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TAIRĀWHITI FIRST!

2015/16 ANNUAL REPORT

TE RIPOATA A TAU

Adopted by Council on 29 September 2016





**Tairāwhiti First!
Tairāwhiti Tangata
Tairāwhiti Taonga
Tairāwhiti Wawata**

First to see the light
First choice for people and lifestyles
First choice for enterprise
and innovation
First place for the environment,
culture and heritage.

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This Annual Report tells the story of our performance over the last financial year from 1 July 2015 to 30 June 2016. It's 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 context for where we need to head in the future. The report is divided into the following sections:

- **Our year** (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 highlights the unique nature of Gisborne district and tells you about Council's strategic direction.
- **Our activities** - this section highlights each of Council's activities, their performance and how much we spent on the activities.
- **Our finances** - this section provides you with all the financial statements and accompanying notes that provide more detail.

Understanding planning and reporting cycles

The following is an overview of our planning and reporting framework and how it all fits together with the Annual Report.

Long Term Plan

The Long Term Plan - (LTP) is a strategic planning document. It 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 LTP and review it every three years to make sure we are accountable. This Annual Report covers Year One of the 2015-2025 Long Term Plan: Tairāwhiti First!

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 LTP but also highlights any projected change or variance from the LTP.

The first year of a LTP does not require a separate Annual Plan but the second and third years must have an Annual Plan. Recent changes to the Local Government Act mean that councils are no longer required to formally consult on the Annual Plan, unless a material or significant change to the LTP is proposed.

Annual Report

Every year we are required to produce an Annual Report which reports against our Annual and Long Term Plans (in this case Year One of the 2015-2025 Long Term 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:





TŌ TĀTOU TAU

OUR **YEAR**



Our Year

Tairāwhiti tēnā koutou

Ngā mihi nui ki a koutou katoa.

In the last year Council has been busy delivering the plans and projects the community agreed in the 2015-2025 Long Term Plan.

We've progressed major community projects, with plans for a larger and more modern library completed and construction about to get underway. Significant transformations have been accomplished on Titirangi, including our community helping to re-plant 80,000 native trees and shrubs.

Feasibility work went into plans for achieving an iconic navigations heritage trail around the city rivers and harbour. The Eastland Community Trust reconfirmed the value of the project, committing \$3.4m in funding towards the story interpretations and a bridge.

Upgrades to streets and connections in the Te Karaka township have been finished, enhancing the vibrancy of the town centre for the community and visitors.

We've forged ahead with innovative projects and partnerships to protect and enhance our environment. Consents for the Managed Aquifer Recharge trial have been notified, and if granted tests for replenishing the aquifer will get underway in 2017. We are also trialling a man-made wetland for secondary treatment of our wastewater as an alternative to pumping treated water into the bay.

Agreeing to an historic partnership with Te Runanganui o Ngati Porou by developing the country's first ever Joint Management Agreement for the Waiapu catchment is a significant step to acknowledging mana whenua and managing land and water better into the future.

Producing a plan for managing our freshwater resources was a milestone achievement, suggesting limits for water quality and quantity. Hearings for the draft plan are underway. We have been working with local communities on targeted projects to improve freshwater quality and ecology in valuable waterways like the Te Arai with great success.

Staff and our contractors have also worked towards delivering improvements on pipes and essential infrastructure. We have developed a plan to address the problem of stormwater draining into the wastewater system from private homes which is a key cause of wastewater discharges into rivers during heavy rain events.

Staff were moved from our earthquake-prone offices to make way for a new safe and efficient administration building. Following consultation, we transferred our municipal buildings, Holiday Park and Vehicle Testing Station to our subsidiary Gisborne Holdings Ltd (GHL) as part of a strategy to earn more money from our commercial assets and lessen our dependence on ratepayer funds.

We've done all this, and maintained our commitment to low rates increases, of an average of 2% or less. We spent within 5% of our targeted budget for 2015/16 and stayed under the \$38m external debt level set in our Long Term Plan.

We are proud of what we've accomplished in 2015/16 and invite you to read more about the achievements in this report.

**Na Mayor Meng Foon and
Chief Executive Judy Campbell**



Our Major Projects



WETLANDS WELL UNDERWAY

A trial for further treatment of our wastewater was initiated

The eyes of many are firmly fixed on the findings of our very own wetlands trial being conducted at the Banks Street Wastewater Treatment Plant. The working scale model of a wetland used to further treat wastewater after passing through our treatment plant was constructed last year and trial applications of wastewater have been underway since February. The trial has been developed with significant input from iwi and the Wastewater Management committee. Gisborne is the first city in New Zealand to trial this particular method of wastewater treatment, which has the potential to re-purpose treated wastewater as forest irrigation or restoring wetlands habitats. The full picture won't be known until September.

The findings of these tests, if successful, will determine what size and composition of wetland would be needed to treat the volume of our wastewater. Options will be publicly consulted and Council will then make a decision on whether to investigate viable locations.



NAVIGATING HARBOUR HISTORY

Telling stories and history for our navigations heritage trail around the Turanganui River and upgrading the inner harbour

The stories of the great navigators and voyagers who braved vast distances to arrive in Tairāwhiti will soon have a chance to be celebrated through historical interpretations along our waterfronts and on top of Titirangi. The Navigations Project will also look at constructing a bridge from the Waikanae Stream to the port's slipway. The Eastland Community Trust reconfirmed the value of the project and have committed \$3.4m in funding towards the story interpretations and a bridge, while the Eastland Group will still provide \$1.6m to turn the Slipway into an attractive open space.

The inner harbour will be going through a transformation into a space that will ease parking congestion and is friendly for walkers, cyclists and history enthusiasts. The project will carry on from the Turanganui Riverfront, with historic interpretations along a refreshed waterfront esplanade. Key features include additional parking for boat trailers, and improved vegetation and walkways. We've been working on design in collaboration with stakeholders in the harbour area. Once detailed designs are confirmed later this year construction is set to begin in 2017.



REGENERATION ON TITIRANGI

Revitalising the maunga with our community

Restoration work on Titirangi has been one of our most successful and talked about programmes of the last 12 months. The plan to repopulate Titirangi with native bush and wildlife has been steadily shifting up a gear since the harvesting of non-native pine trees last year. The plantation area was replanted in over 80,000 native trees and shrubs. Community and school planting days have hosted more than a thousand people complete with free sausage sizzles, to get the job done.

Notable achievements have also included the drafting of a co-management agreement with local iwi, Ngati Oneone, and the new Reserve Management Plan which underwent consultation in June. New steps and drainage infrastructure were added to the popular fitness track located along the port side of the maunga. Removal of more weeds, exotic trees and more planting has continued to keep us busy all over the reserve.



LIBRARY SET TO START

Funding, designs and construction ready to go

Bookworms and other avid readers can start the count down. Further funding for a \$5.5m, 948m² library extension and earthquake strengthening was secured over the last year from generous community donors. Designs for the new extension have been complete and tenders for the construction contract have been received. Council are working through the final details before giving the green light to the successful construction company to begin work. The extension will boast new shared work spaces, multimedia rooms and quiet study areas.



TE KARAKA LOOKING TU MEKE

The upgrade to the town streetscape is finished and looking awesome

Te Karaka Township's makeover project is finished. Check out the new footpaths, kerb and channel, street trees, landscaping and entranceways. Creating appealing arrival areas into the township and an attractive central hub were concepts supported by the community. Upgraded paths and traffic safety measures were also important to connect residential areas to the school and make the area a more walk/cycle - friendly place to be. The Whatatutu area was spruced up at the same time with roadside planting and road improvements. Just over \$500k was spent. Moving along with upgrades to a new township each year, planning with the Tokomaru community is well underway to get started in the next year. Matawai and Tolaga Bay were completed recently and following our east/west rotation, Manutuke and Muriwai are scheduled for 2017.



AQUIFER TRIAL DEVELOPED

Declining water levels in the aquifer could impact our economy

With funding from Ministry of Primary Industries and Eastland Community Trust we completed an extensive investigation into the aquifer and the potential to develop a Managed Aquifer Recharge (MAR). The trial will determine if it's possible to inject surplus water during winter from another source into the aquifer to replenish it, with minimal impact to the environment. Sources of trial water were investigated and thoroughly canvassed with the local community and stakeholders. A proposal to use water from the Waipaoa River via Kaiaponi Farms' filtration system, was the preferred option. Resource consents were submitted and notified for formal public consultation in June. Hearings will be later in the year and if granted, initial tests will get underway in 2017.



STOPPING WASTEWATER OVERFLOWS

We've been working to find solutions to wastewater overflows

Repairs to Council's wastewater pipes continue as part of a \$25m programme to reduce rain water from getting into the network and causing overflows. Trenchless renewal technology has been used to restore ageing pipes in the CBD without the need to dig up roads or delay traffic. Major upgrades to replace the 100 year old sewer mains in the Crawford Road catchment were finished using a rarely used 'pipe bursting' technique. Trenching and one lane of traffic was closed off from March to June to complete the job. Upgrades to stormwater drains in Turenne Street had a focus on

reducing flooding in people's back yards and stopping rain water from flowing into the wastewater system.

We have also been developing a draft plan for the Wastewater Discharges Reduction Project. The plan outlines how we can reduce the public health, environmental, cultural impacts and frequency of wastewater flowing into rivers and onto private property. The reduction of stormwater ponding on private property and addressing the entry of stormwater into the wastewater network on private property is a fundamental component of the plan.

Comprehensive inspections of private property throughout the Kaiti area are now underway. We will extend inspections to other areas as the project progresses. All private property connected to the wastewater system in Gisborne city is planned to be inspected within the next 10 years.



PLANNING FOR FLOOD PROTECTION

Expanding the stopbanks will protect assets and land on the Poverty Bay Flats from a bola-sized flood

The Waipaoa Flood Protection Scheme will see reinforcements made to over 60km of stop banks along the Waipaoa River and several tributaries. It's a long stretch of river and a lot of stop banks, so there's a lot of planning involved and management of resource consents. A team to manage the project has been assembled to get started on this. We've been developing a strategy to engage landowners along the river, as the work will involve crossing properties and purchasing strips of land in some places. This is a long-term project, constructed in sections during summer months, so could take up to 7 years to complete.

Our District Highlights

CARING FOR OUR ENVIRONMENT

Developed a plan for freshwater

The culmination of several years' work, the draft Freshwater Plan for the Gisborne Region was notified last October. We worked closely with iwi, growers, landowners and users to develop the draft plan. During the formal consultation period we received over 40 submissions and 1000 decision points that will be reviewed in hearings later this year. Water quality and quantity rules are in effect and projects to improve water quality in the Waipaoa Catchment Plan are underway.

Looked at life in Motu

During a fish and ecosystem survey of the Motu River this year, we mapped habitats during the summer months so we can work out a minimum flow requirement for the river. The research will help inform the development of the Motu Catchment Plan that will have an aim of preserving the aquatic flora and fauna.



Getting quality solutions at Rere

Farmers at Rere are working together with Council and Beef and Lamb NZ to improve water quality at the rockslide and falls. The Ministry for the Environment has also contributed funding for E.coli reduction research with a number of farmers volunteering to be case studies. Farm plans and mitigations like fencing are underway.

Prep for Taruheru restoration

Staff from our water and coastal resources team have been kayaking and walking the length of the Taruheru River as part of preliminary research for the Taruheru River Restoration Project.

Encouraging inanga growth

With funding from Ministry for the Environment we've started a research project for mapping spawning habitats for inanga (whitebait) and looking for ways to promote more spawning and more fish numbers. We've worked with landowners and iwi to put in protections like fencing and we trialled artificial habitats. Within a week the artificial hatcheries (made of coconut fibre) were laden with fish eggs.

Habitat enhancement in Te Arai

Removing barriers to fish passage has been a focus of an enhancement project in the Te Arai River in collaboration with Rongowhakaata. Baffles and mussel ropes installed on Pykes Weir have helped to break up the flow that will allow fish to swim down and climb upstream. 14 fords along the river were retrofitted too and should see an increase number of fish, as well as other taonga species like long-finned tuna (eel).



Alfred Cox Park and Waikanae Stream improvements

Phoenix Palms were removed to make way for over 2000 native streamside grasses and shrubs. Planted with the help of the local community, the re-vegetation is a part of an ongoing project for improving the water quality of the stream, alongside an upgrade to the park landscape.

KEEPING YOU SAFE AND CONNECTED

Water for Whatatutu

An application for upgrading the water supply at Whatatutu successfully received funding from the Ministry of Health. The new system is being constructed off site and will be installed this year, which means high standard drinking water will be available to homes soon.

Draining rain in Townships

We've replaced old stormwater pipes in Matawai Township, near Matawai School, with new ones to increase the capacity of the system.



Waipaoa Roundabout upgrade

The Waipaoa roundabout has been upgraded to improve safety. This included resurfacing of the approach ramps, installing guard rails, drainage work and replacing the handrails on the bridge. New landscaping of the roundabout centre island will complete the upgrade.



New road contracts

Maintenance of state highways and local roads under the new Network Outcomes Contracts has allowed for savings to be made in the budget and more money spent on fixing roads. There was an initial decline to service as the new contracts were entered into, but this should now be caught up. Response times to service requests and better customer service will be the focus for the coming year.

Upgrades to LED lights

Savings in energy costs are being achieved with the upgrade to LED street lights completed over the past year in twelve townships including: Matawai, Motu, Muriwai, Ormond, Whatatutu, Waihirere, Patutahi, Tokomaru Bay, Te Puia, Ruatoria, Te Araroa and Tikitiki.

Safe school cycle routes

Building on the Kaiti to Wainui cycleway, progress was made in the planning and design stages on the best routes to connect to the city along Wainui and Rutene Roads and links across main roads to local schools. Options to take the Taruheru cycleway via Aberdeen Road or along the river banks are still being investigated.

Tokomaru Bay seawall complete

Completed in-between high tides, repairs made have increased the life of the seawall significantly and eliminated the safety hazards from the tomo holes (sink holes) that were opening up as a result of erosion.

Hazards mapped

Research has been completed on the threat of hazards like tsunami, coastal erosion and liquefaction in our region. The mapping will allow Council to better plan for disasters and risks associated with property and land developments.

New for Civil Defence

A new name, new vehicle and new Facebook page were amongst the achievements of Tairāwhiti Civil Defence Emergency Management. We developed the five year group plan for the region that'll guide how we'll prepare for and respond in an emergency. An example of such an initiative is the development of an early warning flood system for properties on the Taruheru and Waimata Rivers, installed and tested with residents earlier this year.

IMPROVING OUR COMMUNITY FACILITIES



Better sports grounds

New irrigation management for sports grounds was implemented this season. The effects of catered watering solutions have seen improvements to the turf surface of fields like Childers Road Reserve. The construction of a

new skin softball diamond at Waikirikiri Park opened in April, was a hit with the players and local community.

Town clock spruced up

Repainting of the Robinson Memorial Town Clock, completed in April, had the community buzzing with comments about the colour and design. As a Category B heritage building in our District Plan, the style of architecture of the time was reflected in the colour scheme chosen.



Oneroa cycleway opened

We were excited to unveil this awesome cycleway on 1 August 2015, adding to our walking and cycling network. Built by the community, and containing uniquely cultural design elements that tell the story of the area, it's a beach-front attraction used by many people every day.

New play space at Botanicals

Hundreds turned out to get a first go on the new playground complete with flying fox, when it opened in December 2015. With the blessing of kaumatua and thanks to support from Dot McCullough, Tina Dyer of Playscape and local contractors, our awesome new playground will be a destination for families to head to all year round.

Preserving Wyllie Cottage

Conserving the character of Wyllie Cottage got underway when exhibits were moved out in November last year. Repairs and refurbishment are bringing the cottage back to a more original state with more authentic fixtures and colour schemes being reinstated.

Transferred assets

In two phases Council agreed to transfer our municipal buildings at Fitzherbert Street, Te Puia, Dunstan Road and Banks Street and our holiday park and testing station to our 100% owned trading company Gisborne Holdings Ltd. The move is aimed at improving efficiencies in the businesses and returns, as well as funding the Fitzherbert rebuild with no impact on rates.

WORKING WITH OUR COMMUNITY

Joint Management Agreement signed

The JMA was signed at Tikapa Marae on 7 November 2015. The agreement is a first for New Zealand and allows Te Runanganui o Ngati Porou to jointly share the decision-making powers over land and resource consents in the Waiapu Catchment. Nga mihi nui ki nga uri o Porourangi kia mahi tahi tataua mo te oranga o te katoa.



Building Bikes in Schools

The first Bikes in Schools pilot programme was opened at Kaiti School on 19 February. The school received 50 bikes and helmets, as well as a 480-metre riding track, a pump track and a skills track. The programme has been met with great success from the school, teachers and families. The principal and programme leaders are already seeing large improvements to health, confidence in riding on the road and more kids cycling to school and being active.

Papawhāriki initiated

A business case was completed for the Papawhāriki sport and community complex initiative. It's a project that has seen a great amount of support from the community and Council agreed to put \$1m in funding towards it in the next Long Term Plan.

Food Act changes

We're making progress transitioning businesses under the new Food Act, helping businesses to get registered and giving guidance on and verifying food safety practises.

Council moved

Council's customer service centre has been temporarily relocated to Gladstone Road while re-construction of an earthquake-strengthened, more energy efficient building at Fitzherbert Street is due to get underway in the coming year. Customer services will be located at 39 Gladstone Road and staff at various other locations for the next 18 months. We are looking forward to being under one roof again, being separated over 5 different locations is not as efficient or effective for business.

One Plan

We are combining Council's existing seven resource management documents into one unitary plan covering both regional and district functions. Merging the plans will make it easier for plan users, reduce the complexity of plan rules, duplication and improving consistency in the way provisions are written and applied. Changes to rules in our Regional and District plans were approved and an overhaul will be rolled out to combine our plans into one and get rid of silly rules.

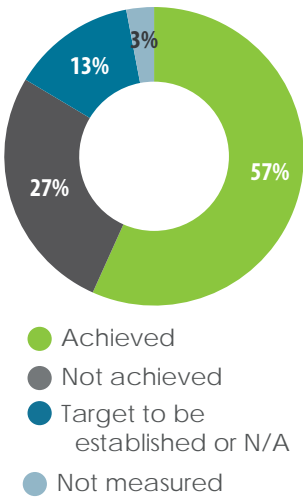
Our Performance

How did Council do this year?

Council uses a number of methods to measure and monitor the quality and effectiveness of the services we provide. These help us to ensure we are delivering what we said we would and that we improve performance where it's required. Each activity has performance measures with targets that they aim to achieve. These measures and targets were reviewed and updated as part of the 2015-2025 LTP.

The graph below shows how well Council met its performance targets during 2015/16. This is Year 1 of the LTP, so it is the first year we are reporting results for our new performance measures. Many of the new measures did not have targets set in the LTP. These will be established based on this year's results. Details of all the measures and targets are included in Our Activities (Page 29).

Achieving our Performance Targets



Performance highlights	Areas for improvement
<ul style="list-style-type: none">Advice to Council - An external audit of staff reports to Council was completed by NZIER. They reviewed 10 reports from a sample of 16. Based on their criteria, 80% of the reports tested were adequate or above (a score of more than 7/10). Our overall score was 7.5 which puts us amongst the best in Local Government based on NZIER benchmarking.Animal control - The percentage of residents satisfied with Council's efforts in controlling dogs and stock has increased from 49% last year to 54% this year, meeting our target of 50%.Emergency management - 96% of residents say they are 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 (target 80%).Enforcement - We completed 100% of monitoring for district consents when they were due. This is well above our target of 60-70%.Olympic pool - 91% of users and 81% of all residents are satisfied with the pool service, achieving both these performance measures.Resource consents - 94% of resource consent applications were processed within statutory timeframes. Although this is below the target of 95%, it is a significant improvement on 2014/15 results (89%). District consents completed 100% within statutory timeframes. Regional consents achieved 91%, but were impacted by the October to December 2015 period which saw a 100% increase in application numbers on other quarters.Solid Waste - 88% of residents are satisfied with kerbside rubbish bag and recycling collections, easily meeting our target of 80%.Theatres - The newly refurbished War Memorial Theatre was booked for 92 days this year, significantly above our target of 78 days.Utilities - Teams achieved all the new mandatory measures that were introduced this year (apart from water supply where upgrades are being undertaken in Te Karaka and Whatatutu).	<ul style="list-style-type: none">Customer service - 85% of customers were satisfied with the helpfulness of staff, below the target of 90%. However, overall satisfaction with how enquiries are handled was relatively high and was most influenced by the outcome and by the efficiency of the process.Decision-making - only 42% of residents are satisfied with the way Council involves the public in the decisions it makes, well below the target of 60%. Council has recently established a new position in Council - Customer Engagement Manager. This role will lead on seeking new and innovative ways to engage with our communities in decision making.Environmental Services - We prepared 11 Farm Environment Plans this year, but did not meet our target of 20. We didn't start developing Farm Environment Plans until the Freshwater Plan was notified (October 2015) so this delayed the implementation of the measure.Governance - the percentage of residents who rate the performance of the Mayor and Councillors as good decreased from 58% to 56% this year (target 60%). Staff will ensure elected members are better supported to make high quality decisions for Tairāwhiti.Parks and community property - Only 75% of our playgrounds meet relevant New Zealand safety standards. This is a large improvement from last year (58%), but we are still aiming for 100%. We are implementing an assets renewal programme which will see the level of compliance increase over time.Strategic engagement - Council has set ambitious targets for iwi entity satisfaction with how Council engages with them. We are currently at 67% satisfaction (target of 90%). Our work programmes over the next 12 months reflect the need to invest more resources into this area. We are developing a Māori Responsiveness Strategy to improve engagement, we will continue to resource new relationship agreements with iwi and Māori entities and we will ensure our staff have the capability to engage effectively with Māori.

Resident Satisfaction Survey

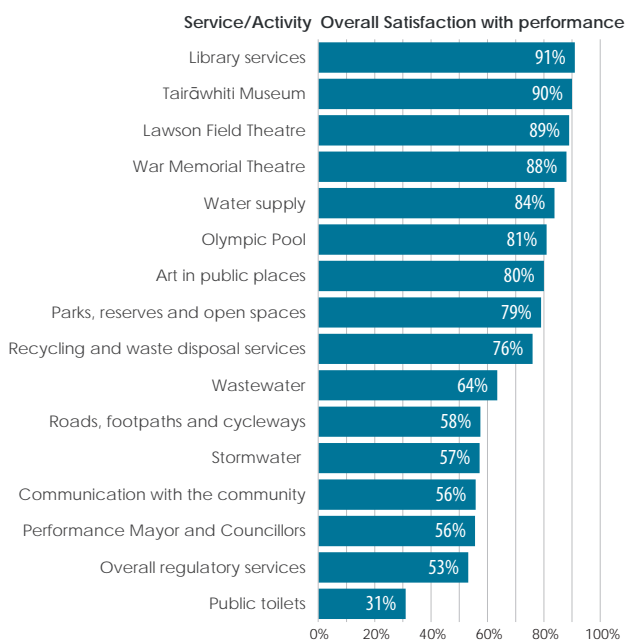
Ensuring you are satisfied with the services and facilities we provide is a priority for Council. We undertake independent resident satisfaction surveys every year to find out how well the community thinks we are doing.

The 2015/16 Resident Satisfaction Survey was a 30 minute phone survey of 401 residents across the region. As part of the move to continuous surveying, 203 responses were collected in February-March and 207 responses in April-May 2016.

Respondents were asked to rate their satisfaction with Council's activities, facilities and performance. The survey is designed to be fully representative of the district's wards as well as gender, age and ethnicity of its citizens.

We changed the survey this year to give us a wider review of residents' perceptions of council including reputation and value for money. The structure was also designed to help identify opportunities for improvement and how these should be prioritised. A consequence of the new survey is that results may not be directly comparable with previous years'.

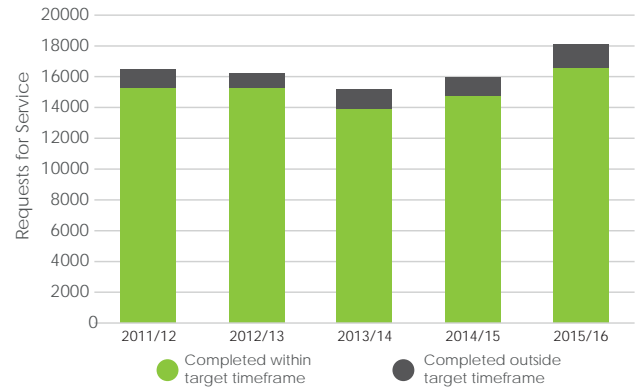
Resident Satisfaction Survey



Requests for Service

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 completed a total of 18,083 requests this year, up from 14,780 last year. Of these, 92% were completed within target timeframes.

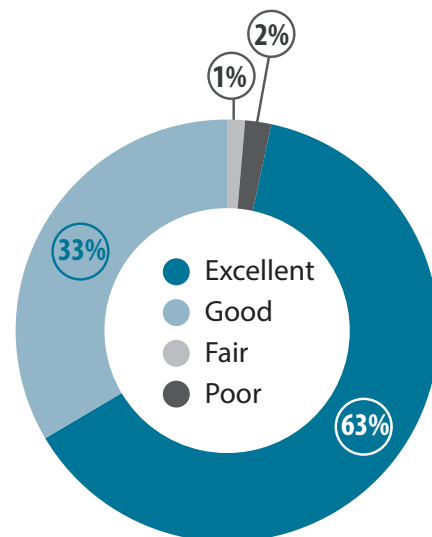
Request for Services completed within timeframes



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 97% rating the quality of service received as either 'good' or 'excellent'.

The following graph shows how customers rated the service provided through the RfS system.

Request for Service Customer Satisfaction



Note: figures have been rounded and may not add up to 100%.



Finances at a Glance

This section provides an overview of the Council's financial results for the 2015/16 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 (Page 76).

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 comply 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 Tier 1 PBE Standards and other applicable Financial Reporting Standards, as appropriate for public benefit entities. These requirements prescribe the way we recognise and disclose all financial transactions in our financial accounts.

Financial position overview

Council continues to be in a strong financial position with relatively low debt at \$32m (\$6m less than budget). The debt has remained relatively static since 2014/15. Forecast debt levels are expected to increase over the next 2-3 years as Council completes a number of major projects. The Council's capital expenditure for the year was \$22m; this is \$11.1m less than the budget of \$33.1m.

Financial performance overview

The Council has made a deficit of \$2.9m⁽¹⁾.

	Budget 2015/16 \$000s	Actual 2015/16 \$000s	Variance Favourable/ (Adverse) \$000s
Revenue from Rates	54,793	54,196	(597)
Revenue from Grants and Subsidies	20,150	15,261	(4,889)
Revenue from Operating Activities	12,613	11,919	(694)
Other Gains/(Losses)	12	318	306
Total Operating Income	87,568	81,694	(5,874)
Employee Benefit Expenses	17,857	19,157	(1,300)
Depreciation and Amortisation	20,394	20,049	345
Operating Activities	43,509	43,689	(180)
Finance Costs	2,085	2,731	(646)
Total Operating Expenditure	83,845	85,626	(1,781)
Net surplus/(deficit) before taxation	3,723	(3,932)	(7,655)
Subvention Income	0	1,021	1,021
Income Tax Expense (Benefit)	0	0	0
Net Surplus/(Deficit) after Tax	3,723	(2,911)	(6,634)

¹ Understanding the Council's reported accounting surplus for the year ended 30 June 2016 - Council's net surplus is calculated using the following formula: **Total income - Total expenses = Net Surplus**

Council has an unfavourable variance of \$6.6m (before taxation) when comparing the budgeted surplus of \$3.7m to the actual deficit of \$2.9m. This was due to a decrease in income from grants and subsidies as a result of the delay in the navigations project and roading works, along with an increase in employee benefits which relates to bringing environmental services inhouse along with the transfer of employees for the Holiday Park and Gisborne Vehicle Testing Station to Gisborne Holdings Ltd. There was also unfavourable movement in the fair value of interest rate swaps along with a provision increase of \$2.5m for various legal matters. This was offset by a decrease in expenditure in operating activities relating to special projects and operating costs. More detailed analysis of all Council's activities are included in the "Our Activities" section of this report.

Significant changes in revenue/expenditure compared to the 2015/16 Budget

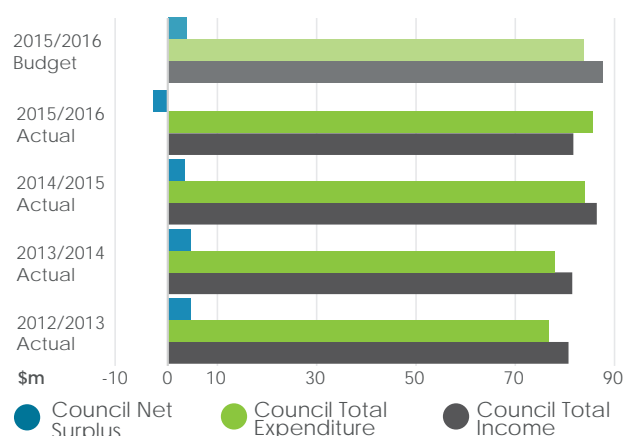
	\$000s
Subvention Income from GHL (unbudgeted)	1,021
Increase in gains	306
Lower than budgeted depreciation and amortisation	345
Total Positive Variances	1,672
Less	
Lower revenue from grants and subsidies	(4,889)
Higher than budgeted employee benefit expenses	(1,300)
Lower revenue from operating activities	(694)
Higher than budgeted finance costs	(646)
Lower than budgeted income from rates	(597)
Lower than budgeted operating activities	(180)
Total Negative Variances	(8,306)
Total Factors contribution to the underlying variance	(6,634)

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 being received as grants/subsidies.

Council's budget and actual net surplus for 2013 - 2016 is shown below. In most years Council will achieve a small surplus, usually the result of income received for capital projects.

The total income for 2015/16 has decreased \$4.7m from the 2014/15 year. Grants and rates income have both decreased over the 2015/16 year income.

