemes

Defined Benefit Scheme

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation.

The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in note 32.

Provisions

Provisions are recognised for future expenditure of uncertain amount or timing when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation.

If the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Public Equity

This represents the ratepayer's net ownership of Council. It is made up of the following components:

- Accumulated Funds and Retained Earnings
- Special Funds and Reserves
- Asset Revaluation Reserves

Accumulated Funds

Comprise accumulated surpluses over the years.

Special Funds and Reserves

Reserves are a component of public equity and represent a particular use to which parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Special funds are recorded at cost plus accumulated interest. These funds are restricted in nature and can only be used for the special purpose for which they were set up.

Also included are reserves restricted by Council decision. These funds are subject to specific conditions accepted as binding by Council which may not be revised by Council without reference to a third party or the courts.

Asset Revaluation Reserve

Comprise accumulated revaluations increments or decrements.

Detail on the movement of reserves held by Council can be found in Note 27.

Statement of Cash Flows

Operating activities include all transactions and other events that are not investing or financing activities. Cashflows from operating activities are presented using the direct method.

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and investments. Investments can include securities not falling within the definition of cash.

Financing activities are those activities which result in changes in the size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash.

Cash and Cash Equivalents is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

Changes in Accounting Policies

There have been no changes in accounting policies. All accounting policies have been applied on a consistent basis throughout the years presented.

Critical Accounting Estimates and Assumptions

In preparing these financial statements the Group has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Landfill Post Closure Costs

Paokahu

As former operator of the Paokahu landfill site, Council has an obligation to ensure the ongoing maintenance and monitoring services at this landfill site after closure.

A landfill aftercare provision has been recognised as a liability in the Statement of Financial Position. Provision is made for the present value of post closure costs expected to be incurred in restoring the area to its former status. The calculated cost is based on estimates of future site maintenance, supervision and monitoring costs. The estimated length of time needed for post closure care for the Paokahu site is 35 years, from 31 December 2002.

The calculations assume no change in the legislative requirements or technological changes for closure and post closure treatment. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to Council.

Waiapu

As operator of the Waiapu landfill site, Council has an obligation to ensure the ongoing maintenance and monitoring services at this landfill site after closure.

A landfill aftercare provision has been recognised as a liability in the Statement of Financial Position. Provision is made for the present value of post closure costs expected to be incurred in restoring the area to its former status. The calculated cost is based on estimates of future site maintenance, supervision and monitoring costs. The estimated length of time needed for post closure care for the Waiapu site is 30 years, from 30 June 2046.

Infrastructural Assets

There are a number of assumptions and estimates used when performing the depreciated replacement cost valuations in respect of infrastructural assets. These include:

- The physical deterioration and condition of asset, for example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition-modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth.
- If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income. To minimise this risk, Council's infrastructural asset's useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience.
- Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which provides Council with further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructural asset revaluations.

GST

The financial statements have been prepared exclusive of GST with the exception of receivables and payables, which are stated with GST included.

Budget Figures

The budget figures are those approved by Council and published in the Ten Year Plan. They have been prepared using the same accounting policies as are employed in preparing these financial statements.

Cost Allocation

Expenditure has been reported by the nature of the expense.

Capital Management

Council's capital is its equity (or ratepayers' funds) which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires 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 Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Ten Year Plan (TYP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act 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 area set out in the funding and financial policies in the Council's TYP.

Note 2 : Summary Cost of Services by Activity for the year ended 30 June 2013

Council 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s
	Revenue		
684	Animal Control	697	699
498	Aquatic and Recreation Facility		
111	Arts and Culture	575	529
767	Building Services	112	101
230	Civil Defence, Emergency Management and Rural Fires	844	730
951	Community Housing	84	78
339	Community Planning and Development	875	867
708	Environmental Services	135	304
2,200	Enterprise Operations	532	340
252	Environmental Health	2,516	3126
101	Environmental Policy & Planning	274	251
160	Flood Control	7	86
11	Governance	167	217
9,562	Roading	12	-2
104	Libraries	9,373	10787
399	Reserves and Open Spaces	137	99
227	Resource Consents	334	1343
148	Solid Waste Management	266	194
0	Stormwater	149	309
3,070	Support Services	0	0
394	Wastewater	2,092	2781
2,069	Water Supply	607	312
22,985	Total Revenue for Activities	21,919	25,344
	Less Expenditure		
788	Animal Control	922	880
1,524	Aquatic and Recreation Facility		
1,151	Arts and Culture	1,640	1460
1,634	Building Services	1,271	1140
1,065	Civil Defence, Emergency Management and Rural Fires	1,644	1775
797	Community Housing	1,018	891
2,482	Community Planning and Development	874	830
3,054	Environmental Services	2,303	2231
4,061	Enterprise Operations	3,504	2991
1,618	Environmental Health	2,921	2910
1,224	Environmental Policy & Planning	1,707	1663
2,299	Flood Control	1,223	967
2,368	Governance	2,678	2524
25,149	Roading	2,383	2134
1,589	Libraries	24,128	26649
4,854	Reserves and Open Spaces	1,736	1512
1,031	Resource Consents	4,939	4873
4,308	Solid Waste Management	1,182	1018
2,232	Stormwater	4,383	4150
2,045	Support Services	2,701	2268
6,580	Wastewater	1,229	2424
4,399	Water Supply	8,049	6751
76,252	Total Expenditure for Activities	4,957	4627
53,267	Net Cost of service	77,392	76,668
		55,473	51,324

Each significant activity is stated gross of internal costs and revenues, and excludes general and targeted rates attributable to that activity (refer note 3).

Note 3 : Rates Revenue

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
47,106	47,020	Gross Rates Revenue	49,066	49,314	49,206
Gross Rates Revenue Consists of :					
5,202	5,116	General Rates	3,629	3,856	3,748
12,341	12,341	Uniform Annual General Charge	12,553	32,767	32,767
29,563	29,563	Targeted Rates	32,884	12,691	12,691
47,106	47,020	Gross Rates Revenue	49,066	49,314	49,206
530	530	Less Remissions ¹	695	391	391
46,576	46,490	Net Rates Revenue	48,371	48,923	48,815

¹ Council grants rates remissions to certain ratepayers. Council has a number of rates remission policies which include: Remission of Rates for Permanent Crops, Whenua Rahui and Community, Sporting and Other Organisations.

Note 4 : Revenue from Grants and Subsidies

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Revenue from Grants and Subsidies					
273	313	Central Government Grants	324	243	243
14,766	14,766	NZ Transport Agency Rooding Subsidies	14,379	14,657	14,657
198	198	Other Grants and Subsidies	888	568	571
15,237	15,277	Total Revenue from Grants and Subsidies	15,591	15,468	15,471

Revenue from grants and subsidies (and hence operating income) for Council includes \$5,684,902 (2012 : \$6,326,389) relating to grants for capital work. Expenditure relating to these projects will be recognised (primarily as depreciation) over the life of the assets. Included in these capital grants was \$5,242,608 (2012 : \$6,252,385) received from the NZ Transport Agency for roading related work. There are no unfulfilled conditions and other contingencies attached to grants received.

Cash flows from grants and subsidies (and hence operating cash inflows) for Council includes \$5,402,071 (2012 : \$7,379,294) with respect to these capital grants where the associated cash outflows are recognised as investing activities.

Tauwhareparae Farms Limited (TFL) received \$3k (2012 : \$40k) from the Ministry for Primary Industries which subsidised the cost of forestry establishment, silviculture and thinning. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Note 5 : Revenue from Operating Activities

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Revenue from Operating Activities					
73	73	Reserve Contributions	0	6	6
951	951	Development Contributions	816	(18)	(18)
126	126	Capital Contributions	0	360	360
877	877	Rates Penalties	700	863	863
11,543	18,107	Activity Revenue	11,720	11,114	16,799
92	132	Interest	71	71	89
1,561	21	Dividends	784	0	5
320	320	Petroleum Tax	336	327	327
0	0	Gains on Derivatives (Interest Rate Swaps)	0	1,355	1,405
15,543	20,607	Total Revenue from Operating Activities	14,427	14,078	19,836

Note 6 : Revenue from Other Gains

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Revenue from Other Gains (Losses)					
(112)	(525)	Gain/(Loss) on Changes in Fair Value of Forestry Assets and Stock	0	261	992
0	0	Loss on Changes in Fair Value of Stock	0	0	0
0	(1,156)	Gain/(Loss) on Changes in Fair Value of Livestock	0	0	(2,983)
71	130	Gain/(Loss) on Disposal of Property, Plant and Equipment	12	1,605	5
(28)	(932)	Gain/(Loss) on Changes in Fair Value of Non-Current Receivables/Investment	0	(11)	1,046
(69)	(2,483)	Total Revenue from Other Gains (Losses)	12	1,855	(940)

Note 7 : Vested Assets

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Revenue from Operating Activities					
0	0	Stormwater Systems	0	0	0
0	0	Water Systems	0	0	0
0	0	Wastewater Systems	0	0	0
0	0	Reserves	0	0	0
0	0	Roading Network	0	0	0
0	0	Total Assets Vested	0	0	0

The major source of vested assets is subdivisions where the developer vests the roading, sewage, water supply and stormwater systems in Council.

Note 8 : Employee Benefit Expense

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Employee Benefit Expense					
17,119	17,852	Salary and Wages	17,221	17,589	18,368
277	286	Defined Contribution Plans Expense	397	285	295
155	157	Increase/(Decrease) in Leave Liabilities	0	(316)	(300)
(3,044)	(3,044)	Less Recharged to Other Expense Categories**	(2,431)	(2,890)	(2,890)
14,507	15,251	Total Employee Benefit Expense	15,187	14,668	15,473

** Wages and salaries can be recharged to other expense categories for example capitalised project costs, repairs, cleaning etc.

Note 9 : Depreciation and Amortisation Expense

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Depreciation and Amortisation Expense					
262	262	Aquatic and Recreation Facility (Olympic Pool)	277	257	257
191	191	Arts and Culture	213	164	164
2	2	Building Services	3	2	2
		Civil Defence, Emergency Management and Rural Fires	43	41	41
36	36	Community Housing	388	379	379
373	373	Community Planning and Development	0	0	0
0	0	Environmental Services	21	21	21
17	17	Enterprise Operations	983	940	1,292
647	988	Environmental Health	12	11	11
12	12	Environmental Policy & Planning	1	1	1
0	0	Flood Control	152	94	94
102	102	Governance	2	2	2
2	2	Land Transport and Parking	9,994	10,407	10,407
10,275	10,275	Libraries	307	275	275
293	293	Reserves and Open Spaces	536	470	470
362	362	Solid Waste Management	236	223	223
223	223	Stormwater	834	809	809
807	807	Support Services	570	450	450
818	818	Wastewater	2,634	2,020	2,020
1,935	1,935	Water Supply	2,043	1,951	1,951
1,991	1,991				
18,348	18,689	Total Depreciation and Amortisation Expense	19,249	18,517	18,869
18,189	18,530	Total Depreciation as per Note 24	19,249	18,294	18,646
159	159	Total Amortisation as per Note 25	0	223	223
18,348	18,689		19,249	18,517	18,869

Note 10 : Expenditure on Operating Activities

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Operating Expenditure					
2,260	2,526	Administration Expenses	2,419	2,201	2,360
173	207	Audit Fees-Annual Report	173	181	216
101	101	Audit Fees-Ten Year Plan and Ten Year Plan Amendments	0	7	7
760	780	Consultants and Professional Services	891	986	1,143
528	597	Elected Members and Director's Fees	517	562	645
145	149	Indirect Employment Costs	146	141	146
1,105	1,106	Grants and Donations	1,060	1,028	1,030
1,319	1,375	Insurance Costs	1,273	856	911
305	305	Rental and Operating Leases	385	317	317
10,613	10,874	Repairs and Maintenance	10,156	11,887	12,320
279	279	Bad Debts Written Off-Rates	278	1,822	1,822
94	94	Bad Debts Written Off-Other	1,052	(111)	(111)
1,295	1,295	Change to Impairment of Receivables	0	(542)	(542)
265	265	IRD Compliance costs	193	195	195
2,299	2,299	Litter bins and City Cleaning	2,432	2,228	2,228
2,502	2,502	Emergency Works	2,010	3,862	3,862
15,695	17,506	Other Operating Expenditure*	17,195	15,865	17,379
39,738	42,260	Total Operating Expenditure	40,180	41,485	43,928

* Other operating expenses include such items as: electricity, operational contracts, treatment plants, pump stations, vegetation planting contracts, facilities contracts and cleaning contracts.

Note 11 : Finance Costs

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Finance Costs					
1,664	1,664	Interest on Debentures and Interest Rate Swaps	975	1,346	1,346
625	898	Interest on Bank Borrowings and Commercial Paper	1,685	545	701
113	113	Line Fee	116	107	107
1,259	1,211	Losses on Derivatives (Interest Rate Swaps)	0	0	0
3,661	3,886	Total Finance Costs	2,776	1,998	2,154

Note 12 : Income Tax

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
1,563	335	Surplus Before Tax	1,704	4,047	3,149
2,017	0	Subvention Payment	0	600	0
1,002	94	Tax at 28%	477	1,301	(419)
Plus/(Less) Tax Effect of:					
(1,002)	(852)	Net Non Taxable and Non Deductible Items	(477)	(1,301)	764
0	0	Tax Loss not Recognised	0	0	0
0	0	Utilisation of Losses Brought Forward	0	0	(109)
0	(6)	Imputation Credits utilised	0	0	(9)
0	(206)	Prior Year Adjustment	0	0	0
0	(970)	Tax Expense	0	0	227

Deferred Tax Asset/(Liability) - Group

	Property, Plant and Equipment	Livestock	Forestry	Employee Entitlements and Other	Tax Loss Recognised	NZ Emission Units	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Balance 1 July 2011	(165)	(479)	(1,784)	64	0	(391)	(2,755)
Charged to surplus or deficit	(8)	528	97	(13)	0	160	764
Charged to other comprehensive income	0	0	0	0	0	0	0
Balance as at 30 June 2012	(173)	49	(1,687)	51	0	(231)	(1,991)
Charged to surplus or deficit	8	(103)	(271)	(18)	0	158	(226)
Charged to other comprehensive income	0	0	0	0	0	0	0
Balance as at 30 June 2013	(165)	(54)	(1,958)	33	0	(73)	(2,218)

Deferred tax has been calculated at 28%. The group has not recognised a deferred tax asset of \$1,442,167 (2012 : \$1,991,122) in relation to unused tax losses of \$5,150,597 (2012 : \$8,854,256). Generally local authorities are exempt from income tax, except for income derived from any Council Controlled Organisation or port activity as per section CW32 Income Tax Act 2007.

Note 13 : Cash and Cash Equivalents

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
		Cash and Cash Equivalents			
1,255	2,503	Cash at the Bank and in Hand	349	171	1,359
1,255	2,503	Total Cash and Cash Equivalents	349	171	1,359

The carrying value of short-term deposits with maturity dates of three months or less approximate their fair value.