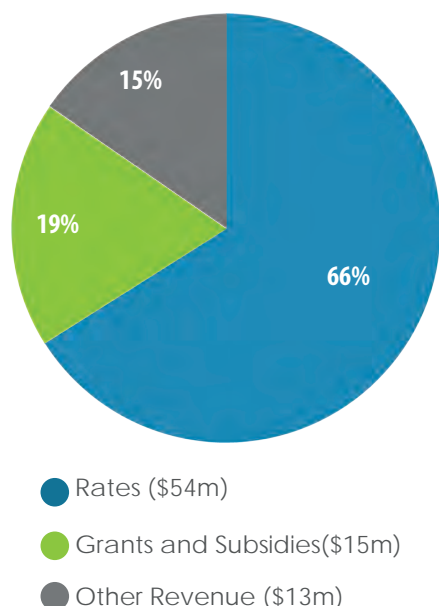
Total Net Surplus 2013-2016



Council income

In 2015/16 the Council received income of \$82m compared to a budget of \$88m.

Council 2015/16 Income \$82m



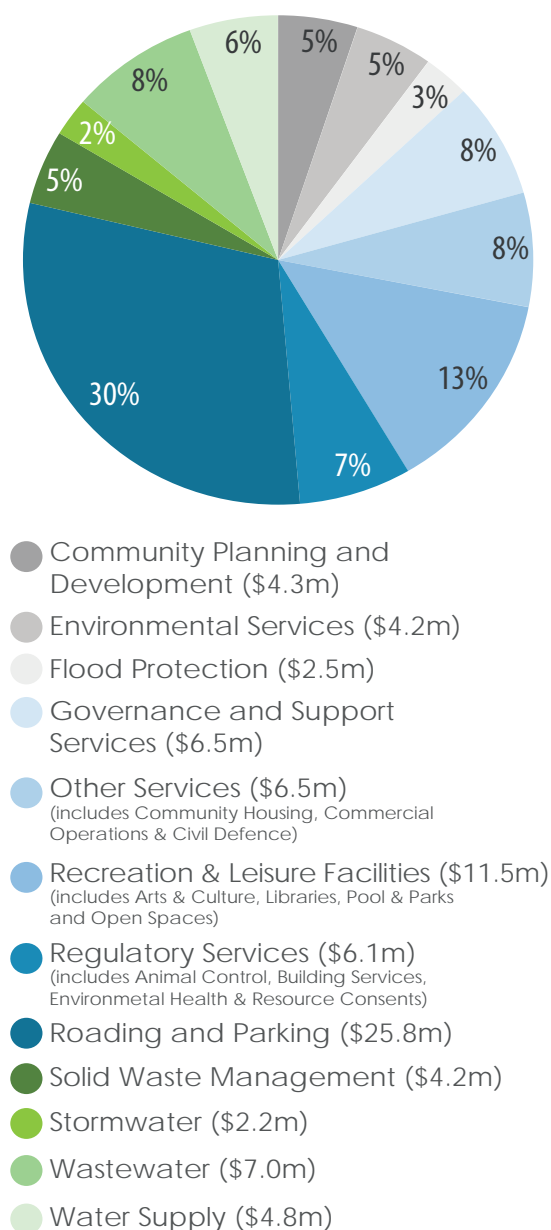
Council mainly collects income through rates, this is 66% of total income. There have been no major changes to Council's sources of income recently, therefore the graph above is representative of the Council's funding source over a range of years. Council's financial strategy has a key direction to increase other income (not from rates). In pursuing this key direction Council has reviewed the ownership structures of Council's investments and commercial operations and during the year has transferred various assets to Gisborne Holdings Ltd.

It is expected that Gisborne Holdings Ltd will increase income generated from these assets in the long term to benefit Council, the community and rate payers.

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.

Council 2015/16 Expenditure \$86m



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.

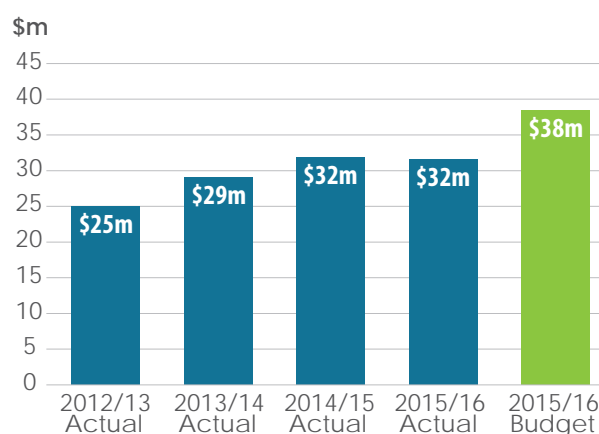
As shown by the above pie graph, the roading, wastewater, stormwater, solid waste and water supply made up 51% of total operating expenditure of the Council. The total cost of these services was \$44m.

The Council has \$1.9b 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 2015/16 depreciation and amortisation charges totalled \$20.0m; this is 23% of our total costs. Repairs and maintenance costs were \$9.7m; this is 11% of our total costs.

Council debt

Council continues to be in a strong financial position with relatively low debt at \$32m; this is \$6m less than the LTP budget of \$38m. Forecast debt levels are expected to increase over the next few years as Council completes a number of major projects.

Council Debt

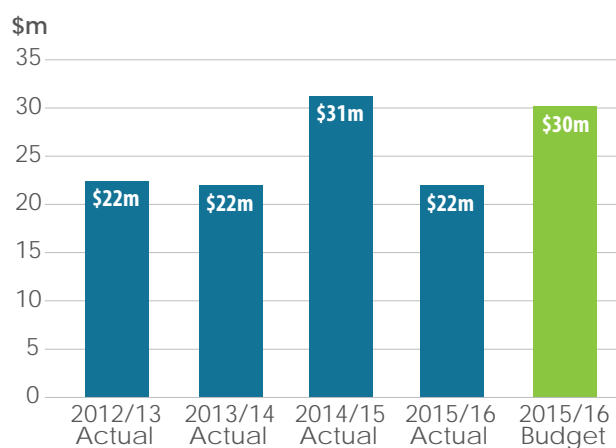


Council capital expenditure

During the year the Oneroa walkway was built, significant work was completed on Titirangi with forestry harvesting, weed and tree removal and replanting of 80,000 trees. ECT funding was regained for Tairāwhiti Navigations and planning for that project including the Inner Harbour progressed, the HB Williams Memorial Library extension, Lawson Field Theatre upgrade, the Waipaoa Flood Control improvements, and the Wetlands pilot all progressed. The major capital projects planned for the

next two years include the completion of the HB Williams Memorial Library extension, beginning construction on the Waipaoa Flood Control improvements, construction on the Tairāwhiti Navigations and Inner Harbour project and planning and potentially construction on the new cycle and walkways.

Council Capital Projects 2013-2016



Council's five year financial performance summary

	2012	2013	2014	2015	2016
Public Debt (\$'000)	30,850	25,016	29,032	31,830	31,615
Net Surplus/(Deficit)	3,580	4,648	4,620	3,463	(2,911)
Net debt as a % of equity <10%	1.68%	1.34%	1.51%	1.65%	1.63%
Net interest as a % of income <10%	2.82%	2.24%	2.46%	1.98%	2.21%
Total debt per capita <\$1700	\$694	\$563	\$665	\$729	\$724
Working Capital (excluding current portion of public debt)	(942)	(5,230)	(262)	(5,070)	(9,188)



Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE READERS OF GISBORNE DISTRICT COUNCIL AND GROUP'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

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

- audit the information included in the District Council and group's annual report that we are required to audit under the Local Government Act 2002 (the audited information);.
- report on whether the District Council and group has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

Opinion on the audited information

In our opinion:

- the financial statements on pages 78 to 123:
 - present fairly, in all material respects:
 - the District Council and group's financial position as at 30 June 2016;
 - the results of their operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on Page 126, presents fairly, in all material respects, 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 and group's Long-term plan;
- the statement of service provision of each group of activities of the District Council on Page 31 to Page 74:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2016, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on Page 31 to Page 74, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council and group's Long-term plan;
- the funding impact statement for each group of activities on Page 126 to Page 136, presents fairly, in all material respects, 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 and group's Long-term plan;

Compliance with requirements

The District Council and group has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on Page 123 to Page 125 which are required by the Local Government (Financial Reporting and Prudence Regulations 2014) which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and group's audited information.

Our audit was completed on 29 September 2016. 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 audited information. 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 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 the disclosures in the information we audited;
- determining the appropriateness of the reported statement of service provision within the District 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 District Council and group complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

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

Responsibilities of the Council

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

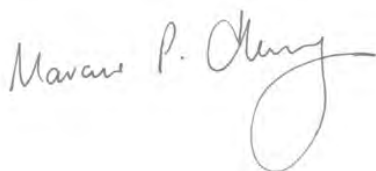
The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out our 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 in our capacity as auditor, auditor of the Council's Long Term Plan and the provision of other assurance services we have no relationship with, or interest in, the Council or any of its subsidiaries.



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

TŌ TĀTOU ROHE ME TE ANGA WHAKAMUA

OUR **DISTRICT**
OUR **DIRECTION**



Our District

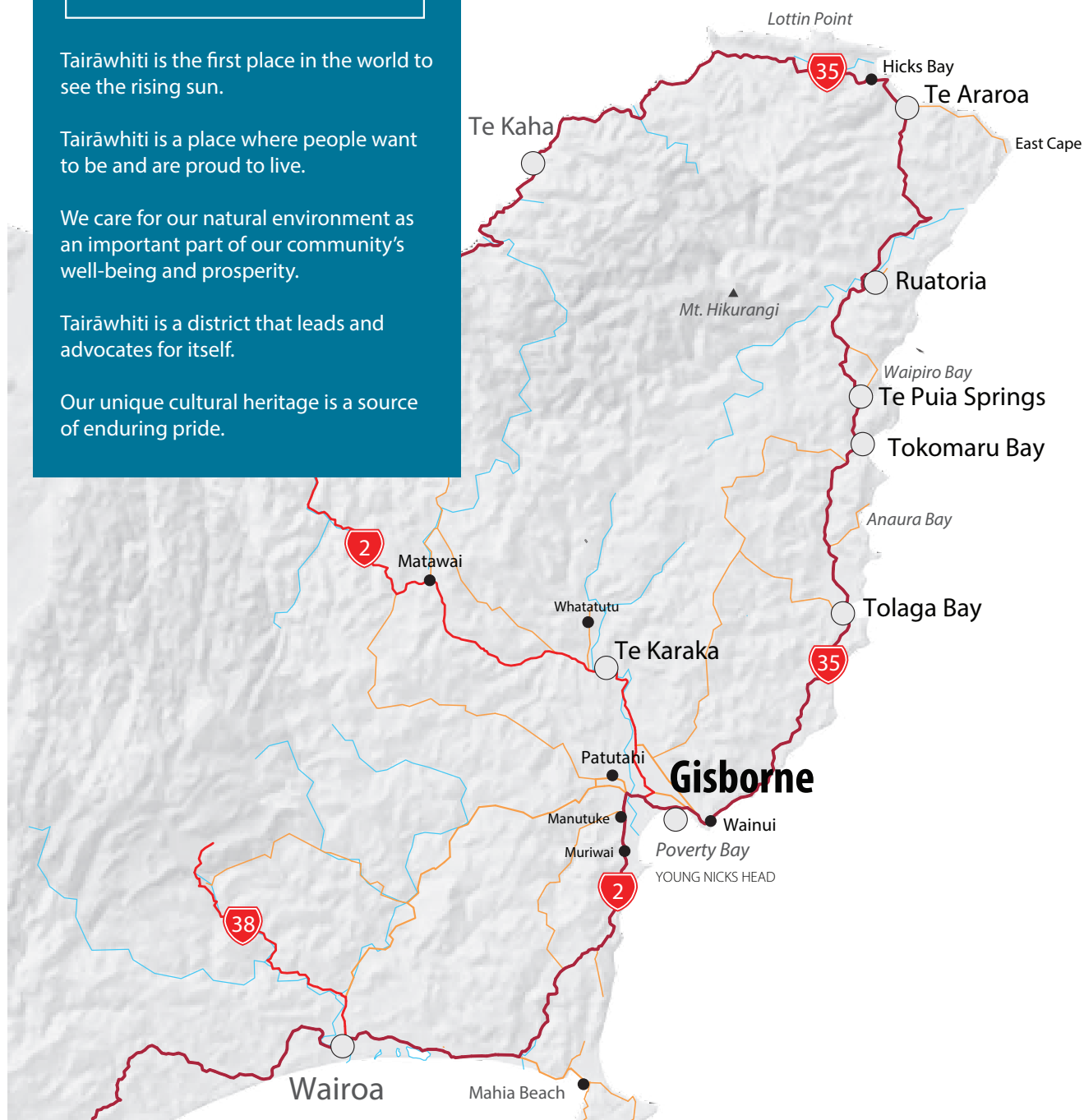
Tairāwhiti is the first place in the world to see the rising sun.

Tairāwhiti is a place where people want to be and are proud to live.

We care for our natural environment as an important part of our community's well-being and prosperity.

Tairāwhiti is a district that leads and advocates for itself.

Our unique cultural heritage is a source of enduring pride.



We are a region of firsts locally, nationally and globally.

Our people make Tairāwhiti the place it is. We are diverse and we come from all walks of life. As the site of the first meeting between Māori and European, our district is rich in history. Almost 50 percent of our population is Māori. We value our communities, our social networks and our natural environment. We have the ability and creativity to succeed locally and on the global stage.

Tairāwhiti Tangata (Our People)

Population

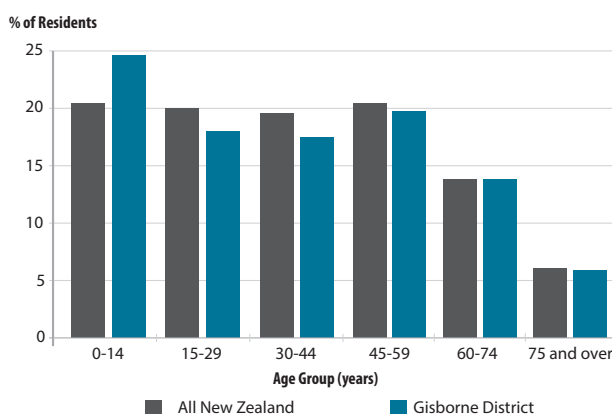
At the 2013 Census, Gisborne district was home to around 43,653 people with the majority (approximately 75%) living in Gisborne city and the remainder (approximately 25%) living in Gisborne's rural areas.

Almost one-half of the district's population is Māori. This is more than three times the national proportion. From the southern boundary of the district, the iwi of Te Tairāwhiti are Ngāi Tāmanuhiri, Rongowhakaata, Te Aitanga-ā-Māhaki, and Ngāti Porou.

Ngāti Porou is the most numerous iwi affiliation among Gisborne Māori, with just over 12,000 people in the district identifying with that iwi. Pacific peoples make up 4% of the local population and 2% identified as Asian in the 2013 Census. In 2013, around 6,240 Gisborne district residents reported being able to hold a conversation in te reo Māori (almost 16% of the district's population – four times the national percentage).

Gisborne's population has a higher-than-average proportion of children under 15 years old (24.6%) when compared to national figures (20.4%). The proportion of people aged over 65 years of age in the district is similar to the national average figures (14% and 14.3% respectively). Comparative district/national age group figures are illustrated in the table below.

Age Group 2013
All of New Zealand and Gisborne District



The latest population projections from Statistics New Zealand forecasts a population of 47,000 in the Gisborne district in 2021, falling to 45,900 by 2031. Projections for the Gisborne population are key for planning ahead, especially for our infrastructure requirements.

Tairāwhiti Taonga (Our environment, culture and economy)

Our Environment

Gisborne is blessed with many natural assets, which are key to our community's prosperity and wellbeing. Our extensive coastline and hill country, fertile soils, abundant freshwater resources and warm climate provide the prerequisites for the ultimate work/life balance.

Gisborne residents enjoy many outdoor activities because of the distinctive features of the district including our coastal environment and open spaces.

Our Culture

The way we interact with each other and the world is shaped by our bi-cultural heritage, landscape, location and way of life. We are committed to preserving and growing the unique attributes of the people of Tairāwhiti.

Our arts, heritage, language achievements and celebrations are locally, nationally and internationally renowned.

The city's facilities include an excellent library and theatres that stage some 40 plus performances every year. The Tairāwhiti Museum and Art Gallery has a reputation as one of the most innovative regional museums in New Zealand.

Our diverse culture is reflected through our people and in the way we do things in Tairāwhiti.

Our Economy

There are more than 4,800 businesses located in the Gisborne district.

Agriculture, forestry and fishing industries employ the most people in the district. Tourism has been targeted as an industry of high growth potential. The horticulture and wine industries continue to thrive.

Efficient and frequent transport services, by air and road, link Gisborne with the larger population areas of Auckland and Wellington. Besides the major city links, 1,896 kilometres of roading across our region allows access to some of the most remote areas of New Zealand.

Eastland Port has achieved strong growth. There is a modern fleet of cargo-handling equipment, a bulk handling installation, and cold storage facilities at the export wharf.

Gisborne Airport transports between 130,000 and 135,000 passengers annually between Gisborne, Auckland, Wellington and other North Island destinations. The airport is owned by Council and operated by the Eastland Group by lease arrangement.

Gisborne is served by a high-capacity network of electric power lines and substations covering the entire region. Virtually the whole of the urban area, including the industrial estate, is reticulated with natural gas.

Ultra-fast broadband technology has been installed in Gisborne and around the East Cape with a priority on schools, health facilities and businesses. This will support high speed data services in the region. As finalists in the national Gigatown 2014 competition, Gisborne communities have set a solid foundation to unlock the benefits of ultra-fast broadband.

Tairāwhiti Wawata (Our aspirations realised)

Council sees Gisborne as a district that leads and advocates for itself. Council wants to ensure that all citizens are actively involved in community life and participate in democratic processes despite our diversity. We want effective, open and responsive governance. We operate efficiently and provide exceptional service. We are innovative thinkers and are considered leaders in local government.

We aspire to great things for our district and its people.

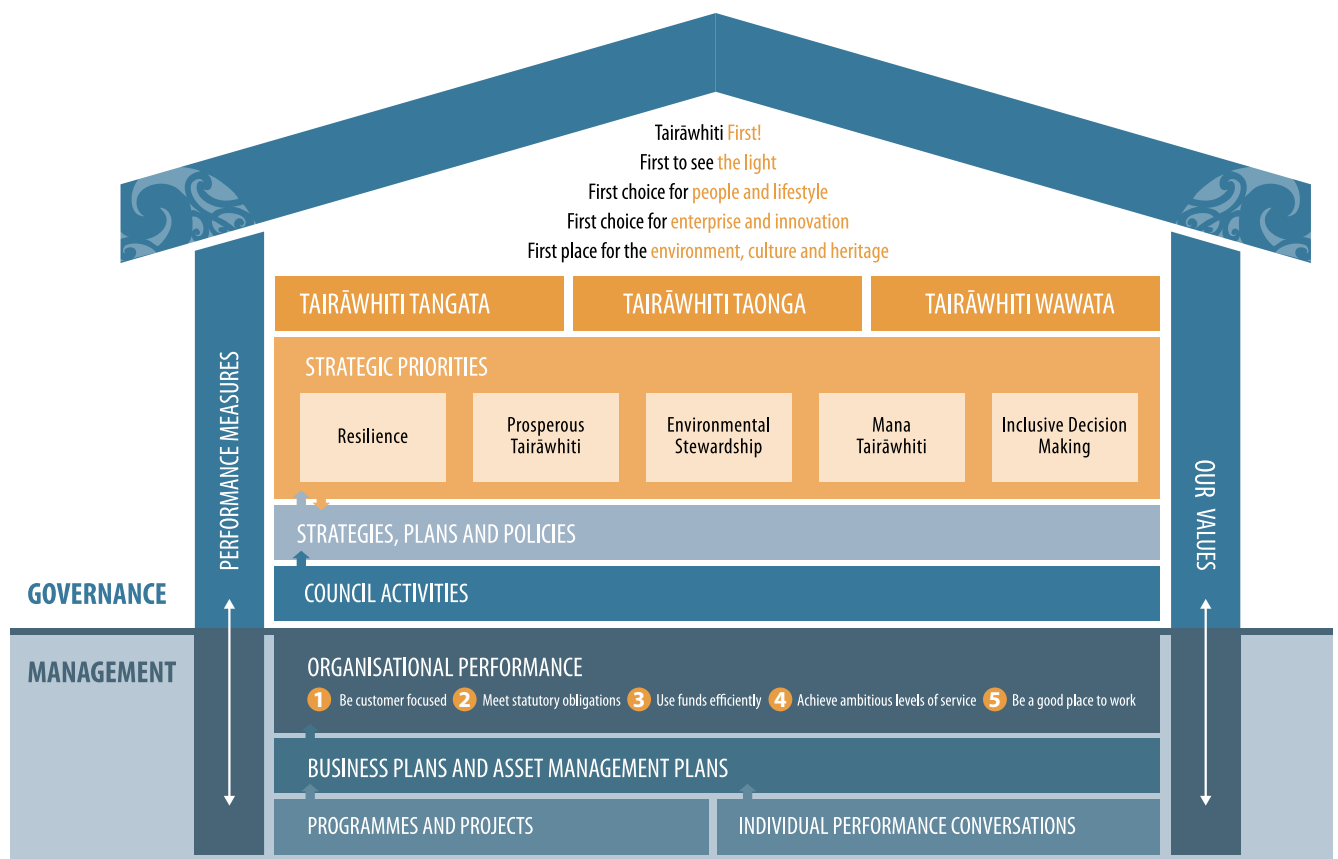


Our Strategic Direction

Strategic framework

Council's strategic framework features the components that inspires and directs our work and how we do things.

Council is also focused on strong management and excellent organisational performance to deliver its strategic priorities and community outcomes. This is included in the framework highlighting its importance to our success.



Vision and Values

In 2014 Council refreshed its vision and values to better reflect what we value and aspire to achieve. Our vision and values reflect a fresh approach to the way we work.

Tairāwhiti First!

First to see the light

First choice for people and lifestyle

First choice for enterprise and innovation

First place for the environment, culture and heritage

Tairāwhiti is a region of firsts. We are the first city in the world to see the rising sun, the first landing place of early navigators from Kiwa to Cook.

Our vision is for Tairāwhiti to be a place where people want to be and are proud to live. A place that is home to productive and innovative businesses. A place where we care for our environment as an integral part of our lifestyle. A place rich in history, that celebrates and keeps alive its culture and traditions.

Our values guide how we will work together to achieve our vision.

Community Outcomes

Our three *Community Outcomes* reflect our vision. They also keep us focused on what is important.

- **Tairāwhiti Tangata (our people)**

Gisborne's greatest asset is its people. We are a cohesive, connected, culturally rich and creative community.

- **Tairāwhiti Taonga (our environment, culture and economy)**

Our rich coastline, fertile soils, warm climate and abundant freshwater are key to our community's well-being and prosperity. We celebrate our dual heritage and collaborate for a healthy future.

- **Tairāwhiti Wawata (our aspirations realised)**

Gisborne is a district where we achieve our aspirations. We are a district that leads and advocates for itself. Citizens are actively involved in community life and Council engages the community in its decision making.

Strategic Priorities

Council has developed strategic priorities aligned to our vision and community outcomes. These sharpen our focus to where we can be most effective.

1. **Resilience** – the ability to prepare for and bounce back from adversity
2. **Prosperous Tairāwhiti** – fostering economic growth and community well-being
3. **Environmental Stewardship** – caring for our natural resources
4. **Mana Tairāwhiti** – enhancing and enjoying our unique region
5. **Inclusive decision-making** – involve and engage people in decision-making processes

Our strategy sets out the overall approach for how we're going to fund the activities and services Council provides. The overarching aim of our Financial Strategy is to be financially sustainable.

Financial Strategy Key Directions

1. Minimise and smooth rates increases

Total rates increases will be no more than 2% overall for the first three years of the LTP and no higher than 3% until 2025. Rates will make up less than 70% of Council's total income.

How are we doing?

Council has met its Financial Strategy by keeping rates increases at 2% overall for the first three years. Total rates which includes water by meter rates is less than 67%.

2. Minimise debt levels

External debt will be kept below \$55m and total debt will be kept below \$80m.

How are we doing?

Council has relatively low external debt at \$32m (\$6m less than budget). The debt has remained relatively static since 2014/15. Forecast debt levels are expected to increase over the next 2-3 years as Council completes a number of major projects. External debt will be kept in the low to medium band of \$18m to \$55m as set out in the LTP. Council has operated within its fiscal envelope.

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

We will maintain our philosophy of targeting those that benefit from or exacerbate activities. But we will also consider increasing the use of district-wide funding to spread the cost of infrastructure for small communities.

How we are doing?

Council reviews its fees and charges every year. Every 2-3 years we also review our rating policies. These are the Revenue and Financing Policy and the various remissions policies.

4. Increase other income (not from rates)

Such as government and grant funding, applying for subsidies and increasing earnings and dividends from our commercial investments.

How are we doing?

We have set ambitious targets for our commercial operations to increase non rate-payer revenue. Council maintains a number of investments in Council Controlled Trading Organisations. Its largest is Gisborne Holdings Limited (GHL). Phased transfers of our commercial assets to GHL are underway as part of a strategy to maximise their commercial opportunities. Council owns 100% of GHL and any profits are returned to Council by way of dividends.

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

We're working smarter with your money. We'll deliver the essential services and activities to standards that meet your needs and we're investing in technology to work more efficiently.

How are we doing?

Our 30 year infrastructure strategy outlines what the demand on our roads, pipes and services could be so we can continue to provide these at appropriate levels. We are also working on using smart technology and open data to improve processes and outcomes for our customers.

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.

How we are doing?

Co-funded with Eastland Community Trust, we established a regional economic development agency - Activate Tairāwhiti. We've collaborated with Activate to develop He Huarahi hei Whai Oranga, the Tairāwhiti Economic Action Plan. Activate is working with business, iwi and government agencies to drive several initiatives in an effort to get our economy booming.

NGĀ TŪMAHI TOMUA

OUR ACTIVITIES



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How to read this section

This section describes Council's activities. Each activity summary includes a description of the activity and why we do it (including a link to relevant community outcomes), what Council did during 2015/16, how well we performed against our targets and what it cost.

Sections are structured as follows:

Why we do it

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

What we do

Provides a brief description of what the activity involves.

Contribution to community outcomes

The community outcomes the activity contributes to are listed. See Page 26 for a full list of our community outcomes.

What we did

Provides a list of the highlight actions carried out by the activity for the year.

Levels of Service and Performance Measures

We set out the levels of service we aim to reach, the performance measure targets for the 2015/16 year as well as our actual results for the year. The levels of service, performance measures and targets were outlined in the 2015-2025 Long Term Plan. The previous results are taken from the 2014/15 Annual Report.

What was different to Levels of Service and Performance Measures?

Provides explanations for where we have not met our performance targets or if there were significant changes to the results from the previous year.

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 Long Term 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 or other capital contributions.

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

Gives the reason for any changes to the cost of the activity compared to the budget.

Please note for ease of reporting, this document contains the same activity groupings and levels of service as those used in the 2015-2025 Long Term Plan.

What we do

Our commercial operations are made up of a number of commercial investments. Some are run on a commercial basis for the benefit of Council operations, while others are run to supplement Council's rates income. Council also maintains a number of investments in Council Controlled Trading Organisations. Its largest is Gisborne Holdings Limited (GHL). Phased transfers of our commercial assets to GHL are underway as part of a strategy to maximise their commercial opportunities.

Why we do it

The primary focus of commercial operations is to operate profitably and provide a non-rates income stream to Council. These operations contribute to a prosperous Tairāwhiti as income generated from these assets is an important income stream for Council which is used to reduce the level of rates. Council also provides quality and affordable housing for those aged 55 years and over

who have difficulty in providing it for themselves with rent not to exceed 90% of the market rate.

This activity contributes to the following Council Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Wawata

What we did 2015/16

- Transferred our municipal buildings, the Gisborne Vehicle Testing Station and the Waikanae Top 10 Holiday Park to Council's subsidiary Gisborne Holdings Limited as part of a strategy to earn more money from our commercial assets and lessen our dependence on ratepayer funds.
- Relocated staff from Fitzherbert Administration Centre to the Emerald and BNZ buildings office sites.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
Operate commercial operations profitably and increase their returns to Council.	Improve the investment return level in order to grow the return from 2% of Council revenue to 10% by 2025.	New measure	2% - 3%	2% Achieved
	Maintain an annual net return of 4% - 6% net including capital growth across the total commercial operations base.	New measure	4% - 6%	13.3% Achieved ¹
Suitable and affordable housing is provided to enable independent living for people aged 55 years and over who have difficulty providing it for themselves.	Percentage of customer satisfaction with standard of accommodation and services as found in our annual inspection survey.	96%	95%	98% Achieved
	Rent as a percentage of market rate (lower quartile) not to exceed 90%.	Achieved	Achieve	Achieved

What was different to Levels of Service and Performance Measures?

¹The net return on commercial assets was .5% but the capital growth was 12.8%. The increase in capital growth is mainly due to revaluations of Forestry Assets this year.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	4,039	3,588	451	3,599
Expenses	5,178	4,255	(923)	4,688
Net Cost of Service	1,139	667	(472)	1,089
Capital Expenditure				
Capital Projects	730	748	18	929
Funded By:				
Other Capital Revenue	0	0	0	0
Depreciation or Other Reserves (Renewals)	610	737	(127)	541
Internal Loans	120	11	109	388
	0	0	0	0

What was different from budget

1. Operating revenue was \$451k over budget, which relates to gains as a result of movement in the fair value of forestry assets.
2. Operating expenditure was \$923k over budget. This relates to costs associated with the transfer of assets and commercial activities to Gisborne Holdings Ltd.
3. Capital expenditure was \$18k under budget. This is due to the facility renewals for Gisborne Vehicle Testing Station which will be completed in the 2016/17 financial year.