Note 14 : Trade and Other Receivables

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
6,357	6,357	Rates Receivable	8,786	6,302	6,302
894	894	Roading Subsidy Due	2,638	1,568	1,568
12	12	Community Loans	26	11	11
109	109	Rates Postponement	121	90	90
5,668	3,900	Other Receivables	3,530	3,993	3,610
55	55	Prepayments	12	91	102
13,095	11,327		15,113	12,055	11,683
(3,828)	(3,828)	Provision for Impairment of Receivables	(2,594)	(3,286)	(3,286)
9,267	7,499	Total Trade and Other Receivables	12,519	8,769	8,397

Trade and Other Receivables Classified as:					
9,267	7,499	Current Receivables	12,519	8,769	8,397
0	0	Non-Current Receivables	0	0	0
9,267	7,499		12,519	8,769	8,397

Fair Value

The carrying value of trade and other receivables (excluding community loans) approximates their fair value.

Impairment

The council does not provide for any impairment on general title land rates receivable as it has various powers under the Local Government (Rating Act 2002) to recover outstanding debts.

These powers allow the council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If the payment has not been made within three months of the courts judgement, then the council can apply to the registrar of the high court to have a judgement enforced by sale or lease of the rating unit.

Because of the powers available under the Local Government (Rating Act 2002) such is rarely necessary.

As at 30 June 2013 and 2012, all overdue receivables had been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provisions have been calculated based on expected losses for Council's pool of debtors. Expected losses have been determined based on an analysis of Council's losses in previous periods, and review of specific debtors. Movements in the provision for impairment of receivables are as follows:

Note 14A : Impairment

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
2,533	2,533	At 1 July 2012	3,828	3,828
1,295	1,295	Charge for Year	(542)	(542)
3,828	3,828	At 1 July 2012	3,286	3,286

The status of Receivables as at 30 June 2013 and 2012 are detailed below:

Note 14B : Receivables

COUNCIL 2012			COUNCIL 2013		
Gross \$000s	Impaired \$000s	Net \$000s	Gross \$000s	Impaired \$000s	Net \$000s
Sundry Invoice Receivables					
1,639	0	1,639	764	0	764
200	0	200	50	0	50
13	0	13	15	0	15
1,012	33	979	217	159	58
2,864	33	2,831	1,046	159	887

GROUP 2012			GROUP 2013		
Gross \$000s	Impaired \$000s	Net \$000s	Gross \$000s	Impaired \$000s	Net \$000s
Sundry Invoice Receivables					
1,887	0	1,887	990	0	990
200	0	200	50	0	50
13	0	13	15	0	15
1,012	33	979	217	159	58
3,112	33	3,079	1,272	159	1,113

Note 14C : Rates Receivable

Council 2012			Council 2013	
No. Of Properties	Outstanding \$000s		No. Of Properties	Outstanding \$000s
General Land Rates				
1820	2,118	Current <12 months	2,220	2,260
217	328	Past Due 1 to 2 Years	233	439
65	85	Past Due 2 to 3 years	81	131
36	48	Past Due >3 years	54	78
2,138	2,579	Total Outstanding	2,588	2,908

Māori Land Rates				
376	1,137	Current <12 months	377	1,041
103	899	Past Due 1 to 2 Years	121	738
86	685	Past Due 2 to 3 Years	57	589
465	1,056	Past Due >3 Years	375	1,025
1,030	3,777	Total Outstanding	930	3,393

Metered Water Supply				
510	242	Current	594	281
17	1	Past Due 1 month	1	1
7	1	Past Due 2 months	10	5
24	5	Past Due 3 months	17	4
558	249	Total Outstanding	622	291

Note 15 : Inventories

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Inventories					
39	39	Te Puia/Bushmere Road	41	18	18
15	15	Olympic Pool	18	14	14
8	8	Drainage	9	8	8
84	84	Soil Conservation	71	83	83
0	0	Waikanae Holiday Park	0	13	13
0	76	Farming	0	0	32
146	222	Total Inventories	139	136	168

No inventories have been pledged as security for liabilities.

Note 16 : Investments

Council 2011/12 Actual	Group 2011/12 Actual		Number	Council 2012/13 TYP	Council 2012/13 Actual	Group 2012/13 Actual
\$000	\$000			\$000	\$000	\$000
Ordinary Shares						
20,178	0	Gisborne Holdings Ltd	1,200,090	20,167	20,178	0
128	128	Local Government Insurance Corporation Ltd	99,404	117	117	117
1	1	BOPLASS Ltd	1	1	1	1
0	220	Available for sale financial assets held by Tauwhareparae Farms Limited	0	0	0	249
0	0	LGFA Shares		100	100	100
0	0	LGFA Notes		0	80	80
0	0	Top 10 Shares		0	2	2
21,575	1,617	Total Investments		21,653	21,750	1,821
Investments Classified as:						
1,268	1,268	Current Investments		1,268	1,272	1,272
20,307	349	Non-Current Investments		20,385	20,478	549
21,575	1,617			21,653	21,750	1,821

Gisborne Holdings Limited

This investment is carried at cost.

Local Government Insurance Corporation Limited trading as Civic Assurance

The carrying amount of this investment is recorded at fair value. Movements in fair value are recognised in the Statement of Comprehensive Income.

During the year Council purchased 100,000 ordinary shares at \$1.00 per share in LGFA.

Note 17 : Derivatives

The Group has interest rate swap contracts with a fair value liability of \$2,959,933 (2012: \$4,364,895). Council's interest rate swaps have a fair value liability of \$2,895,344 (2012: \$4,249,974). These swaps are exposed to fair value movements as interest rates change.

The weighted average effective interest rate of the interest rate swaps was 5.93% (2012: 5.92%). Fair value of the Group's interest rate swaps is determined by bank valuations as at Balance Date.

The interest rate swaps are measured at fair value. As the Group does not apply hedge accounting, movements in fair value are taken directly to the Statement of Comprehensive Income.

For further information on the interest rate swaps please refer to Note 29 : Financial Instruments.

Note 18 : Non Current Assets Held for Sale

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
908	908	Land	0	687	687
908	908	Total Non Current Assets Held for Sale	0	687	687

During 1996 and 1997 Council purchased rural property for resale for future industrial development to encourage industry to the district. All purchases were classified as "Property for Sale" until some were reclassified as Land and Buildings on 1 July 2005 upon the adoption of NZ IFRS.

Note 19 : Deposits Held

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
17	17	General and Other Deposits	0	18	18
96	96	Resource Consent Bonds	0	98	98
223	223	Footpath Deposits	0	241	241
1	1	Tender Deposits	0	1	1
13	13	Gisborne Rural Volunteer Fire	0	13	13
8	8	Computers in Homes Project	0	0	0
358	358	Total Deposits Held	0	371	371

Note 20 : Trade and Other Payables

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Accounts Payable					
829	829	Income in Advance	4,045	271	271
1,163	1,163	Rates in Advance	1,134	1,218	1,218
67	67	Gisborne District Council Disaster Relief Fund	67	68	68
527	527	Contract Retentions	1,730	605	605
213	221	Accruals - Loan Interest	0	189	197
138	172	Accruals - Audit Fees	0	133	157
273	306	Accruals - Other	580	631	686
6,376	6,628	Trade Payables	6,959	9,665	9,855
9,586	9,913	Total Trade and Other Payables	14,509	12,780	13,057

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

Note 21 : Employee Benefit Liabilities

COUNCIL	Accrued Wages & Salaries \$000s	Annual Leave \$000s	Long Service Leave \$000s	Retirement Leave \$000s	Sick Leave \$000s	Total \$000s
2012						
Balance at 1/07/2011	728	1,648	53	288	143	2,860
Additional Provisions Made	783	2,433	34	77	0	3,327
Amounts Used	(728)	(2,393)	(5)	(40)	(6)	(3,172)
Balance at 30 June 2012	783	1,688	82	325	137	3,015
2013						
Balance at 1 July 2012	783	1,688	82	325	137	3,015
Additional Provisions Made	594	1,610	9	16	0	2,229
Amounts Used	(783)	(1,688)	(17)	(24)	(33)	(2,545)
Balance at 30 June 2013	594	1,610	74	317	104	2,699
Current Portion	594	1,610	40	86	104	2,434
Non Current Portion	0	0	34	231	0	265
Total Provisions	594	1,610	74	317	104	2,699

GROUP	Accrued Wages & Salaries (incl. TIL) \$000s	Annual Leave \$000s	Long Service Leave \$000s	Retirement Leave \$000s	Sick Leave \$000s	Total \$000s
2012						
Balance at 1 July 2010	743	1,714	53	288	143	2,941
Additional provisions made	797	2,435	34	77	0	3,343
Amounts used	(743)	(2,393)	(5)	(40)	(6)	(3,187)
Balance at 30 June 2012	797	1,756	82	325	137	3,097

GROUP	Accrued Wages & Salaries (incl. TIL) \$000s	Annual Leave \$000s	Long Service Leave \$000s	Retirement Leave \$000s	Sick Leave \$000s	Total \$000s
2013						
Balance at 1 July 2012	797	1,756	82	325	137	3,097
Additional provisions made	608	1,626	9	16	0	2,259
Amounts used	(797)	(1,688)	(17)	(24)	(33)	(2,559)
Balance at 30 June 2013	608	1,694	74	317	104	2,797
Current Portion	608	1,694	40	86	104	2,532
Non Current Portion	0	0	34	231	0	265
Total Provisions	608	1,694	74	317	104	2,797

Sick Leave

Provision for sick leave is made only to the extent that is expected to be used in future periods and assessed using a three yearly rolling average on actual hours taken in excess of entitlement.

Long Service Leave and Retirement Leave

Council has calculated retiring and long service leave using an estimated probability calculation. As an employee grows older and nearing retirement age the probability of eligibility to their full entitlement increases.

Retirement leave calculations have been calculated at future rates of pay and been discounted to present value using a discount rate of 3.39% and assumed salary inflation of 2.0%. (Treasury discount rates: 1 year 2.71%, 2 years 3.140%, 3+ years 5.50%).

Note 22 : Borrowings

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
690	690	Bank Loans	0	920	920
15,000	15,000	Commercial Paper	0	10,000	10,000
6,000	6,000	Debenture	0	0	0
64	64	EECA Loan	0	64	64
21,754	21,754	Total Current	0	10,984	10,984
0	1,733	Bank Loans	20,608	0	1,733
96	96	EECA Loan	223	32	32
9,000	9,000	Debenture and FRN Debt Securities	15,000	14,000	14,000
9,096	10,829	Total Non Current	35,831	14,032	15,765
30,850	32,583	Total Borrowings	35,831	25,016	26,749

Note 22A : Fair Value

The carrying amounts of borrowings approximate their fair value as the Council and the Group's secured loans and debentures are on floating interest rates.

Debenture and Floating Rate Note (FRN) Debt Securities

Council has issued \$14m (2012 : \$15m) of debentures and floating rate notes with maturities from July 2014 to March 2019. Interest is paid quarterly in arrears. The interest rates range as at 30 June 2013 varies from 2.81% to 3.53% (2012 : 2.80% and 2.92%) and are subject to quarterly reset dates.

Energy Efficiency and Conservation Authority (EECA) loan

This is an interest free loan for a term of 5 years from EECA as part funding towards the construction of a wood boiler plant for the Olympic Pool Complex.

Bank Facilities

Council has \$30m (2012 : \$30m) worth of committed bank facilities available. Interest is payable at wholesale market rates. The interest rate as at 30 June 2013 was 4.3% (2012 : 3.95%). Of these facilities a total of \$0.92m has been drawn at balance date (2012 : \$0.69m).

Council reviewed its debt funding strategy in June 2013. This resulted in Council extending the term of bank loan facilities in the 2013/14 year. These new bank arrangements move the debt maturity to within the 3-5 year band and comply with Council's debt facility maturity policy.

Tauwhareparae Farms Limited has a wholesale advance facility with a limit of \$2 million. Interest rates payable on Tauwhareparae Farms Limited's facility are 5.4% (2012 : 5.2%).

Commercial Paper

This year Council issued \$10m of Commercial Paper at interest rates of between 3.03% and 3.06%. \$10m of Commercial Paper was due for repayment on 16 August 2013 and these have been refinanced.

Security

Council borrowings are secured by way of a Debenture Trust Deed over Council rates revenue. Tauwhareparae Farms Limited (TFL) loans are secured by way of general security agreement including a mortgage over TFL's freehold land.

Note 23 : Provision for Other Liabilities

	Paokahu Landfill Aftercare	Waipapu Landfill Aftercare	Waipapu Landfill Closure	Chrisp Family Trust	RiskPool	Total
COUNCIL and GROUP	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
2012						
Balance at 1 July 2011	1,176	59	6	20	320	1,581
Additional Provisions Made	94	106	0	0	160	360
Amounts Used	(129)	0	(6)	0	(160)	(295)
Balance at 30 June 2012	1,141	165	0	20	320	1,646
2013						
Balance at 1 July 2012	1,141	165	0	20	320	1,646
Additional Provisions Made/(Reversed)	186	58	0	0	0	244
Amounts Used	(88)	0	0	0	(160)	(248)
Balance at 30 June 2013	1,239	223	0	20	160	1,642
Current Portion	78	0	0	0	0	78
Non Current Portion	1,161	223	0	20	160	1564
Total Provisions	1,239	223	0	20	160	1,642

Landfill closure and aftercare liability

The long-term nature of these liabilities means that there are inherent uncertainties in estimating costs to be incurred. To provide for the estimated costs a charge is made each year against each landfill.

Council has a legal obligation under its resource consent to provide ongoing maintenance and monitoring services at the Paokahu and Waipu landfills after closure. A provision for post-closure costs is recognised as a liability when the obligation for post closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. Each separate landfill provision includes all costs associated with landfill post-closure.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to Council.

Paokahu Landfill

The Landfill closed on 31 December 2002 and aftercare costs started six months after the closure of the site. It is expected that future costs will be incurred until 2037.

The following major assumptions have been made in calculating this provision:

- Future cash flows were indexed 2.5% each year before a discount rate of 5.5% was applied.

In 2012, a discount rate of 6% was applied, with future costs indexed each year at 2.5%.

Waipuu Landfill

A provision of \$223,004 is provided, based upon present value of expected cash outflows to occur at Waipuu Landfill aftercare. The landfill is expected to close on 30 June 2045 with aftercare costs expected to occur six months after closure. The future costs have been estimated to be incurred for 30 years, until 2075.

The following major assumptions have been made in calculating this provision:

- Future cash flows were indexed 2.5% each year before a discount rate of 5.5% was applied.

In 2012, a discount rate of 6% was applied, with future costs indexed each year at 2.5%.

RiskPool Liability

Please refer to Note 32 : Contingent Liabilities.