Animal Control

What we do

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

Why we do it

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

This activity contributes to the following Community Outcome

- Tairāwhiti Tangata

What we did 2015/16

- Increased Animal Control patrols in targeted areas. Zero tolerance to aggressive dogs.
- Focused on proactive and consistent enforcement with over one thousand infringements issued this year, up from just over two hundred the year before.
- Reviewed and updated our standard operating procedures and Health and Safety for Animal Control.
- Increased Menacing and Dangerous dog classification compliance (up around 75%).
- Continued developing our education programme.
- Progressed review of the Stock Control Bylaw

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We provide a service that controls dogs and stock to minimise risk to the public.	Percentage of residents satisfied with Council's efforts in controlling dogs and stock as found in the Resident Satisfaction Survey.	49%	50%	54% Achieved
	The percentage of routine requests for dog or stock control issues responded to within 48 hours.	Amended Measure	95%	98% Achieved
	The percentage of urgent requests involving threats to public safety from dogs or stock with Council response initiated within 30 minutes.	Amended Measure	95%	83% Not achieved ¹

What was different to Levels of Service and Performance Measures?

- ^{1.} The reported percentage was only recorded over last four months of the reporting year so is not an accurate figure for the full annual period. Animal Control has been operating short staffed for several months. This has made attending incidents within 30 minutes difficult.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	71	50	21	50
Revenue from Exchange Transactions	908	677	231	659
Expenses	779	619	(160)	463
Net Cost of Service	(200)	(108)	92	(246)

Dog Control - This activity was funded 20% from rates and 80% from fees and charges.
Stock Control - Funded 50% from rates and 50% from fees and charges.

What was different from the budget

- Operating revenue was \$252k over budget. This was mainly a result of the change in accounting for infringement income on an accruals basis.
- Operating expenses were \$160k over budget. This related to an increase in bad debt provision as a result of the increase in income.

Building Services

What we do

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

- issues building consents, code compliance certificates (CCCs) and land information memoranda (LIMs)
- provides the public with accurate and up to date information on building consent processes
- monitors compliance of building warrants of fitness for commercial buildings
- responds to service requests relating to stormwater and other building related non-compliance issues
- assesses and follows-up on strengthening of earthquake prone buildings.

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.

This activity contributes to the following Community Outcome

- Tairāwhiti Tangata

What we did 2015/16

- Fast track and minor building consents are now being processed digitally. This is the first step towards a full digital acceptance, processing, issuing, and inspection process. Once digital processing has been rolled out to all consents we will move towards online applications and remote device inspections. This is part of a consents improvement project which also encompasses Council's other consenting functions.
- Continued to provide input into the natural hazard redefinition project. Main emphasis this year has been coastal inundation (wave run-up) and coastal erosion as well as liquefaction zones and their impact on building foundation requirements.
- Commenced work with the stormwater team to limit the incidence of gully overtopping in storm events. This is part of the wastewater reduction programme to limit the number of sewage overflows.
- Continued improvement to our public information brochures.
- Worked with Ministry of Business, Innovation & Employment in the development of the regulations that are part of the legislation changes for earthquake prone buildings. These changes will take effect in April 2017.
- Continued to strive to meet our internal performance target of 75% of all building consents issued within 10 working days which is half the statutory time frame. Just failed to meet this target with 74% issued in 10 days and 54% issued in 5 working days.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We promote the safety of people living and working in buildings through processing and monitoring building consent applications.	Percentage of building consents processed within twenty working days.	99%	98%	98% Achieved
	Percentage of fast track building consents processed within five working days.	New measure	100%	100% Achieved
	Percentage of Land Information Memorandums (LIM) processed within ten working days.	99%	100%	100% Achieved

What was different to Levels of Service and Performance Measures?

Performance levels have been met. The fast track consents are a new measure and have 100% compliance. Average time to issue a fast track consent is less than 2 days.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	923	884	39	744
Expenses	954	1,057	103	826
Net Cost of Service	31	173	142	82

This activity was funded 20% from rates and 80% from fees and charges

What was different from budget

1. Operating revenue was \$39k over budget. This was due to an increase in LIM reports.
2. Operating expenditure was \$103k under budget. This mostly relates to a decrease in salary costs due to vacant positions.

Environmental Health

What we do

The Environmental Health activity includes a range of services around education, administration, enforcement and monitoring of:

- food, alcohol, premises and disease control vectors
- living conditions e.g. drinking water supplies, insanitary housing, on-site wastewater systems
- environmental protection e.g. air quality and noise control
- waste management and hazardous substances
- local bylaws such as navigation regulations, and control of the use of public places.

The activity performs a number of functions including alcohol licensing, public and environmental health and bylaws and public safety.

Why we do it

To ensure that Gisborne remains a healthy and safe place to live, work and play and to enhance the quality of life for all current and future residents and visitors to the Gisborne district.

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

What we did 2015/16

- Made preparations to implement the new Food Act then started implementation with food businesses from March 2016.
- Scoped gaining third party accreditation to provide some services of the Food Act.
- Reviewed Liquor Control Bylaw for temporary ban areas for summer festival periods.

- Completed review of the Port and Harbour Safety Management System.
- Initiated delivery of a shared harbour-master function with Hawkes Bay.
- Progressed development of a Local Alcohol Policy.
- Processed and considered 433 applications for alcohol related licensing.
- Facilitated the administration for 65 events and monitored iconic events and festivals.
- Completed registration and monitoring of all food businesses, camping grounds, hair dressers, alcohol licensed premises and licensed premises.
- Bedding in of the Sale and Supply of Alcohol Act 2012 – three years on from implementation and all premises now licensed under this Act.
- Managed stray cats in residential areas by trapping and removal of pest cats.
- Completed licencing and monitoring of mobile traders under Bylaws.
- Enhanced communication about releasing wastewater into the rivers during high rainfall events by the use of social media allowing improved feedback to enquiries.
- Responded to 46 pollution incidents call-outs, 17 of which were after hours.
- Responded to 89 illegal dumping complaints.
- Managed noise complaints through response by after hour's contractor and monitoring of industrial issues.
- Responded to 48 requests for service as a result of increased wasp numbers.
- 2178 requests for service were completed and an overall 98% Good/Excellent customer satisfaction rating was achieved.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We regulate commercial operations and respond to environmental health issues in the interest of protecting public and environmental health.	Our response to exceedances of National Water Quality Guidelines for safe contact recreation bathing standards at monitored recreational bathing sites, meets the guidelines. ¹	New measure	Year 1: Establish baseline and targets	Achieved ²
	Percentage of applications for liquor licences and food certificates processed within target timeframes.	Liquor 97% Food not available	95%	100% Achieved
	Percentage of noise complaints assessed within half an hour of receiving a complaint.	98%	95%	90% Not achieved ³
	Percentage of registered and licensed premises that undergo an environmental health compliance inspection annually.	100%	100%	100% Achieved
	Percentage of reported pollution incidents with Council response initiated within 30 minutes.	Amended Measure	100%	100% Achieved

What was different to Levels of Service and Performance Measures?

- This measure was changed in the 2016/17 Annual Plan. The measure was "Exceedances of National Water Quality Guidelines for safe contact recreation bathing standards at monitored recreational bathing sites." This was changed to be specific to Environmental Health. There is a water quality measure already covered in Environmental Services activity.
- Monitoring of recreational bathing beaches resulted in no exceedances of the standards for safe swimming.
- This could only be measured from March 2016 as our Request for Service system was not set up correctly with the half hour assessment time. Regular audit of the noise contractor's timeframes has been implemented to improve performance.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	327	304	23	362
Expenses	1,237	1,183	(54)	1,201
Net Cost of Service	910	879	(31)	839

This activity was mainly funded from fees and charges where recoverable

What was different from budget

- Operating revenue was \$23k over budget as a result of an increase in licenses.
- Operating expenditure was \$54k over budget. This mostly relates to external rental expenditure not budgeted for.

Environmental Services

What we do

The Environmental Services activity carries out the regulatory, non-regulatory and science based provisions for the management of the Gisborne district's natural and physical resources. In particular we exercise our functions as a regional council. The activity includes the following teams: Biosecurity, Environmental Data Management, Soil Conservation and Water Conservation.

Environmental Services provides information, assists, regulates, monitors and reports on animal and plant pest management, and sustainable land and water resource management. Some direct control of animal pests is carried out. The activity enables Council to give effect to Statutory Plans and responsibilities under the Biosecurity Act 1993, Resource Management Act 1991 (RMA) and Soil Conservation and Rivers Control Act 1941.

Why we do it

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

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

What we did 2015/16

- Undertook Freshwater Plan catchment projects to improve water quality, native fish passage and riparian planting in places like Te Arai, Rere and Waikanae stream.
- Assisted property owners with Farm Plans to address soil erosion and continuing work with Waiapu Kōkā Hūhua.
- Developed a revised Draft Regional Pest Management Plan.
- Began scoping the Waingake Bush restoration programme.
- Began scoping a Climate Change Adaptation Strategy.
- Consulted on a trial for a managed recharge in the Makauri aquifer. Lodged the required resource consent applications to progress this project.
- Conducted more environmental monitoring in-house and undertook aquatic ecosystem state of the environment monitoring for the first time.
- Developed more efficient water quality and quantity data and data storage.
- Continued making data available online at Land Air Water Aotearoa (LAWA).
- Continued working with the Wastewater Technical Advisory Group, ESR and NIWA to investigate the feasibility of a wetland to further process our wastewater.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We manage animal and plant pests for human health and to reduce impacts on indigenous fauna and flora and primary production.	The possum control targets in the Regional Pest Management Plan are achieved (residual trap catch of 10% or less in the Hawkes Bay buffer zone and 15% or less for the rest of the district). ¹	Amended Measure	100%	100% Achieved
	Number of Protection Management Areas subject to specific animal and pest control operations per year.	New measure	12 ²	35 Achieved
	Percentage of eradication animal pests found established in the district for the first time visited and all animals controlled.	Amended Measure	100%	100% Achieved
	Percentage of known significant Eradication plant pest (as defined in the Pest Management Plan) sites visited and all plants controlled.	100%	100%	95% Not achieved ³
	Percentage of national plant pest accord pests found established in the district for the first time visited and all plants controlled.	New measure	100%	100% Achieved

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We manage land resources to conserve natural values, prevent or mitigate adverse effects and sustain productive capability.	Number of farm properties where a Farm Environment Plan has been prepared per year.	New measure	20	11 Not achieved ⁴
	Total Overlay 3A severely erodible land covered by a draft or final Overlay 3A work plan or an Overlay 3A resource consent. ⁵	New measure	40,000 ha ⁶	43,467 ha Achieved
	Percentage of total Overlay 3A severely erodible land treated.	New measure	82% ⁷	82% Achieved
We manage natural water resources, river and lake beds and coastal areas to conserve natural values and sustain consumptive usage.	Percentage of monitored sites where water quality is being maintained or is showing a trend of improvement for: - Coastal Enterococci - Freshwater E.coli ⁸	New measure	Year 1: Establish baseline and targets	Coastal 86% Freshwater 78%
	Percentage of monitored freshwater sites where the Macroinvertebrate Community Index (MCI) monitoring result indicates good water quality or where the sites are showing a trend of improvement.	New measure	Year 1: Establish baseline and targets	51%
	Percentage of monitored groundwater wells in shallow unconfined aquifers where water quality is being maintained or showing a trend of improvement for: - nitrate levels - salinity - E. coli. ⁹	New measure	Nitrate: 71% Salinity: 66% E.coli: 100% ¹⁰	Nitrate 71% Salinity 67% E.coli 100% Achieved
	Percentage of resource consents where there is non-compliance with consent conditions and within twenty working days Council has either: - recorded the consent holder has rectified the non-compliance; or - enforcement action has been taken.	New measure	100%	100% Achieved
	Proportion of consents for water takes from the Makauri aquifer being managed for efficient water use as outlined in the Freshwater Plan for the Gisborne Region.	New measure	50% by end of Year 3	0% ¹¹

What was different to Levels of Service and Performance Measures?

- This measure has been updated in the 2016/17 Annual Plan. It was "All 3 random sample lines in the Hawkes Bay buffer zone assessed post possum poisoning, trapping or night shooting achieves 5% residual trap, catch or less." The Regional Pest Management Plan is being updated and we will no longer measure possum control in this way. The result against the old Performance Measure in the LTP is 60% - not achieved. We had set an unrealistic target which is insufficiently funded to be able to be met.
- The target set in the LTP was 5, but was changed in the 2016/17 Annual Plan to be 12. This was a new measure and the target was set too low.
- 15 out of 16 Total Control category plant pest species have been visited. Percentage of sites visited and plants controlled is 95% or 759 sites out of 800 sites monitored are being controlled.
- We didn't start developing Farm Environment Plans until the Freshwater Plan was notified (October 2015) so this delayed the implementation of the measure.
- This measure was updated in the 2016/17 Annual Plan. The original measure was "Total untreated Overlay 3A severely erodible land covered by a draft or final Overlay 3A work plan or an Overlay 3A resource consent." We cannot measure the untreated O3A land, but can measure the total O3A land.
- Targets were amended in the 2016/17 Annual Plan to reflect the change to the performance measure.
- This target was amended in the 2016/17 Annual Plan. This is a new measure and the targets were set too low.
- This measure was updated in the 2016/17 Annual plan. The measure was "Percentage of monitored coastal and freshwater sites below action guidelines for Enterococci of 280 MPN/100mL". Enterococci is only relevant for coastal sites and trend data is more meaningful for water quality.

9. This measure was updated in the 2016/17 Annual Plan. The measure was "Percentage of monitored groundwater wells in shallow unconfined aquifers where water quality is being maintained or showing a trend of improvement for nitrate levels, salinity and E. coli." The measure needed to be split out to report results.
10. Targets were established for this new measure.
11. There are 31 water takes from the Makauri Aquifer. All of these have an irrigation management plan. None of the plans currently meet the requirements of the Freshwater Plan - their consents expire in 2018 when this will be part of a consent renewal condition. Currently 25% would meet 80% of the requirements, 39% meet 70% of the requirements, 23% meet 60% of the requirements, 3% meet 50% of the requirements and 10% meet less than 50% of the requirements.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	144	124	20	0
Revenue from Exchange Transactions	382	499	(117)	491
Expenses	3,667	4,103	436	3,413
Net Cost of Service	3,141	3,480	339	2,922
This activity was funded 99% from rates and 1% from fees and charges Soil Conservation - This activity is funded 100% fees and charges for reserves and 85% fees and charges for nursery				
Capital Expenditure				
Capital Projects	101	79	(22)	86
Funded By:				
Grants and Subsidies	0	0	0	0
Depreciation or Other Reserves (Renewals)	101	79	(22)	86
	0	0	0	0

What was different from budget

1. Operating revenue was \$97k under budget. This was due to a decrease in forestry income as a result of less forestry harvest.
2. Operating expenditure was \$436k under budget. This relates to a decrease in operating and vehicle expenditure. In addition, we received external funding to cover expenditure costs budgeted for science and research.
3. Capital expenditure was \$22k over budget. This relates to the upgrade and replacement of telemetry and hydrological equipment at field sites partly required as a result of the September flood.

Parking Services

What we do

The Parking activity:

- provides a network of parking spaces throughout the district in response to need and demand.
- operates the City Watch programme.
- administers and provides enforcement of Council's Traffic and Parking bylaws on land owned by Council including the roading network.
- provides enforcement of the stationary vehicle offences under the Land Transport Act (LTA) 1998.
- manages abandoned vehicles throughout the district under both the LTA 1998 and Local Government Act (LGA) 1974.

Why we do it

Control of parking spaces within Gisborne city, particularly in the CBD, is maintained to ensure the turnover of vehicles for retailers, businesses and public. Application and compliance with traffic law is to ensure that vehicles are safe and well managed for community wellbeing.

This activity contributes to the following Community Outcome

- Tairāwhiti Tangata

What we did 2015/16

- Progressed development of a Parking Policy, including public engagement.
- Reviewed potential metering technology.
- Reviewed health and safety for Parking activity.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We provide and maintain accessible parking services.	The percentage of on street Council car parks that are available within the CBD between 8 am – 5 pm	Not measured	10%	43% Achieved

What was different to Levels of Service and Performance Measures?

We conducted a parking count in May. On average there was a 57% occupancy rate, giving us an average of 43% vacant parks. May is generally a slow period. We will conduct another survey/vehicle count in Dec/Jan for comparison.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	803	665	138	862
Revenue from Exchange Transactions	679	609	70	699
Expenses	665	505	(160)	689
Net Cost of Service	(817)	(769)	48	(872)
This activity was funded 100% from fees and charges				
Capital Expenditure				
Capital Projects	0	0	0	275
Funded By:				
Depreciation or Other Reserves (Renewals)	0	0	0	275
	0	0	0	0

What was different from budget

1. Operating revenue was \$208k over budget. This was the result of an increase in infringements issued and also the change in accounting for infringement income on a cash basis to an accruals basis.
2. Operating expenditure was \$160k over budget. This is due to an increase in the bad debt provision as a result of the increase in income.

Resource Consents

What we do

This activity provides information to applicants on resource consent requirements and processes resource consents in accordance with the Resource Management Act 1991 (RMA) and the District Plan.

This activity also monitors the implementation of 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.

Why we do it

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

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

What we did 2015/16

- Developed Service Level Agreements for Utilities and Tairāwhiti Roads defining roles, responsibilities and key deliverables for the processing of building consents, resource consents and LIMs.
- Initiated the Consents Improvement Programme across Council. The Programme will take a customer focus seeking to provide clarity, transparency, better information and efficient processes, including the use of technology where relevant, to improve Council's consent processes. Continuous process improvements are being made concurrent to this.
- Advanced processes to ensure Council complies with Statutory Acknowledgement requirements and to promote working relationships between iwi and Council consenting staff.
- Continued to provide ongoing input into Council RMA planning reviews.
- Increased customer focus and education taken by consent monitoring and compliance staff.
- Increased consistency for the monitoring and enforcement of resource consent conditions, with a range of abatement notices being issued for breaches of RMA and regional and district plan rules. Infringement notices issued for RMA breaches for both regional and district offences.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We promote the sustainable management of natural and physical resources through processing and monitoring resource consent applications.	Percentage of confirmed non-compliance with Plan rules rectified or subject to enforcement action within three months.	100%	100%	100% Achieved
	Percentage of district consents due for monitoring where the monitoring has been completed.	Amended Measure	60% - 70%	100% Achieved
	Percentage of consents that meet good practice standards as set out in Quality Planning when audited.	New measure	Year 1: Establish baseline and targets	Not measured ¹
	Percentage of Resource Consents applications processed within statutory timeframes.	89%	95%	94% Not achieved ²
	Percentage of resource consents with full compliance or minor non-compliance at first monitoring inspection.	New measure	10 - 30%	35% Achieved ³

What was different to Levels of Service and Performance Measures

- Baseline data has not been developed as Quality Planning good practice standards have not been defined.
- Significant improvement made from 2014/15 results with level achieved just below target. Territorial consents attained 100% compliance with statutory timeframes while regional consents 91% compliance was heavily influenced by the October to December 2015 period which saw a significant increase in consent numbers (100% up on other quarters) coinciding with low staff numbers.

3. This is a new measure and was only able to be measured from January 2016. A total of 26 new consents were monitored of which 9 were compliant or had minor non-compliance.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	299	192	107	293
Expenses	1,227	1,075	(152)	982
Net Cost of Service	928	883	(45)	689

This activity was funded 50-75% from rates and 25-50% from fees and charges

What was different from budget

1. Operating revenue was \$107k over budget. This is mostly due to an increase in land use consents.
2. Operating expenditure was \$152k over budget. This is due to an increase in professional services as a result of staff vacancies.

Emergency Management (CDEM)

What we do

In accordance with the Civil Defence Emergency Management (CDEM) Act 2002, Council is accountable for CDEM arrangements within the Gisborne district. The Emergency Management Activity also includes the Rural Fires and Marine Oil Spill functions.

Why we do it

- **Civil Defence Emergency Management** - Council undertakes the CDEM activity to ensure it is meeting the requirements of the CDEM Act 2002. This activity increases community awareness, understanding, preparedness and participation in CDEM, reduces the risks from hazards to the district and enhances 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 marine oil spills.

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

What we did 2015/16

- Promoted Shakeout 2015 (a nationwide earthquake preparedness drill that occurs every three years) to

local businesses, schools and community. In Gisborne 12,000 people and 85% of Gisborne schools registered.

- Received funding from the Ministry for Civil Defence Emergency management (MCDEM) Resilience Fund to train staff and the Emergency Services in the Emergency Management Information System (EMIS).
- Changed the name of the CDEM Group to Tairāwhiti CDEM in line with our key stakeholders – Police, Fire and DHB.
- Launched a Group CDEM Facebook that is used to educate and engage the community both before, during and after emergency events. We also had the CDEM Vehicle sign written with lots of civil defence "readiness" messages to increase our profile.
- The CDEM Emergency Command Centre (ECC) stood up to monitor a snow event in July and heavy rain and flooding in September. CDEM also monitored a beach and marine threat tsunami warning after an earthquake in Chile in September.
- Provided input to the planning of the new Council building to create a multipurpose ECC and CDEM Office as well as working with the EIT staff to locate a temporary ECC for medium to large events in the interim.
- Organised training for Volunteer Rural Fire Fighters (VRFF) to ensure compliance with the National Rural Fire Authority (NRFA) and ensured all VRFF have contracts with Gisborne District Council.
- Purchased a new fire tanker as a backup for when area tankers are out of action for maintenance.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We help to build a more resilient district where communities understand and manage their hazards and risks.	Overall score from the Ministry of CDEM assessment of the CDEM Group's capability (five yearly assessment).	New measure	80%	78% Not achieved ¹
	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 the Resident Satisfaction Survey.	96%	80%	96% Achieved
We protect 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.	100%	94%	95% Achieved

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We protect the environment from pollutants spilled in marine accidents.	The Marine Oil Spill Plan is current and staff lists are updated annually.	Achieved	Achieve	Achieved

What was different to Levels of Service and Performance Measures

- The Capability Assessment Report from the MCDEM in 2014 gave the Gisborne Group Score 78% - this assessment is only done every 5 years.
 - Only three out of sixteen CDEM groups achieved above the 80% score.
 - MCDEM found that the local CDEM target was high with the Directors target set at 76%.
 - An action plan looking at areas of improvement has been drawn up.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	87	82	5	207
Expenses	846	836	(10)	836
Net Cost of Service	759	754	(5)	629

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

Capital Expenditure

Capital Projects	0	13	13	107
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Funded By:

Other Capital Revenue	0	0	0	0
Depreciation or Other Reserves (Renewals)	0	13	(13)	107
Internal Loans	0	0	0	0
	0	0	0	0

What was different from budget

- Operating revenue was in line with budget.
- Operating expenditure was \$10k higher than budgeted due to increases in staff training and material and services for rural fires.
- Capital expenditure was \$13k under budget. This relates to the upgrade of the radio system which has been delayed until the 2016/17 financial year.

Governance

What we do

The Governance activity exists to provide for:

Representation and Democracy

- Meet the obligations of the Mayor and Councillors under the Local Government Act.
- Provide a fair and active 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 commemorations, Citizenship Ceremonies, Sister City 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 Council's obligations under the Trust Deed.
- Meet Council's obligations to be a good employer.

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

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.

This activity contributes to the following Community Outcomes

- Tairāwhiti Wawata

What we did 2015/16

- Conducted 4 Citizenship Ceremonies on behalf of the Department of Internal Affairs.
- Held in conjunction with the Returned Services' Association (RSA) a Commemorative Civic Service on ANZAC Day.
- Held a Civic Awards ceremony with presentations to 14 people.
- Received 122 Official Information Act Requests and resolved 117 of those, 91% within target with none outstanding.
- Commissioned a minor boundary alteration in two wards namely the transfer of part of Beetham Retirement Village and part of the Scarlys Way subdivision to the Gisborne Ward.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We provide for the representation of the community in open, democratically accountable decision making.	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.	Achieved	All agendas are publicly available two clear working days before each meeting	Achieved
	Percentage of residents satisfied with how rates are spent on services and facilities provided by the Council as found in the Resident Satisfaction Survey.	45%	65%	43% Not achieved ¹

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
	Percentage of residents satisfied with the way Council involves the public in the decisions it makes as found in the Resident Satisfaction Survey.	56%	60%	42% Not achieved ²
	Percentage of residents who rate the performance of the Mayor and Councillors as good as found in the Resident Satisfaction Survey.	58%	60%	56% Not achieved ³
	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.	No complaints upheld by the Ombudsman	No complaints upheld by the Ombudsman	No complaints upheld by the Ombudsman Achieved

What was different to Levels of Service and Performance Measures?

- The percentage of residents satisfied with how rates are spent on services and facilities provided by the Council continues to be below target. With the development of the 2015-2025 Long Term Plan Council focused on reducing the projected rates increases, and has committed to no more than 2% increases for the first three years. A comprehensive review of our rating system was also carried out to reduce complexity and improve transparency.
- We acknowledge that we have not achieved our targets for how we involve the community in our decision making processes. Council has recently established a new position in Council - Customer Engagement Manager. This role will lead on seeking new and innovative ways to engage with our communities in decision making.
- The percentage of residents who are satisfied with the performance of the Mayor and Councillors remains below target of 60%. Staff will ensure elected members are better supported to make high quality decisions for Tairāwhiti.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	1	(1)	0
Revenue from Exchange Transactions	12	12	0	3
Expenses	975	1,106	131	928
Net Cost of Service	963	1,093	130	925

This activity was funded 100% from rates

What was different from budget

- Operating revenue was in line with budget.
- Operating expenditure was \$131k under budget. This relates to budgeted election costs which will be incurred in the 2016/17 financial year.

Support Services

What we do

The following services are provided to support the Council in the effective and efficient running of the organisation:

- Finance and treasury operations
- Democracy and support services
- Information services
- Plant and vehicles
- Legal services
- Human resources
- Customer services.

Why we do it

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.

Democracy and Support Services

These provide specialist administration services to Council, enabling effective and transparent governance.

Information Services

Information Services enable "smarter, better and simpler" business processes and technology in order to empower Council to deliver a high performance culture and superior customer service.

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

This service provides legal advice and support across Council to ensure Council has a high standard of statutory compliance; there is appropriate legal support for regulatory services and enforcement; the Councillors and staff have sound legal advice on governance matters; and general business legal matters are dealt with in a manner appropriate to their legal risk.

Human Resources

Human Resources provides support to the Chief Executive and managers on employment relations matters to promote best practise.

Customer Services

We are the advocates for the customer. We provide the link between the customer and the many departments of council, providing clear information and services. We

support Council in the effective and efficient running of the organisation.

This activity contributes to the following Community Outcomes

- Tairāwhiti Wawata

What we did 2015/16

Finance

- Focused on managing revenue and expenditure to keep budgets within the 2% rates increase.
- Progressed transfer of commercial assets to GHL to increase financial performance and returns to Council.
- Rolled out Financial Business Intelligence (FBI) training to activity managers.
- Improved our reporting information to Council and managers.

Customer Services

- Planned for continuity of services during the re-location of our main customer services.
- Assisted with the collection of debt by spending extra time with our customers explaining their rates accounts, making payment arrangements and getting as many customers as possible onto direct debit (Easy Pay).
- Increased our focus on dog registrations, in particular Dogs Online, and assisting the Animal Control team with higher registration compliance.
- Improved communication around customer expectations of Tairāwhiti Roads.

Information Services

- Implemented a new mobility solution for Rivers and Land Drainage to do works orders while in the field.
- Audited and completed full, mapped asset registers for Flood Control, Rivers and Land Drainage and Parks & Reserves.
- Developed and implemented a sampling tool for the new field and lab team in Shared Services Science.
- Improved water monitoring accuracy by aligning water information systems to effectively manage water takes and allowing consent holders to enter consumption details directly into our systems.

- Established a new all of council integrated reporting framework and system.
- Worked with multiple teams to process map their activities, to capture the process and identify opportunities to save time and money.
- Completed a paper archives audit creating an accurate inventory of our information assets at Archives.
- Digitised 5000 plans and drawings now searchable in our electronic records system.
- Moved our data centre to a new location in preparation for 2016 and 2018 building moves.
- Refreshed our core infrastructure with more cost-effective hardware with easier administration.
- Moved our legacy Enterprise Resource Planning (ERP) system to a modern back-end allowing more flexibility with integration, reporting and supportability.
- Released additional web mapping services including Tairāwhiti Valuation, Tairāwhiti Services and Tairāwhiti Roads.

- Successfully created a platform that has enabled 50% of elected members to use electronic agendas at Council and Committee meetings.
- Managed a successful transition to an alternative Council meeting venue without disruption to the meeting schedule.

Human Resources

- Provided expertise and advice to the Chief Executive (CE) and Managers to ensure all employee related legislative obligations have been met.
- Supported structural changes during the asset transfer to GHL and restructuring of the Community and Recreation team.
- Worked on the development of an on boarding and recruitment system to better communicate and manage these processes, now ready to be rolled out.
- Progressed an ongoing programme of work to improve Councils Health & Safety framework.
- Worked with the CE to develop Councils Expectation Framework as a guide to all levels of staff.

Governance and Support Services

- Council met all legislative requirements under the Local Government Official Information and Meetings Act 1987.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We support the organisation to deliver Council services and to provide good quality information to the public.	Percentage of customers satisfied with the helpfulness of staff as found in the Resident Satisfaction Survey. ¹	Amended Measure	90%	85% Not achieved ²
	Percentage of residents who are satisfied with Council customer service at first point of contact: - In person - Email - Online (including social media) - Phone	92% 75% 63% 81%	90% 80% 80% 80%	In person: 85% Email: 54% Online: 69% Phone: 75% Not achieved ³

What was different to Levels of Service and Performance Measures?

- The wording of this measure was changed in the 2016/17 Annual Plan to make it consistent with our Resident Satisfaction Survey.
- Phone volumes increased considerably and process changes affected how we dealt with our customers which had an impact on Customer Service.
- The response rates for customers who contacted Council via email and online were very small (online n=4, email n=14). This means these results are not statistically reliable.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	1,021	850	171	1,093
Revenue from Exchange Transactions	584	1,547	(963)	627
Expenses	15,656	12,803	(2,853)	12,215
Net Cost of Service	14,051	10,407	(3,645)	10,495
Capital Expenditure				
Capital Projects	1,884	2,505	621	2,358
Funded By:				
Grants and Subsidies	68	0	68	0
Other Capital Revenue	227	815	(588)	17
Depreciation or Other Reserves (Renewals)	81	29	52	335
Internal Loans	1,496	1,661	(165)	1,954
Asset Sales	12	0	12	52
	0	0	0	0

What was different from budget

1. Operating revenue was \$792k under budget. This relates to the budgeted GHL dividend which came though as a subvention payment. This was partially offset by an increase in penalty income.
2. Operating expenditure was \$2.8m over budget. This relates to the unfavourable movement in the fair value of interest rate swaps and a \$2.5m provision for various legal matters.
3. Capital expenditure was \$621k under budget, which relates to delayed business transformation projects.