Note 24 : Property Plant and Equipment

COUNCIL 2013	Cost/Valuation 1-July-2012	Accumulated Depreciation and Impairment 1-July-2012	Carrying Amount 1-July-2012	Current Year Transfers	Current Year Additions	Current Year Disposals	Revaluation Current Year	Current Year Depreciation and Impairment	Cost/Revaluation 30-June-2013	Accumulated Depreciation and Impairment 30-June-2013	Carrying Amount 30-June-2013
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational Assets											
Land - Major	168,096	0	168,096	(3,430)	0	(1,310)	0	0	163,356	0	163,356
Land - Minor	18,153	0	18,153	3,349	1,597	0	0	0	23,099	0	23,099
Buildings/Land Improvements	54,312	2,043	52,269	39	1,063	0	0	2,026	55,415	4,070	51,345
Buildings Not Revalued	2,957	689	2,268	0	199	0	0	89	3,156	778	2,378
Plant /Motor Vehicles	3,831	2,276	1,555	3	213	(116)	0	145	3,931	2,421	1,510
Office Equipment	4,535	2,988	1,547	22	157	0	0	245	4,715	3,234	1,481
Other Equipment	1,297	649	648	16	60	0	0	135	1,373	784	589
CBD	1,673	500	1,173	0	0	0	0	17	1,673	516	1,157
Wharves	2,562	205	2,357	0	807	0	0	51	3,369	257	3,112
Library Books - General	3,082	2,930	152	0	145	0	0	123	3,227	3,053	174
Library Books - Permanent	335	6	329	0	0	0	0	0	336	6	330
Assets Under Construction	821	0	821	(633)	2,734	0	0	0	2,922	0	2,922
Total operational assets	261,654	12,286	249,368	(634)	6,975	(1,426)	0	2,831	266,572	15,119	251,453
Sewer and Wastewater	95,480	1,930	93,550	0	2,187	0	0	2,021	99,787	6,011	93,776
Stormwater	52,129	803	51,326	0	559	0	0	818	53,465	2,389	51,076
Water Supply	102,661	1,951	100,710	0	1,834	0	0	1,951	106,230	5,636	100,594
Solid Waste	3,486	446	3,040	0	0	0	0	223	3,485	668	2,817
Waiapu Aftercare Provision Deferred expense Asset	255	156	99	0	0	0	0	0	255	156	99
Roading	1,303,445	0	1,303,445	0	10,498	0	17,069	10,356	1,320,656	0	1,320,656
Flood Control	52,853	219	52,634	0	21	0	0	94	52,958	397	52,561
Total infrastructural assets	1,610,309	5,505	1,604,804	0	15,099	0	17,069	15,463	1,636,836	15,257	1,621,579
Total Property Plant and Equipment	1,871,963	17,791	1,854,172	(634)	22,074	(1,426)	17,069	18,294	1,903,408	30,376	1,873,032

COUNCIL 2012	Cost/Valuation 1-July-2011	Accumulated Depreciation and Impairment 1-July-2011	Carrying Amount 1-July-2011	Current Year Transfers	Current Year Additions	Current Year Disposals	Revaluation Current Year	Current Year Depreciation and Impairment	Cost/Revaluation 30-June-2012	Accumulated Depreciation and Impairment 30-June-2012	Carrying Amount 30-June-2012
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational Assets											
Land - Major	168,096	0	168,096	0	0	0	0	0	168,096	0	168,096
Land - Minor	18,153	0	18,153	0	0	0	0	0	18,153	0	18,153
Buildings/Land Improvements	53,397	0	53,397	0	915	0	0	2,044	54,312	2,043	52,269
Buildings Not Revalued	2,541	607	1,934	0	416	0	0	82	2,957	689	2,268
Plant /Motor Vehicles	3,945	2,297	1,648	0	250	(364)	0	261	3,831	2,276	1,555
Office Equipment	4,371	2,730	1,641	0	164	0	0	258	4,535	2,988	1,547
Other Equipment	1,149	532	617	0	148	0	0	117	1,297	649	648
CBD	1,673	483	1,190	0	0	0	0	17	1,673	500	1,173
Wharves	2,513	155	2,358	0	49	0	0	50	2,562	205	2,357
Library Books - General	2,980	2,832	148	0	155	0	0	150	3,082	2,930	152
Library Books - Permanent	335	6	329	0	0	0	0	0	335	6	329
Assets Under Construction	1,936	0	1,936	(1,115)	0	0	0	0	821	0	821
Total operational assets	261,089	9,642	251,447	(1,115)	2,097	(364)	0	2,979	261,654	12,286	249,368
Infrastructural Assets											
Sewer and Wastewater	80,263	2,121	78,142	0	2,101	0	15,237	1,930	95,480	1,930	93,550
Stormwater	50,094	777	49,317	0	990	0	1,822	803	52,129	803	51,326
Water Supply	94,503	1,734	92,769	0	685	0	9,207	1,951	102,661	1,951	100,710
Solid Waste	3,486	223	3,263	0	0	0	0	223	3,485	446	3,040
Waiapu Aftercare Provision Deferred Expense Asset	255	156	99	0	0	0	0	0	255	156	99
Roading	1,285,066	0	1,285,066	0	11,376	0	17,222	10,219	1,303,445	0	1,303,445
Flood Control	51,808	220	51,588	0	1,129	0	0	84	52,853	219	52,634
Total infrastructural assets	1,565,475	5,231	1,560,244	0	16,281	0	43,488	15,210	1,610,309	5,505	1,604,804
Total Property Plant and Equipment	1,826,564	14,873	1,811,691	(1,115)	18,378	(364)	43,488	18,189	1,871,963	17,791	1,854,172

GROUP 2013	Cost/Valuation 1-July-2012	Accumulated Depreciation and Impairment 1-July-2012	Carrying Amount 1-July-2012	Current Year Transfers	Current Year Additions	Current Year Disposals	Revaluation Current Year	Current Year Depreciation and Impairment	Cost/Revaluation 30-June-2013	Accumulated Depreciation and Impairment 30-June-2013	Carrying Amount 30-June-2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operational Assets											
Land - Major	193,141	0	193,141	(3,430)	0	(1,310)	510	0	188,911	0	188,911
Land - Minor	18,153	0	18,153	3,349	1,597	0	0	0	23,099	0	23,099
Buildings/Land Improvements	59,492	2,043	57,449	52	1,063	0	286	2,262	60,658	4,070	56,588
Buildings Not Revalued	2,957	689	2,268	0	199	0	0	89	3,156	778	2,378
Plant /Motor Vehicles	4,736	2,765	1,971	3	274	(136)	0	260	4,273	2,421	1,852
Office Equipment	4,535	2,988	1,547	22	157	0	0	245	4,715	3,234	1,481
Other Equipment	1,300	651	649	16	62	0	0	136	1,375	784	591
CBD	1,673	500	1,173	0	0	0	0	17	1,673	516	1,157
Wharves	2,562	205	2,357	0	807	0	0	51	3,369	257	3,112
Library Books - General	3,082	2,930	152	0	145	0	0	123	3,227	3,053	174
Library Books - Permanent	335	6	329	0	0	0	0	0	336	6	330
Assets Under Construction	821	0	821	(633)	2,734	0	0	0	2,922	0	2,922
Total operational assets	292,787	12,777	280,010	(621)	7,038	(1,446)	796	3,183	297,714	15,119	282,595
Infrastructural Assets											
Sewer and Wastewater	95,480	1,930	93,550	0	2,187	0	0	2,021	99,787	6,011	93,776
Stormwater	52,129	803	51,326	0	559	0	0	818	53,465	2,389	51,076
Water Supply	102,661	1,951	100,710	0	1,834	0	0	1,951	106,230	5,636	100,594
Solid Waste	3,486	446	3,040	0	0	0	0	223	3,485	668	2,817
Waiapu Aftercare Provision Deferred expense Asset	255	156	99	0	0	0	0	0	255	156	99
Roading	1,303,445	0	1,303,445	0	10,498	0	17,069	10,356	1,320,656	0	1,320,656
Flood Control	52,853	219	52,634	0	21	0	0	94	52,958	397	52,561
Total infrastructural assets	1,610,309	5,505	1,604,804	0	15,099	0	17,069	15,463	1,636,836	15,257	1,621,579
Total Property Plant and Equipment	1,903,096	18,282	1,884,814	(621)	22,137	(1,446)	17,865	18,646	1,934,550	30,376	1,904,174

GROUP 2012	Cost/Valuation 1-July-2011 \$000	Accumulated Depreciation and Impairment 1-July-2011 \$000	Carrying Amount 1-July-2011 \$000	Current Year Transfers \$000	Current Year Additions \$000	Current Year Disposals \$000	Revaluation Current Year \$000	Current Year Depreciation and Impairment \$000	Cost/Revaluation 30-June-2012 \$000	Accumulated Depreciation and Impairment 30-June-2012 \$000	Carrying Amount 30-June-2012 \$000
Operational Assets											
Land - Major	191,971	0	191,971	0	0	0	1,170	0	193,141	0	193,141
Land - Minor	18,153	0	18,153	0	0	0	0	0	18,153	0	18,153
Buildings/Land Improvements	60,255	1,908	58,347	0	915	0	463	2,277	59,726	2,277	57,449
Buildings Not Revalued	2,541	607	1,934	0	416	0	0	82	2,957	689	2,268
Plant /Motor Vehicles	4,684	2,739	1,945	0	479	(382)	0	365	4,781	2,810	1,971
Office Equipment	4,390	2,734	1,656	0	164	0	0	260	4,554	3,006	1,548
Other Equipment	1,149	532	617	0	148	0	0	117	1,297	649	648
CBD	1,673	483	1,190	0	0	0	0	17	1,673	500	1,173
Wharves	2,513	155	2,358	0	49	0	0	50	2,562	205	2,357
Library Books - General	2,950	2,832	118	0	155	0	0	150	3,082	2,930	152
Library Books - Permanent	365	6	359	0	0	0	0	0	335	6	329
Assets Under Construction	1,936	0	1,936	(1,115)	0	0	0	0	821	0	821
Total operational assets	292,580	11,996	280,584	(1115)	2,326	(382)	1,633	3,318	293,082	13,072	280,010
Infrastructural Assets											
Sewer and Wastewater	80,263	2,121	78,142	0	2,101	0	15,237	1,930	95,480	1,930	93,550
Stormwater	50,094	777	49,317	0	990	0	1,822	803	52,129	803	51,326
Water Supply	94,503	1,734	92,769	0	685	0	9,207	1,951	102,661	1,951	100,710
Solid Waste	3,486	223	3,263	0	0	0	0	223	3,486	446	3,040
Waiapu Aftercare Provision Deferred Expense Asset	255	156	255	0	0	0	0	0	255	156	99
Roading	1,285,066	0	1,285,066	0	11,376	0	17,222	10,219	1,303,445	0	1,303,445
Flood Control	51,808	220	51,588	0	1,129	0	0	84	52,853	219	52,634
Total infrastructural assets	1,565,475	5,231	1,560,244	0	16,281	0	43,488	15,210	1,610,309	5,505	1,604,804
Total Property Plant and Equipment	1,858,055	17,227	1,840,828	(1,115)	18,607	(382)	45,121	18,528	1,903,391	18,577	1,884,814

Properties held for resale are recorded at cost as at 30 June 2013. Refer to Note 18 Non Current Assets Held for Resale.

Freehold land (including forestry land) and improvements (including buildings) for Tauwhareparae Farms Limited were valued as at 30 June 2013 by Bruce Cowper, an independent valuer of Lewis Wright Valuation & Consultancy Ltd. The fair value of land and improvements was \$30,785,000 (2012 : \$30,225,000).

Roading Assets

The roading asset valuation was undertaken at 30 June 2013 by Pauline True and Wayne Fix, independent valuers of MWH Limited, Hastings. The fair value of roading assets as at 30 June 2013 is \$1,320,655,981 (2012 : \$1,303,444,654).

Potential Impairment

Three Council buildings have been identified as not meeting current minimum earthquake standards. Options to achieve compliance for these buildings, individually and/or collectively, are currently under investigation. The result of these investigations will determine the appropriate course of action to be taken. Until this is completed any potential impairment is unable to be quantified, therefore no adjustment has been made to the carrying value of these buildings. The carrying value of the three buildings is \$8.5m, any impairment of this amount will be recognised in the Asset Revaluation Reserve.

Note 24A : Assets Under Construction

	Council		Group	
	2012 \$000s	2013 \$000s	2012 \$000s	2013 \$000s
Buildings/Land Improvements	799	158	799	158
Information Management	0	820	0	820
Sewer and Wastewater	22	494	22	494
Water Supply	0	215	0	215
Stormwater	0	152	0	152
Solid Waste	0	0	0	0
Wharves	0	0	0	0
Roading	0	64	0	64
Rivers and Flood Control	0	272	0	272
Theatres	0	747	0	747
Total Assets Under Construction	821	2,922	821	2,922

Note 25 : Intangible Assets

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
1,538	3,012	Balance at 1 July - Cost	1,455	2,064	3,820
(855)	(855)	Less Accumulated Amortisation and Impairment	0	(1,014)	(1,918)
683	2,157	Opening Carrying Amount	1,455	1,050	1,902
526	808	Additions/(Disposals)	0	160	108
0	(904)	Change in Fair Value	0	0	(540)
(159)	(159)	Less Amortisation Charge	0	(222)	(222)
1,050	1,902	Closing Carrying Amount	1,455	988	1,248
Balance at 30 June					
2,064	3,820	Cost	1,455	2,224	3,928
(1,014)	(1,918)	Less Accumulated Amortisation and Impairment/Change in Fair Value	0	(1,236)	(2,680)
1,050	1,902	Closing Carrying Amount	1,455	988	1,248

Note 26A : Biological Assets – Livestock

Biological Assets

Biological assets consist of sheep and cattle (livestock) and forestry. The Group farms livestock for the sale of sheep, lambs, cattle and calves. As at 30 June 2013 the Group had 30,092 sheep, 4,915 cattle (2012 : 32,451 sheep, 5,842 cattle). During the year the Group sold 31,664 sheep, 2,956 cattle (2012 : 28,852 sheep, 2,065 cattle).

Reconciliation of Opening Balance to Closing Balance – 2013

GROUP	SHEEP		CATTLE		Total
	Quantity	\$000s	Quantity	\$000s	\$000s
Opening Balance as at 1 July	32,451	4,941	5,842	4,814	9,755
Natural Increase	32,224	2,791	2,180	1,279	4,070
Purchases	67	54	55	159	213
Changes in Fair Value	0	(1,645)	0	(89)	(1,734)
Sales	(31,664)	(2,731)	(2,956)	(2,316)	(5,047)
Death and Killed	(2,986)	(327)	(206)	(158)	(485)
Closing Balance as at 30 June 2013	30,092	3,083	4,915	3,689	6,772

Reconciliation of Opening Balance to Closing Balance – 2012

GROUP	SHEEP		CATTLE		Total
	Quantity	\$000s	Quantity	\$000s	\$000s
Opening Balance as at 1 July	31,565	5,846	5,949	5,066	10,912
Natural Increase	31,847	3,790	2,047	1,370	5,160
Purchases	75	49	27	93	142
Changes in Fair Value	0	(845)	0	410	(435)
Sales	(28,852)	(3,570)	(2,065)	(2,017)	(5,587)
Death and Killed	(2,184)	(329)	(116)	(108)	(437)
Closing Balance as at 30 June 2012	32,451	4,941	5,842	4,814	9,755

Note 26B : Biological Assets – Livestock

The fair value of livestock as at end of year was:

2012			2013		
Quantity	\$000s	SHEEP	Quantity	\$000s	
16,471	2,592	Mixed Aged Ewes	15,158	1,511	
6,795	1,209	Two Tooth Ewes	7,230	853	
253	63	Breeding Rams	192	48	
7,957	976	Ewe Hoggets	7,270	645	
975	101	Ram and Wether Hoggets	242	26	
32,451	4,941	Total Sheep	30,092	3,083	

2012			2013		
Quantity	\$000s	MATURE CATTLE	Quantity	\$000s	
1,942	1,928	Mixed Aged Cows	1,478	1,281	
690	742	Rising three year Heifers	639	646	
1,068	774	Rising two year Heifers	655	510	
4	3	Rising three year and Older Steers	3	2	
16	13	Rising two year Steers and Bulls	10	7	
66	131	Breeding Bulls	74	146	
IMMATURE CATTLE					
984	534	R1 Heifers	1,011	489	
1,072	689	R1 Steers and Bulls	1,045	608	
5,842	4,814	Total Cattle	4,915	3,689	

Note 26C : Biological Assets – Livestock

GROUP				2013		
Quantity	Average Price \$	2012 \$000s		Quantity	Average Price \$	2013 \$000s
28,852	124	3,570	Sales	31,664	86	2,731
Less Cost of Sales						
31,565	185	5,846	Opening Stock	32,451	152	4,941
75	648	48	Add Purchases	67	799	54
			Less Closing Stock			
32,451	152	4,941		30,092	102	3,083
		953	Total Cost of Sales			1,912
		2,617	Gross Profit from Sheep			819

GROUP				2013		
Quantity	Average Price \$	2012 \$000s	CATTLE	Quantity	Average Price \$	2013 \$000s
2,065	977	2,017	Sales	2,956	784	2,316
Less Cost of Sales						
5,949	851	5,065	Opening Stock	5,842	824	4,814
27	3,451	94	Add Purchases	55	2,886	158
5,842	824	4,814	Less Closing Stock	4,915	750	3,689
		345	Total Cost of Sales			1,283
		1,672	Gross Profit from Cattle			1,033

The fair value of livestock is determined by independent valuation as at 30 June 2013. The independent livestock valuation was performed by Gisborne East Coast Farmers Ltd, independent livestock agents, in accordance with the Group's accounting policy detailed in Note 1.

The independent valuation used the quoted price in an active market, less costs to sell, as the appropriate basis for determining fair value. Where there is more than one active market that the company has access to, the most relevant market has been used. The gain on initial recognition of livestock sold is recognised in the Statement of Comprehensive Income in the year of harvest. At time of harvest, wool is recorded as inventory.

No livestock or other inventories have been pledged as security for liabilities, nor are any inventories subject to retention of title clauses.

Note 26D : Forestry

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
1,788	8,160	Balance at 1 July	1,022	1,676	7,700
0	65	Increases due to Purchases	0	0	236
(112)	(525)	Gains/(Losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	0	260	992
0	0	Decreases due to Harvest	0	0	0
1,676	7,700		1,022	1,936	8,928

No forests have been harvested during the period (2012 : Nil).

Council's Forestry Holdings have been valued by Theo Vos, NZ Institute of Forestry Registered Forestry Consultant, of PF Olsen and Company Limited. A post-tax discount rate of 7.00% has been used in discounting the present value of expected cash flows (2012 : 7.00%).

The valuation of the Pamoā forestry assets as at 30 June 2013 is \$1,361,314. (2012 : \$1,189,220).

The valuation of the Council's forestry assets as at 30 June 2013 is \$575,000. (2012 : \$486,350).

Tauwhareparae Forests

The fair value of the forest tree crop is determined by independent valuation. Independent forestry valuation as at 30 June 2013 was performed by PF Olsen and Company Limited, independent providers of professional forestry services. The fair value is assessed as follows:

- The maturity value of the existing tree crop and the future costs of realising that revenue are determined.
- Future costs and revenue are discounted from the year in which they occur to the date of the valuation by applying an appropriate discount rate.

The appropriate discount rate is determined by considering the recent sales of forests and the relative sensitivity of the value of the forest to future log prices.

Significant assumptions applied in this determination of fair value are:

Appropriate Discount Rate (post-tax)	7.0%
Rate of Inflation	2.0%
Rate of Tax	28.0%

During the year \$236,518 (2012: \$65,065) of forestry development expenditure was capitalised to the forest asset.

Financial Risk Management Strategies

The Group is exposed to financial risks arising from changes in timber prices. The Group is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices.

Note 27 : Equity

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
		Accumulated Surplus (Retained Earnings)			
393,258	389,152	Balance at 1 July	399,443	395,016	388,635
(1,505)	(1,505)	Transfers to Special Funds	0	(1,154)	(1,154)
0	0	Library Books impairment	0	0	0
0	0	Transfer to Gisborne District Disaster Relief Fund	0	0	0
17	17	Transfer to Liability Accounts	0	0	0
(334)	(334)	Transfer Waerenga-O-Kuri Reserve Receivable	0	0	0
0	0	Transfers from Asset Revaluation Reserve on Disposal of Property, Plant and Equipment	0	1,180	1,180
3,580	1,305	Surplus/(Deficit) for the year	1,704	4,647	2,922
395,016	388,635	Balance at 30 June	401,147	399,689	391,583
		Special Funds and Reserves			
29,986	29,986	Balance at 1 July	28,301	31,491	31,491
1,505	1,505	Transfer from/(to) Retained Earnings	0	1,154	1,154
0	0	Transfer (to) Liability Accounts	0	0	0
31,491	31,491	Balance at 30 June	28,301	32,645	32,645
		Asset Revaluation Reserves			
1,370,348	1,397,720	Balance at 1 July	1,370,348	1,413,837	1,442,841
43,489	45,122	Revaluations	704	17,069	17,865
0	0	Deferred Tax on Building Revaluations	0	0	0
0	0	Transfers to Retained Earnings on Disposal of Property, Plant and Equipment	0	(1,174)	(1,174)
0	(1)	Net Fair Value Gain/(Loss) on available-for-sale	0	0	0
1,413,837	1,442,841	Balance at 30 June	1,371,052	1,429,732	1,459,532

Note 27A : Asset Revaluation Reserve

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
89	84	Investments	89	84
Operational Assets				
151,803	177,980	Land - Major	150,745	177,641
13,885	13,885	Land - Minor	13,885	13,885
31,649	34,458	Buildings/Land Improvements	31,526	34,435
102	102	CBD	102	102
467	467	Office Equipment	467	467
499	499	Other Equipment	499	499
Infrastructural Assets				
32,486	32,486	Sewer and Wastewater	32,486	32,486
20,794	20,794	Stormwater	20,794	20,794
48,704	48,704	Water Supply	48,704	48,704
951	951	Solid Waste	951	951
1,071,495	1,071,495	Roading	1,088,565	1,088,565
40,913	40,913	Flood Control	40,913	40,913
1,413,837	1,442,818		1,429,726	1,459,526

Note 27B : Internal Borrowings

	2012/13 Opening Balance \$000s	New Borrowings \$000s	Interest \$000	Repayments Principal \$000s	2012/13 Closing Balance \$000s
Animal Control	0	0	0	0	0
Aquatic and Recreation Facility	381	2	23	23	360
Arts and Culture	71	340	13	5	406
Building Services	9	0	1	1	8
Civil Defence, Emergency Management and Rural Fires	36	6	2	5	37
Community Housing	0	0	0	0	0
Community Planning and Development	0	0	0	0	0
Environmental Services	0	0	0	0	0
Enterprise Operations	2,485	70	155	143	2,412
Environmental Health	3	0	0	2	1
Environmental Policy & Planning	3	0	0	1	2
Flood Control	3,601	294	234	104	3,791
Governance	0	0	0	0	0
Roading	3,599	306	225	219	3,686
Libraries	88	0	5	5	83
Reserve and Open Spaces	838	166	54	47	956
Resource Consents	0	0	0	0	0
Solid Waste Management	7,831	0	480	411	7,420
Stormwater	7,324	0	452	449	6,875
Support Services	15,116	980	965	241	15,855
Wastewater	18,142	904	1,020	958	18,088
Water Supply	544	965	52	32	1,477
	60,071	4,033	3,681	2,646	61,457

Note 27C: Special Funds and Other Reserves

132

	Opening Balance 1 July 2012 \$000's	Tranfers to Reserves \$000's	Transfers from Reserves \$000's	Closing Balance 30 June 2013 \$000's	Description / Use
Municipal Theatre Project	24	1	0	25	Reserve held as a source of capital funding for the redevelopment of theatres
Library Building	1,633	44	0	1,677	Reserve is to hold donations and bequests given in relation to the HB Williams Memorial Library. These funds can only be utilised in accordance with the donation or bequest
Waipaoa River Flood Control Scheme	629	17	0	646	Reserve is a funding source for minor and major capital work in relation to the Waipaoa River Flood Control Scheme
Civil Defence Disaster Relief	454	12	0	466	Reserve is to provide for civil defence emergency costs not covered by government subsidies and for discretionary contributions to other district Civil Defence Disaster Relief activities
Capital Development Fund	187	2,100	5	2,282	Reserve is to hold proceeds of selected asset sales which are to be utilised for capital developments as determined by Council
Quarry Rehab	984	27	0	1,011	Reserve is to provide for the restoration and rehabilitation of the Patutahi Quarry
Olympic Pool Development	25	1	0	26	Reserve is to hold donations and bequests given in relation to the Olympic Pool. Funds will be utilised for the redevelopment of the Olympic Pool complex
Rates Postponement Fidelity	1	0	0	1	Reserve is to cover rates postponement fidelity issues. The retention of this reserve is a compliance issue
Reserves Contributions	2,104	59	264	1,899	Reserve holds reserve contributions received, these contributions have now been replaced by development contributions. Funding is utilised for capital expenditure on Parks and Open Spaces resulting from growth due to developments within the district
Land Transport - Urban Development Contributions	199	64	720	(457)	Reserve holds development contributions received in relation to Roading. Funding is utilised for capital expenditure on Land Transport infrastructure resulting from growth due to developments within the district
Water Supply - Urban Development Contributions	197	15	656	(444)	Reserve holds development contributions received in relation to Water Supply. Funding is utilised for capital expenditure on Water Supply infrastructure resulting from growth due to developments within the district
Wastewater - Urban Development Contributions	410	(140)	165	105	Reserve holds development contributions received in relation to Wastewater. Funding is utilised for capital expenditure on Wastewater infrastructure resulting from growth due to developments within the district
Stormwater - Urban Development Contributions	(442)	15	89	(518)	Reserve holds development contributions received in relation to Stormwater. Funding is utilised for capital expenditure on Stormwater infrastructure resulting from growth due to developments within the district
Reserves - District Development Contributions	108	25	0	133	Reserve holds development contributions received in relation to Parks and Open Spaces. Funding is utilised for capital expenditure on Parks and Open Spaces resulting from growth due to developments within the district
HMNZ Blackpool Scholarship Fund	6	0	0	6	Reserve holds funds that are distributed in accordance with the trust deed
Land Subdivision	310	8	0	318	Reserve predates Gisborne District Council. Further investigation is required into what the funds were set aside for. It is likely to relate to Financial Contributions received as a result of subdivision
Parking	66	0	66	0	Reserve held as a source of capital funding for the land transport and parking activity
Depreciation	24,596	18,543	17,670	25,469	Reserve holds funds utilised on projects that replace the districts assets
TOTAL RESERVES	31,491	20,791	19,631	32,645	

Note 28 : Reconciliation of Net Surplus

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
3,580	1,305	Reported Net Surplus	4,647	2,922
Add/(Deduct) Non Cash Items				
18,348	18,626	Depreciation & Amortisation	18,517	18,866
1,259	1,211	Unrealised (Gain)/Loss on Derivative Financial Instruments	(1,355)	(1,405)
28	6	Other Fixed and Investment Asset Changes/(Credits)	11	(13)
0	1,156	Livestock Holding (Gain)/ Loss	0	2,983
(71)	(69)	(Profit)/ Loss on Disposal of Assets	(1,605)	(1,603)
112	525	Forestry Value (Gain) / Loss	(261)	(991)
0	0	Loss on timber stock	0	0
(154)	(154)	Riskpool and other provisions	(4)	(4)
0	(764)	Increase in Deferred Taxation	0	227
0	(282)	Carbon credits allocated	0	(103)
0	904	Impairment - carbon credits value	0	540
0	2,017	Subvention Payment	0	0
373	373	Bad debts written off	0	0
19,895	23,549		15,303	18,497
Add Items classified as Investing Activities				
1,437	1,437	Movement of Plant, Property and Equipment included in Trade Payables	(26)	(26)
0	0	Biological Assets purchases included in Trade Payables	0	0
1,437	1,437		(26)	(26)
Increase/(Decrease) in Working Capital				
(259)	(338)	Trade & Other Receivables	498	(897)
7	2	Inventories	10	54
44	44	Deposits Held	13	13
(1,681)	(1,687)	Trade & Other Payables	3,194	3,149
0	0	Provision for Other Liabilities	0	0
0	0	Employee Benefit Liabilities	(316)	(316)
0	(207)	Taxation Payable	0	(1)
(1,889)	(2,186)		3,400	2,003
23,023	24,105	Net Cash Inflow from Operating Activities	23,324	23,396

Note 29 : Financial Instruments

Financial Risk Management Objectives and Policies

The Group's financial instruments include the following financial assets and liabilities:

Cash and cash equivalents, trade and other receivables, available-for-sale financial assets, and the following financial liabilities:

Accounts payable and borrowings from bank funding and secured debentures, and derivative financial instruments.