Flood Control

What we do

The Flood Control group includes the following activities:

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

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.

This activity contributes to the following Community Outcomes

- Tairāwhiti Taonga
- Tairāwhiti Tangata

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We monitor drainage of rivers and streams to minimise flood risk and coastal erosion to ensure communities are safe and prepared.	System adequacy and maintenance - The major flood protection and control works are maintained, repaired and renewed to the key standard defined in Council's Flood Control activity management plan. The standard is that 25% of flood control stopbank length is inspected annually and maintained to a 1 in 100-year protection standard.	Achieved (New mandatory measure)	Achieve	Achieved

What was different to Levels of Service and Performance Measures?

Performance measures have been met.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	206	175	31	197
Expenses	1,572	1,726	154	1,756
Net Cost of Service	1,365	1,551	185	1,559

This activity was funded 100% from rates but Rivers Asset Management was funded 99% rates and 1% from fees and charges.

What we did 2015/16

- Implemented mobile solutions project to give field staff access to asset management systems. Staff training completed and mobile units distributed to field staff.
- Improved land drainage capacity (drain widening/deepening) for the numerous drains in the district to contain a 1 in 5 year flood event.
- Completed 25% of stop bank condition assessment.
- Commenced with the capital works project to replace failing Turanganui River timber revetments section 5 (Watties wharf to Railway Bridge). Re-design of wall required following the location of a major 50kv duct under a section of revetment wall.
- Completed a review of the flood warning manual.
- Commenced with the capital works Waipaoa Flood Control resilience improvements project along side Hawkes Bay Regional Council. Engaged consultants to carry project through the different stages.

Capital Expenditure

Capital Projects	316	757	441	222
Funded By:				
Other Capital Revenue	10	10	0	10
Depreciation or Other Reserves (Renewals)	156	285	(129)	47
Internal Loans	150	462	(312)	165
	0	0	0	0

What was different from budget

1. Operating revenue was \$31k over budget. This relates to an increase in rental income.
2. Operating expenditure was \$154k under budget. This is due to a decrease in professional services and special project expenditure.
3. Capital expenditure was \$441k under budget. This is due to projects being delayed until the 2016/17 financial year.

Land Transport (Tairāwhiti Roads)

What we do

Council's Land Transport Business Unit is responsible for managing the region's Land Transport network. This includes all elements of transportation planning, road maintenance and operation, parking provision and walking and cycling provision. In addition, because we are a unitary authority, activities such as regional land transport planning including passenger transport, mobility assistance for the disabled and road safety coordination are undertaken.

Why we do it

An effective transportation network is a key element in the efficient functioning of Gisborne district and its economy.

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata

What we did 2015/16

- The focus during the first three months of 2015/16 was the transition process from existing contracts to the new Network Outcomes Contracts (NOC). A new 10 year forward work programme for renewal sites was developed for the entire region.
- Implementation of the NOCs commenced on 1 October with Services South East (SSE), the contractor for the northern network and Downer, the contractor for the city/western network.
- Completed Lytton Road inset parking bay to service the Potae/Lytton West Shopping Centre.
- Completed LED street lighting upgrade of Gladstone road between Peel to Bright Street and the following townships - Te Karaka, Matawai, Motu, Muriwai, Ormond, Patutahi, Ruatoria, Te Araroa, Te Puia, Tikitiki, Tokomaru Bay, Waihire and Whatatutu.
- Completed replacement of Horoera Bridge to a bailey type bridge.
- Completed High Productivity Motor Vehicles (HPMV) Strengthening of Horoeka, Mata (Huiaua), Te Pahi, Gaddums and Omapere Bridges and Rakaurua road Culvert 86.
- Completed investigation and design of structural repairs to Omapere, Barrons West, Wigan, Oweka

and Wharekopae Bridges with physical works to commence in 2016/17.

- Completed construction of new bus shelter on Huxley road.
- Completed resilience improvements on Anaura Bay Road (Stage 1), Tokomaru Bay Sea Walls and Mata Road widening/re-alignment.
- Completed investigation and concept design of resilience improvements on Waihou Road bluffs.
- Completed investigation and design of guard railing for Whatatutu, Tinoroto, Otara Dip, Lavenham Roads and Humphries Road intersection with physical works to commence in 2016/17.
- Completed replacement of school patrol equipment in Wainui, Te Hapara, Makaraka, Makauri and Waerenga O Kuri Schools.
- Completed investigation, concept and final design for Barker Hill walkway/cycleway improvements with physical works to commence in 2017/18.
- Completed Waipaoa SH roundabout improvements.
- Completed Te Karaka and Whatatutu township upgrades.
- Completed investigation and design of Wainui Cycleway Stage 1 remedial works to address drainage issues.
- Completed investigation and design of the Oneroa-Beacon Street cycleway/walkway extension with physical works to commence in 2016/17.
- Completed routine maintenance inspections of 430 local bridges and condition inspections of 25 bridges.
- Completed the assessment of weight capacities of 40 bridges, with more bridges to be evaluated in 2016/17.
- Commenced the assessment of remaining useful life of Council-owned bridges with the work to be completed in early 2016/17.
- Completed 216,638m² of road resealing and resurfacing work.
- Commenced assessment and repairs/replacement of 779 footpaths with defects. This work is continuing in 2016/17.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We ensure the roading network is designed and managed for safe use with low crash and injury rates.	Annual number of pedestrian and cyclist injury accidents.	12	Maintain or decrease	16 Not achieved ¹
	Percentage of residents who feel that riding a bicycle is unsafe as found in Resident Satisfaction Survey.	24%	≤33%	25% Achieved
	Road Safety - The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	New Mandatory Measure	Maintain or decrease	0 fatalities (-2) Achieved 31 serious injuries (+3) Not achieved ²
We operate and maintain a reliable roading network that is up to date, in good condition and fit for purpose.	Percentage of residents satisfied with the condition of Council roads (excluding state highways) as found in Resident Satisfaction Survey: - Urban roads - Rural roads ³	Amended measure	60% 50%	50% 34% Not achieved ⁴
	Percentage of residents satisfied with the condition of footpaths as found in Resident Satisfaction Survey. ⁵	Amended measure	50%	55% Achieved
	Response to service requests - The percentage of customer service requests relating to roads and footpaths to which Council responds within the timeframe specified in the long term plan.	New Mandatory Measure	80%	81% ⁶ Achieved
	Road condition - The average quality of ride on a sealed local road network, measured by smooth travel exposure.	New Mandatory Measure	80% of sealed road networks to have NAASRA count of below 150	89% Achieved
	Road maintenance - The percentage of the sealed local road network that is resurfaced.	New Mandatory Measure	5%	4% Not achieved ⁷
	Footpaths - The percentage of footpaths that fall within the service standard for the condition of footpaths that is set out in the Pathways Asset Management Plan. ⁸	New Mandatory Measure	60%	Not measured ⁹
We provide and maintain affordable and accessible transportation services that balance the needs of all users.	Percentage of residents using the walking and cycling network as found in the Resident Satisfaction Survey. ¹⁰	New measure	Increase from baseline set in Year 1	67%
	Percentage of customers who rate the passenger transport system as excellent/good.	Not measured	80%	83% ¹¹ Achieved
	The number of bus passengers per annum.	138,531	140,000	144,690 Achieved

What was different to Levels of Service and Performance Measures?

- Education awareness programmes and implementation of road safety improvement measures such as guardrailling, advance warning devices, signage and road pavement resurfacing are currently underway.
- Results from 2014/15 were 2 fatalities and 28 serious injury crashes.
- The wording of this measure was changed slightly in the 2016/17 Annual Plan to satisfaction with "the condition" of Council roads. This is to make measure more specific, in line with our revised Resident Satisfaction Survey.

4. The focus during the first three months of 2015/16 was the transition process from existing contracts to the new Network Outcomes Contracts (NOC). Contractors spent the first six months of the year assessing sites and planning their annual work programme. More positive results from the process changes are anticipated in the coming years.
5. The wording of this measure was changed slightly in the 2016/17 Annual Plan to satisfaction with "the condition" of footpaths. This is to make the measure more specific, in line with our revised Resident Satisfaction Survey.
6. Targets were not specified in the Long Term Plan, but are based on the Request for Service subtypes:
- | | |
|---------------------|-----------------------------------|
| Sub-type | Schedule (response) target |
| Customer Focus | 3 working days |
| Drainage | 3 working days |
| Faults | 2 working days |
| Passenger Transport | 3 working days |
| State Highway | 3 working days |
| Weather Event | 3 working days |
7. Refer to #3
8. This measure has been updated so that it specifies the condition standards set in the Pathways Asset Management Plan.
9. Data not yet available. Pathways Asset Management Plan (PAMP) in progress and will be used to inform this measure in the coming years.
10. This measure was changed in the 2016/17 Annual Plan. It was "number of users of walking and cycling network". This was changed due to the impracticality of the measurement.
11. From Passenger Transport Customer Satisfaction Survey, September 2015.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	7,538	8,665	(1,127)	8,563
Revenue from Exchange Transactions	26	17	9	118
Expenses	22,995	24,158	1,163	25,361
Net Cost of Service	15,431	15,476	45	16,680
This activity was funded 48% from rates, 7% from fees and charges and 45% from grants and subsidies				
Capital Expenditure				
Capital Projects	10,703	12,275	1,437	13,039
Funded By:				
Grants and Subsidies	6,344	7,292	(948)	6,448
Depreciation or Other Reserves (Renewals)	4,043	4,143	(100)	5,881
Internal Loans	451	840	(389)	710
	0	0	0	0

What was different from the budget

- Operating revenue was \$1m under budget. This is due to changes in funding rules where administration costs could be claimed and now have to be incorporated within existing budgets, along with the phasing of operational expenditure which has been pushed out into the 2016/17 financial year.
- Operating expenditure was \$1.16m under budget. This relates to the phasing of unsealed roads maintenance due to the Rally Of Gisborne. A major maintenance and renewal programme was commissioned after the Rally of Gisborne finished on July 2 which was into a new financial year, therefore operating expenditure was adjusted.
- Capital expenditure was \$1.4m under budget. This relates to the urban cycleway project and sealed road pavement rehabilitations which are programmed for delivery in the 2016/17 financial year.

Solid Waste Management

What we do

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

- rural and urban kerbside collection
- rural transfer operations
- waste minimisation and education
- recycling initiatives
- cleaning public places
- landfill operations and aftercare

Why we do it

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

adopt a Waste Management and Minimisation Plan (WMMP).

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

What we did 2015/16

- Invested in drainage and leachate control systems, and continued to review future options for the Waiapu landfill.
- Reviewed the community caretaker contracts.
- Re-branded rubbish and recycling trucks and information.
- Started the new Waste Management and Minimisation contract for kerbside collections and illegal dumping.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We provide a litter collection service including a network of litter bins, and enforcement of illegal dumping.	Total waste received as illegal dumping.	18 tonnes	Decreasing	36 tonnes Not Achieved ¹
We provide community recycling facilities and regular kerbside collections to encourage recycling and waste reduction.	Reduction in waste to landfill. Total kg of solid waste to landfill per head of population.	293kg	≤306kg	314kg Not Achieved ²
	Resident satisfaction with Council's recycling services as found in the Resident Satisfaction Survey. ³	Amended measure	80%	83% Achieved
	Resident satisfaction with kerbside rubbish bag and recycling collections as found in the Resident Satisfaction Survey. ³	Amended measure	80%	88% Achieved

What was different to Levels of Service and Performance Measures?

- ¹. Illegal dumping tonnages are variable. An increase is also due to the disposal of dead animals through the City Resource Recovery Centre this year as they were no longer able to be buried on site.
- ². The increase in waste per head of population has been monitored and steps taken to further educate the community such as council's rubbish and recycling guide, magnet, and school education through the rethink centre. Council's Waste Management and minimisation plan will be written in 2017 and initiatives from the new plan implemented to help reduce the waste to landfill.
- ³. The wording of this measure was changed in the 2016/17 Annual Plan to better identify the services - in line with our revised Resident Satisfaction Survey.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	182	165	17	163
Expenses	4,155	3,778	(377)	3,689
Net Cost of Service	3,973	3,614	(360)	3,526

Cleaning of defined public places and Domestic solid waste collections are funded 100% from rates. Operation of rural transfer station is funded from 78% rates and 22% from fees and charges. Operation of Waiapu Landfill is funded from 60% rates and 40% fees and charges. Solid waste legacy debt and after-care provisions are funded from 100% rates.

Capital Expenditure

Capital Projects	42	175	(133)	0
Funded By:				
Other Capital Revenue	0	0	0	0
Depreciation or Other Reserves (Renewals)	42	175	(133)	0
Internal Loans	0	0	0	0
	0	0	0	0

What was different from budget

1. Operating revenue was \$17k over budget due to increased rubbish sticker sales.
2. Operating expenditure was \$377k over budget. This relates to an increase in operational costs and also an increase in the provision for the landfill aftercare costs.
3. Capital expenditure was \$133k under budget. This was due to the delay in the Waiapu landfill review.

Urban Stormwater Services

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 Makaraka and Wainui/Okitu, and township areas in the rural communities.

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 (excluding all land drainage beyond the city and township boundaries and river protection work).

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

What we did 2015/16

- Replaced old stormwater pipes in Matawai Township near Matawai School to increase the stormwater capacity of the system.

- Upgraded existing culverts in Hapara Stream to allow for recent and future growth and development in the wider catchment. This improvement work also included stream widening to increase the stream capacity.
- Developed an integrated computer model using LiDAR (digital terrain mapping technology) and pipe infrastructure to understand system hydraulic capacity, secondary flow-paths, and ponding issues within the Kaiti catchment. The remainder of the city is planned to be undertaken over the next two years.
- Completed stormwater upgrades in Turenne Street to enable drainage from properties with a focus on reducing gully trap inundation and stormwater inputs into the wastewater system. The work addressed significant flooding issues across several properties in the area.
- Installed sediment management bunds and improvements to the existing stormwater infrastructure behind Te Poho o Rawiri Marae (beside Titirangi Hill) to mitigate hillside stability risks and stormwater runoff issues to the marae and residential properties in Cambridge Terrace and Ranfurly Street.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We provide high quality infrastructure and ensure a healthy community through the removal of stormwater and contaminants to protect dwellings, the environment and people.	Customer Satisfaction - The number of complaints received about the performance of the stormwater system, expressed per 1000 properties connected to the stormwater system.	New Mandatory Measure	<15	6.8 Achieved
	Discharge Compliance - Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) convictions, received by Council in relation to those resource consents.	New Mandatory Measure	The Draft Freshwater Plan for the Gisborne Region is likely to include a requirement that a resource consent be applied for by 2025	0 Achieved
	Percentage of residents satisfied with the district's urban stormwater services as found in the Resident Satisfaction Survey.	46%	50%	57% Achieved
	Response Times - The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	New Mandatory Measure	30 minutes ¹	N/A ² Achieved

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
	System and Adequacy a) The number of flooding events that occur in the district. (A flooding event means an overflow of stormwater from a stormwater system that enters a habitable floor) b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the stormwater system)	New Mandatory Measure	a) ≤2 b) <0.2	a) 0 Achieved b) 0 Achieved

What was different to Levels of Service and Performance Measures?

- Measure targets responses to emergency flooding associated with a house or business. There is a 30 minute response time requirement for emergency stormwater flooding of houses or commercial property. There is a 1 hr response requirement for all other emergency stormwater RfS's.
- As there were no flooding events related to a house or business during 2015/16 the response time performance measure could not be measured, therefore this measure has been achieved by default.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	0	0	0	0
Expenses	2,112	2,696	584	2,407
Net Cost of Service	2,112	2,696	584	2,407
This activity was funded 100% from rates				
Capital Expenditure				
Capital Projects	583	842	259	234
Funded By:				
Other Capital Revenue	0	0	0	0
Depreciation or Other Reserves (Renewals)	514	590	(76)	229
Internal Loans	69	252	(183)	5
	0	0	0	0

What was different from budget

- Operating expenditure was \$584k under budget. This relates to a decrease in operating and employee costs.
- Capital expenditure was \$259k under budget. The was mostly due to the Reynolds drain improvements not proceeding after feasibility work was carried out.

Wastewater

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.

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.

This activity contributes to the following Community Outcomes

- Tairāwhiti Taonga

What we did 2015/16

- Developed a draft plan for the Wastewater Discharges Reduction Project. The plan outlines how we can reduce the public health, environmental, cultural impacts and frequency of wastewater flowing into rivers and onto private property. The target date for completion of the project plan is 2016/17.

- The reduction of stormwater ponding on private property and addressing the entry of stormwater into the wastewater network on private property is a fundamental component of the plan.
- Comprehensive inspections of private property throughout the Kaiti area are now being undertaken. These inspections will extend to other areas as the project progresses. All private property connected to the wastewater system in Gisborne city is planned to be inspected within the next 10 years.
- Replaced old sewer pipeline in parts of Crawford Road, Childers Road and Aberdeen Road.
- Completed a renewal and upgrade of the Base Station for the SCADA system that controls the wastewater pump stations in Gisborne city.
- Undertook mechanical and electrical renewals of Anzac Park and Steele Road pump stations in Gisborne, including replacement of pumps and control mechanisms.
- Continued to investigate alternative use and disposal options for the City's wastewater once it has been treated at the Wastewater Treatment Plant by running trials of various options.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We provide a well managed wastewater reticulation and treatment system which protects public health and the physical environment.	Council will have adequate information by December 2016 to make decisions on any future wastewater treatment options.	New Measure	Achieve	N/A ¹
	Customer Satisfaction - The total number of complaints received about any of the following: a) wastewater odour b) wastewater system faults c) wastewater system blockages d) Council's response to issues with its wastewater system, expressed per 1000 connections to the wastewater system	New Mandatory Measure	≤15	11 Achieved
	Discharge Compliance - Compliance with Council's resource consents for discharge from its wastewater system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) convictions, received by Council in relation to those resource consents.	New Mandatory Measure	0	0 Achieved

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
	Fault Response Times - Where Council attends to wastewater overflows resulting from a blockage or other fault in the wastewater system, the following median response times measured: a) attendance time: from the time that Council receives notification to the time that service personnel reach the site, and b) resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	New Mandatory Measure	a) ≤1hr b) ≤24hr ²	a) 0.15hr b) 4.6hr Achieved
	Percentage of residents satisfied with the Gisborne district's wastewater system as found in Resident Satisfaction Survey.	54%	≥50%	64% Achieved
	System and Adequacy - The number of dry weather wastewater overflows from the wastewater system, expressed per 1000 connections to the wastewater system.	New Mandatory Measure	≤1	0.88 Achieved
	The annual number of events where wastewater is discharged from Council's reticulation into rivers or streams (less than a 1 in 10 year event).	1	≤4	1 Achieved

What was different to Levels of Service and Performance Measures

¹ The timeline for this measure is December 2016, so it is not relevant for this financial year.

² These targets were changed in the 2016/17 Annual Plan as they were listed incorrectly in the Long Term Plan.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	370	323	47	351
Expenses	5,801	5,771	(30)	6,164
Net Cost of Service	5,431	5,449	17	5,813
This activity was funded 98% from rates and 2% from fees and charges				
Capital Expenditure				
Capital Projects	2,724	2,221	(503)	3,588
Funded By:				
Other Capital Revenue	0	0	0	400
Depreciation or Other Reserves (Renewals)	1,549	1,219	330	445
Internal Loans	1,175	1,002	173	2,743
	0	0	0	0

What was different from budget

- Operating revenue was \$47k over budget. This relates to additional income received from trade waste charges.
- Operating expenditure was \$30k over budget due to increase in repairs and maintenance associated with the large rain event in September.
- Capital expenditure was \$503k over budget. This is due to additional expenditure being spent on renewal and upgrade projects.

Water Supply

What we do

The Council operates and maintains the Gisborne water supply from its source supply being the Mangapoike Dams, Te Arai Bush Intake and the Waipaoa River, via water treatment infrastructure at Waingake and Waipaoa to the water reticulation network, including reservoirs, pump stations and the connections from the street mains to all serviced property boundaries. At commercial metered connections Council owns the water meter and backflow preventer and charges for water used.

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.

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We provide water supply infrastructure that meets the needs of our community now and into the future by delivering safe, clean water in a sustainable manner.	The percentage of residents satisfied with the water supply system as found in the Resident Satisfaction Survey.	83%	70%	84% Achieved
	Customer Satisfaction - The total number of complaints received about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply, and f) the Council's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system.	New Mandatory Measure	≤50	4.51 Achieved
	Demand Management - The average consumption of drinking water per day per resident within the district.	New Mandatory Measure	≤308 litres	254 litres Achieved
	Fault Response Times - Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured: a) attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and b) resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption. c) attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	New Mandatory Measure	Urgent a) 2 Hours b) 8 Hours Routine c) 8 hours d) 2 days	a) 0.1hrs b) 1.86hrs c) 0.26hrs d) 1.16days Achieved

What we did 2015/16

- Completed fish passage improvements to the Te Arai to remove barriers along the length of the river to help fish migration, aimed at encouraging growth in fish numbers. Council staff have been working together with local experts, members from Rongowhakaata and landowners along the river on a range of restoration projects focused on habitat enhancement for native fish.
- Completed the design and procurement process for the Whatatutu water treatment upgrades. Work on a comprehensive upgrade of the treatment plant has started thanks to a \$386k subsidy from the Ministry of Health. Physical works and commissioning of a new treatment plant are expected to be completed by December 2016.
- Completed scoping and design for the refurbishment of the trunk water pipeline in the Waingake water catchment, including above ground repairs of support structures. Construction is planned to start in December 2016.

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
	d) resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.			
	Maintenance of the reticulation network - The percentage of real water loss from Council's networked reticulation system.	New Mandatory Measure	≤15% of Total Consumption measured every 5 years	14.5% Achieved
	Safety of Drinking Water - The extent to which the drinking water supply complies with: a) part 4 of the drinking-water standards (bacteria compliance criteria), and b) part 5 of the drinking-water standards (protozoal compliance criteria).	Gisborne City a.100% b. 100% Te Karaka a. 100% b. 100% Whatatutu a.0% b. 0%	Gisborne City a.100% b. 100% Te Karaka a.100% b. 100% Whatatutu a.100% b. 0%	Gisborne City ¹ a.100% b. 100% Achieved Te Karaka a.100% b. 0% ² Not achieved Whatatutu a.100% b. 0% ³ Achieved

What was different to Levels of Service and Performance Measures?

- ¹ These results are based off of interim results from the Ministry of Health (MoH). The final report from MoH was not received in time to include results in this Annual Report.
- ² One of the requirements to meet the Protozoan compliance criteria is an annual calibration of the UV sensor. Calibration did not take place, hence non-compliance. In order to prevent this issue from occurring again, a calibration unit has now been ordered to carry out the calibration.
- ³ Whatatutu have received funding from the Ministry of Health to upgrade their water supply. The upgrades will be completed in 2016/17 and will meet the protozoal compliance criteria.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	5	0	5	4
Revenue from Exchange Transactions	2,466	2,590	(124)	2,300
Expenses	4,703	4,991	288	4,951
Net Cost of Service	2,232	2,401	169	2,647
This activity was funded 53% from rates and 47% from fees and charges				
Capital Expenditure				
Capital Projects	533	1,389	856	1,286
Funded By:				
Grants and Subsidies	0	617	(617)	344
Depreciation or Other Reserves (Renewals)	297	772	(475)	1,199
Internal Loans	236	0	236	(257)
	0	0	0	0

What was different from budget

- Operating revenue was \$119k under budget. This related to a decrease in actual industrial water consumption.
- Operating expenditure was \$288k under budget. This was due to special projects and treatment plant costs.
- Capital expenditure was \$856k under budget. This was due to delays in most water supply renewal and upgrade projects.

Aquatic and Recreation Facility (Olympic Pool)

What we do

The Olympic Pool is an important recreational and sporting facility with approximately 140,000 visits a year. It provides a wide range of activities and programmes and is available for groups such as schools, sporting clubs and community organisations. The pool includes a health and therapy facility.

Why we do it

To encourage people of all ages to engage in recreational activities that help them live more active and healthy lives. The facility is also a place where families and the community come together to play, socialise and have fun.

This activity contributes to the following Community Outcome

- Tairāwhiti Tangata

What we did 2015/16

- Completed operational reviews of the Olympic Pool complex facilities, activities and risk profiles.
- Completed condition assessments for critical asset components (i.e Hydroslide) and undertook critical repairs and maintenance work as required.
- Completed upgrade and facelift of front entrance area, including new sign, garden, bike racks and seating areas.
- Installed new, bi-lingual signage throughout the facility.
- Organised a number of successful promotions and events including Swim the Distance, Women's Triathlon and Come Have a Look.
- Successfully negotiated and implemented a new five-year wood chip fuel supply contract with favourable terms and conditions.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We provide a range of sustainable, quality aquatic and recreational opportunities for Gisborne district residents and visitors.	Council aquatic facilities are safe and operate in accordance with nationally accepted guidelines.	Amended Measure	Achieve	Achieved
	Number of pool admissions per annum.	112,702	140,000	127,219 Not achieved ¹
	Percentage of external revenue from users versus expenditure.	29%	40%	31% Not achieved ¹
	Percentage of residents satisfied with the Olympic Pool as found in the Resident Satisfaction Survey.	53%	50%	81% Achieved
Aquatic and Recreation Facility: Provide quality, safe and sustainable aquatic and recreational opportunities	Percentage of users who are satisfied with the pool service.	Amended Measure	90%	91% Achieved

What was different to Levels of Service and Performance Measures

¹. The actual result is 12,781 lower than the target. For 2015/16 it has to be noted that a ten-day cold and rainy spell of weather in January resulted in about 2,500 admissions lost. Comparing results within categories over the years the following trends become apparent:

- Senior citizen admissions have dropped significantly over the past two years.
- Comet Swim Club admissions have dropped significantly (by more than 50%) over the last two years.
- Aqua Fitness class participation has dropped significantly over the past two years; the perceived high fees might be a potential issue.
- Hot Pool admissions have dropped significantly over the past two years because the maximum number of people allowed at any one time was reduced to 8 people (previously 16); due to new regulations.
- Churchill Park accommodation numbers have not eventuated for the last two years, due to handing over the management to the Holiday Park. This accounts for over 5,000 admissions lost p.a.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	1	(1)	0
Revenue from Exchange Transactions	452	511	(59)	408
Expenses	1,513	1,653	140	1,419
Net Cost of Service	1,061	1,140	80	1,011
This activity was funded 66% from rates and 33% from fees and charges				
Capital Expenditure				
Capital Projects	44	250	(206)	922
Funded By:				
Grants and Subsidies	0	225	(225)	0
Depreciation or Other Reserves (Renewals)	44	25	19	62
Internal Loans	0	0	0	860
	0	0	0	0

What was different from budget

1. Operating revenue was \$60k under budget. This relates to a decrease in user fees and sales.
2. Operating expenditure was \$140k under budget. This is due to the delay in special projects relating to the redevelopment of the Olympic Pool Complex and a decrease in maintenance costs.
3. Capital expenditure was \$206k under budget. This relates to the redevelopment of the Olympic Pool Complex project which has been rescheduled to start in the 2017/18 financial year.

Arts and Culture

What we do

This activity involves providing facilities, services and projects for the enjoyment of locals and visitors 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 play an important role in enhancing a sense of identity and local distinctiveness.

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).

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

What we did 2015/16

Art in Public Places

- Commissioned a conservation plan to assess the condition of Graeme Mudge's murals and scope the work involved in restoration.

- Installed the Footrot Flats – Wal and Dog statue temporarily at Marina Park. It will be moved to its permanent home next to the HB Williams Memorial Library following the upgrade.
- Progressed the Hawaiiki Tūrangā, Ruapani sculpture, including public consultation and collaboration with iwi.

Theatres

- Completed operational reviews of the theatre.
- The War Memorial Theatre Trust gifted important equipment including stage screens, projector, lighting for changing rooms and intercom system between front and back stage.
- Provided significant support and expertise to progress Council's major projects, including the Lawson Field theatre upgrade.

Museum

- Completed the task of packing and moving 12,000 items from the Social History and Fine Arts collections into their new collection store. The Collection management staff and volunteers created over 400 custom-made padded coat-hangers to fit the requirements of each dress, coat and bodice that now hang in the new store.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We provide adequate facilities and contracted management of the distinctive museum collection and displays.	Number of visitors per annum to Tairāwhiti Museum.	41,473	40,000	42,980 Achieved
	Percentage of residents satisfied with Tairāwhiti Museum as found in the Resident Satisfaction Survey.	76%	70%	90% Achieved
We provide facilities and services that help create a strong sense of community manna, pride and identity, reflecting the heritage and culture of the region.	Number of booking days per annum: Lawson Field Theatre.	193	Refurbishment and earthquake proofing	192
	Number of booking days per annum: War Memorial Theatre.	32 (9 week period)	78	92 Achieved
	Percentage of residents satisfied with the Lawson Field Theatre as found in the Resident Satisfaction Survey.	83%	Refurbishment and earthquake proofing	89%
	Percentage of residents satisfied with the War Memorial Theatre as found in the Resident Satisfaction Survey.	N/A - War Memorial closed for redevelopment	65%	88% Achieved

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
	Theatres percentage of revenue return on operational cost.	36%	20%-30%	33% Achieved
	Percentage of residents satisfied with the quality of art in public places and the way it is maintained as found in the Resident Satisfaction Survey.	New measure	Year 1: Establish baseline and targets	80%

What was different to Levels of Service and Performance Measures?