Note 29A : Financial Instruments

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
FINANCIAL ASSETS					
Non Current Assets					
0	0	Trade and Other Receivables	0	0	0
0	0	Loans and Receivables at Amortised Cost	0	0	0
129	349	Investments - Non Current	207	300	549
129	349	Available for Sale Financial Assets	207	300	549
Current Assets					
1,268	1,268	Investments - Current	1,268	1,272	1,272
1,268	1,268	Available for Sale - Financial Assets	1,268	1,272	1,272
1,255	2,503	Cash and Cash Equivalents	349	171	1359
9,267	7,499	Trade and Other Receivables	12,519	8,769	8,397
10,522	12,018	Loans and Receivables at Amortised Cost	12,868	8,940	9,756
FINANCIAL LIABILITIES					
Non Current Liabilities					
0	1,733	Bank Loan	20,608	0	1,733
96	96	EECA Loan	223	32	32
9,000	9,000	Secured Debentures	15,000	14,000	14,000
9,096	10,829	Financial Liabilities Measured at Amortised Cost	35,831	14,032	15,765
3,184	3,215	Derivative Financial Instruments	0	1860	1878
3,184	3,215	Fair Value Through Statement of Comprehensive Income - Held for Trading	0	1860	1878

Current Liabilities					
1,066	1,150	Derivative Financial Instruments	2,991	1,035	1,082
6,000	6,000	Secured Debentures	0	0	0
15,000	15,000	Commercial Paper	0	10,000	10,000
690	690	Bank Loan	0	920	920
64	64	EECA Loan	0	64	64
12,878	13,287	Trade Payables and Accruals	17,263	15,663	16,038
35,698	36,191	Financial Liabilities at Amortised Cost	20,254	27,682	28,104

As part of its normal operations, the Group is exposed to credit risk, interest rate risk and liquidity risk. The Group's exposure to these risks and the action that the Group has taken to minimise the impact of these risks is outlined below:

Fair Value

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arms length transaction. The fair values of all financial instruments equate to the carrying amount recognised in the Statement of Financial Position.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1: The fair value is calculated using quoted prices in active markets.

Level 2: The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: The fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

COUNCIL

Year Ended 30 June 2012 Valuation Technique				Year Ended 30 June 2013 Valuation Technique			
Quoted Market Price (Level 1)	Observable Inputs (Level 2)	Non Observable Inputs (Level 3)	Total	Quoted Market Price (Level 1)	Observable Inputs (Level 2)	Non Observable Inputs (Level 3)	Total
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets							
0	0	0	0	0	0	0	0
0	0	129	129	0	0	300	300
0	0	129	129	0	0	300	300
Financial Liabilities							
0	(4,250)	0	(4,250)	0	(2,895)	0	(2,895)
0	(4,250)	0	(4,250)	0	(2,895)	0	(2,895)

GROUP

Year Ended 30 June 2012
Valuation Technique

Quoted Market Price (Level 1)	Observable Inputs (Level 2)	Non Observable Inputs (Level 3)	Total
\$000	\$000	\$000	\$000
Financial Assets			
0	0	0	0
1	0	0	1
0	0	348	348
1	0	348	349

Financial Assets

Available for Sale
investments

Listed Investments

Unlisted Investments

Financial Liabilities

Derivative Financial
Instruments

Year Ended 30 June 2013
Valuation Technique

Quoted Market Price (Level 1)	Observable Inputs (Level 2)	Non Observable Inputs (Level 3)	Total
\$000	\$000	\$000	\$000
0	0	0	0
1	0	0	1
0	0	548	548
1	0	548	549

0	(2,960)	0	(2,960)
0	(2,960)	0	(2,960)

There were no transfers between the different levels of the fair value hierarchy.

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Group, causing the Group to incur a loss. The Group has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

The Group invests funds only in deposits with registered banks and its investment policy limits the amount of credit exposure to any one institution or organisation. The Group only invests funds with those entities which have a Standard and Poor's credit rating of at least A2 - for short term and A - for long-term investments. Accordingly, the Group does not require any collateral or security to support these financial instruments.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counter party default rates.

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
COUNTER PARTIES WITH CREDIT RATINGS				
Cash at Bank and Term Deposits				
2,523	3,771	AA-	1,443	2,631
2,523	3,771	Total cash at bank and term deposits	1,443	2,631
COUNTER PARTIES WITHOUT CREDIT RATINGS				
121	121	Existing counter party with no defaults in the past	101	101
121	121	Total Rates postponement and Community loans	101	101
Financial Assets				
1,255	2,503	Cash and Cash Equivalents	171	1,359
9,267	7,499	Trade and Other Receivables	8,769	8,397
1,268	1,268	Current Investments	1,272	1,272
11,790	11,270	Total Financial Assets	10,212	11,028

The ageing profile of trade and other receivables at the reporting date is as follows:

Council 2012			Council 2013		
Gross \$000s	Impaired \$000s		Gross \$000s	Impaired \$000s	
		Trade and Other Receivables			
4,493	0	Current	3,924	0	
213	0	Past Due 0 - 3 Months	151	0	
0	0	Past Due 3 - 6 Months	235	0	
8,389	3,828	Past Due More Than 6 Months	7,745	3,286	
13,095	3,828	Total Financial Assets	12,055	3,286	

Group 2012			Group 2013		
Gross \$000s	Impaired \$000s		Gross \$000s	Impaired \$000s	
		Trade and Other Receivables			
4,741		Current	3,552	0	
213		Past Due 0 - 3 Months	151	0	
0		Past Due 3 - 6 Months	235	0	
8,389	3,828	Past Due More Than 6 Months	7,745	3,286	
13,343	3,828		11,683	3,286	

The concentration of receivables past due more than 6 months primarily relates to rates and fines receivable. Due to their nature, the collection pattern for rates and fines receivable is longer than that for trade.

Liquidity Risk

Liquidity risk is the risk arising from unmatched cash flows and maturities. To provide flexibility in the management of the Group's liquidity, the Group has committed bank advance facilities available (for details refer to Note 22 : Borrowings).

On a cash flow basis, the Council maintains sufficient funds to cover all obligations as they fall due. Facilities are maintained in accordance with the Council's Treasury Management Policy and Guidelines.

Contractual Maturity Analysis of Financial Assets

The table above analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contracted maturity date.

The Group's maximum exposure to credit risk at balance date is:

	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	>5 Years \$000s
COUNCIL 2013						
Cash and Cash Equivalents	171	171	171			
Trade and Other Receivables	12,055	12,055	7,886	1,576	1,160	1,432
Current Investments	1,272	1,272	1,272			
Total Financial Assets	13,498	13,498	9,329	1,576	1,160	1,432
	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	>5 Years \$000s
COUNCIL 2012						
Cash and Cash Equivalents	1,255	1,255	1,255			
Trade and Other Receivables	13,095	13,095	8,990	1,551	1,127	1,437
Current Investments	1,268	1,268	1,268			
Total Financial Assets	15,618	15,618	11,513	1,551	1,127	1,437
	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	>5 Years \$000s
GROUP 2013						
Cash and Cash Equivalents	1,359	1,359	1,359			
Trade and Other Receivables	11,683	11,683	7,514	1,576	1,160	1,432
Current Investments	1,272	1,272	1,272			
Total Financial Assets	14,314	14,314	10,145	1,576	1,160	1,432
	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	>5 Years \$000s
GROUP 2012						
Cash and Cash Equivalents	2,503	2,503	2,503			
Trade and Other Receivables	13,344	13,344	9,229	1,551	1,127	1,437
Current Investments	1,268	1,268	1,268			
Total Financial Assets	17,115	17,115	13,000	1,551	1,127	1,437
	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	>5 Years \$000s
COUNCIL 2013						
Trade and Other Payables	15,663	15,663	15,663			
Derivative Financial Instruments	2,895	2,895	1,035	722	1,030	108
Bank Loans	920	920	920			
Commercial Paper	10,000	10,000	10,000			
EECA Loan	96	96	64	32		
Debentures	14,000	14,000	0	4,000	5,000	5,000
Total Financial Liabilities	43,574	43,574	27,682	4,754	6,030	5,108

	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	>5 Years \$000s
COUNCIL 2012						
Trade and Other Payables	12,878	12,878	12,878			
Derivative Financial Instruments	4,250	4,250	1,065	1,001	2,184	
Bank Loans	690	690	690			
Commercial Paper	15,000	15,000	15,000			
EECA Loan	160	160	64	64	32	
Debentures	15,000	15,000	6,000		9,000	
Total Financial Liabilities	47,978	47,978	35,697	1,065	11,216	
	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	>5 Years \$000s
GROUP 2013						
Trade and Other Payables	16,038	16,038	16,038			
Derivative Financial Instruments	2,960	2,960	1,082	740	1,030	108
Bank Loans	2,653	2,653	920		1,733	
Commercial Paper	10,000	10,000	10,000			
EECA Loan	96	96	64	32		
Debentures	14,000	14,000	0	4,000	5,000	5,000
Total Financial Liabilities	45,747	45,747	28,104	4,772	7,763	5,108
	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	>5 Years \$000s
GROUP 2012						
Trade and Other Payables	13,995	13,995	13,995			
Derivative Financial Instruments	4,365	4,365	1,118	1,050	2,197	
Bank Loans	2,423	2,423	690		1,733	
Commercial Paper	15,000	15,000	15,000			
EECA Loan	160	160	64	64	32	
Debentures	15,000	15,000	6,000		9,000	
Total Financial Liabilities	50,943	50,943	36,867	1,114	12,962	

Market Risk

The Group enters into derivative financial instruments to manage interest rate risk. A Treasury committee, headed by senior management personnel, provides oversight for risk management and derivatives activities and ensures any activities comply with the Treasury Management Policy which is formally approved by Council as part of the Council's Long Term Plan (Ten Year Plan).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk from its interest-earning financial assets and interest-bearing liabilities. The Group is risk averse and seeks to minimise exposure from its treasury activities. It does not undertake unnecessary

investment or borrowing activity, nor is any speculation permitted in the activity it undertakes.

The Group manages its interest rate risk by maintaining the ratio of borrowing between fixed and floating interest rates and by maintaining portions of its borrowings in a range of maturity profiles.

The effective interest rates of financial instruments are as follows:

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Weighted Effective Interest Rates				
3.95%	4.73%	Bank Loan	4.30%	5.03%
2.85%	2.85%	Debentures	3.10%	3.10%
5.93%	5.93%	Derivative Financial Instruments	5.93%	5.93%
3.17%	3.17%	Commercial Paper	3.05%	3.05%

Interest Rate Sensitivity

At balance date the Group had fixed interest rate liabilities in the form of interest rate swaps. If interest rates at that date had been 100 basis points higher/lower with all other variable held constant, net surplus for the year would have adjusted by the amounts in the table below:

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
Net Surplus Higher/(Lower)				
1,672	1,674	+ 100 Basis Points	1,173	1,174
(1,672)	(1,674)	- 100 Basis Points	(1,233)	(1,234)

Note 30 : Commitments

COUNCIL 2013	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
Capital Commitments - Approved and Contracted	8,661	7,786	875
Operational Contract Commitments - Approved and Contracted	38,085	9,395	28,690
Total Commitments	46,746	17,181	29,565
COUNCIL 2012	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
Capital Commitments - Approved and Contracted	18,905	13,265	5,640
Operational Contract Commitments - Approved and Contracted	17,397	9,021	8,376
Total Commitments	36,302	22,286	14,016

Note 31A : Leases

COUNCIL 2013	Total \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s
Operating Lease Payments	461	205	205	51
Total Non Cancellable Operating	461	205	205	51
COUNCIL 2012	Total \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s
Operating Lease Payments	909	303	303	303
Total Non Cancellable Operating	909	303	303	303

Council leases computer equipment in the normal course of its business. Council purchases its computer equipment and sells back to the Lessor at fair value. Council then leases back the equipment at fair value. Council does not have an option to purchase the equipment at the end of the lease term. These leases have a non-cancellable term of 36 months.

The Council leases photocopiers for which there is no monthly lease obligation. The term of the lease is for 5 years from 3rd of October 2012. The Council incurs charges for the number of copies made each period. Included within the lease agreement is a termination clause which imposes a penalty for early termination of the lease agreement. The penalty is calculated based on the number of months outstanding in the agreement multiplied with a target number of copies. As at 30 June this penalty is calculated to be \$420,364.

Note 31B : Residential Lease

Council leases its residential property assets to tenants. The terms of each tenancy are governed by the Residential Tenancies Act 1986. Rent is charged at less than market value. The leases are cancellable by the tenants and this is provided by the Residential Tenancies Act, a minimum notice period of 21 days applies or if cancelled by Council 90 days notice is required.

The future aggregate minimum lease payments to be received under operating leases are as follows:

COUNCIL 2013	Total \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s
Operating Lease Commitments	55	55	0	0
Total Operating Lease Commitments	55	55	0	0
COUNCIL 2012	Total \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s

Operating Lease Commitments	51	51	0	0
Total Operating Lease Commitments	51	51	0	0

Note 32 : Contingent Liabilities

Council 2011/12 Actual \$000s	Group 2011/12 Actual \$000s		Council 2012/13 TYP \$000s	Council 2012/13 Actual \$000s	Group 2012/13 Actual \$000s
100	100	Paokahu Consent Board	0	100	100
100	100		0	100	100

Paokahu Consent Bond

As a condition of the Paokahu landfill resource consent the council entered into a bond with the Paokahu owners for the sum of \$100,000, this acts as security for the performance of any of the conditions of the resource consent, including any conditions relating to aftercare and post closure remediation.

Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done. At the date of this report, there are two matters under that Act indicating potential liabilities which cannot be quantified.

Council has received a claim of negligence in relation to the issue of a Building Code of Compliance. This claim is set to go to a court hearing. The potential liability is difficult to determine but is likely to lie in the range \$150-\$200K. Part of the cost of any settlement will be met by Council's insurers

RiskPool Liability

Council was a member in relation to the years up to and including 30 June 2010 of RiskPool. RiskPool is a mutual fund set up to provide public liability and professional indemnity cover for its members. All Councils with responsibilities under the Building Act have been impacted by the weather-tight homes building issue.

RiskPool is unable to determine its liabilities until the statutory period for claims to be lodged with member councils has passed. This is 5 years.

The latest information indicates that weather-tight homes claims against RiskPool's funds may result in shortfalls in the fund being incurred this year and for the future year to 30 June 2014. In reviewing the provision, the Council was mindful of the recent Supreme Court decision in the Spencer on Byron case.

Council as a member is required to contribute towards any shortfall in the fund in relation to the year's Council was a member. \$160,148 was paid in 2012/2013 in relation to the claim for the years up to 30 June 2006.

Purchase and Sale Agreement - Gisborne District Council and Eastland Port Ltd

Gisborne District Council (GDC) entered into a purchase and sale agreement to exchange lands with Eastland Port Ltd (EPL) on 16 December 2002. Final settlement occurred in April 2013. One of the conditions of the agreement provides EPL with the right to require GDC to repurchase land sold under the agreement for \$1.2m (plus GST) if EPL is unable to obtain resource consents up to 3 years after final settlement.

Defined Benefit Scheme

Council is a participating employer in the Defined Benefit Scheme (DBP) contributors scheme ("the scheme"), which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the scheme, Council could be responsible for the entire deficit of the scheme.

Similarly, if a number of employers ceased to participate in the scheme, Council could be responsible for an increased share of the deficit. The actuary of the scheme has recommended that the employer contributions are suspended with effect from 1 April 2011. In the latest report, the actuary recommended employer contributions remain suspended.

New Zealand Emissions Trading Scheme Obligations

The Group has a contingent liability in respect of both its pre-1990 and post-1989 forests which are part of the New Zealand Emissions Trading Scheme.

Should the Group deforest all of its pre-1990 forests, it would have a liability under the ETS to surrender New Zealand emissions units of approximately \$0.287 million determined at 30 June 2013 (2012 : \$1.072m).