Performance measures have been met or baseline and targets established.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	143	117	26	93
Expenses	1,460	1,490	30	1,209
Net Cost of Service	1,317	1,373	72	1,116

This activity was funded 97% from rates and 3% from fees and charges

Capital Expenditure

Capital Projects	618	3,114	2,496	6,144
Funded By:				
Grants and Subsidies	471	2,818	(2,347)	4,755
Other Capital Revenue	16	0	16	0
Depreciation or Other Reserves (Renewals)	265	266	(135)	222
Internal Loans	(134)	30	(30)	1,167
	0	0	0	0

What was different from budget

1. Operating revenue was \$26k over budget. This related to an increase in revenue from theatres.
2. Operating expenditure was \$30k under budget. This relates to a decrease in expenditure for theatres in materials and services and salary costs.
3. Capital expenditure was \$2.5m under budget. This relates to the delay in commencement of the Inner Harbour Navigations Project where majority of the work will be completed in the 2016/17 and 2017/18 financial years.

HB Williams Memorial Library

What we do

Council libraries provide a wide range of services and resources for the community. Council operates the HB Williams Memorial Library, serving Gisborne's urban and rural communities by providing space and resources including professional staff, books, databases, free internet, e-services, magazines, talking books, music and art works.

Why we do it

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

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Wawata

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We provide a range of accessible, quality library services tailored to meet the needs of Gisborne district residents.	Number of visitors to HB Williams Memorial Library per annum (on site and on-line).	216,507	230,000 on-site, on-line targets to be established in year 1	Onsite: 213,487 Not achieved ¹ Online: 18,880
	Percentage of residents that have used the HB Williams Memorial Library in the last 12 months as found in the Resident Satisfaction Survey.	61%	66%	58% Not achieved ¹
	Percentage of residents satisfied with Gisborne district's library services as found in the Resident Satisfaction Survey.	73%	70%	91% Achieved

What was different to Levels of Service and Performance Measures?

- ^{1.} Visitor numbers declined due to deteriorating building conditions and target was set in anticipation of the new building being completed. More users becoming remote online library members.

What we did 2015/16

- Progressed library redevelopment project through to tenders stage.
- Continued to build an e-library through implementing free access to Gisborne herald online on internal computers, creating a website about the history of the library, digitised many administrative files and local history files, microfilmed the complete run of Māori newspaper Pīpiwharauroa.
- Provided coding workshops for adults and young people in partnership with Association Public Library Managers with funding from the Ministry of Business Innovation and Enterprise's Unlocking Curious Minds fund.
- Delivered 318 literacy programmes for groups and individuals.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	115	133	(18)	113
Expenses	1,361	1,530	169	1,355
Net Cost of Service	1,246	1,396	151	1,242
This activity was funded 90% from rates, 10% from fees and charges				
Capital Expenditure				
Capital Projects	668	3,674	3,006	219
Funded By:				
Grants and Subsidies	430	10	420	5
Depreciation or Other Reserves (Renewals)	(15)	1,914	(1,929)	176
Internal Loans	253	1,750	(1,497)	38
	0	0	0	0

What was different from budget

1. Operating revenue was \$18k under budget. This is due to anticipated additional services not yet implemented.
2. Operating expenditure was \$169k under budget. This is due to a decrease in employee related expenditure and delays in starting special projects relating to the library expansion project.
3. Capital expenditure was \$3m under budget. This relates to the delay in commencement of the Library Building expansion project, which is due to start in the 2016/17 financial year.

Parks and Community Property

What we do

The Parks and Community Property activity includes the following:

- Parks and Open Spaces
- Cemeteries
- Public Conveniences
- Community Property.

Why we do it

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

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

What we did 2015/16

- Completed an organisational review of the Community and Recreation section.

- Completed operational reviews of the cemetery activities.
- Completed the business case for the Papawhariki sport/community complex initiative.
- Completed asset inventory collection and upload to Council's asset management system IPS8.
- Provided significant support and expertise to progress Council's major projects, including Navigations and Walking and Cycleway projects.
- Implemented a large capital works programme, including improvements to the standards of sports grounds and major upgrades to our high user visitor destinations:
 - Childers Road Reserve Irrigation Installation
 - Sports ground lighting improvements
 - Initial planning of the Wyllie Cottage Restoration Project.
- Completed the design and construction of the Botanical Gardens Playground redevelopment.
- Completed the design and construction of the Waikirikiri Reserve Softball Diamond.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We provide 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 that have visited a Council park or reserve in the last 12 months as found in the Resident Satisfaction Survey. ¹	New measure	Year 1: Establish baseline and targets	77%
	Percentage of playgrounds that meet relevant New Zealand safety standards.	58%	100%	75% Not achieved ²
	Percentage of residents satisfied with the quality of our parks as found in the Resident Satisfaction Survey. ³	Amended Measure	86%	80% Not achieved ⁴
	Percentage of stakeholders satisfied with the quality of care of Council managed heritage, cultural and archaeological sites.	New measure	Year 1: Establish baseline and targets	Not measured ⁵
	Percentage of the beach restoration maintenance standards achieved based on project-by-project requirements.	New measure	Year 1: Establish baseline and targets	Not measured ⁶
	Percentage of users satisfied with the quality of sports surfaces and facilities when using parks.	Amended Measure	80%	75% Not achieved ⁷
	Percentage of users satisfied with the maintenance of parks. ⁸	New measure	Year 1: Establish baseline and targets	81%
We provide 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 Resident Satisfaction Survey.	32%	50%	31% Not achieved ⁹

What was different to Levels of Service and Performance Measures?

- ¹ This measure was changed in the 2016/17 Annual Plan. The measure was "number of visitors to parks". This change was made for practicality of measurement - we will use the Resident Satisfaction Survey.
- ² We do not meet our target, but this is a significant improvement from last year's results. We are implementing an assets renewal programme which will see the level of compliance increase over time. The measure was not achieved as this programme needs to be completed within budget.
- ³ The wording of the measure was changed in the 2016/17 Annual Plan to be more specific - in line with our revised Resident Satisfaction Survey.
- ⁴ In summer 2016 we plan to engage with our customers and find out how satisfied they are with the quality of our parks and how we can improve.
- ⁵ This measure is not considered relevant as council doesn't have these sites mapped and would require further work in order to start measuring.
- ⁶ This measure cannot be reported for 2015/16. We are currently working with a contractor to develop the beach restoration standards that will form the basis for this measure.
- ⁷ The Resident Satisfaction Survey was used to report this result as a user survey was not completed this year. In summer 2016 we plan to engage with our customers and find out how satisfied they are with the quality of our parks and how we can improve.
- ⁸ The wording of the measure was changed in the 2016/17 Annual Plan to be more specific - for practicality of measurement. The Resident Satisfaction Survey was used to report this result as a user survey was not completed this year.
- ⁹ The main reason cited for this is abuse of public toilets. We have encouraged the community to request service when they find them in disarray but abuse continues to be a big factor in the dissatisfaction with our toilets.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	5	8	(3)	35
Revenue from Exchange Transactions	180	358	(178)	644
Expenses	5,459	4,947	(512)	5,550
Net Cost of Service	5,274	4,581	(682)	4,871
Conveniences is funded from 99% rates and 1% fees and charges and Parks and Reserves is funded from 100% rates.				
Capital Expenditure				
Capital Projects	2,886	2,148	(738)	2,104
Funded By:				
Grants and Subsidies	79	125	(46)	158
Depreciation or Other Reserves (Renewals)	1,302	317	985	256
Internal Loans	1,505	1,706	(201)	1,690
	0	0	0	0

What was different from budget

- Operating revenue was \$181k under budget. This relates to the loss associated with the write-off of the toilets at the Waikanae Surf Club and also a decrease in rental income.
- Operating expenditure was \$512k over budget. This is due to the reclassification of expenditure for the Inner Harbour Training Wall Project from capital to operational as a result of the project no longer proceeding.
- Capital expenditure is \$738k over budget. This was due to the buy back of the Port Land which was not budgeted for.

Strategic Planning and Engagement

What we do

The Strategic Planning and Engagement activity is focused on the development of strategies, policies and plans to give effect to Council's Community Outcomes. We do this because legislation like the Local Government Act 2002 (LGA), the Resource Management Act 1991 (RMA) and the Reserves Management Act 1977 tell us that we must. Community participation in Council decision making is a key part of developing and implementing our policy and plans.

Why we do it

Council undertakes these activities to:

- support community economic, social and cultural well-being; and
- manage the use, development and protection of our natural and physical resources, now and into the future.

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga
- Tairāwhiti Wawata

What we did 2015/16

Strategic Planning

- Notified the Draft Gisborne District Freshwater Plan to outline what our community wants to achieve with freshwater and how we will manage it.
- Completed a draft Regional Economic Action Plan (Te Huarahi hei Whai Oranga), outlining key regional actions to stimulate economic development, for negotiation with central government.
- Completed the Urban Development Strategy to guide the future form and function of our city and prepared an implementation plan to action over the next five years.
- Completed major natural hazard research and mapping work (tsunami, liquefaction, coastal flooding and erosion) and prepared a Regional Risk Profile to support planning to reduce the impacts of natural hazards on our communities.
- Initiated work on a Community Facilities Strategy to guide investment and management over the next 30 years in facilities from public conveniences and cemeteries to sports facilities, parks and open spaces and arts facilities.

- Scoped and initiated a project to merge our resource management plans into one easy-to-use and comprehensive document.
- Started to review the Titirangi Reserve Management Plan and co-management arrangements with Ngati Oneone to bring the management of this important asset up to date.
- Secured external non-rates funding for major developments including \$3.4m for Tairāwhiti Navigations Project (Turanganui Riverside Heritage Park), the remaining funding of \$1.04m for the redevelopment of HB Williams Memorial Library and \$165k for the restoration of Wyllie Cottage.
- Continued to administer \$112k grant funding for arts, rural travel and community development.
- Prepared a draft Regional Digital Strategy.
- Facilitated discussions to amalgamate economic development agencies (Activate Tairāwhiti, Heart of Gisborne and Tourism Eastland).
- Completed the design and upgrade work for Te Karaka / Whatatutu township upgrade.
- Started working with the Tokomaru Bay community to plan their township upgrade.

Planning and Performance

- Prepared and undertook engagement for the 2016/17 Annual Plan.
- Completed the 2014/15 Annual Report.
- Worked with the Chief Executive to prepare Council's 2016 Pre-election Report.
- Consulted on amendments to the LTP and Revenue and Financing Policy.
- Led a business planning improvement pilot to improve Council's business planning capability.
- Began integrated performance reporting to improve the effectiveness and consistency of reporting across the organisation and for Council.
- Improved our customer Requests for Service (RFS) performance reporting.
- Commenced a service design pilot project with Customer Services and Tairāwhiti Roads to improve RFS customer experience.

Communications

- Continued to develop customer-centric practices.
- Continued to progress consistent communications, planning and storytelling across council.

Levels of Service and Performance Measures

Level of Service	Performance measure	Result 2014/15	Target 2015/16	Result 2015/16
We develop and facilitate the implementation of non-statutory community, environmental and urban design plans that ensure the needs and aspirations of our communities are recognised.	Percentage of stakeholders who are at least satisfied with community engagement on strategy and plan development as measured through feedback forms.	67%	95%	83% ¹ Not achieved
We prepare 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 residents satisfied with Council's management of the natural and built environment as found in the Resident Satisfaction Survey.	Natural 64% Built 66%	75% 75%	Natural: 63% Built: 64% Not achieved ²
We support and encourage effective Māori participation in Council processes.	Iwi entities' satisfaction with involvement in development of Council strategies, policies and plans.	New measure	90%	67% ³ Not achieved
	Number of collaborative projects undertaken with Māori entities.	New measure	Establish baseline and targets	4 ⁴
We support communities to participate in decision making processes.	Percentage of residents satisfied with the way Council involves the public in the decisions it makes as found in the Resident Satisfaction Survey.	56%	60%	42% Not achieved ⁵
	Stakeholder surveys show that interventions have improved targeted community-understanding of Council decision making processes.	67%	80%	71% ⁶ Not achieved
We support Council to achieve the region's direction by developing Council's strategic plans and policies, and monitoring their implementation and intended outcomes.	Percentage of advice to Council that meets good practice standards when independently assessed.	New measure	Establish baseline and targets	80% ⁷
We support the organisation to provide good quality information to the public.	Percentage of residents, as found in the Resident Satisfaction Survey, satisfied with Council's provision of information to the public including: - content on the Council website ⁸ - Council updates/notices via social media (Facebook and/or Twitter) - Council newsletters, brochures and consultation documents.	New measure	Year 1: Baseline to be established and targets confirmed	Website: 64% Social media: 62% Publications: 51%

What was different to Levels of Service and Performance Measures?

- There was a 12% response rate (sent to 60 stakeholders). Results have improved significantly from last year but are still short of the target of 95% satisfaction. Council has started to bed in better engagement processes and the improvements are pleasing. We aim to continue to improve.
- Respondents to the Resident Satisfaction Survey have identified a similar level of satisfaction with how Council manages the natural and built environment as in the previous year. There has been no improvement. It is unclear why this performance target was not achieved. This measure will be reviewed as part of the preparation of the Long Term Plan 2018-2028.
- There was a 15% response rate (sent to 20 iwi entity stakeholders). Council has set ambitious targets for iwi entity satisfaction with how Council engages with them. We are aware that this is an area of growth for Council. Our work programmes over the next 12 months reflect the need to invest more resources into this area. We are developing a Māori Responsiveness Strategy to improve engagement, we will continue to resource new relationship agreements with iwi and Māori entities and we will ensure our staff have the capability to engage effectively with Māori.

4. Council has a Joint Management Agreement with Te Runanganui o Ngati Porou, Titirangi Reserve Management Plan and Co-Management Plan, Draft Freshwater Plan, Inanga Spawning Project.
5. The target of 60% of respondents satisfied was still not achieved. We have recently established a new position in Council - Customer Engagement Manager. This role will lead on seeking new and innovative ways to engage with our communities in decision making. This target was changed in the 2016/17 Annual Plan from 65% to 60%. This was because the measure also appears under the "Governance" activity and has target of 60%.
6. Respondents are more satisfied with how Council improves understanding of Council decision-making processes but still short of the target of 80% satisfaction. Council has started to bed in better communications as part of policy processes and the improvements are pleasing. We aim to continue to improve.
7. An external audit of staff reports to Council was completed by NZIER. They reviewed 10 reports from a sample of 16. Based on their criteria, 80% of the reports tested were adequate or above (a score of more than 7/10). Our overall score was 7.5 which puts us amongst the best in Local Government based on NZIER benchmarking.
8. This measure was amended in the 2016/17 Annual Plan. The measure originally included "content and opportunities to pay for services on the Council website". The "opportunities to pay" was removed as this was leading and made the measure double barrelled and therefore difficult to measure.

What it cost

	2015/16 Actual	2015/16 LTP Budget	2015/16 Variance	2014/15 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	144	188	(44)	219
Revenue from Exchange Transactions	17	26	(9)	58
Expenses	3,310	3,562	252	3,613
Net Cost of Service	3,149	3,348	199	3,336

Strategic Planning and Engagement, Maori - This activity is funded 100% from rates.

Strategic Planning and Engagement, Private Plan Changes - This activity is funded 100% from fees and charges.

Economic Development and Tourism, City Centre Management and Promotion and Business Area Patrols - These activities are funded from 100% rates

What was different from budget

1. Operating revenue was \$53k under budget. This relates to grant funding income being directly paid to Activate Tairāwhiti.
2. Operating expenditure was \$252k under budget. This is due to a delay in spending relating to the freshwater plan hearings which will be spent in the 2016/17 financial year.



TE TOHATOHA PŪTEA

OUR FINANCES



Our Finances

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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.

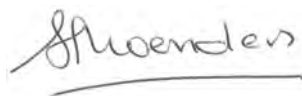
In the opinion of Council and Management, the annual financial statements for the year ended 30 June 2016 fairly reflect the financial position, results of operations and service performance achievements of the Gisborne District Council.



Meng Foon
Mayor



Judy Campbell
Chief Executive



Herman Koenders
Acting Group Manager Operations

Statement of Comprehensive Income for the year ended 30 June 2016

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Note	Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
8,827	8,987	Grants and Subsidies - Operational	4	9,037	7,881	7,971
11,533	11,533	Grants, Donations, Subsidies and Contributions - Capital	4	11,113	7,380	7,380
1,959	1,974	Other Non Exchange Revenue	5	1,515	1,850	1,850
15,713	15,610	General Rates And Uniform Annual General Charge	3	17,267	16,748	16,634
35,601	35,601	Targeted Rates (other than a targeted rate for water supply)	3	35,010	35,077	35,077
REVENUE FROM EXCHANGE TRANSACTIONS						
16	16	Development and Financial Contributions	5	815	227	227
10,174	16,466	Other Revenue	5 & 7	9,269	9,770	15,176
2,234	2,234	Targeted Water Rates	3	2,516	2,371	2,371
7	48	Dividends	5	1,000	6	6
111	118	Interest Received	5	14	66	69
241	359	Other Gains/(Losses) - Profit on Sale of Assets	6	12	318	6,213
86,416	92,946	Total Revenue		87,568	81,694	92,974
EXPENSES						
17,415	18,355	Employee Benefit Expenses	8	17,857	19,157	20,353
44,228	46,625	Expenditure on Operating Activities	10	43,509	43,689	45,599
19,619	20,001	Depreciation and Amortisation	9	20,394	20,049	20,481
2,759	2,852	Financing Costs	11	2,085	2,731	2,765
84,022	87,834	Total Expenses		83,845	85,626	89,198
2,395	5,112	Net Surplus/(Deficit) before Taxation		3,723	(3,932)	3,776
1,068	0	Subvention Payment from GHL		0	1,021	0
0	417	Income Tax Expense	12	0	0	1,792
3,463	4,695	Net Surplus/(Deficit) after Taxation		3,723	(2,911)	1,984
Other Comprehensive Income						
9,454	11,228	Gains/(Losses) on Property Revaluation		388	13,849	18,999
0	(10)	Deferred Tax on Building Revaluations	12	0	0	(9)
9,454	11,218	Total Other Comprehensive Income		388	13,849	18,990
12,917	15,913	TOTAL COMPREHENSIVE REVENUE AND EXPENSES		4,111	10,938	20,974

The accompanying notes form an integral part of these financial statements. Please note there are small rounding differences due to the numbers being rounded to the nearest thousand dollar.

Statement Concerning Balanced Budget for the year ended 30 June 2016

Council 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s
86,416	Operating Income	87,568	81,694
84,021	Operating Expenditure	(83,845)	(85,626)
1,068	Subvention Payment	0	1,021
0	Income Tax Expense/(Benefit)	0	0
3,463	Net Operating Surplus/(Deficit) After Taxation	3,723	(2,911)
	Less		
478	Capital Rates Income	510	510
11,533	Capital Grants and Subsidies	11,113	7,380
600	Other Capital Grants, Donations and Contributions	815	361
275	Operations funded by Reserve funds	279	176
	Plus		
6,535	Depreciation not Funded	7,325	7,265
2,888	(Decrease)/increase in Council deficit	1,668	4,074
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 financial 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). This is to ensure that there is access to enough funding to enable the services to continue to be provided long term. There are activities where this approach may not be practical or prudent due to the activity's long term nature or where the activity is partially funded by surpluses built up over time.

Statement of Financial Position as at 30 June 2016

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Note	Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
CURRENT ASSETS						
293	655	Cash and Cash Equivalents	14	4,589	282	303
4,095	4,095	Non Exchange and Other Receivables	15	10,653	5,265	5,265
5,724	5,032	Exchange Trade and Other Receivables	15	434	5,717	4,942
105	291	Inventories	16	183	123	251
1,279	1,279	Investments	17	1,272	1,333	1,333
50	50	Non-current Assets Held for Sale	19	50	8,529	50
11,546	11,404	Total Current Assets		17,180	21,250	12,146
CURRENT LIABILITIES						
463	463	Deposits Held	20	380	377	377
14,186	14,832	Trade and Other Payables	21	13,989	17,030	18,312
1,839	1,958	Employee Benefit Liabilities	22	2,683	1,897	2,054
14,830	15,460	Borrowings	23	11,222	14,615	15,272
78	78	Provision for Other Liabilities	24	78	2,604	2,604
535	535	Derivative Financial Instruments	30A	489	699	699
31,930	33,326	Total Current Liabilities		28,841	37,223	39,318
(20,384)	(21,923)	Net Working Capital		(11,661)	(15,973)	(27,172)
NON-CURRENT ASSETS						
1,945,216	1,981,078	Property Plant and Equipment	25	1,946,762	1,946,218	2,001,535
2,080	2,776	Intangible Assets	26	1,668	3,638	4,334
2,368	19,823	Biological Assets	27	2,186	3,276	26,678
20,680	815	Investments	17	20,561	24,675	907
1,970,344	2,004,492	Total Non-Current Assets		1,971,176	1,977,807	2,033,453

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Note	Council 2015/16 AP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
NON-CURRENT LIABILITIES						
17,000	17,000	Borrowings	23	27,269	17,000	17,000
303	303	Employee Benefit Liabilities	22	255	325	325
1,476	1,476	Provision for Other Liabilities	24	1,484	1,699	1,699
0	2,514	Deferred Tax Liability	12	0	0	4,315
2,031	2,031	Derivative Financial Instruments	30A	1,137	2,723	2,723
20,810	23,324	Total Non-Current Liabilities		30,145	21,746	26,061
1,929,149	1,959,245	Net Funds Employed		1,929,371	1,940,087	1,980,219
EQUITY						
404,031	400,214	Accumulated Surplus	28	417,525	403,836	404,914
36,519	36,519	Special Funds	28	31,635	36,989	36,989
1,488,599	1,522,512	Revaluation Reserves	28	1,480,211	1,499,262	1,538,316
1,929,149	1,959,245	Total Equity		1,929,371	1,940,087	1,980,219

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

Authorised for and on behalf of Gisborne District Council on 29 September 2016.



Meng Foon
Mayor



Judy Campbell
Chief Executive

Statement of Changes in Equity for the year ended 30 June 2016

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Note	Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
EQUITY OPENING BALANCES						
401,199	396,150	Accumulated Funds and Retained Earnings		412,253	404,031	400,214
35,888	35,888	Special Funds and Reserves		33,184	36,519	36,519
1,479,145	1,511,294	Revaluation Reserves		1,479,823	1,488,599	1,522,512
1,916,232	1,943,332	Total Equity Opening Balance		1,925,260	1,929,149	1,959,245
CHANGES IN EQUITY						
Accumulated Surplus (Retained Earnings)						
(631)	(631)	Transfer (to)/from Special Funds and Reserves		1,549	(470)	(470)
12,917	15,913	Total Comprehensive Income		4,111	10,938	20,974
Special Funds and Reserves						
631	631	Transfer (to)/from Retained Earnings		(1,549)	470	470
12,917	15,913	Total Changes in Equity		4,111	10,938	20,974
EQUITY CLOSING BALANCES						
404,031	400,214	Accumulated Funds and Retained Earnings	28	417,525	403,836	404,914
36,519	36,519	Special Funds and Reserves	28	31,635	36,989	36,989
1,488,599	1,522,512	Revaluation Reserves	28	1,480,211	1,499,262	1,538,316
1,929,149	1,959,245	Total Equity Closing Balance		1,929,371	1,940,087	1,980,219
Attributable to:						
1,929,149	1,959,245	Gisborne District Council		1,929,371	1,940,087	1,980,219

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

Statement of Cash Flow for the year ended 30 June 2016

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Note	Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
Cash Flow from Operating Activities						
50,781	50,678	Receipts from Rates		50,795	51,081	50,967
14,345	20,121	Receipts from Activities		13,926	14,277	20,089
21,222	21,382	Receipts from Government Grants and Subsidies		20,150	14,306	14,396
111	118	Interest received		14	66	69
7	7	Dividends received		1,000	6	6
800	0	Subvention payment received		0	1,000	0
(61,699)	(65,504)	Payments to Suppliers and Employees		(59,050)	(56,107)	(58,783)
(839)	(839)	Grants paid		(890)	(847)	(847)
(162)	6	Net GST paid		0	(118)	(239)
(1,818)	(1,920)	Interest paid		(2,116)	(1,848)	(1,877)
22,748	24,049	Net Cash Flows Operating Activities	29	23,829	21,816	23,781
52	87	Sale of Property Plant and Equipment		12	0	28
1,272	1,272	Sale of Investments		0	1,279	1,279
0	0	Sale of Carbon Credits		0	0	0
(29,703)	(30,296)	Purchase of Property Plant and Equipment		(30,191)	(21,251)	(23,569)
(71)	(71)	Purchase of Intangible Assets		0	(308)	(307)
(1,392)	(1,392)	Purchase of Investments		0	(1,332)	(1,332)
0	(3)	Purchase of Carbon Credits		0	0	(2)
0	(220)	Forestry expenditure		0	0	(43)
(29,842)	(30,623)	Net Cash from Investing Activities		(30,179)	(21,612)	(23,946)
Cash Flow from Financing Activities						
2,798	1,695	Increase/(Decrease)in Borrowings		6,349	(215)	(187)
2,798	1,695	Net Cash Flow from Financing Activities		6,349	(215)	(187)
(4,296)	(4,879)	Net Increase/(decrease) in Cash		0	(11)	(352)
4,589	5,534	Cash at beginning of the year		4,589	293	655
293	655	Cash and Cash Equivalents at Year End		4,589	282	303

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 Council Controlled Trading Organisation (CCTO) 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:

	Dividends 2015 \$000s	Dividends 2016 \$000s	Subvention 2015 \$000s	Subvention 2016 \$000s
Gisborne Holdings Ltd	0	0	1,068	1,021

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 holds a \$14m internal loan to finance its investment in GHL. Council incurred a \$790k (2015 \$857k) interest cost on this loan balance.

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. Council has an obligation under the LGA to undertake regular performance monitoring of its CCTOs. The purpose of that monitoring is to ensure they are making the expected contribution to Council objectives, meeting performance targets in their SOI and Council's overall aims and outcomes. CCTO financial statements and performance targets and other measures are audited annually by an independent auditor.

Achievements

After making a tax deductible subvention payment of \$1.02m to the Council, Gisborne Holdings Ltd reported a net profit after tax of \$5.22m for the year. The total income for the year included an increase in the value of forestry of \$5.0m. Net assets increased \$15.2m from \$49.2m to \$64.4m.

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, the Council and Group are public benefit entities for the purpose of financial reporting.

The financial statements of the Council and Group comply with Public Benefit Entity (PBE) standards.

The financial statements have been prepared in accordance with Tier 1 PBE standards.

The financial statements of the Group are for the year ended 30 June 2016. The financial statements were authorised for issue by Council on 29 September 2016.

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 Tier 1 PBE Standards, 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 year.

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.

The group has an interest in a jointly controlled operation. A jointly controlled operation involves use of assets and other recourses of the venturers rather than establishment of a separate entity. The group recognises its interest in the jointly controlled operation by recognising its interest in the assets and the liabilities of the joint venture. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operation.

Revenue Recognition

Revenue is measured at the fair value of consideration received. Revenue is comprised of:

Non Exchange transactions - rates, government grants, vested assets, rental revenue - subsidised, fees and charges - subsidised.

Exchange transactions - rental revenue - full cost recovery, fees and charges - full cost recovery, and development and financial contributions.

Non exchange revenue in general includes revenue from activities that are partially funded by general rates, as

set out in the Council's Long Term Plan 2015-2025 Revenue and Financing Policy.

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.

Donations, gifts and bequests are recognised at the fair value of consideration received upon receipt.

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

The Group uses interest rate swaps 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 licences 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 Group's 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 1,181.6 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 Pamoā 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 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	
Solid Waste	
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.

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 ratepayers' 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 28A.

Statement of Cash Flows

Operating activities include all transactions and other events that are not investing or financing activities. Cash flows 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.

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 the cash flows associated to the aftercare.

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 2045.

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 assets' 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 Long Term 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 Long Term Plan (LTP) 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 are set out in the funding and financial policies in the Council's LTP.

Note 2 : Summary Cost of Services by Activity for the year ended 30 June 2016

Council 2014/15 Actual \$000s	Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s
Revenue From Exchange Transactions		
659 Animal Control	677	908
93 Arts & Culture	117	159
744 Building Services	884	923
207 Emergency Management (CDEM)	82	87
3,599 Commercial Operations	3,588	4,039
362 Environmental Health	304	327
491 Environmental Services	499	382
197 Flood Protection	175	206
3 Governance	12	12
114 Libraries	133	115
698 Parking	609	679
645 Parks & Open Spaces	358	191
115 Planning & Development	26	17
408 Pools	511	452
299 Resource Consents	192	336
290 Roading	17	95
163 Solid Waste	165	182
0 Stormwater	0	0
628 Support Services	1,547	585
351 Wastewater	323	370
2,300 Water Supply	2,590	2,466
12,367 Total Revenue From Exchange Transactions	12,811	12,531
Revenue From Non-Exchange Transactions		
50 Animal Control	50	71
0 Arts & Culture	0	0
0 Building Services	0	0
0 Emergency Management (CDEM)	1	0
0 Commercial Operations	0	0
0 Environmental Health	0	0
0 Environmental Services	125	144
0 Flood Protection	0	0
0 Governance	1	0
0 Libraries	0	0
862 Parking	665	803
35 Parks & Open Spaces	8	5
180 Planning & Development	188	144
0 Pools	1	0
0 Resource Consents	0	0
8,563 Roading	8,665	7,538
0 Solid Waste	0	0
0 Stormwater	0	0
1,093 Support Services	850	1,021
0 Wastewater	0	0
4 Water Supply	0	5
10,787 Total Revenue From Non-Exchange Transactions	10,553	9,731
Expenses		
876 Animal Control	1,094	1,187
1,536 Arts & Culture	1,637	1,566
1,561 Building Services	1,665	1,498
1,162 Emergency Management (CDEM)	1,133	1,094
4,418 Commercial Operations	3,845	5,365
1,740 Environmental Health	1,744	1,802
3,963 Environmental Services	4,724	4,247
2,662 Flood Protection	2,674	2,493
2,151 Governance	2,285	2,129
1,921 Libraries	1,990	1,807
1,086 Parking	896	1,044
6,079 Parks & Open Spaces	5,909	6,445
4,923 Planning & Development	4,612	4,316
1,622 Pools	1,824	1,674
1,425 Resource Consents	1,478	1,609
26,810 Roading	25,827	24,743
3,697 Solid Waste	3,862	4,190
2,355 Stormwater	2,785	2,168
1,890 Support Services	1,632	4,409
7,346 Wastewater	6,971	7,021
4,798 Water Supply	5,258	4,817
84,021 Total Expenses	83,845	85,626
60,867 Net Cost of service	60,481	63,364

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

Note 3 : Rates Revenue

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
53,548	53,445	Gross Rates Revenue	54,793	54,196	54,082
Gross Rates Revenue Consists of :					
4,303	4,200	General Rates	2,936	3,584	3,470
13,013	13,013	Uniform Annual General Charge	14,331	13,164	13,164
33,999	33,999	Targeted Rates	35,010	35,077	35,077
2,234	2,234	Metered Water Rates	2,516	2,371	2,371
53,548	53,445	Gross Rates Revenue	54,793	54,196	54,082
500	500	Less Remissions¹	800	539	539
53,048	52,945	Net Rates Revenue	53,993	53,657	53,543

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.

Rating Base Information as at 30 June 2016

2015/16	Rating Units	Total Capital Value	Total Land Value
Rateable Units	22,253	8,294,779,700	4,688,863,400
Non Rateable Units	1,260	508,897,000	142,520,500

Note 4 : Revenue from Grants and Subsidies

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
Revenue from Grants and Subsidies					
12	172	Central Government Grants	139	91	181
14,880	14,880	NZ Transport Agency Roading Subsidies	16,007	13,932	13,932
5,468	5,468	Other Grants and Subsidies	4,004	1,238	1,238
20,360	20,520	Total Revenue from Grants and Subsidies	20,150	15,261	15,351

Revenue from grants and subsidies (and hence operating income) for Council includes \$7,380,027 (2015: \$11,532,568) 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 \$6,343,967 (2015: \$6,267,204) received from the NZ Transport Agency for roading related work, \$165k (2015 \$490k) received from New Zealand Lottery Environment & Heritage Fund for the Wyllie Cottage renovation and \$180k from Eastern & Central Community Trust for the Library rebuild. Also in 2016 the Lottery Commission made their final contribution of \$10k to fund the War Memorial Theatre rebuild. Their total contribution to that project was \$750k. The Lottery Environment and Heritage Fund also made their final contribution of \$10k for the Cenotaph earthquake repairs. Their total contribution to that project was \$617,425. The table below summarises the grant funding for these projects. There are no unfulfilled conditions or other contingencies attached to grants received.

Donor	War Memorial Theatre	Cenotaph Repairs
Lottery Community Facilities Fund	\$750,000	
Lottery Environment & Heritage Fund		\$617,425
Eastern & Central Community Trust	\$250,000	
New Zealand Community Trust	\$100,000	
War Memorial Theatre Gisborne Trust	\$3,570,000	

Cash flows from grants and subsidies (and hence operating cash inflows) for Council includes \$6,424,191 (2015: \$12,389,152) with respect to these capital grants where the associated cash outflows are recognised as investing activities.

Tauwhareparae Farms Limited (TFL) received \$90k (2015: \$160k) 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 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 AP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
Revenue from Operating Activities					
6	6	Reserve Contributions	0	38	38
16	16	Development Contributions	815	227	227
178	178	Capital Contributions	0	96	96
1,096	1,096	Rates Penalties	850	1,026	1,026
10,165	16,457	Activity Revenue	9,583	10,157	15,563
111	118	Interest	14	66	69
7	48	Dividends	1,000	6	6
288	288	Petroleum Tax	352	303	303
0	15	Gains on Derivatives (Interest Rate Swaps)	0	0	0
11,867	18,222	Total Revenue from Operating Activities	12,613	11,919	17,328

Note 6 : Revenue from Other Gains

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
Revenue from Other Gains (Losses)					
182	649	Gain/(Loss) on Changes in Fair Value of Forestry Assets and Stock	0	909	5,938
0	(384)	Gain/(Loss) on Changes in Fair Value of Livestock	0	0	878
51	42	Gain/(Loss) on Disposal of Property, Plant and Equipment	12	(611)	(623)
8	52	Gain/(Loss) on Changes in Fair Value of Non-Current Receivables/Investment	0	20	20
241	359	Total Revenue from Other Gains (Losses)	12	318	6,213

Note 7 : Vested Assets

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 AP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
Revenue from Operating Activities					
0	0	Stormwater Systems	0	0	0
0	0	Water Systems	0	0	0
400	400	Wastewater Systems	0	0	0
0	0	Reserves	0	0	0
0	0	Roading Network	0	0	0
400	400	Total Assets Vested	0	0	0

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

Note 8 : Employee Benefit Expense

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
Employee Benefit Expense					
18,525	19,426	Salary and Wages	19,147	19,704	20,847
430	450	Defined Contribution Plans Expense	529	505	534
(667)	(648)	Increase/(Decrease) in Leave Liabilities	0	80	104
(872)	(872)	Less Recharged to Other Expense Categories**	(1,819)	(1,132)	(1,132)
17,415	18,355	Total Employee Benefit Expense	17,857	19,157	20,353

****Note:** 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 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
Depreciation and Amortisation Expense					
164	164	Aquatic and Recreation Facility (Olympic Pool)	171	190	190
184	184	Arts and Culture	365	415	415
2	2	Building Services	2	2	2
44	44	Civil Defence, Emergency Management	44	49	49
0	0	Community Planning and Development	1	1	1
35	35	Environmental Services	44	43	43
1,344	1,726	Commercial Operations	1,170	1,361	1,793
6	6	Environmental Health	6	1	1
1	1	Environmental Policy & Planning	0	0	0
100	100	Flood Control	133	110	110
2	2	Governance	2	2	2
10,856	10,856	Land Transport	10,980	10,531	10,531
258	258	Libraries	296	302	302
532	532	Reserves and Open Spaces	584	581	581
261	261	Solid Waste Management	270	316	316
824	824	Storm water	859	870	870
847	847	Support Services	1,123	1,109	1,109
2,032	2,032	Wastewater	2,153	2,035	2,035
2,128	2,128	Water Supply	2,191	2,131	2,131
19,619	20,001	Total Depreciation and Amortisation Expense	20,394	20,049	20,481
19,045	19,427	Total Depreciation as per Note 25	19,705	19,360	19,792
574	574	Total Amortisation as per Note 26	689	689	689
19,619	20,001		20,394	20,049	20,481

Note 10 : Expenditure on Operating Activities

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
		Operating Expenditure			
1,991	2,180	Administration Expenses	2,235	1,836	1,869
189	227	Audit Fees Financial Reporting	195	195	234
106	106	Audit Fees Long Term Plan ¹	0	9	9
1,596	1,730	Consultants and Professional Services	1,185	1,664	1,967
591	666	Elected Members and Director's Fees	549	638	838
186	187	Indirect Employment Costs	124	182	182
839	841	Grants and Donations	945	885	887
737	788	Insurance Costs	724	592	672
408	408	Rental and Operating Leases	660	1,156	1,350
10,733	11,012	Repairs and Maintenance	3,607	9,721	10,117
870	870	Bad Debts Written Off-Rates	560	669	669
3	3	Bad Debts Written Off-Other	867	46	46
874	874	Change to Impairment of Receivables	0	766	766
199	199	IRD Compliance Costs	196	134	134
2,004	2,004	Litter bins and City Cleaning	2,411	2,369	2,369
2,474	2,474	Emergency Works	2,010	1,511	1,511
21,369	22,056	Other Operating Expenditure ²	27,241	21,317	21,980
44,229	46,625	Total Operating Expenditure	43,509	43,689	45,599

¹ \$9k expense in 2016 for LTP amendment audit.

² Other operating expenses include such items as: electricity, operational contracts, internal interest, software licensing, general operating costs, network and asset management, and provision movement.

Note 11 : Finance Costs

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
		Finance Costs			
769	769	Interest on Debentures and Interest Rate Swaps	900	579	579
1,034	1,127	Interest on Bank Borrowings and Commercial Paper	1,085	1,246	1,277
15	15	Line Fee	100	50	53
941	941	Losses on Derivatives (Interest Rate Swaps)	0	856	856
2,759	2,852	Total Finance Costs	2,085	2,731	2,765

Note 12 : Income Tax

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
2,395	5,112	Surplus Before Tax	3,723	(3,932)	3,776
1,068	0	Subvention Payment	0	1,021	0
970	1,431	Tax @ 28%	1,042	(815)	1,057
		Plus/(Less) Tax Effect of:			
(970)	(1,077)	Net Non Taxable and Non Deductible Items	(1,042)	815	649
0	(11)	Imputation credits Utilised	0	0	0
0	74	Deferred Tax Adjustment	0	0	86
0	417	Tax Expense	0	0	1,792

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
Balance 1 July 2014	(876)	(361)	(2,211)	10	1,372	(2,087)
Charged to surplus or deficit	(20)	215	(192)	14	(259)	(174)
Charged to Equity	(10)	0	0	0	0	(10)
Balance as at 30 June 2015	(906)	(146)	(2,403)	24	1,113	(2,514)
Charged to surplus or deficit	(1)	(3)	(1,419)	1	(370)	(1,792)
Charged to Equity	(9)	0	0	0	0	(9)
Balance as at 30 June 2016	(916)	(149)	(3,822)	25	743	(4,315)

Deferred tax has been calculated at 28%. Council (the Parent) has recognised a deferred tax asset of \$742,845 (2015: 1,112,597) in relation to unused tax losses of \$2,653,017 (2015: \$3,973,559). 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 : Reconciliation of Funding Impact Statement with Statement of Comprehensive Revenue and Expenses

RECONCILIATION OF REVENUE	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
Total operating funding (A) as per Funding Impact Statement	72,993	74,684	75,640	73,953
Add Sources of capital funding				
Subsidies and grants for capital expenditure	9,334	11,533	11,113	7,380
Development and financial contributions	817	200	815	361
	83,144	86,416	87,568	81,694
As per Statement of Comprehensive Income - Total Operating Income	83,144	86,416	87,568	81,694
RECONCILIATION OF EXPENDITURE				
Applications of operating funding				
Total applications of operating funding (B) as per Funding Impact Statement	60,178	64,402	63,451	65,577
Add depreciation and amortisation expense	20,177	19,619	20,394	20,049
	80,355	84,021	83,845	85,626
As per Statement of Comprehensive Income - Total Operating Expenditure	80,355	84,022	83,845	85,626
RECONCILIATION OF TOTAL COMPREHENSIVE INCOME				
Surplus/(deficit) of operating funding (A-B)	12,815	10,282	12,189	8,376
Add subvention payment	0	1,068	0	1,021
Add Subsidies and grants for capital expenditure	9,334	11,533	11,113	7,380
Add Development and financial contributions	817	200	815	361
Less Depreciation and amortisation expense	(20,177)	(19,619)	(20,394)	(20,049)
Add Gains/(Loss) on Property Revaluation	678	9,454	388	13,849
	3,467	12,918	4,111	10,938
as per Statement of Comprehensive Income - Total Comprehensive Income	3,467	12,918	4,111	10,938

Note 14 : Cash and Cash Equivalents

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
		Cash and Cash Equivalents			
293	655	Cash at the Bank and in Hand	4,589	282	303
293	655	Total Cash and Cash Equivalents	4,589	282	303

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

Note 15 : Trade and Other Receivables

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
8,317	7,932	Rates Receivable	7,564	8,913	8,913
763	763	Roadway Subsidy Due	1,720	1,718	1,718
60	60	Community Loans	116	62	62
5,238	4,930	Other Receivables	5,420	5,383	4,590
41	42	Prepayments	78	272	290
14,419	13,727		14,898	16,348	15,573
(4,600)	(4,600)	Provision for Impairment of Receivables	(3,812)	(5,366)	(5,366)
9,819	9,127	Total Trade and Other Receivables	11,086	10,982	10,207
Trade and Other Receivables Classified as:					
9,819	9,127	Current Receivables	11,086	10,982	10,207
0	0	Non-Current Receivables	0	0	0
9,819	9,127		11,086	10,982	10,207

Fair Value

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

Impairment

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 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 Court's judgement, then 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 action is rarely necessary.

As at 30 June 2016 and 2015, 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 15A : Impairment

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
3,726	3,726	Beginning Balance	4,600	4,600
874	874	Charge for Year	766	766
4,600	4,600	Ending Balance	5,366	5,366

The status of Receivables as at 30 June 2016 and 2015 are detailed below:

Note 15B : Receivables

COUNCIL 2015				COUNCIL 2016		
Gross	Impaired	Net		Gross	Impaired	Net
\$000s	\$000s	\$000s		\$000s	\$000s	\$000s
Sundry Invoice Receivables						
807	0	807	Current	410	0	410
221	0	221	Past Due 1 month	35	0	35
150	0	150	Past Due 2 months	1	0	1
252	100	152	Past Due 3 months	247	143	104
1,430	100	1,330		693	143	550

GROUP 2015				GROUP 2016		
Gross	Impaired	Net		Gross	Impaired	Net
\$000s	\$000s	\$000s		\$000s	\$000s	\$000s
1,110	0	1,110	Current	587	0	587
221	0	221	Past Due 1 month	35	0	35
150	0	150	Past Due 2 months	1	0	1
252	100	152	Past Due 3 months	247	143	104
1,733	100	1,633		870	143	727

Note 15C : Rates Receivable

Council 2015			Council 2016		
No. Of Properties	Outstanding \$000s		No. Of Properties	Outstanding \$000s	
General Land Rates					
1,920	2,169	Current <12 months	1,489	2,120	
524	716	Past Due 1 to 2 Years	216	585	
103	251	Past Due 2 to 3 years	86	265	
94	180	Past Due >3 years	116	272	
2,641	3,316	Total Outstanding	1,907	3,242	
Māori Land Rates					
281	1,259	Current <12 months	269	1,187	
234	986	Past Due 1 to 2 Years	65	1,039	
72	794	Past Due 2 to 3 Years	80	877	
468	1,577	Past Due >3 Years	450	2,147	
1,055	4,616	Total Outstanding	864	5,250	
Metered Water Supply					
623	370	Current	626	393	
22	2	Past Due 1 month	21	7	
9	1	Past Due 2 months	12	11	
24	12	Past Due 3 months	26	10	
678	385	Total Outstanding	685	421	

Note 16 : Inventories

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
Inventories					
10	10	Te Puia/Bushmere Road	7	5	5
11	11	Olympic Pool	10	14	14
36	36	Drainage	48	31	31
38	38	Soil Conservation	107	65	65
10	10	Waikanae Holiday Park	12	8	8
0	186	Farming	0	0	128
105	291	Total Inventories	183	123	251

No inventories have been pledged as security for liabilities.

Note 17 : Investments

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
1,279	1,279	Term Deposits < 12 Months	1,272	1,333	1,333
Ordinary Shares					
20,178	0	Gisborne Holdings Ltd	20,178	24,154	0
119	119	Local Government Insurance Corporation Ltd	111	139	139
9	9	BOPLASS Ltd	9	9	9
0	313	Available for sale financial assets held by Tauwhareparae Farms Limited	0	0	385
100	100	LGFA Shares	100	100	100
272	272	LGFA Notes	160	272	272
2	2	Top 10 Shares	2	2	2
21,959	2,094	Total Investments	21,833	26,008	2,240
Investments Classified as:					
1,279	1,279	Current Investments	1,272	1,333	1,333
20,680	815	Non-Current Investments	20,560	24,675	907
21,959	2,094		21,833	26,008	2,240

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.

Note 18 : Derivatives

The Group has interest rate swap contracts with a fair value liability of \$3,422,362 (2015: \$2,566,094). Council's interest rate swaps have a fair value liability of \$3,422,362 (2015: \$2,566,094). These swaps are exposed to fair value movements as interest rates change.

The weighted average effective interest rate of the interest rate swaps was 5.77% (2015: 5.87%). 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 30 : Financial Instruments (Page 115).

Note 19 : Non Current Assets Held for Sale

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
50	50	Land	50	8,529	50
50	50	Total Non Current Assets Held for Sale	50	8,529	50

Assets held for sale have increase by \$8.5m. On 30 June 2016 Council made a decision to transfer its commercial operations to Gisborne Holdings Ltd., the transfer date was set as 1 July 2016. The value of the commercial operations relating to Gisborne Vehicle Testing Station and Waikanae Top 10 Holiday Park at 30 June 2016 were \$8.5m. Historically the balance relates to rural property purchased for future industrial development. Refer to Note 37 for Events After Balance Date.

Note 20 : Deposits Held

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
39	39	General and Other Deposits	8	11	11
130	130	Resource Consent Bonds	95	70	70
280	280	Footpath Deposits	263	283	283
13	14	Gisborne Rural Volunteer Fire	13	13	13
463	463	Total Deposits Held	380	377	377

Note 21 : Trade and Other Payables

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
Accounts Payable					
405	405	Income in Advance	(118)	508	508
1,385	1,385	Rates in Advance	1,350	1,754	1,754
67	67	Gisborne District Council Disaster Relief Fund	68	69	69
933	933	Contract Retentions	762	580	580
145	145	Accruals - Loan Interest	0	173	174
129	149	Accruals - Audit Fees	0	131	161
466	479	Accruals - Other	857	139	158
10,656	11,269	Trade and other Payables	11,070	13,676	14,908
14,186	14,832	Total Trade and Other Payables	13,989	17,030	18,312

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 22 : Employee Benefit Liabilities

COUNCIL	Accrued Wages & Salaries \$000s	Annual Leave \$000s	Long Service Leave \$000s	Retirement Leave \$000s	Sick Leave \$000s	Total \$000s
2015						
Balance at 1 July 2014	738	1,578	80	331	81	2,808
Additional Provisions Made	134	1,435	(4)	16	0	1,582
Amounts Used	(738)	(1,469)	(12)	0	(29)	(2,248)
Balance at 30 June 2015	134	1,544	64	348	52	2,142
2016						
Balance at 1 July 2015	134	1,544	64	348	52	2,142
Additional Provisions Made	294	1,459	(2)	29	2	1,782
Amounts Used	(134)	(1,560)	(8)	0	0	(1,702)
Balance at 30 June 2016	294	1,443	54	377	54	2,222
Current Portion	294	1,443	50	56	54	1,897
Non Current Portion	0	0	4	321	0	325
Total Provisions	294	1,443	54	377	54	2,222

GROUP	Accrued Wages & Salaries \$000s	Annual Leave \$000s	Long Service Leave \$000s	Retirement Leave \$000s	Sick Leave \$000s	Total \$000s
2015						
Balance at 1 July 2014	772	1,652	80	331	81	2,916
Additional Provisions Made	160	1,454	(4)	16	0	1,626
Amounts Used	(772)	(1,469)	(12)	0	(29)	(2,282)
Balance at 30 June 2015	160	1,637	64	348	52	2,261
2016						
Balance at 1 July 2015	160	1,637	64	348	52	2,261
Additional Provisions Made	312	1,476	(2)	29	5	1,820
Amounts Used	(134)	(1,560)	(8)	0	0	(1,702)
Balance at 30 June 2016	338	1,553	54	377	57	2,379
Current Portion	338	1,553	50	56	57	2,054
Non Current Portion	0	0	4	321	0	325
Total Provisions	338	1,553	54	377	57	2,379

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 retirement and long service leave using an estimated probability calculation. As an employee grows older and nears 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 2.02% (2015: 3.05%) and assumed salary inflation of 2.0% (2015: 2.0%). (Treasury discount rates: 1 year 2.01%, 2 years 2.00%, 5 years 2.02%).

Note 23 : Borrowings

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
6,830	7,460	Bank Loans	8,222	4,615	5,272
3,000	3,000	Commercial Paper	3,000	10,000	10,000
5,000	5,000	Debenture	0	0	0
14,830	15,460	Total Current	11,222	14,615	15,272
0	0	Bank Loans	10,269	0	0
17,000	17,000	Debenture and FRN Debt Securities	17,000	17,000	17,000
17,000	17,000	Total Non Current	27,269	17,000	17,000
31,830	32,460	Total Borrowings	38,491	31,615	32,272

Note 23A : 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 \$17m (2015: \$22m) of debentures and floating rate notes with maturities from December 2017 to April 2023. Interest is paid quarterly in arrears. The interest rate range as at 30 June 2016 varies from 2.85% to 3.28% (2015: 3.81% to 4.26%) and are subject to quarterly reset dates.

Bank Facilities

Council has \$25m (2015: \$20m) worth of committed funding facilities available. Interest is payable at wholesale market rates. The interest rate as at 30 June 2016 was 4.0% (2015: 4.04% to 5.0%). There is \$4.6m drawn down under these facilities (2015: \$6.8m).

Tauwhareparae Farms Limited has a wholesale advance facility with a limit of \$3m. There is \$0k drawn down under this facility (2015: \$630k) at 30 June 2016.

GHL has short term advance facility with a limit of \$3m in place with ANZ Bank New Zealand Limited. The facility is secured by way of a general security agreement including a mortgage over the Company's freehold land. The balance at 30 June 2016 was \$657k (2015: \$0k)

Commercial Paper

The Council had \$10m of commercial papers on issue at 30 June 2016 (2015: \$3m) with an interest rate of 2.51% and 2.69% (2015: 3.82%).

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 24 : Provision for Other Liabilities

COUNCIL and GROUP	Paokahu Landfill Aftercare	Waipapu Landfill Aftercare	Waipapu Landfill Closure	Chrisp Family Trust	Risk Pool	Legal Provision	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
2015							
Balance at 1 July 2014	1,196	230	0	20	160	0	1,606
Additional Provisions Made/(Reversed)	59	6	0	0	0	0	65
Amounts Used	(97)	0	0	(20)	0	0	(117)
Balance at 30 June 2014	1,158	236	0	0	160	0	1,554
2016							
Balance at 1 July 2015	1,158	236	0	0	160	0	1,554
Additional Provisions Made/(Reversed)	296	42	0	0	0	2,500	2,838
Amounts Used	(90)	0	0	0	0	0	(90)
Balance at 30 June 2016	1,364	278	0	0	160	2,500	4,302
Current Portion	103	0	0	0	0	2,500	2,604
Non Current Portion	1,261	278	0	0	160	0	1,699
Total Provisions	1,364	278	0	0	160	2,500	4,303

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 Waipapu 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 the cash flows associated to the aftercare.

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 the 2016 provision:

- Future cash flows were indexed 2% each year before a discount rate of 4.75% was applied.

In 2015, a discount rate of 5.5% was applied, with future costs indexed each year at 2.5%.

Waipapu Landfill

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 the 2016 provision:

- Future cash flows were indexed 2% each year before a discount rate of 4.75% was applied.

In 2015, a discount rate of 5.5% was applied, with future costs indexed each year at 2.5%.

RiskPool Liability

Please refer to Note 33 : Contingent Liabilities (Page 121).

Legal Provision

A provision has been set up for various legal matters.

Note 25 : Property Plant and Equipment

COUNCIL 2016	Cost/Valuation 1 July 2015 \$000s	Accumulated Depreciation and Impairment 1 July 2015 \$000s	Carrying Amount 1 July 2015 \$000s	Current Year Transfers \$000s	Current Year Additions \$000s	Current Year Disposals & other movements/reclassifications \$000s	Revaluation Current Year \$000s	Current Year Depreciation and Impairment \$000s	Cost/Revaluation 30 June 2016 \$000s	Accumulated Depreciation and Impairment 30 June 2016 \$000s	Carrying Amount 30 June 2016 \$000s
Operational Assets											
Land - Major	139,588	0	139,588	(1,473)	915	(3,736)	0	0	135,294	0	135,294
Land - Minor	22,291	0	22,291	(1,049)	0	0	0	0	21,242	0	21,242
Buildings/Land Improvements	52,894	1,887	51,006	(4,968)	596	(1,587)	0	2,089	46,934	3,976	42,958
Buildings Not Revalued	6,865	1,089	5,776	1,265	1,014	0	0	256	9,144	1,345	7,798
Plant /Motor Vehicles	4,802	2,889	1,912	71	292	(3)	0	259	5,162	3,147	2,015
Office Equipment	6,652	3,746	2,906	(277)	182	(165)	0	370	6,392	4,116	2,276
Other Equipment	2,037	1,061	976	(8)	375	0	0	290	2,405	1,351	1,054
CBD	3,608	646	2,963	0	0	0	0	54	3,608	700	2,907
Wharves	3,424	392	3,032	0	0	0	0	68	3,424	460	2,964
Library Books - General	3,511	3,268	243	0	163	0	0	179	3,674	3,447	227
Library Books - Permanent	336	6	330	0	0	0	0	0	336	6	330
Assets Under Construction	3,675	0	3,675	(3,966)	4,467	0	0	0	4,176	0	4,176
Total operational assets	249,683	14,984	234,697	(10,405)	8,003	(5,491)	0	3,565	241,790	18,549	223,240
Infrastructure Assets											
Sewer and Wastewater Reticulation Systems	58,503	1,197	57,306	0	1,018	23	0	1,221	57,126	0	57,126
Sewer and Wastewater Treatment Plant & Facilities	39,698	815	38,882	0	607	(5,489)	0	815	33,186	0	33,186
Stormwater	51,698	822	50,876	0	544	287	0	870	50,837	0	50,837
Water Supply Reticulation Systems	42,567	1,028	41,539	0	187	53	0	1,053	40,726	0	40,726
Water Supply Treatment Plant & Facilities	58,319	1,063	57,256	0	238	1,648	0	1,078	58,064	0	58,064
Solid Waste	2,695	261	2,434	0	42	0	0	316	2,737	577	2,160
Waiapu Aftercare Provision Deferred expense Asset	255	156	99	0	0	0	0	0	255	156	99
Roading	1,399,276	0	1,399,276	0	10,377	0	18,219	10,332	1,417,540	0	1,417,540
Flood Control	62,951	100	62,851	476	22	0	0	110	63,449	210	63,239
Total infrastructural assets	1,715,962	5,442	1,710,519	476	13,035	(3,478)	18,219	15,795	1,723,920	943	1,722,978
Total Property Plant and Equipment	1,965,645	20,426	1,945,216	(9,929)	21,038	(8,969)	18,219	19,360	1,965,710	19,492	1,946,218

COUNCIL 2015	Cost/Valuation 1 July 2014 \$000s	Accumulated Depreciation and Impairment 1 July 2014 \$000s	Carrying Amount 1 July 2014 \$000s	Current Year Transfers \$000s	Current Year Additions \$000s	Current Year Disposals & other movements/reclassifications \$000s	Revaluation Current Year \$000s	Current Year Depreciation and Impairment \$000s	Cost/Revaluation 30 June 2015 \$000s	Accumulated Depreciation and Impairment 30 June 2015 \$000s	Carrying Amount 30 June 2015 \$000s
Operational Assets											
Land - Major	139,588	0	139,588	0	0	0	0	0	139,588	0	139,588
Land - Minor	22,291	0	22,291	0	0	0	0	0	22,291	0	22,291
Buildings/Land Improvements	42,502	0	42,502	8,340	2,052	0	0	1,887	52,894	1,887	51,006
Buildings Not Revalued	4,712	886	3,826	1,369	784	0	0	203	6,865	1,089	5,776
Plant /Motor Vehicles	4,177	2,659	1,518	4	621	0	0	230	4,802	2,889	1,913
Office Equipment	4,970	3,482	1,488	1,446	236	0	0	264	6,652	3,746	2,906
Other Equipment	1,436	907	529	444	157	0	0	154	2,037	1,061	976
CBD	2,567	528	2,039	1,029	12	0	0	118	3,608	646	2,962
Wharves	3,424	324	3,100	0	0	0	0	68	3,424	392	3,031
Library Books - General	3,367	3,140	227	0	144	0	0	128	3,511	3,268	243
Library Books - Permanent	336	6	330	0	0	0	0	0	336	6	330
Assets Under Construction	7,232	0	7,232	(15,261)	11,704	0	0	0	3,675	0	3,675
Total operational assets	236,602	11,932	224,669	(2,629)	15,710	0	0	3,053	249,683	14,984	234,697
Infrastructure Assets											
Sewer and Wastewater Reticulation Systems	57,650	0	57,650	0	853	0	0	1,197	58,503	1,197	57,306
Sewer and Wastewater Treatment Plant & Facilities	36,685	0	36,685	837	2,176	0	0	815	39,698	815	38,882
Stormwater	51,464	0	51,464	0	234	0	0	822	51,698	822	50,876
Water Supply Reticulation Systems	40,808	0	40,808	878	881	0	0	1,028	42,567	1,028	41,539
Water Supply Treatment Plant & Facilities	57,914	0	57,914	0	405	0	0	1,063	58,319	1,063	57,256
Solid Waste	2,695	0	2,695	0	0	0	0	261	2,695	261	2,434
Waiapu Aftercare Provision Deferred expense Asset	255	156	99	0	0	0	0	0	255	156	99
Roading	1,389,687	0	1,389,687	0	10,839	0	9,454	10,704	1,399,276	0	1,399,276
Flood Control	62,882	0	62,882	0	69	0	0	100	62,951	100	62,851
Total infrastructural assets	1,700,040	156	1,699,884	1,715	15,457	0	9,454	15,992	1,715,962	5,442	1,710,519
Total Property Plant and Equipment	1,936,642	12,088	1,924,553	(915)	31,167	0	9,454	19,045	1,965,645	20,426	1,945,216