Should the Group experience a decrease in total carbon stocks for all of its post-1989 forests, whether due to events such as harvest or forest fire, it would have a liability under the ETS to surrender New Zealand emissions units of approximately \$0.366 million determined at 30 June 2013 (2012 : \$1.041m). The amount and timing of any liability is uncertain and is dependent on the occurrence of the circumstances described above and the price of emissions units at the time of deforestation.

New Zealand Local Government Funding Agency

Gisborne District 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 and it has a current credit rating from Standard and Poor's of AA+.

Gisborne District Council is one of 30 local authority shareholders and 8 local authority guarantors of the NZLGFA. [In that regard it has uncalled capital of \$0.1m]. 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, Gisborne District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2013, NZLGFA had borrowings totalling \$2,497m (2012: \$840m).

Financial reporting standards require Gisborne District Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Earthquake Prone Buildings

Refer to Note 24 for details on earthquake prone buildings.

Note 33 : Related Party Transactions

All the above services were provided on normal terms and conditions of trade. Figures for services provided are shown exclusive of GST. Balance sheet items are GST inclusive. All balances have been eliminated on consolidation.

Relationship With Gisborne Holdings Ltd

Gisborne Holdings Ltd (GHL) is 100% owned by Gisborne District Council (GDC). The Gisborne District Council is, through GHL, a 100% shareholder in Tauwhareparae Farms Ltd.

The investment by GHL in subsidiaries comprises a 100% interest in Tauwhareparae Forests Ltd and a 100% interest in Tauwhareparae Farms Ltd. Tauwhareparae Forests Ltd is a non-trading entity. Tauwhareparae Farms Ltd is involved in the ownership and operation of farming activities.

All subsidiaries have a 30 June balance date.

Transactions with GHL	2012 \$000s	2013 \$000s
Services Provided by Council	93	105
Accounts Receivable to Council	2	2
Accounts Payable by Council	0	0
Services Provided to Council	0	0

All the above services were provided on normal terms and conditions of trade. Figures for services provided are shown exclusive of GST. Balance sheet items are GST inclusive. All balances have been eliminated on consolidation.

Key Management Personnel Compensation

Key Management Personnel Compensation

	2012 \$000s	2013 \$000s
Salaries and Other Short Term Employee Benefits	1,556	1,509

Key management personnel include the Mayor, Councillors, Chief Executive and other Senior Management personnel.

34: Remuneration and Severance Payments

During the year to 30 June 2013 the total remuneration received by or payable to the Mayor, other Councillors and Chief Executive of the Council were as follows:

	Total Remuneration	
	2012	2013
M Foon, Mayor	\$110,219	\$114,405
N Aston, Deputy Mayor	\$34,467	\$34,655
JC Bauld	\$34,968	\$32,479
WS Burdett	\$39,540	\$39,069
M Caddie	\$29,769	\$30,050
A Cranston	\$34,358	\$34,561
A Davidson	\$37,597	\$35,976
R Haisman	\$31,315	\$29,284
A Hall	\$28,734	\$28,891
P Murphy	\$33,804	\$32,834
P Seymour	\$41,623	\$38,310
R Stoltz	\$30,690	\$29,913
P Tangaere	\$32,749	\$32,443
G Thomson	\$29,608	\$41,184
B Wilson	\$34,449	\$34,655
LR McKenzie, Chief Executive, resigned 30/04/2012	\$207,121	\$0
JE Campbell, Chief Executive appointed 03/05/2012	\$42,670	\$249,457

The total remuneration figures also include for the Mayor and Chief Executive the value of non-financial benefits. This includes mileage and other travel reimbursements which can be significant for Councillors not residing in Gisborne.

Salary Bands	Number of Employees	
	2012	2013
\$120,000 - \$260,000	6	7
\$100,000 - \$120,000	9	9
\$ 80,000 - \$100,000	18	25
\$ 60,000 - \$ 80,000	54	50
Less than \$ 60,000	220	232
	307	323
	2012	2013
Full Time Employees	230	201
Full Time Equivalent Employees	33	38

A full time equivalent is defined as an employee working 40 hours per week.

Severance Payments

Twenty two severance payments totalling \$748,149 were made during the 2013 financial year. Three severance payments totalling \$83,332 were made in the 2012 financial year.

35: Events After Balance Sheet

Council reviewed its debt funding strategy in June 2013. This resulted in Council extending the term of bank loan facilities in the 2013/14 year. These new bank arrangements move the debt maturity to within the 3-5 year band and comply with Council's debt facility maturity policy.

There are no other events subsequent to balance date that materially affect these accounts.

Financial Impact Statement

Council

Funding Impact Statement for the Year ended 30 June (whole of Council)	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	18,226	18,420	17,078	19,366
Targeted Rates (other than a targeted rate for water supply)	29,474	29,563	32,688	30,811
Subsidies and grants for operating purposes	8,342	8,898	8,295	9,770
Fees, charges and targeted rates for water supply	10,175	10,293	10,872	10,057
Interest and dividends from investments	629	1,653	855	1,426
Local authorities fuel tax, Infringement Fees and other receipts	968	1,265	1,196	3,227
Total operating funding (A)	67,814	70,092	70,984	74,657
Applications of operating funding				
Payments to staff and suppliers	52,642	54,246	55,366	56,153
Finance costs	3,302	3,660	2,778	1,998
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	55,944	57,906	58,144	58,151
Surplus (deficit) of operating funding (A-B)	11,870	12,186	12,840	16,506
Sources of capital funding				
Subsidies and grants for capital expenditure	9,916	6,575	7,296	5,709
Development and financial contributions	742	1,150	816	349
Increase/(decrease) in debt	509	1,063	2,218	1,388
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	11,167	8,788	10,330	7,446
Applications of capital funding				
Capital expenditure				
- to meet additional demand	991	184	143	1,806
- to improve the level of service	7,462	1,615	3,041	2,787
- to replace existing assets	13,989	15,991	19,025	17,835
Increase/ (decrease) in reserves	595	3,184	961	1,524
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	23,037	20,974	23,170	23,952
Surplus (deficit) of capital funding	(11,870)	(12,186)	(12,840)	(16,506)
Funding balance ((A-B)+(C-D))	0	0	0	0

Commercial Operations

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	(403)	(403)	94	94
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	2,540	2,273	2,469	2,259
Internal charges and overheads recovered	0	1,564	1,853	1,854
Local authorities fuel tax, fines, infringement fees and other receipts	0	(112)	47	867
Total operating funding (A)	2,137	3,322	4,463	5,074
Applications of operating funding				
Payments to staff and suppliers	1,648	1,879	2,416	2,694
Finance costs	83	(57)	134	0
Internal charges and overheads applied	141	3,038	1,241	1,130
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,872	4,860	3,791	3,824
Surplus (deficit) of operating funding (A-B)	265	(1,538)	672	1,250
Sources of capital funding				
Subsidies and grants for capital expenditure	0	180	0	0
Development and financial contributions	0	0	0	30
Increase/(decrease) in debt	(51)	250	(189)	(73)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(51)	430	(189)	(43)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	120	0	11	8
- to replace existing assets	197	587	513	244
Increase/ (decrease) in reserves	(103)	(1,695)	(41)	955
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	214	(1,108)	483	1,207
Surplus (deficit) of capital funding	(265)	1,538	(672)	(1,250)
Funding balance ((A-B)+(C-D))	0	0	0	0

Aquatic & Recreation Facility (Olympic Pool)

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	972	972	1,065	1,065
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	1	0	1	1
Fees, charges and targeted rates for water supply	544	495	570	525
Internal charges and overheads recovered	110	159	328	362
Local authorities fuel tax, fines, infringement fees and other receipts	6	3	4	3
Total operating funding (A)	1,633	1,629	1,968	1,956
Applications of operating funding				
Payments to staff and suppliers	1,105	1,091	1,201	1,092
Finance costs	27	0	27	0
Internal charges and overheads applied	341	330	463	474
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,473	1,421	1,691	1,566
Surplus (deficit) of operating funding (A-B)	160	208	277	390
Sources of capital funding				
Subsidies and grants for capital expenditure	41	23	5	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(17)	(39)	(18)	(20)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	24	(16)	(13)	(20)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	66	40	57	23
Increase/ (decrease) in reserves	118	152	207	347
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	184	192	264	370
Surplus (deficit) of capital funding	(160)	(208)	(277)	(390)
Funding balance ((A-B)+(C-D))	0	0	0	0

Arts & Culture

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	362	1,012	1,103	1,103
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	102	110	112	101
Internal charges and overheads recovered	36	37	63	64
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding (A)	500	1,159	1,278	1,268
Applications of operating funding				
Payments to staff and suppliers	209	881	922	892
Finance costs	19	0	45	0
Internal charges and overheads applied	131	115	154	148
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	359	996	1,121	1,040
Surplus (deficit) of operating funding (A-B)	141	163	157	228
Sources of capital funding				
Subsidies and grants for capital expenditure	2,685	1	440	0
Development and financial contributions	0	0	0	1
Increase/(decrease) in debt	544	72	237	335
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	3,229	73	677	336
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	3,786	0	600	857
- to replace existing assets	0	226	200	132
Increase/ (decrease) in reserves	(416)	10	34	(425)
Increase/ (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	3,370	236	834	564
Surplus (deficit) of capital funding	(141)	(163)	(157)	(228)
Funding balance ((A-B)+(C-D))	0	0	0	0

Community Housing

Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	791	951	875	867
Internal charges and overheads recovered	48	67	69	69
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding (A)	839	1,018	944	936
Applications of operating funding				
Payments to staff and suppliers	314	331	333	288
Finance costs	0	0	0	0
Internal charges and overheads applied	154	159	224	232
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	468	490	557	520
Surplus (deficit) of operating funding (A-B)	371	528	387	416
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	0	0	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	186	237	175	182
Increase/ (decrease) in reserves	185	291	212	234
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	371	528	387	416
Surplus (deficit) of capital funding	(371)	(528)	(387)	(416)
Funding balance ((A-B)+(C-D))	0	0	0	0

Community Planning & Development

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	2,242	1,580	1,622	2,168
Targeted Rates (other than a targeted rate for water supply)	735	746	546	
Subsidies and grants for operating purposes	146	335	124	305
Fees, charges and targeted rates for water supply	1	0	10	0
Internal charges and overheads recovered	125	125	81	88
Local authorities fuel tax, fines, infringement fees and other receipts	1	4	1	(1)
Total operating funding (A)	3,250	2,790	2,384	2,560
Applications of operating funding				
Payments to staff and suppliers	2,784	2,180	1,833	1,772
Finance costs	0	0	1	0
Internal charges and overheads applied	464	458	550	547
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	3,248	2,638	2,384	2,319
Surplus (deficit) of operating funding (A-B)	2	152	0	241
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	25	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	0	25	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	25	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	2	152	0	241
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	2	152	25	241
Surplus (deficit) of capital funding	(2)	(152)	0	(241)
Funding balance ((A-B)+(C-D))	0	0	0	0

HB Williams Memorial Library

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,653	1,653	1,599	1,599
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	110	102	122	95
Internal charges and overheads recovered	194	202	157	159
Local authorities fuel tax, fines, infringement fees and other receipts	0	2	15	4
Total operating funding (A)	1,957	1,959	1,893	1,857
Applications of operating funding				
Payments to staff and suppliers	1,137	1,074	1,181	1,011
Finance costs	0	0	7	0
Internal charges and overheads applied	425	424	398	385
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,562	1,498	1,586	1,396
Surplus (deficit) of operating funding (A-B)	395	461	307	461
Sources of capital funding				
Subsidies and grants for capital expenditure	20	22	20	13
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(6)	24	89	(5)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	14	46	109	8
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	200	7
- to replace existing assets	249	255	193	167
Increase/ (decrease) in reserves	160	252	23	295
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	409	507	416	469
Surplus (deficit) of capital funding	(395)	(461)	(307)	(461)
Funding balance ((A-B)+(C-D))	0	0	0	0

Parks & Open Spaces

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	737	743	1,119	0
Targeted Rates (other than a targeted rate for water supply)	2,852	2,846	3,466	4,586
Subsidies and grants for operating purposes	8	17	8	12
Fees, charges and targeted rates for water supply	312	229	292	259
Internal charges and overheads recovered	286	286	349	349
Local authorities fuel tax, fines, infringement fees and other receipts	30	0	34	1,072
Total operating funding (A)	4,225	4,121	5,268	6,278
Applications of operating funding				
Payments to staff and suppliers	2,995	3,494	3,567	3,554
Finance costs	0	(2)	53	0
Internal charges and overheads applied	907	1,044	1,133	1,198
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	3,902	4,536	4,753	4,752
Surplus (deficit) of operating funding (A-B)	323	(415)	515	1,526
Sources of capital funding				
Subsidies and grants for capital expenditure	39	23	24	0
Development and financial contributions	0	72	0	0
Increase/(decrease) in debt	192	209	115	118
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	231	304	139	118
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	10
- to improve the level of service	278	230	90	42
- to replace existing assets	662	606	667	2,437
Increase/ (decrease) in reserves	(386)	(947)	(103)	(845)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	554	(111)	654	1,644
Surplus (deficit) of capital funding	(323)	415	(515)	(1,526)
Funding balance ((A-B)+(C-D))	0	0	0	0

Animal Control

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates (other than a targeted rate for water supply)	110	110	225	225
Subsidies and grants for operating purposes	50	50	50	50
Fees, charges and targeted rates for water supply	621	567	568	580
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	76	67	79	68
Total operating funding (A)	857	794	922	923
Applications of operating funding				
Payments to staff and suppliers	586	532	575	525
Finance costs	0	0	0	0
Internal charges and overheads applied	236	256	347	355
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	822	788	922	880
Surplus (deficit) of operating funding (A-B)	35	6	0	43
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	0	0	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	35	6	0	43
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	35	6	0	43
Surplus (deficit) of capital funding	(35)	(6)	0	(43)
Funding balance ((A-B)+(C-D))	0	0	0	0

Building Services

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	742	743	0	0
Targeted Rates (other than a targeted rate for water supply)	0	0	800	800
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	939	764	844	722
Internal charges and overheads recovered	11	94	5	100
Local authorities fuel tax, fines, infringement fees and other receipts	0	3	0	8
Total operating funding (A)	1,692	1,604	1,649	1,630
Applications of operating funding				
Payments to staff and suppliers	1,032	1,109	1,017	1,268
Finance costs	0	0	1	0
Internal charges and overheads applied	656	616	628	605
Other operating funding applications				
Total applications of operating funding (B)	1,688	1,725	1,646	1,873
Surplus (deficit) of operating funding (A-B)	4	(121)	3	(243)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	(1)	(1)	(1)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	(1)	(1)	(1)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	4	(122)	2	(244)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	4	(122)	2	(244)
Surplus (deficit) of capital funding	(4)	121	(3)	243
Funding balance ((A-B)+(C-D))	0	0	0	0