GROUP 2016	Cost/Valuation 1 July 2015 \$000s	Accumulated Depreciation and Impairment 1 July 2015 \$000s	Carrying Amount 1 July 2015 \$000s	Current Year Transfers \$000s	Current Year Additions \$000s	Current Year Disposals & other movements/reclassifications \$000s	Revaluation Current Year \$000s	Current Year Depreciation and Impairment \$000s	Cost/Revaluation 30 June 2016 \$000s	Accumulated Depreciation and Impairment 30 June 2016 \$000s	Carrying Amount 30 June 2016 \$000s
Operational Assets											
Land - Major	169,525	0	169,525	2,480	915	(3,736)	4,810	0	173,994	0	173,994
Land - Minor	22,291	0	22,291	(869)	0	0	0	0	21,422	0	21,422
Buildings/Land Improvements	58,577	2,129	56,448	2,891	2,037	(1,587)	340	2,366	62,258	4,495	57,763
Buildings Not Revalued	6,865	1,089	5,776	1,390	1,014	0	0	256	9,269	1,345	7,924
Plant /Motor Vehicles	5,545	3,154	2,391	124	459	(42)	0	407	6,086	3,561	2,525
Office Equipment	6,662	3,750	2,912	0	219	(165)	0	377	6,716	4,127	2,589
Other Equipment	2,037	1,061	976	0	375	0	0	290	2,412	1,351	1,061
CBD	3,608	646	2,963	0	0	0	0	54	3,608	700	2,907
Wharves	3,424	392	3,032	0	0	0	0	68	3,424	460	2,964
Library Books - General	3,511	3,268	243	0	163	0	0	179	3,674	3,447	227
Library Books - Permanent	336	6	330	0	0	0	0	0	336	6	330
Assets Under Construction	3,675	0	3,675	(3,966)	5,141	0	0	0	4,850	0	4,851
Total operational assets	286,055	15,495	270,559	2,050	10,323	(5,530)	5,150	3,997	298,049	19,492	278,557
Infrastructure Assets											
Sewer and Wastewater Reticulation Systems	58,503	1,197	57,306	0	1,018	23	0	1,221	57,126	0	57,126
Sewer and Wastewater Treatment Plant & Facilities	39,698	815	38,882	0	607	(5,489)	0	815	33,186	0	33,186
Stormwater	51,698	822	50,876	0	544	287	0	870	50,837	0	50,837
Water Supply Reticulation Systems	42,567	1,028	41,539	0	187	53	0	1,053	40,726	0	40,726
Water Supply Treatment Plant & Facilities	58,319	1,063	57,256	0	238	1,648	0	1,078	58,064	0	58,064
Solid Waste	2,695	261	2,434	0	42	0	0	316	2,737	577	2,160
Waiapu Aftercare Provision Deferred expense Asset	255	156	99	0	0	0	0	0	255	156	99
Roading	1,399,276	0	1,399,276	0	10,377	0	18,219	10,332	1,417,540	0	1,417,540
Flood Control	62,951	100	62,851	476	22	0	0	110	63,449	210	63,239
Total infrastructural assets	1,715,962	5,442	1,710,519	476	13,035	(3,478)	18,219	15,795	1,723,920	943	1,722,978
Total Property Plant and Equipment	2,002,017	20,937	1,981,078	2,526	23,358	(9,008)	23,369	19,792	2,021,969	20,435	2,001,535

GROUP 2015	Cost/Valuation 1 July 2014 \$000s	Accumulated Depreciation and Impairment 1 July 2014 \$000s	Carrying Amount 1 July 2014 \$000s	Current Year Transfers \$000s	Current Year Additions \$000s	Current Year Disposals & other movements/reclassifications \$000s	Revaluation Current Year \$000s	Current Year Depreciation and Impairment \$000s	Cost/Revaluation 30 June 2015 \$000s	Accumulated Depreciation and Impairment 30 June 2015 \$000s	Carrying Amount 30 June 2015 \$000s
Operational Assets											
Land - Major	167,775	0	167,775	0	0	0	1,750	0	169,525	0	169,525
Land - Minor	22,291	0	22,291	0	0	0	0	0	22,291	0	22,291
Buildings/Land Improvements	47,746	0	47,746	8,340	2,466	0	25	2,129	58,577	2,129	56,448
Buildings Not Revalued	4,712	886	3,826	1,369	784	0	0	203	6,865	1,089	5,776
Plant /Motor Vehicles	4,770	2,785	1,985	4	807	(36)	0	369	5,545	3,154	2,391
Office Equipment	4,979	3,485	1,494	1,446	237	0	0	265	6,662	3,750	2,912
Other Equipment	1,436	907	529	444	157	0	0	154	2,037	1,061	976
CBD	2,567	528	2,039	1,029	12	0	0	118	3,608	646	2,962
Wharves	3,424	324	3,100	0	0	0	0	68	3,424	392	3,031
Library Books - General	3,367	3,140	227	0	144	0	0	128	3,511	3,268	243
Library Books - Permanent	336	6	330	0	0	0	0	0	336	6	330
Assets Under Construction	7,232	0	7,232	(15,261)	11,704	0	0	0	3,675	0	3,675
Total operational assets	270,635	12,061	258,573	(2,629)	16,311	(36)	1,775	3,435	286,055	15,495	270,559
Infrastructure Assets											
Sewer and Wastewater Reticulation Systems	57,650	0	57,650		853	0	0	1,197	58,503	1,197	57,306
Sewer and Wastewater Treatment Plant & Facilities	36,685	0	36,685	837	2,176	0	0	815	39,698	815	38,882
Stormwater	51,464	0	51,464	0	234	0	0	822	51,698	822	50,876
Water Supply Reticulation Systems	40,808	0	40,808	878	881	0	0	1,028	42,567	1,028	41,539
Water Supply Treatment Plant & Facilities	57,914	0	57,914	0	405	0	0	1,063	58,319	1,063	57,256
Solid Waste	2,695	0	2,695	0	0	0	0	261	2,695	261	2,434
Waiapu Aftercare Provision Deferred expense Asset	255	156	99	0	0	0	0	0	255	156	99
Roading	1,389,687	0	1,389,687	0	10,839	0	9,454	10,704	1,399,276	0	1,399,276
Flood Control	62,882	0	62,882	0	69	0	0	100	62,951	100	62,851
Total infrastructural assets	1,700,040	156	1,699,884	1,715	15,457	0	9,454	15,992	1,715,962	5,442	1,710,519
Total Property Plant and Equipment	1,970,675	12,217	1,958,457	(915)	31,768	(36)	11,229	19,427	2,002,017	20,937	1,981,078

Properties held for resale are recorded at cost as at 30 June 2016. Refer to Note 19: Non Current Assets Held for Sale (Page 100).

Freehold land (including forestry land) and improvements (including buildings) for Tauwhareparae Farms Limited were valued as at 30 June 2016 by Bruce Cowper, an independent valuer of Lewis Wright Valuation & Consultancy Ltd. The fair value of land and improvements was \$40,600,000 (2015: \$35,260,000).

Roading Assets

The roading asset valuation was undertaken at 30 June 2016 by Pauline True, Lachlan Crawford, Brian Smith and Gavin O'Connor, independent valuers of MWH Limited, Hastings. The fair value of roading assets as at 30 June 2016 is \$1,417,225,892 (2015: \$1,399,276,060).

Impairment

Three Council buildings were identified as not meeting current minimum earthquake standards. It was decided that on 1 December 2015 these buildings would be transferred to Gisborne Holdings Limited. In the interim the buildings have been fully impaired in 2014: \$8.3m, 2015: \$201k with a final impairment in 2016 of \$425k. All amounts have been made to the carrying value of these buildings and have been recognised in the Statement of Comprehensive Income.

Insurance Disclosure

Property, Plant and Equipment

The total value of assets covered by insurance contracts for these assets is \$205,017,892. The following summarises our different insurance contracts for these assets:

1. Material Damage and combined Business Interruption Excluding Fire. This covers all risk including earthquake but excluding fire. Council's limit of liability is \$205,015,892.
2. Material Damage including Fire caused by natural disaster. This covers for fire caused by natural disaster. Council's limit of liability is \$30,000,000.
3. Machinery Breakdown Coverage. This covers breakdown of insured plant and machinery. Council's limit of liability is \$3,641,656.

Forestry

The total value of assets covered by insurance contracts for forestry is \$849,480. Our insurance cover for this covers loss or damage to trees principally by fire and reinstatement costs. Council's limit of liability is \$849,480.

Motor Vehicles

The total value of our fleet is \$1,576,000. Our insurance cover for our vehicles covers accidental damage to Council vehicles and third party liability. All vehicles are insured for market or replacement value although unless declared, the limit per vehicle is \$150,000. Third party liability is limited to \$10,000,000.

Water, Wastewater, Stormwater, Rivers and Land Drainage

Assets covered by insurance contracts is \$110,000,000. Our insurance cover for these assets covers physical loss caused by a natural catastrophe event. Council has a limit of liability of \$110,000,000.

Note 25A : Assets Under Construction

	Council		Group	
	2015 \$000s	2016 \$000s	2015 \$000s	2016 \$000s
Building/Land Improvements	0	1,394	0	2,069
Information Management	1,175	0	1,175	0
Sewer and Wastewater	0	1,098	0	1,098
Water Supply	0	108	0	108
Stormwater	0	39	0	39
Roading	1,312	247	1,312	247
Rivers and Flood Control	359	177	359	177
Theatres	3	60	3	60
Parks and Open Spaces	732	1,053	732	1,053
Conveniences	18	0	18	0
Library	76	0	76	0
Total Assets Under Construction	3,676	4,176	3,676	4,851

Note 26 : Intangible Assets

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
3,292	3,208	Balance at 1 July - Cost	3,384	4,277	4,771
(1,624)	(1,465)	Less Accumulated Amortisation and Impairment	(1,716)	(2,197)	(1,995)
1,668	1,743	Opening Carrying Amount	1,668	2,080	2,776
985	1,563	Additions/(Disposals)	0	2,247	2,247
0	44	Change in Fair Value	0	0	0
(574)	(574)	Less Amortisation Charge	0	(689)	(689)
2,079	2,776	Closing Carrying Amount	1,668	3,638	4,334
Balance at 30 June					
4,277	4,771	Cost	3,384	6,524	7,018
(2,198)	(1,995)	Less Accumulated Amortisation and Impairment/Change in Fair Value	(1,716)	(2,886)	(2,684)
2,079	2,776	Closing Carrying Amount	1,668	3,638	4,334

Note 27 : 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 2016 the Group had 32,869 sheep, 5,173 cattle (2015: 32,081 sheep, 5,091 cattle). During the year the Group sold 30,052 sheep, 1,998 cattle (2015: 27,581 sheep, 2,279 cattle).

Reconciliation of Opening Balance to Closing Balance – 2016

GROUP	SHEEP		CATTLE		Total
	Quantity	\$000s	Quantity	\$000s	\$000s
Opening Balance as at 1 July 2015	32,081	3,716	5,091	5,155	8,871
Natural Increase	33,869	3,161	2,235	1,888	5,049
Purchases	101	106	44	207	313
Changes in Fair Value	0	(8)	0	897	889
Sales	(30,052)	(2,703)	(1,998)	(2,076)	(4,779)
Death and Killed	(3,130)	(371)	(199)	(223)	(594)
Closing Balance as at 30 June 2016	32,869	3,901	5,173	5,848	9,749

Reconciliation of Opening Balance to Closing Balance – 2015

GROUP	SHEEP		CATTLE		Total
	Quantity	\$000s	Quantity	\$000s	\$000s
Opening Balance as at 1 July 2014	32,045	4,474	5,312	4,781	9,255
Natural Increase	30,799	3,007	2,175	1,811	4,818
Purchases	94	90	40	212	302
Changes in Fair Value	0	(677)	0	983	306
Sales	(27,581)	(2,789)	(2,279)	(2,473)	(5,262)
Death and Killed	(3,276)	(389)	(157)	(159)	(548)
Closing Balance as at 30 June 2015	32,081	3,716	5,091	5,155	8,871

Note 27A : Biological Assets – Livestock

The fair value of livestock as at end of year was:

2015			2016		
Quantity	\$000s		Quantity	\$000s	
SHEEP					
17,759	2,140	Mixed Aged Ewes	17,717	2,166	
5,817	745	Two Tooth Ewes	5,993	820	
IMMATURE SHEEP					
242	60	Breeding Rams	257	64	
6,530	640	Ewe Hoggets	6,677	655	
1,733	131	Ram and Wether Hoggets	2,225	196	
32,081	3,716	Total Sheep	32,869	3,901	
MATURE CATTLE					
1,591	1,905	Mixed Aged Cows	1,642	2,217	
600	775	Rising three year Heifers	528	759	
620	597	Rising two year Heifers	595	685	
0	0	Rising three year and Older Steers	0	0	
44	41	Rising two year Steers and Bulls	87	87	
99	355	Breeding Bulls	113	374	
IMMATURE CATTLE					
1,065	677	R1 Heifers	1,099	778	
1,072	805	R1 Steers and Bulls	1,109	948	
5,091	5,155	Total Cattle	5,173	5,848	

Note 27B : Biological Assets – Livestock

GROUP				2015/16			
Quantity	Average Price \$	2015 \$000s		Quantity	Average Price \$	2016 \$000s	
SHEEP							
27,581	101	2,789	Sales	30,052	90	2,703	
Less Cost of Sales							
32,045	140	4,474	Opening Stock	32,081	116	3,716	
94	955	90	Add Purchases	101	1,052	106	
32,081	116	3,716	Less Closing Stock	32,869	119	3,901	
		848	Total Cost of Sales			(79)	
		1,941	Gross Profit from Sheep			2,782	
CATTLE							
2,279	1,085	2,473	Sales	1,998	1,039	2,076	
Less Cost of Sales							
5,312	900	4,781	Opening Stock	5,091	1,013	5,155	
40	5,308	213	Add Purchases	44	4,702	207	
5,091	1,013	5,155	Less Closing Stock	5,173	1,131	5,848	
		(161)	Total Cost of Sales			(486)	
		2,634	Gross Profit from Cattle			2,562	

The fair value of livestock is determined by independent valuation as at 30 June 2016. 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: Statement of Accounting Policies (Page 84).

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 27C : Forestry

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
2,185	10,082	Balance at 1 July	2,186	2,368	10,952
0	220	Increases due to Purchases	0	0	39
183	650	Gains/(Losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	0	909	5,938
2,368	10,952	Balance at 30 June	2,186	3,276	16,929

No forests have been harvested during the period (2015: Nil).

Council's forestry holdings have been valued by Jeff Schnell, NZ Institute of Forestry Registered Forestry Consultant, of PF Olsen and Company Limited. A post-tax discount rate of 6.50% has been used in discounting the present value of expected cash flows (2015: 7.00%).

The valuation of the Pamoia forestry assets as at 30 June 2016 is \$2,605,000. (2015: \$2,000,000).

The valuation of the Council's forestry assets as at 30 June 2016 is \$638,000. (2015: \$369,000).

Tauwhareparae Forests

The fair value of the forest tree crop is determined by independent valuation. Independent forestry valuation as at 30 June 2016 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) - 6.5% (2015: 7.0%)
Rate of Inflation - 2.0% (2015: 2.0%)
Rate of Tax - 28% (2015: 28.0%)

During the year \$39,436 (2015: \$220,278) 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 28 : Equity

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
		Accumulated Surplus (Retained Earnings)			
401,199	396,150	Balance at 1 July	412,253	404,031	400,214
(631)	(631)	Transfers (to)/from Special Funds	1,549	(470)	(470)
0	0	Transfers from Asset Revaluation Reserve on Disposal of Property, Plant and Equipment	0	3,186	3,186
3,463	4,695	Surplus/(Deficit) for the year	3,723	(2,911)	1,984
404,031	400,214	Balance at 30 June	417,525	403,836	404,914
		Special Funds and Reserves			
35,888	35,888	Balance at 1 July	33,184	36,519	36,519
631	631	Transfer (to)/from Retained Earnings	(1,549)	470	470
36,519	36,519	Balance at 30 June	31,635	36,989	36,989
		Asset Revaluation Reserves			
1,479,145	1,511,294	Balance at 1 July	1,479,823	1,488,599	1,522,512
9,454	11,228	Revaluations	388	13,849	18,999
0	0	Transfers to Retained Earnings on Disposal of Property, Plant and Equipment	0	(3,186)	(3,186)
0	(10)	Deferred Tax on building revaluations	0	0	(9)
1,488,599	1,522,512	Balance at 30 June	1,480,211	1,499,262	1,538,316

Note 28A : Asset Revaluation Reserve

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
90	85	Investments	90	85
Operational Assets				
126,977	161,120	Land - Major	123,740	162,693
13,131	13,131	Land - Minor	13,131	13,131
24,807	24,992	Buildings/Land Improvements	23,966	24,488
102	102	CBD	102	102
465	465	Office Equipment	465	465
499	499	Other Equipment	499	499
Infrastructural Assets				
32,968	32,968	Sewer and Wastewater	27,502	27,502
21,300	21,300	Stormwater	21,587	21,587
48,863	48,863	Water Supply	50,564	50,564
1,100	1,100	Solid Waste	1,100	1,100
1,167,363	1,167,363	Roading	1,185,583	1,185,583
51,060	51,060	Flood Control	51,060	51,060
(126)	(537)	Deferred Tax Asset Revaluation	(126)	(543)
1,488,599	1,522,511		1,499,262	1,538,316

Note 28B : Internal Borrowings

	Opening Balance 1 July 2015 \$000s	New Borrowings \$000s	Interest \$000s	Repayments Principal \$000s	Closing Balance 30 June 2016 \$000s
Aquatic and Recreation Facility	1,171	0	16	101	1,070
Arts and Culture	1,960	(134)	32	295	1,531
Building Services	6	0	0	1	5
Civil Defence, Emergency Management and Rural Fires	21	0	1	9	12
Enterprise Operations	3,069	120	167	2,421	768
Flood Control	4,044	150	228	13	4,181
Governance	0	4	0	0	4
Roading	4,354	451	244	282	4,523
Libraries	135	253	5	8	380
Reserve and Open Spaces	4,918	1,505	446	147	6,277
Solid Waste Management	6,513	0	348	499	6,014
Stormwater	5,929	69	319	506	5,492
Support Services	17,606	1,496	996	1,000	18,102
Wastewater	19,934	1,175	1,105	1,318	19,791
Water Supply	1,298	236	78	125	1,408
70,958	5,324	3,985	6,725	69,557	

Note 28C: Special Funds and Other Reserves

	Opening Balance 1 July 2015 \$000s	Transfers to Reserves \$000s	Transfers from Reserves \$000s	Closing Balance 30 June 2016 \$000s	Description / Use
Municipal Theatre Project	26	1	0	27	Reserve held as a source of capital funding for the redevelopment of theatres
Library Building	1,761	481	253	1,989	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	689	19	0	708	Reserve is a funding source for minor and major capital work in relation to the Waipaoa River Flood Control Scheme
Civil Defence Disaster Relief	498	14	0	512	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	3,178	88	915	2,350	Reserve is to hold proceeds of selected asset sales which are to be utilised for capital developments as determined by Council
Quarry Rehab	1,079	30	0	1,109	Reserve is to provide for the restoration and rehabilitation of the Patutahi Quarry
Olympic Pool Development	27	1	0	28	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	214	50	160	104	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	(337)	55	0	(282)	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	(720)	33	18	(705)	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	142	88	34	197	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
Storm water - Urban Development Contributions	(563)	(1)	192	(756)	Reserve holds development contributions received in relation to Storm water. Funding is utilised for capital expenditure on Storm water infrastructure resulting from growth due to developments within the district
Reserves - District Development Contributions	174	16	1	189	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
GHL Forestry Reserve	0	(7)	868	(874)	Reserve holds as a source of capital funding for the development of major capital projects. The reserve is expected to increase revenue in later years as a result of forestry harvesting at Tauwhareparae Farms Ltd.
Land Subdivision	340	9	0	349	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
Roading Flood Damage Reserve	6	0	6	0	Reserve holds funds for roading flood damage.
Depreciation	29,997	20,370	18,247	32,030	Reserve holds funds utilised on projects that replace the districts assets
TOTAL RESERVES	36,519	21,248	20,694	36,983	

Note 29 : Reconciliation of Net Surplus to Operating Cash Flows

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
3,463	4,695	Reported Net Surplus	(2,911)	1,984
		Add/(Deduct) Non Cash Items		
19,619	19,992	Depreciation & Amortisation	20,049	20,481
941	926	Unrealised (Gain)/Loss on Derivative Financial Instruments	856	856
(7)	(59)	Other Fixed and Investment Asset Changes/(Credits)	(20)	(86)
0	384	Livestock Holding (Gain)/ Loss	0	(878)
(52)	(43)	(Profit)/ Loss on Disposal of Assets	611	623
(182)	(649)	Forestry Value (Gain) / Loss	(909)	(5,938)
0	0	Loss on timber stock	0	0
(52)	(52)	Riskpool and other provisions	2,748	2,748
0	417	Increase in Deferred Taxation	0	1,792
0	(578)	Carbon credits allocated	0	0
0	0	Bad Debts Written Off	715	715
0	(44)	Impairment - carbon credits value	0	0
20,267	20,294		24,050	20,313
		Add Items classified as Investing Activities		
(1,464)	(1,464)	Movement of Plant, Property and Equipment included in Trade Payables	(278)	(278)
(1,464)	(1,464)		(278)	(278)
		Increase/(Decrease) in Working Capital		
1,111	910	Trade & Other Receivables	(1,843)	(1,792)
79	17	Inventories	(18)	40
83	83	Deposits Held	(87)	(87)
143	184	Trade & Other Payables	2,844	3,480
0	0	Provision for Other Liabilities	0	0
(666)	(666)	Employee Benefit Liabilities	80	118
(268)	0	Subvention Payment Due	(21)	0
0	(4)	Taxation Payable	0	4
482	524		955	1,763
22,748	24,049	Net Cash Inflow from Operating Activities	21,816	23,781

Note 30 : 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 30A : Financial Instruments

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 LTP \$000s	Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
FINANCIAL ASSETS					
Non Current Assets					
502	815	Investments - Non Current	20,478	521	906
502	815	Available for Sale Financial Assets	20,478	521	906
Current Assets					
1,279	1,279	Investments - Current	5	1,333	1,333
1,279	1,279	Available for Sale Financial Assets	5	1,333	1,333
293	655	Cash and Cash Equivalents	171	282	303
9,819	10,122	Trade and Other Receivables	8,579	10,982	10,207
10,122	10,777	Loans and Receivables at Amortised Cost	8,750	11,264	10,510
FINANCIAL LIABILITIES					
Non Current Liabilities					
0	0	Bank Loan	10,269	0	0
17,000	17,000	Secured Debentures	17,000	17,000	17,000
303	303	Trade Payables and Accruals	0	325	325
17,303	17,303	Financial Liabilities Measured at Amortised Cost	27,269	17,325	17,325
2,031	2,031	Derivative Financial Instruments	1,137	2,723	2,723
2,031	2,031	Fair Value Through Statement of Comprehensive Income - Held for Trading	1,137	2,723	2,723
Current Liabilities					
535	535	Derivative Financial Instruments	489	699	699
5,000	5,000	Secured Debentures	0	0	0
3,000	3,000	Commercial Paper	3,000	10,000	10,000
6,830	7,460	Bank Loan	8,222	4,615	5,272
16,025	16,790	Trade Payables and Accruals	15,638	19,084	20,209
31,390	32,785	Financial Liabilities at Amortised Cost	27,349	34,398	36,180

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 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 arm's 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 2015 Valuation Technique				Year Ended 30 June 2016 Valuation Technique			
Quoted Market Price (Level 1) \$000s	Observable Inputs (Level 2) \$000s	Non Observable Inputs (Level 3) \$000s	Total \$000s	Quoted Market Price (Level 1) \$000s	Observable Inputs (Level 2) \$000s	Non Observable Inputs (Level 3) \$000s	Total \$000s
Financial Assets							
0	0	502	502	0	0	521	521
0	0	502	502	0	0	521	521
Financial Liabilities							
0	(2,566)	0	(2,566)	0	(3,422)	0	(3,422)
0	(2,566)	0	(2,566)	0	(3,422)	0	(3,422)

GROUP

Year Ended 30 June 2015 Valuation Technique				Year Ended 30 June 2016 Valuation Technique			
Quoted Market Price (Level 1) \$000s	Observable Inputs (Level 2) \$000s	Non Observable Inputs (Level 3) \$000s	Total \$000s	Quoted Market Price (Level 1) \$000s	Observable Inputs (Level 2) \$000s	Non Observable Inputs (Level 3) \$000s	Total \$000s
Financial Assets							
0	0	815	815	0	0	906	906
0	0	815	815	0	0	906	906
Financial Liabilities							
0	(2,566)	0	(2,566)	0	(3,422)	0	(3,422)
0	(2,566)	0	(2,566)	0	(3,422)	0	(3,422)

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 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
COUNTER PARTIES WITH CREDIT RATINGS				
		Cash at Bank and Term Deposits		
1,572	1,934	AA-	1,615	1,636
1,572	1,934	Total cash at bank and term deposits	1,615	1,636
COUNTER PARTIES WITHOUT CREDIT RATINGS				
60	60	Existing counter party with no defaults in the past	62	62
60	60	Total Rates postponement and Community loans	62	62

Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
Financial Assets				
293	655	Cash and Cash Equivalents	282	303
9,819	10,122	Trade and Other Receivables	10,982	10,207
1,279	1,279	Current Investments	1,333	1,333
11,391	12,056	Total Financial Assets	12,597	11,843

The ageing profile of trade and other receivables at the reporting date is as follows:

Council 2015			Council 2016		
Gross \$000s	Impaired \$000s		Gross \$000s	Impaired \$000s	
Trade and Other Receivables					
5,309	0	Current	5,896	0	
134	0	Past Due 0 - 3 Months	223	0	
96	0	Past Due 3 - 6 Months	271	0	
8,880	4,600	Past Due More Than 6 Months	9,958	5,366	
14,419	4,600	Total Trade and Other Receivables	16,348	5,366	

Group 2015			Group 2016		
Gross \$000s	Impaired \$000s		Gross \$000s	Impaired \$000s	
Trade and Other Receivables					
4,617	0	Current	6,145	0	
134	0	Past Due 0 - 3 Months	223	0	
96	0	Past Due 3 - 6 Months	271	0	
8,880	4,600	Past Due More Than 6 Months	9,958	5,366	
13,727	4,600	Total Trade and Other Receivables	16,597	5,366	

The concentration of receivables past due more than six 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 23: Borrowings Page 115).

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.

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.

Contractual Maturity Analysis of Financial Assets

The Group's maximum exposure to credit risk at balance date is:

COUNCIL 2016	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
Cash and Cash Equivalents	282	282	282	0	0	0
Trade and Other Receivables	16,348	16,348	16,286	0	0	62
Current Investments	1,333	1,333	1,333	0	0	0
Total Financial Assets	17,963	17,963	17,901	0	0	62

COUNCIL 2015	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
Cash and Cash Equivalents	293	293	293	0	0	0
Trade and Other Receivables	14,419	14,419	14,359	0	0	60
Current Investments	1,279	1,279	1,279	0	0	0
Total Financial Assets	15,991	15,991	15,931	0	0	60

GROUP 2016	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
Cash and Cash Equivalents	303	303	303	0	0	0
Trade and Other Receivables	16,597	15,573	15,511	0	0	62
Current Investments	1,333	1,333	1,333	0	0	0
Total Financial Assets	18,233	17,209	17,147	0	0	62

GROUP 2015	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
Cash and Cash Equivalents	655	655	655	0	0	0
Trade and Other Receivables	13,727	13,727	13,667	0	0	60
Current Investments	1,279	1,279	1,279	0	0	0
Total Financial Assets	15,661	15,661	15,601	0	0	60

Contractual Maturity Analysis of Financial Liabilities

The table below summarises the maturity profile of Council's financial liabilities based on contractual payments.

COUNCIL 2016	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
Trade and Other Payables	19,409	19,409	19,409	0	0	0
Derivative Financial Instruments	3,422	3,422	699	658	1,397	668
Bank Loans	4,615	4,615	4,615	0	0	0
Commercial Paper	10,000	10,000	10,000	0	0	0
Debentures	17,000	17,000	0	2,000	10,000	5,000
Total Financial Liabilities	54,446	54,446	34,723	2,658	11,397	5,668

COUNCIL 2015	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
Trade and Other Payables	16,025	16,025	16,025	0	0	0
Derivative Financial Instruments	2,566	2,566	535	521	1,030	480
Bank Loans	6,830	6,830	6,830	0	0	0
Commercial Paper	3,000	3,000	3,000	0	0	0
Debentures	22,000	22,000	5,000	0	7,000	10,000
Total Financial Liabilities	50,421	50,421	31,390	521	8,030	10,480

GROUP 2016	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
Trade and Other Payables	20,534	20,534	20,534	0	0	0
Derivative Financial Instruments	3,422	3,422	699	658	1,397	668
Bank Loans	5,272	5,272	5,272	0	0	0
Commercial Paper	10,000	10,000	10,000	0	0	0
Debentures	17,000	17,000	0	2,000	10,000	5,000
Total Financial Liabilities	56,228	56,228	36,505	2,658	11,397	5,668

GROUP 2015	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
Trade and Other Payables	16,790	16,790	16,790	0	0	0
Derivative Financial Instruments	2,566	2,566	535	521	1,030	480
Bank Loans	7,460	7,460	7,460	0	0	0
Commercial Paper	3,000	3,000	3,000	0	0	0
Debentures	22,000	22,000	5,000	0	7,000	10,000
Total Financial Liabilities	51,816	51,816	32,785	521	8,030	10,480

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 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
Weighted Effective Interest Rates				
5.38%	5.57%	Bank Loan	4.20%	4.44%
3.81%	3.81%	Debentures	3.07%	3.07%
5.87%	5.87%	Derivative Financial Instruments	5.87%	5.87%
3.82%	3.82%	Commercial Paper	2.60%	2.60%

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 2014/15 Actual \$000s	Group 2014/15 Actual \$000s		Council 2015/16 Actual \$000s	Group 2015/16 Actual \$000s
Net Surplus Higher/(Lower)				
1,068	1,069	+ 100 Basis Points	946	946
(1,145)	(1,146)	- 100 Basis Points	(1,011)	(1,011)

Note 31 : Commitments

COUNCIL 2016	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
Capital Commitments - Approved and Contracted	52,110	11,041	41,069
Operational Contract Commitments - Approved and Contracted	19,855	8,162	11,693
Total Commitments	71,965	19,203	52,762

COUNCIL 2015	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
Capital Commitments - Approved and Contracted	3,215	3,215	0
Operational Contract Commitments - Approved and Contracted	25,865	8,283	17,582
Total Commitments	29,080	11,498	17,582

Note 32A : Leases

	Total \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s
COUNCIL 2016				
Operating Lease Payments	7,899	1,648	1,595	4,655
Total Non Cancellable Operating	7,899	1,648	1,595	4,655
COUNCIL 2015				
Operating Lease Payments	497	225	119	154
Total Non Cancellable Operating	497	225	119	154

Gisborne District Council leases buildings from Gisborne Holdings Ltd. This arrangement began 1 December 2015. In 2016 the annual lease amount was \$1.6m. The Council leases photocopiers for which there is no monthly lease obligation. The term of the lease is for five years from 3 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 \$123,636 (2015: \$222,545).