Civil Defence & Emergency Management

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	301	300	348	0
Targeted Rates (other than a targeted rate for water supply)	585	586	686	1,034
Subsidies and grants for operating purposes	1	0	1	0
Fees, charges and targeted rates for water supply	82	49	75	67
Internal charges and overheads recovered	8	8	9	9
Local authorities fuel tax, fines, infringement fees and other receipts	9	181	8	10
Total operating funding (A)	986	1,124	1,127	1,120
Applications of operating funding				
Payments to staff and suppliers	664	760	691	573
Finance costs	3	0	3	0
Internal charges and overheads applied	288	278	290	287
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	955	1,038	984	860
Surplus (deficit) of operating funding (A-B)	31	86	143	260
Sources of capital funding				
Subsidies and grants for capital expenditure	0	5	0	11
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	(5)	(3)	1
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	0	(3)	12
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	39	124	5	21
Increase/ (decrease) in reserves	(8)	(38)	135	251
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	31	86	140	272
Surplus (deficit) of capital funding	(31)	(86)	(143)	(260)
Funding balance ((A-B)+(C-D))	0	0	0	0

Environmental Health

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,266	1,266	1,383	1,383
Targeted Rates (other than a targeted rate for water supply)	0	0	50	50
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	260	247	266	239
Internal charges and overheads recovered	1,310	1,310	1,427	1,422
Local authorities fuel tax, fines, infringement fees and other receipts	19	5	8	12
Total operating funding (A)	2,855	2,828	3,134	3,106
Applications of operating funding				
Payments to staff and suppliers	1,203	1,203	1,232	1,166
Finance costs	0	0	0	0
Internal charges and overheads applied	1,639	1,713	1,890	1,908
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,842	2,916	3,122	3,074
Surplus (deficit) of operating funding (A-B)	13	(88)	12	32
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	(2)	(3)	(2)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	(2)	(3)	(2)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	13	(90)	9	30
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	13	(90)	9	30
Surplus (deficit) of capital funding	(13)	88	(12)	(32)
Funding balance ((A-B)+(C-D))	0	0	0	0

Environmental Policy

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	821	0	0
Targeted Rates (other than a targeted rate for water supply)	1,114	1,114	1,216	1,216
Subsidies and grants for operating purposes	0	33	0	38
Fees, charges and targeted rates for water supply	2	154	2	0
Internal charges and overheads recovered	79	79	97	97
Local authorities fuel tax, fines, infringement fees and other receipts	5	68	5	48
Total operating funding (A)	1,200	2,269	1,320	1,399
Applications of operating funding				
Payments to staff and suppliers	884	1,694	965	698
Finance costs	0	0	0	0
Internal charges and overheads applied	316	658	354	366
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,200	2,352	1,319	1,064
Surplus (deficit) of operating funding (A-B)	0	(83)	1	335
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	73	0	0
Increase/(decrease) in debt	0	(1)	0	(1)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	72	0	(1)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	0	(11)	1	334
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	0	(11)	1	334
Surplus (deficit) of capital funding	0	83	(1)	(335)
Funding balance ((A-B)+(C-D))	0	0	0	0

Environmental Services (Conservation)

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates (other than a targeted rate for water supply)	2,708	2,708	2,971	2,971
Subsidies and grants for operating purposes	25	0	0	0
Fees, charges and targeted rates for water supply	234	674	491	336
Internal charges and overheads recovered	2,155	2,149	2,149	2,143
Local authorities fuel tax, fines, infringement fees and other receipts	30	34	41	4
Total operating funding (A)	5,152	5,565	5,652	5,454
Applications of operating funding				
Payments to staff and suppliers	2,846	2,806	3,141	2,592
Finance costs	0	0	0	0
Internal charges and overheads applied	2,320	2,380	2,491	2,520
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	5,166	5,186	5,632	5,112
Surplus (deficit) of operating funding (A-B)	(14)	379	20	342
Sources of capital funding				
Subsidies and grants for capital expenditure	0	6	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	6	0	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	41	45	72	69
Increase/ (decrease) in reserves	(55)	340	(52)	273
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	(14)	385	20	342
Surplus (deficit) of capital funding	14	(379)	(20)	(342)
Funding balance ((A-B)+(C-D))	0	0	0	0

Resource Consents

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	821	0	0	0
Targeted Rates (other than a targeted rate for water supply)	0	0	916	916
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	206	0	266	194
Internal charges and overheads recovered	27	0	37	29
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	1
Total operating funding (A)	1,054	0	1,219	1,140
Applications of operating funding				
Payments to staff and suppliers	729	0	874	702
Finance costs	0	0	0	0
Internal charges and overheads applied	325	0	345	345
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,054	0	1,219	1,047
Surplus (deficit) of operating funding (A-B)	0	0	0	93
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	6
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	0	0	6
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	0	0	0	99
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	0	0	0	99
Surplus (deficit) of capital funding	0	0	0	(93)
Funding balance ((A-B)+(C-D))	0	0	0	0

Governance

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	2,711	2,711	2,471	2,471
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	12	10	12	(2)
Internal charges and overheads recovered	4	4	4	4
Local authorities fuel tax, fines, infringement fees and other receipts	0	1	0	0
Total operating funding (A)	2,727	2,726	2,487	2,473
Applications of operating funding				
Payments to staff and suppliers	1,324	1,207	1,101	870
Finance costs	0	0	0	0
Internal charges and overheads applied	1,371	1,327	1,284	1,266
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,695	2,534	2,385	2,136
Surplus (deficit) of operating funding (A-B)	32	192	102	337
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	0	0	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	32	192	102	337
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	32	192	102	337
Surplus (deficit) of capital funding	(32)	(192)	(102)	(337)
Funding balance ((A-B)+(C-D))	0	0	0	0

Support Services

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	725	982	125	507
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	1,038	2,091	1,006	1,563
Internal charges and overheads recovered	13,640	12,873	13,182	12,871
Local authorities fuel tax, fines, infringement fees and other receipts	207	393	386	357
Total operating funding (A)	15,610	16,339	14,699	15,298
Applications of operating funding				
Payments to staff and suppliers	8,717	5,949	8,218	6,915
Finance costs	218	3,719	(336)	1,998
Internal charges and overheads applied	5,566	4,673	5,960	5,931
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	14,501	14,341	13,842	14,844
Surplus (deficit) of operating funding (A-B)	1,109	1,998	857	454
Sources of capital funding				
Subsidies and grants for capital expenditure	0	51	0	442
Development and financial contributions	742	1,005	816	297
Increase/(decrease) in debt	(278)	317	131	739
Gross proceeds from sale of assets	0	132	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	464	1,505	947	1,478
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	74	0	50	0
- to replace existing assets	617	1,065	411	2,007
Increase/ (decrease) in reserves	882	2,438	1,343	(75)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1,573	3,503	1,804	1,932
Surplus (deficit) of capital funding	(1,109)	(1,998)	(857)	(454)
Funding balance ((A-B)+(C-D))	0	0	0	0

Flood Protection

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	970	967	1,322	0
Targeted Rates (other than a targeted rate for water supply)	1,097	1,100	1,199	2,521
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	153	155	156	213
Internal charges and overheads recovered	68	67	75	72
Local authorities fuel tax, fines, infringement fees and other receipts	10	5	11	4
Total operating funding (A)	2,298	2,294	2,763	2,810
Applications of operating funding				
Payments to staff and suppliers	995	1,429	1,458	1,630
Finance costs	228	0	259	0
Internal charges and overheads applied	931	835	884	873
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,154	2,264	2,601	2,503
Surplus (deficit) of operating funding (A-B)	144	30	162	307
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	330	90	18	189
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	330	90	18	189
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	547	217	200	273
- to replace existing assets	0	0	23	21
Increase/ (decrease) in reserves	(73)	(97)	(43)	202
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	474	120	180	496
Surplus (deficit) of capital funding	(144)	(30)	(162)	(307)
Funding balance ((A-B)+(C-D))	0	0	0	0

Land Transport and Parking

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,213	1,152	1,341	8,976
Targeted Rates (other than a targeted rate for water supply)	7,102	7,163	7,635	0
Subsidies and grants for operating purposes	8,111	8,463	7,911	9,364
Fees, charges and targeted rates for water supply	567	526	918	706
Internal charges and overheads recovered	1,145	1,364	1,340	1,035
Local authorities fuel tax, fines, infringement fees and other receipts	560	573	543	717
Total operating funding (A)	18,698	19,241	19,688	20,798
Applications of operating funding				
Payments to staff and suppliers	12,857	13,797	12,728	14,989
Finance costs	234	0	242	0
Internal charges and overheads applied	1,930	2,441	2,501	2,286
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	15,021	16,238	15,471	17,275
Surplus (deficit) of operating funding (A-B)	3,677	3,003	4,217	3,523
Sources of capital funding				
Subsidies and grants for capital expenditure	6,871	6,264	6,417	5,243
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	109	202	155	88
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	6,980	6,466	6,572	5,331
Applications of capital funding				
Capital expenditure				
- to meet additional demand	284	0	0	770
- to improve the level of service	1,606	0	1,865	1,600
- to replace existing assets	10,154	10,873	9,159	8,139
Increase/ (decrease) in reserves	(1,387)	(1,404)	(235)	(1,655)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	10,657	9,469	10,789	8,854
Surplus (deficit) of capital funding	(3,677)	(3,003)	(4,217)	(3,523)
Funding balance ((A-B)+(C-D))	0	0	0	0

Solid Waste

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	3,656	3,658	2,911	0
Targeted Rates (other than a targeted rate for water supply)	1,491	1,493	1,734	4,649
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	230	136	140	296
Internal charges and overheads recovered	6	108	45	239
Local authorities fuel tax, fines, infringement fees and other receipts	9	12	9	13
Total operating funding (A)	5,392	5,407	4,839	5,197
Applications of operating funding				
Payments to staff and suppliers	4,045	4,085	3,435	3,895
Finance costs	0	0	578	0
Internal charges and overheads applied	728	109	179	271
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	4,773	4,194	4,192	4,166
Surplus (deficit) of operating funding (A-B)	619	1,213	647	1,031
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(180)	(90)	(542)	(411)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(180)	(90)	(542)	(411)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	439	1,123	105	620
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	439	1,123	105	620
Surplus (deficit) of capital funding	(619)	(1,213)	(647)	(1,031)
Funding balance ((A-B)+(C-D))	0	0	0	0

Stormwater

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	227	229	540	0
Targeted Rates (other than a targeted rate for water supply)	2,163	2,161	2,161	2,701
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	(1)	5	2	9
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding (A)	2,389	2,395	2,703	2,710
Applications of operating funding				
Payments to staff and suppliers	1,710	1,469	1,409	1,474
Finance costs	0	0	483	0
Internal charges and overheads applied	(101)	(39)	(23)	(6)
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,609	1,430	1,869	1,468
Surplus (deficit) of operating funding (A-B)	780	965	834	1,242
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	118	77	(432)	(448)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	118	77	(432)	(448)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	318	184	22	102
- to improve the level of service	723	476	0	0
- to replace existing assets	331	330	709	609
Increase/ (decrease) in reserves	(474)	52	(329)	83
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	898	1,042	402	794
Surplus (deficit) of capital funding	(780)	(965)	(834)	(1,242)
Funding balance ((A-B)+(C-D))	0	0	0	0

Wastewater

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	31	32	35	0
Targeted Rates (other than a targeted rate for water supply)	6,738	6,754	6,957	7,014
Subsidies and grants for operating purposes	0	0	200	0
Fees, charges and targeted rates for water supply	392	365	402	308
Internal charges and overheads recovered	(44)	35	29	30
Local authorities fuel tax, fines, infringement fees and other receipts	6	7	5	4
Total operating funding (A)	7,123	7,193	7,628	7,356
Applications of operating funding				
Payments to staff and suppliers	3,050	4,573	3,969	4,574
Finance costs	1,260	0	1,204	0
Internal charges and overheads applied	771	269	271	186
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	5,080	4,842	5,444	4,760
Surplus (deficit) of operating funding (A-B)	2,043	2,351	2,184	2,596
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	15
Increase/(decrease) in debt	(263)	(67)	1,334	(54)
Gross proceeds from sale of assets	0	22	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(263)	(45)	1,334	(39)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	280	0	27	175
- to improve the level of service	27	627	0	0
- to replace existing assets	1,281	1,496	3,958	2,484
Increase/ (decrease) in reserves	192	183	(467)	(102)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1,780	2,306	3,518	2,557
Surplus (deficit) of capital funding	(2,043)	(2,351)	(2,184)	(2,596)
Funding balance ((A-B)+(C-D))	0	0	0	0

Water Supply

Funding Impact Statement for the Year ended 30 June	AP 2011/12 \$000	Actual 2011/12 \$000	TYP 2012/13 \$000	Actual 2012/13 \$000
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	2	0	0
Targeted Rates (other than a targeted rate for water supply)	2,779	2,782	2,126	2,128
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	1,668	2,048	2,131	2,155
Internal charges and overheads recovered	247	357	365	395
Local authorities fuel tax, fines, infringement fees and other receipts	0	18	0	36
Total operating funding (A)	4,694	5,207	4,622	4,714
Applications of operating funding				
Payments to staff and suppliers	2,993	2,801	3,100	2,979
Finance costs	45	0	77	0
Internal charges and overheads applied	(85)	(37)	102	91
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,954	2,764	3,279	3,070
Surplus (deficit) of operating funding (A-B)	1,740	2,443	1,343	1,644
Sources of capital funding				
Subsidies and grants for capital expenditure	260	0	390	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	11	27	1,302	933
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	271	27	1,692	933
Applications of capital funding				
Capital expenditure				
- to meet additional demand	109	0	94	749
- to improve the level of service	301	65	0	0
- to replace existing assets	166	107	2,883	1,300
Increase/ (decrease) in reserves	1,435	2,298	58	528
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	2,011	2,470	3,035	2,577
Surplus (deficit) of capital funding	(1,740)	(2,443)	(1,343)	(1,644)
Funding balance ((A-B)+(C-D))	0	0	0	(0)



SECTION FIVE

Appendices

Our Council - Governance and Structure

Our Role

As one of only five Unitary Authorities, the Gisborne District Council (Council) combines the functions, duties and powers of a territorial council with those of a regional council. In most other parts of the country, the functions of regional councils and territorial councils are split as follows:

Regional Councils

- resource management (quality of water, soil, coastal planning etc)
- biosecurity control of regional plant and animal pests
- river management, flood control and mitigation of erosion
- regional land transport planning and contracting of passenger services
- civil defence (natural disasters, marine oil spills).

Territorial Councils

- community wellbeing and development
- environmental health and safety (including building control, and environmental health matters)
- infrastructure (roading and transport, sewerage, water/stormwater)
- recreation and culture
- resource management including landuse planning and development control.

Our Governance Structure

The elected Council currently consists of the Mayor and 14 Councillors (including the Deputy Mayor). The Councillors cover seven areas of the district (referred to as wards). These are Waikohu, Taruheru-Pātūtahi, Cook, Gisborne, Ūawa, Waiapu and Matakaoa. While the Councillors have been elected from their respective wards, they have an obligation and a duty to represent the interests of the district as a whole.

Council's Governance Structure will change following the election on 12 October. Late 2012, the Local Government Commission decided to change the makeup of Council so that the number of people that each Councillor represents is more evenly spread. Voting this year will be for a Mayor and 13 Councillors who will represent Gisborne City ward and four rural wards instead of the current six rural wards. The number of rural Councillors will also be reduced from six to four and the number of City Councillors will be increased by one to nine.

Information about the election, including the revised boundaries can be found on our website.

The Council is elected every three years and is responsible for setting the overall direction of the district and the

budget through Ten Year Plans and Annual Plans, setting policies, setting and reviewing bylaws, monitoring Council's performance, adopting a Code of Conduct for elected members, employing the Chief Executive, and adopting (or otherwise) reports as required under various legislation.

Councillors also have a key role in engaging with their local communities, advocating on behalf of others and raising any issues that need to be addressed.

Our Committees

Elected Councils can create subordinate decision making structures such as committees. Committees can be established or disestablished by way of a resolution of Council. Council has nine committees. These are:

- Finance and Monitoring Committee
- Operations Committee
- Environment and Policy Committee
- Community Development Committee
- Civil Defence and Emergency Management Committee
- Regional Land Transport Committee
- Wastewater Management Committee
- Hearings Committee
- Efficiency Review Committee.

Our Organisational Structure

The elected Council has one employee, namely Judy Campbell, our Chief Executive. She is responsible for implementing and managing Council's policies and objectives within the budgetary constraints established by Council. The Chief Executive is supported by four Senior Managers whose departments reflect the range of activities that Council undertakes in order to contribute to the social, cultural, environmental and economic outcomes of our communities.

The Council has four departments that sit under the Chief Executive. These are, Community Planning and Development, Finance and Information, Engineering and Works, and Environment and Policy. Each department is responsible for supporting the Chief Executive to implement Council decisions and policies and provide sound advice to the elected members through the Chief Executive and Senior Managers. The position of Chief Finance and Information Officer is currently vacant.

Schedule of Councillors & Schedule of Agents

Schedule of Councillors

GISBORNE  Mayor Meng Foon p: 867 1870 m: 027 44 84 084 f: 867 9265	GISBORNE  Cr Manu S Caddie p: 868 6889 m: 027 420 2957	GISBORNE  Cr Brian I Wilson p: 868 8118(H) 867 4672(W) m: 027 237 8080 f: 867 4675	WAIKOHU  Cr Pamela R Murphy p: 863 5822 m: 027 287 4339 f: 863 5844
GISBORNE  Deputy Mayor Nona Aston (Mrs) p: 868 9842 f: 868 9879	GISBORNE  Cr Alan G Davidson p: 867 9474 f: 867 9473	UAWA  Cr Patricia A Seymour (Pat) OBE p 862 2697 m: 0274 725 997 f: 862 2703	MATAKAOA  Cr Patrick R Tangaere p: 864 3900 (H) 864 3850 (W) f: 864 3046
GISBORNE  Cr John (Craig) Bauld p: 862 9550 f: 862 9551	GISBORNE  Cr Allan J Hall p: 868 6269(H) 867 1339 (W) m: 027 656 3519	WAIAPU  Cr William S Burdett (Bill) p: 06 864 8966(H) 864 8341 (W) f: 06 864 8967	COOK  Cr Graeme S Thomson P: 862 8737 f: 862 8197
GISBORNE  Cr Andy W Cranston p: 868 1160 m: 027 27 33 192 f: 868 1161	GISBORNE  Cr Rehette Stoltz p: 868 5382 m: 021 279 7948 f: 868 5382	PATUTAHU - TARUHERU  Cr Roger J Haisman p: 867 0922 m: 027 332 8601 f: 867 0918	

Schedule of Senior Management

				
CHIEF EXECUTIVE	DEPUTY CHIEF EXECUTIVE and ENGINEERING and WORKS GROUP MANAGER	ENVIRONMENT and POLICY GROUP MANAGER	COMMUNITY PLANNING and DEVELOPMENT GROUP MANAGER	HUMAN RESOURCES DIRECTOR
Judy Campbell BA, PAD, MA (Applied)	Peter Higgs BE (Civil), FIPENZ, CPEng, Dip. Bus. Mgt.	Hans van Kregten BA (Geography), MTP - Urban and Regional Planning MNZPI	Nedine Thatcher Swann MBA, MA, BA(Ed).	Lyn Hura BBus, Dip Sports Massage

Schedule of Agents

BANKERS	SOLICITORS	INSURANCE CONSULTANTS	AUDITORS
Westpac Banking Corporation 101 Gladstone Road Gisborne ANZ National Bank Ltd Cnr Karamu Road & Heretaunga Street Hastings BNZ 125 Queen Street PO Box 2139 Auckland 1140	Nolans PO Box 1141 Gisborne	Aon New Zealand 16th Floor AMP Centre 29 Customs Street West PO Box 1184 Auckland 1010	Ernst & Young PO Box 490 Wellington (on behalf of the Auditor General)

Freshwater Management Plan Update

Reporting on the Progressive Implementation Programme for the Gisborne District

In May 2011, the Government introduced the National Policy Statement for Freshwater Management (the Policy Statement). The Policy Statement directs managers of freshwater to manage water in an integrated and sustainable way, while providing for economic growth within set water quantity and quality limits. The setting of limits is fundamental to achieving good environmental outcomes.

On 25 October 2012 the Gisborne District Council adopted the "Progressive Implementation Programme for the Gisborne District" 'PIP', in accordance with Policy E1 of the Policy Statement. The programme outlines the key activities that the Council will undertake to fully implement the Policy Statement by 2030.

This year staff carried out extensive research and development of the Freshwater Management Plan in collaboration with the Fresh Water Advisory Group. Progress on the Freshwater Management Plan so far has followed the PIP, including background research to support the Plan development; further development and refinement of district wide freshwater objectives and staged implementation of water measuring requirements (to give effect to the Measurement and Reporting of Water Takes Regulations). Specific work has also been progressed in relation to the development of a draft Greater Waipaoa Management Plan. A key foundation for this work has been input by the Freshwater Advisory Group.

We are now heading into a new phase of water plan development. This will be the "nuts and bolts" of the plan and includes the development of objectives, policies and rules as well as a management plan for the Waipaoa/Taruhuru catchments. The catchment management plans will include allocation limits and water quality standards as well as any specific matters relating to each catchment. This work will come together over the next twelve months.

Water quality, river flow and groundwater data is currently being compiled and analysed. Setting limits within catchments is very dependent on understanding the current state of the environment as well as continued monitoring to assess whether the limits are being met.

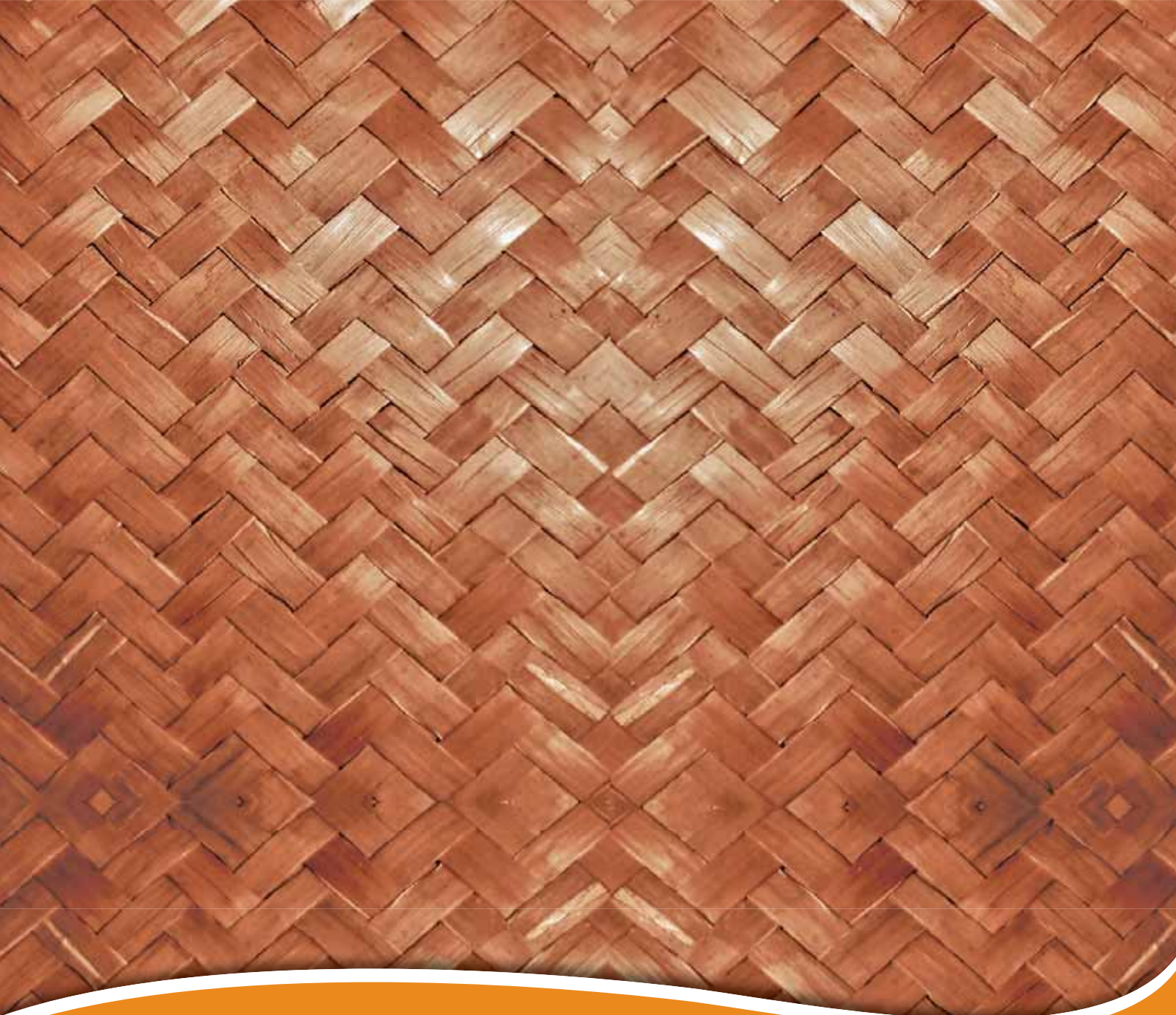
The current intention is to have a draft Greater Waipaoa Management Plan for public consultation purposes in 2013 with refinement and formal public notification of the Plan being in part dependent on Central Government progress and direction in regard to implementing the "Freshwater Reform 2013 and Beyond" proposed changes to the Resource Management Act. These include the development of a number of central government initiatives which have required a reprioritisation of actions taking into consideration the central government work programmes so as to ensure the best utilisation of Council resources. This is likely to result in some changes to the Progressive Implementation Programme (PIP) in the future. For example central government is working on a National Objectives Framework which may result in a need to realign our work direction and/or priorities.

Progressive Implementation Programme Update – September 2013

Activity	Status	Progress	Relevant NPS Objective
Research to support freshwater plan development	Completed within timeframe	<p>Reports</p> <p>1. Gisborne district water resources under climate change (June 2012)</p> <p><i>Prepared by Daniel Collins (NIWA)</i> Review the existing knowledge of freshwater changes under climate change and to extend this knowledge to include changes in average seasonal river flow and annual low flows</p> <p>2. Groundwater in the Poverty Bay Flats (July 2012)</p> <p><i>Prepared by P.A White, M Moreau-Fournier, C Tschitter, (GNS), P Murphy (Gisborne District Council)</i> This report outlines information about aquifers in the Poverty bay flats.</p> <p>3. Review of "Groundwater in the Poverty Bay Flats" (October 2012)</p> <p><i>Prepared by Aqualinc</i></p>	

Activity	Status	Progress	Relevant NPS Objective
		<p>This report was prepared for Horticulture New Zealand and is a review of the report prepared by GNS on "Groundwater in the Poverty Bay Flats"</p> <p>4. Strategic water study for the Gisborne District (March 2013)</p> <p><i>Prepared by Aqualinc</i></p> <p>Strategic water study to help understand water issues in relation to water supply and demand across the District.</p>	
	In progress	<p>Projects</p> <p>Envirolink has funded a project looking at barriers to fish passage across the Gisborne District. This project is being led by the Tairāwhiti Environment Centre and will help inform the freshwater plan.</p>	
	Ongoing	<p>Data Collection</p> <p>Targeted data collection relating to water quality, river flow and groundwater data is ongoing and will help set defensible limits.</p>	
Identification of freshwater outcomes for the Gisborne District	Completed within timeframe	The freshwater vision and outcome statements have been reviewed and further amended based on comments by "FWAG" members. A set of draft outcome statements and vision were presented at the June 2013 'FWAG' meeting. These were agreed to and will be a part of the material for consultation and feedback in November 2013.	<p>Objectives</p> <p>A1, A2, B1, B2, B3, B4, C1, D1</p>
Facilitation of Freshwater Advisory Group 'FWAG'	Ongoing	The 'FWAG' continue to provide input into freshwater policy development. The 'FWAG' was established to mirror LAWF recommendations encouraging collaborative processes for local decision making. The 'FWAG' has been meeting regularly over the last six months and will continue to meet on a monthly basis over the course of the 2013-2014 work programme. The group is making a significant commitment and contribution to the freshwater plan development.	<p>Objectives</p> <p>A1, A2, B1, B2, B3, B4, C1, D1</p>
Freshwater policy development	In progress	<p>Draft objectives and policies have been presented to the FWAG on:</p> <ul style="list-style-type: none"> • Allocation; • River and Lake Beds; • Damming and Diversion; and • Discharges. <p>These policies are being refined and will be included as part of the consultation in November.</p>	<p>Objectives</p> <p>A1, A2, B1, B2, B3, B4, C1, D1</p>
Identification of outstanding water bodies in the Gisborne District	In progress	Preliminary desktop review and scoping of information regarding evaluation methodology has occurred. An assessment guideline "Riverscape and Flow" developed by Boffa Miskall has been presented to the FWAG as a potential methodology.	<p>Objective</p> <p>A2</p>

Activity	Status	Progress	Relevant NPS Objective
Public consultation and feedback	Not started	<p>Public consultation and feedback is proposed for November 2013. This will involve a series of meetings.</p> <p>This will inform the limit setting process and development of rules. This will not be a formal RMA consultation process. That will occur when the overall plan is in final draft form.</p>	
Identification and analysis of freshwater values for the Waipaoa catchment	In progress	<p>The values work has evolved alongside the regional water planning process and is focused around two goals:</p> <ul style="list-style-type: none"> • develop a clear methodology for collecting and analysing values information; and • build a standalone values document that acts as a repository for values information, feeds into and informs the Water Plan itself. <p>Most of the values information has now been collected and analysed for the Waipaoa Catchment. Feedback will be invited during the public consultation round in November.</p>	Objectives A1, A2



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