Note 32B : 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:

	Total \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s
COUNCIL 2016				
Operating Lease Commitments	56	56	0	0
Total Operating Lease Commitments	56	56	0	0
COUNCIL 2015				
Operating Lease Commitments	57	57	0	0
Total Operating Lease Commitments	57	57	0	0

Note 33 : Contingent Liabilities

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.

General Claims

Council has received a general claim of negligence. The claim is for \$180k and there are other losses claimed which have not yet been quantified. At this point any potential liability is unable to be determined.

RiskPool Liability

Gisborne District Council was a member of the NZ Mutual Liability Riskpool between 2003 and 2010. During this time there were unprecedented adverse liability findings against New Zealand councils as a result of "leaky homes". As this exposure was unforeseen the amount of funds collected was insufficient to meet the claims turn out, the net results being the necessity for calls on members.

This risk of further calls diminishes with each year as limitation periods expire. The limitation period for claims under the Building Act is ten years. The Board has decided that at present there is no need for a call, though this position may be subject to change depending on claims developments. Should the need for a call arise the Board endeavours to provide the earliest possible warning to councils. Since 2012 the Fund has been fully reinsured which ensures that claims for the years since 2012 will be met wholly by reinsurers and not membership. Councils who have left the Fund remain liable for calls arising during the period when they were a member.

Defined Benefit Scheme

Council is a participating employer in the Defined Benefit Scheme (DBS) 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 \$2.798m determined at 30 June 2016 (2015: \$0.993m).

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 \$1.965m determined at 30 June 2016 (2015: \$697km). 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 Limited

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 2016, NZLGFA had borrowings totalling \$6,445m (2015: \$4,955m).

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 25: Property Plant and Equipment (Page 104) for details on earthquake prone buildings.

Note 34 : 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 GDC is, through GHL, a 100% shareholder in Tauwhareparae Farms Ltd.

The investment by GHL in subsidiaries comprises a 100% interest in Tauwhareparae Forests Ltd (TFL) and a 100% interest in TFL. TFL is a non-trading entity. TFL is involved in the ownership and operation of farming activities.

In 2016 GHL took over some commercial operations for Council,

All subsidiaries have a 30 June balance date.

Transactions with GHL	2015 \$000s	2016 \$000s
Services Provided by Council	134	238
Accounts Receivable to Council	0	0
Lease Provided by GHL	0	910

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.

Note 35: Key Management Personnel Compensation

Key Management Personnel Compensation

	2015 \$000s	2016 \$000s
Salaries and Other Short Term Employees Benefit	1,812	1,928

Key management personnel include the Mayor, Councillors, Chief Executive and a five person leadership team.

Note 36: Remuneration and Severance Payments

During the year to 30 June 2016 the total remuneration received by or payable to the Mayor, other Councillors and Chief Executive of the Council were as follows:

	2015	2016
M Foon, Mayor	\$132,956	\$136,477
R Stoltz, Deputy Mayor	\$41,064	\$42,603
M. Akuhata-Brown	\$33,674	\$35,503
JC Bauld	\$34,963	\$36,894
WS Burdett	\$49,333	\$48,152
J Wharehinga	\$32,810	\$36,523
A Cranston	\$39,372	\$43,618
A Davidson	\$41,785	\$43,618
A Dunn	\$33,633	\$35,503
L Foster	\$33,512	\$36,946
R Haisman	\$37,060	\$39,148
P Seymour	\$51,828	\$49,632
G Thomson	\$41,874	\$43,191
B Wilson	\$39,372	\$42,603
JE Campbell, Chief Executive	\$273,940	\$331,715

Total remuneration includes for the Mayor and Chief Executive the value of non-financial benefits. Total remuneration for the Councillors includes normal meetings, hearings, District Licensing Committee, mileage and other travel reimbursements which can be significant for Councillors not residing in Gisborne.

Salary Bands	Number of Employees	
	2015	2016
\$140,000 - \$340,000	7	8
\$120,000 - \$140,000	6	8
\$100,000 - \$120,000	11	12
\$ 80,000 - \$100,000	27	37
\$ 60,000 - \$ 80,000	73	68
Less than \$ 60,000	234	218
	358	351
	2015	2016
Full Time Employees	245	256
Full Time Equivalent Employees	32	24

A full time equivalent is defined as an employee working 40 hours per week.

Severance Payments

Twelve severance payments totalling \$394,246 were made during the 2016 financial year. Seven severance payments totalling \$240,920 were made in the 2015 financial year.

Note 37: Events After Balance Date

On 1 July 2016 part of Council's commercial operations, the Waikanae Top 10 Holiday Park and Gisborne Vehicle Testing Station, were transferred to Council's controlled organisation Gisborne Holdings Ltd as part of Council's strategy to increase income from its commercial assets.

Note 38: Disclosure Statement

Rates Affordability Benchmark

The Council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

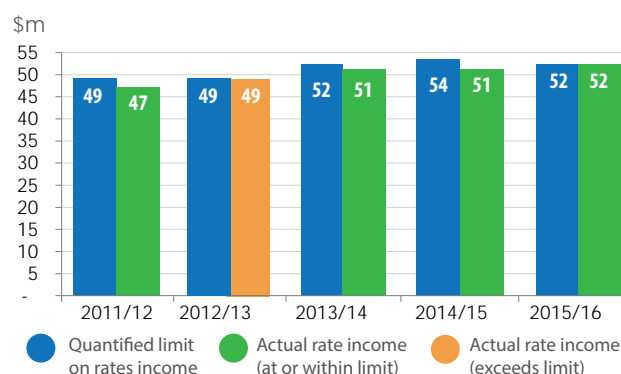
Rates Income Affordability

The following graphs compare the Council's actual rates income with quantified limits on rates contained in the financial strategy included in Council's Long Term Plan.

Quantified Limits on Rates

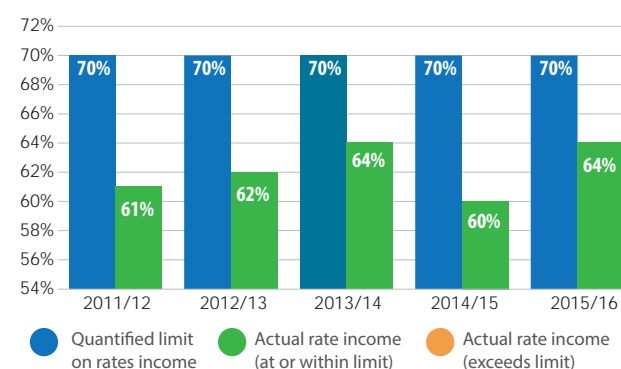
The quantified limit is for actual rates to be no more than that adopted in the Long Term Plan for that year.

Rates Affordability Benchmark



Total rates revenue for each year of the Long Term Plan period will be limited to 70% of operating revenue.

Rates Affordability Benchmark



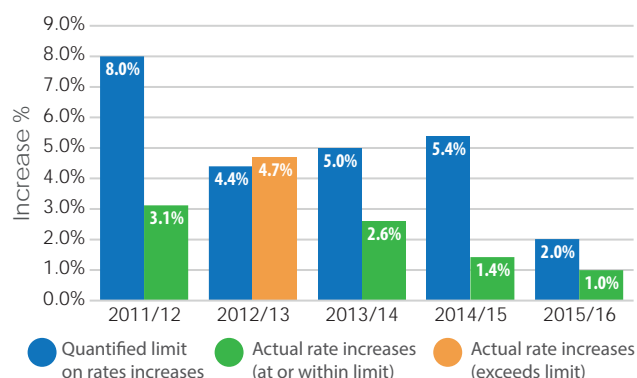
Rates Increases Affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's Long Term Plan.

Quantified Limit on Rates Increases

Prior to 2013 there was no fiscal policy on rates increase limits. This year Council's total increase in rates income was 1.0%. This is less than the 2015-2025 Long Term Plan estimate of a 2.0% increase.

Rates Increases Benchmark



Debt Affordability Benchmark

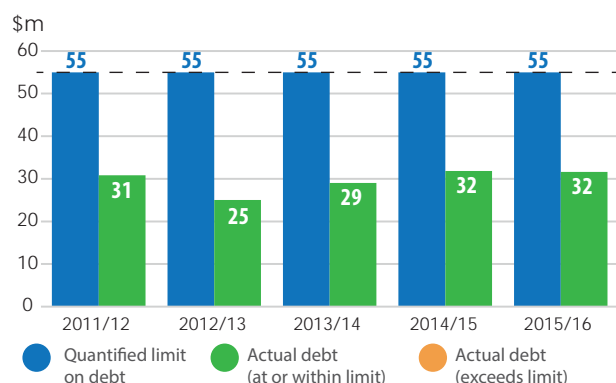
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

Our Limits for Debt

The following graph compares the Council's actual total borrowing with the first quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan.

The quantified limit is for total debt to be capped at \$55m.

Debt Affordability Benchmark

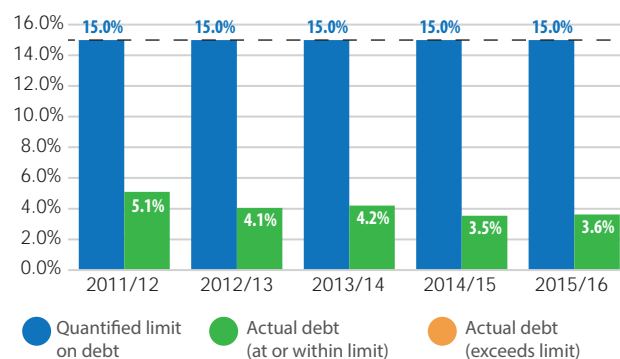


Our Limit on Interest as a Percentage of Total Rates Income

The following graph compares the Council's actual interest with the second quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan.

The quantified limit is for interest to be equal to or less than 15% of total rates.

Debt Affordability Benchmark

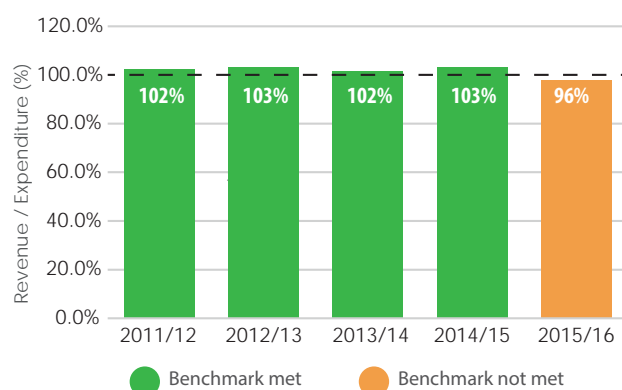


Balanced Budget Benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).

The Council meets this benchmark if its revenue equals or is greater than operating expenses.

Balanced Budget Benchmark



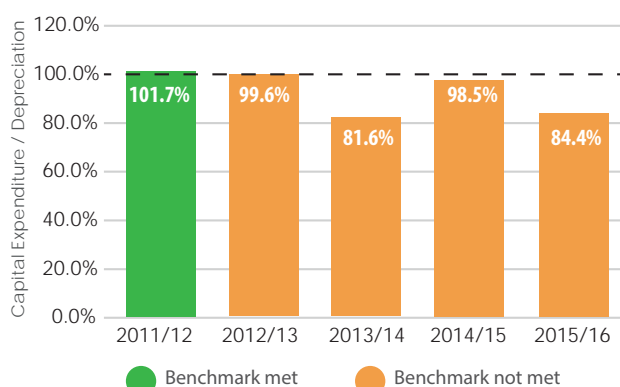
Essential Services Benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Council did not meet this benchmark in due to the delay in planned capital projects.

Essential Services Benchmark

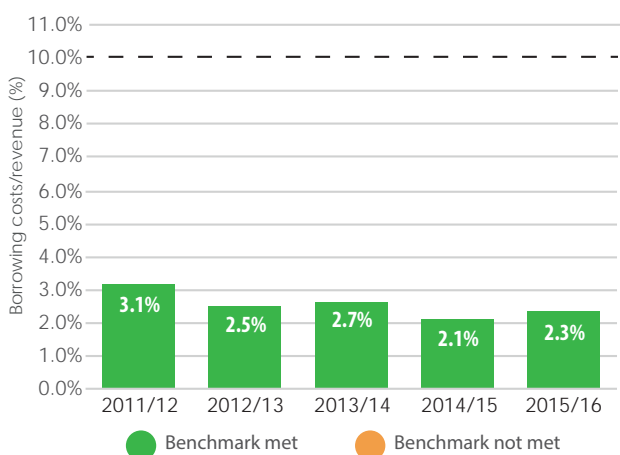


Debt Servicing Benchmark

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

Because Statistics New Zealand projects the district's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

Debt Servicing Benchmark

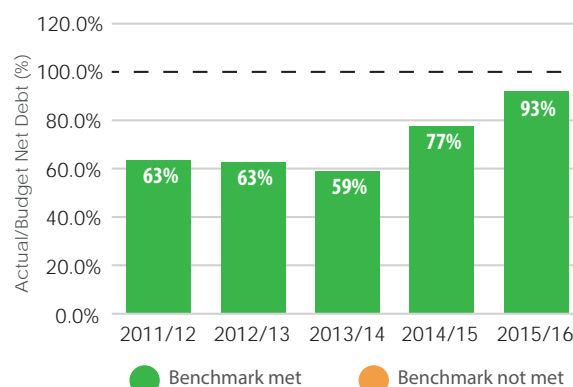


Debt Control Benchmark

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

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

Debt Control Benchmark



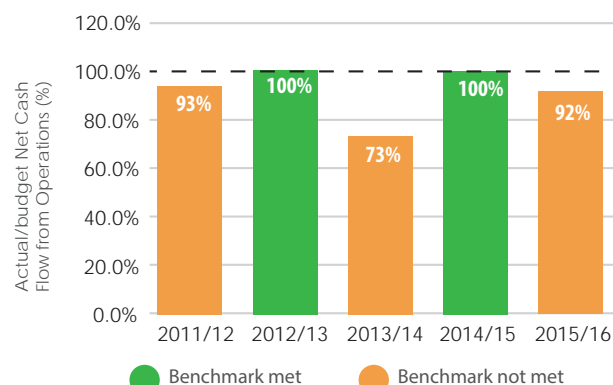
Operations Control Benchmark

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

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

Council did not meet this benchmark in 2016 due to a decrease in grants revenue as a result of the delay in planned major projects.

Operations Control Benchmark



Funding Impact Statement

Council

Funding Impact Statement for the Year ended 30 June (whole of Council)	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	16,949	16,577	17,071	16,774
Targeted Rates	35,029	36,971	36,056	38,448
Subsidies and grants for operating purposes	8,153	8,826	9,037	7,881
Fees and Charges	10,742	8,805	11,072	8,371
Interest and dividends from investments	764	118	1,014	72
Local authorities fuel tax, Infringement Fees and other receipts	1,355	3,387	1,390	2,407
Total operating funding (A)	72,992	74,684	75,640	73,953
Applications of operating funding				
Payments to staff and suppliers	57,998	61,669	61,375	62,880
Finance costs	2,180	2,733	2,077	2,697
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	60,178	64,402	63,451	65,577
Surplus (deficit) of operating funding (A-B)	12,661	10,282	12,189	8,376
Sources of capital funding				
Subsidies and grants for capital expenditure	9,334	11,532	11,113	7,380
Development and financial contributions	817	200	815	361
Increase/(decrease) in debt	5,088	5,898	2,857	(1,401)
Gross proceeds from sale of assets	0	400	0	12
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	15,239	18,030	14,784	6,352
Applications of capital funding				
Capital expenditure				
- to meet additional demand	82	993	949	701
- to improve the level of service	11,037	19,351	10,783	4,630
- to replace existing assets	20,403	10,894	18,459	16,505
Increase/ (decrease) in reserves	(3,469)	(2,926)	(3,218)	(7,108)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	28,053	28,312	26,973	14,729
Surplus (deficit) of capital funding	(12,814)	(10,282)	(12,189)	(8,376)
Funding balance ((A-B)+(C-D))	0	0	0	0

Commercial Operations

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	80	80	76	76
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	3,272	3,337	3,533	3,330
Internal charges and overheads recovered	2,133	2,108	1,971	1,141
Local authorities fuel tax, fines, infringement fees and other receipts	75	261	55	708
Total operating funding (A)	5,560	5,786	5,635	5,256
Applications of operating funding				
Payments to staff and suppliers	2,804	3,171	2,976	3,650
Finance costs	121	174	109	167
Internal charges and overheads applied	1,692	1,837	1,561	1,327
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	4,617	5,182	4,646	5,144
Surplus (deficit) of operating funding (A-B)	943	604	989	111
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	(201)	253	(231)	(2,301)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources capital funding (C)	(201)	253	(231)	(2,301)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	16	52	11	5
- to replace existing assets	1,016	877	737	725
Increase/ (decrease) in reserves	(290)	(72)	10	(2,919)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	742	857	758	(2,189)
Surplus (deficit) of capital funding	(943)	(604)	(989)	(111)
Funding balance ((A-B)+(C-D))	0	0	0	0

Animal Control

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates	253	253	302	302
Subsidies and grants for operating purposes	50	50	50	50
Fees and Charges	595	585	595	575
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	81	74	82	354
Total operating funding (A)	979	962	1,030	1,281
Applications of operating funding				
Payments to staff and suppliers	563	463	619	779
Finance costs	0	0	0	0
Internal charges and overheads applied	417	412	476	407
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	980	875	1,095	1,187
Surplus (deficit) of operating funding (A-B)	(1)	87	(65)	95
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	(1)	87	(65)	95
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	(1)	87	(65)	95
Surplus (deficit) of capital funding	1	(87)	65	(95)
Funding balance ((A-B)+(C-D))	0	0	0	0

Building Services

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	0	832	832
Targeted Rates	767	767	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	884	732	884	913
Internal charges and overheads recovered	77	77	77	77
Local authorities fuel tax, fines, infringement fees and other receipts	0	12	0	9
Total operating funding (A)	1,728	1,588	1,794	1,832
Applications of operating funding				
Payments to staff and suppliers	885	824	1,055	952
Finance costs	0	0	0	0
Internal charges and overheads applied	840	812	685	621
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,725	1,636	1,740	1,573
Surplus (deficit) of operating funding (A-B)	3	(48)	53	259
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	(1)	(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)	(1)	(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	2	(49)	52	258
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	2	(49)	52	258
Surplus (deficit) of capital funding	(3)	48	(53)	(259)
Funding balance ((A-B)+(C-D))	0	0	0	0

Environmental Health

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$'000s	Actual 2014/15 \$'000s	LTP 2015/16 \$'000s	Actual 2015/16 \$'000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,379	1,378	1,410	1,410
Targeted Rates	50	51	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	279	350	296	312
Internal charges and overheads recovered	1,508	1,517	1,531	1,495
Local authorities fuel tax, fines, infringement fees and other receipts	8	11	9	15
Total operating funding (A)	3,224	3,307	3,246	3,232
Applications of operating funding				
Payments to staff and suppliers	1,154	1,195	1,177	1,236
Finance costs	0	0	0	0
Internal charges and overheads applied	2,063	2,057	2,092	2,060
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	3,217	3,252	3,269	3,296
Surplus (deficit) of operating funding (A-B)	7	55	(24)	(64)
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	7	55	(24)	(64)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	7	55	(24)	(64)
Surplus (deficit) of capital funding	(7)	(55)	24	64
Funding balance ((A-B)+(C-D))	0	0	0	0

Environmental Services

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$'000s	Actual 2014/15 \$'000s	LTP 2015/16 \$'000s	Actual 2015/16 \$'000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates	3,179	3,179	3,718	3,718
Subsidies and grants for operating purposes	0	0	125	144
Fees and Charges	505	409	457	336
Internal charges and overheads recovered	2,947	2,991	3,566	3,946
Local authorities fuel tax, fines, infringement fees and other receipts	42	82	42	46
Total operating funding (A)	6,673	6,661	7,908	8,190
Applications of operating funding				
Payments to staff and suppliers	3,281	3,378	4,059	3,623
Finance costs	0	0	0	0
Internal charges and overheads applied	3,553	3,541	4,187	4,527
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	6,834	6,919	8,246	8,150
Surplus (deficit) of operating funding (A-B)	(161)	(258)	(338)	40
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	77	86	79	101
Increase/ (decrease) in reserves	(238)	(344)	(417)	(61)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	(161)	(258)	(338)	40
Surplus (deficit) of capital funding	161	258	338	(40)
Funding balance ((A-B)+(C-D))	0	0	0	0

Parking Services

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	(385)	(385)	(378)	(378)
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	724	694	609	679
Internal charges and overheads recovered	77	77	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	615	867	665	803
Total operating funding (A)	1,031	1,253	896	1,104
Applications of operating funding				
Payments to staff and suppliers	551	689	505	666
Finance costs	0	0	0	0
Internal charges and overheads applied	477	474	391	378
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,028	1,163	896	1,044
Surplus (deficit) of operating funding (A-B)	3	90	0	60
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	3	90	0	60
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	3	90	0	60
Surplus (deficit) of capital funding	(3)	(90)	0	(60)
Funding balance ((A-B)+(C-D))	0	0	0	0

Resource Consents

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	0	1,183	1,183
Targeted Rates	1,056	1,056	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	192	293	192	300
Internal charges and overheads recovered	39	31	39	294
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	(2)
Total operating funding (A)	1,287	1,380	1,414	1,775
Applications of operating funding				
Payments to staff and suppliers	806	982	1,075	1,227
Finance costs	0	0	0	0
Internal charges and overheads applied	481	474	441	675
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,287	1,456	1,516	1,902
Surplus (deficit) of operating funding (A-B)	0	(76)	(103)	(127)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	6	0	38
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	38
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	(70)	(103)	(90)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	0	(70)	(103)	(90)
Surplus (deficit) of capital funding	0	76	103	127
Funding balance ((A-B)+(C-D))	0	0	0	0

Emergency Management (CDEM)

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	430	430	456	456
Targeted Rates	651	651	594	594
Subsidies and grants for operating purposes	1	0	1	0
Fees and Charges	76	3	76	1
Internal charges and overheads recovered	10	10	10	10
Local authorities fuel tax, fines, infringement fees and other receipts	7	204	6	87
Total operating funding (A)	1,175	1,298	1,142	1,147
Applications of operating funding				
Payments to staff and suppliers	678	790	791	796
Finance costs	2	2	1	1
Internal charges and overheads applied	349	337	305	258
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,029	1,129	1,097	1,055
Surplus (deficit) of operating funding (A-B)	146	169	44	92
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	(9)	(9)	(9)	(9)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(9)	(9)	(9)	(9)
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	130	107	13	0
Increase/ (decrease) in reserves	7	53	23	84
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	137	160	36	84
Surplus (deficit) of capital funding	(146)	(169)	(44)	(92)
Funding balance ((A-B)+(C-D))	0	0	0	0

Governance

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	2,199	2,199	2,092	2,092
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	1	0	1	0
Fees and Charges	12	0	12	0
Internal charges and overheads recovered	4	4	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	3	0	12
Total operating funding (A)	2,216	2,206	2,106	2,104
Applications of operating funding				
Payments to staff and suppliers	963	926	1,105	973
Finance costs	0	0	0	0
Internal charges and overheads applied	1,251	1,228	1,180	1,155
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,214	2,154	2,284	2,128
Surplus (deficit) of operating funding (A-B)	2	52	(178)	(24)
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	4
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	4
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	4
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	2	52	(178)	(24)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	2	52	(178)	(19)
Surplus (deficit) of capital funding	(2)	(52)	178	24
Funding balance ((A-B)+(C-D))	0	0	0	0

Support Services

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	(716)	(1,439)	257	(45)
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	889	225	125	122
Internal charges and overheads recovered	18,930	19,087	17,715	17,700
Local authorities fuel tax, fines, infringement fees and other receipts	403	1,495	1,422	463
Total operating funding (A)	19,506	19,368	19,518	18,239
Applications of operating funding				
Payments to staff and suppliers	11,879	11,688	12,613	14,839
Finance costs	(1,369)	(320)	(933)	(292)
Internal charges and overheads applied	8,194	8,762	6,541	6,453
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	18,704	20,130	18,222	21,001
Surplus (deficit) of operating funding (A-B)	802	(762)	1,296	(2,762)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	68
Development and financial contributions	817	17	815	227
Increase/(decrease) in debt	1,799	1,276	607	496
Gross proceeds from sale of assets	0	0	0	12
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	2,616	1,293	1,422	802
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	26
- to improve the level of service	1,532	1,909	1,261	1,379
- to replace existing assets	1,011	449	1,245	479
Increase/ (decrease) in reserves	875	(1,827)	213	(3,843)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	3,418	531	2,718	(1,959)
Surplus (deficit) of capital funding	(802)	762	(1,296)	2,762
Funding balance ((A-B)+(C-D))	0	0	0	0

Flood Protection

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,484	1,485	1,468	1,468
Targeted Rates	1,026	1,026	1,041	1,042
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	164	193	164	205
Internal charges and overheads recovered	79	73	16	9
Local authorities fuel tax, fines, infringement fees and other receipts	11	4	11	1
Total operating funding (A)	2,764	2,781	2,700	2,724
Applications of operating funding				
Payments to staff and suppliers	1,285	1,419	1,393	1,233
Finance costs	264	237	200	228
Internal charges and overheads applied	1,002	979	963	930
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,551	2,635	2,556	2,392
Surplus (deficit) of operating funding (A-B)	213	146	143	333
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	(175)	154	271	137
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(175)	154	271	137
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	325	222	757	316
Increase/ (decrease) in reserves	(287)	78	(343)	153
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	38	300	414	470
Surplus (deficit) of capital funding	(213)	(146)	(143)	(333)
Funding balance ((A-B)+(C-D))	0	0	0	0

Land Transport (Tairāwhiti Roads)

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,736	2,149	0	0
Targeted Rates	8,755	8,342	10,776	10,776
Subsidies and grants for operating purposes	7,912	8,562	8,665	7,538
Fees and Charges	2	2	2	0
Internal charges and overheads recovered	1,269	1,252	1,155	1,229
Local authorities fuel tax, fines, infringement fees and other receipts	16	117	15	26
Total operating funding (A)	19,690	20,424	20,613	19,569
Applications of operating funding				
Payments to staff and suppliers	12,161	14,254	12,891	12,220
Finance costs	307	251	287	244
Internal charges and overheads applied	2,608	2,702	2,824	2,977
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	15,076	17,207	16,002	15,441
Surplus (deficit) of operating funding (A-B)	4,614	3,217	4,611	4,128
Sources of capital funding				
Subsidies and grants for capital expenditure	6,401	6,273	7,292	6,344
Development and financial contributions	0	175	0	69
Increase/(decrease) in debt	611	458	544	169
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	7,012	6,906	7,836	6,582
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	490	542	390
- to improve the level of service	2,920	10,117	2,352	1,619
- to replace existing assets	9,783	2,432	9,382	8,693
Increase/ (decrease) in reserves	(1,077)	(2,916)	172	8
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	11,626	10,123	12,447	10,710
Surplus (deficit) of capital funding	(4,617)	3,217	(4,611)	(4,128)
Funding balance ((A-B)+(C-D))	0	0	0	0

Solid Waste Management

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	2,478	2,479	2,222	2,222
Targeted Rates	1,968	1,984	1,935	1,941
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	140	151	155	172
Internal charges and overheads recovered	43	134	43	367
Local authorities fuel tax, fines, infringement fees and other receipts	9	11	9	10
Total operating funding (A)	4,638	4,759	4,364	4,713
Applications of operating funding				
Payments to staff and suppliers	3,347	3,017	3,143	3,492
Finance costs	489	411	365	348
Internal charges and overheads applied	101	142	127	402
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	3,937	3,570	3,635	4,242
Surplus (deficit) of operating funding (A-B)	701	1,189	729	471
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	(575)	(468)	(634)	(499)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(575)	(468)	(634)	(499)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	100	9
- to replace existing assets	0	0	75	33
Increase/ (decrease) in reserves	126	721	(80)	(70)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	126	721	95	(28)
Surplus (deficit) of capital funding	(701)	(1,189)	(729)	(471)
Funding balance ((A-B)+(C-D))	0	0	0	0

Urban Stormwater Services

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	566	552	0	0
Targeted Rates	2,192	2,206	2,625	2,625
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	0	0	0	0
Internal charges and overheads recovered	340	341	340	343
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding (A)	3,098	3,099	2,965	2,969
Applications of operating funding				
Payments to staff and suppliers	1,445	1,206	1,472	923
Finance costs	475	377	364	319
Internal charges and overheads applied	335	288	429	399
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,255	1,871	2,265	1,642
Surplus (deficit) of operating funding (A-B)	843	1,228	700	1,327
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	(223)	(499)	(263)	(437)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(223)	(499)	(263)	(437)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	24	58	228	205
- to improve the level of service	0	0	0	0
- to replace existing assets	938	176	614	378
Increase/ (decrease) in reserves	(342)	495	(405)	307
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	620	729	437	890
Surplus (deficit) of capital funding	(843)	(1,228)	(700)	(1,327)
Funding balance ((A-B)+(C-D))	0	0	0	0

Wastewater

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	36	36	0	0
Targeted Rates	6,733	6,773	6,197	6,206
Subsidies and grants for operating purposes	55	0	0	0
Fees and Charges	317	722	317	350
Internal charges and overheads recovered	990	954	990	950
Local authorities fuel tax, fines, infringement fees and other receipts	6	29	6	20
Total operating funding (A)	8,137	8,514	7,509	7,526
Applications of operating funding				
Payments to staff and suppliers	2,842	3,030	2,512	2,661
Finance costs	1,294	1,103	1,107	1,105
Internal charges and overheads applied	2,134	2,136	2,189	2,169
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	6,270	6,269	5,807	5,935
Surplus (deficit) of operating funding (A-B)	1,867	2,245	1,703	1,591
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	189	1,562	(231)	(143)
Gross proceeds from sale of assets	0	400	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	189	1,962	(231)	(143)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	29	433	131	61
- to improve the level of service	0	286	230	582
- to replace existing assets	5,352	2,869	1,859	2,080
Increase/ (decrease) in reserves	(3,325)	619	(748)	(1,276)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	2,056	4,207	1,472	1,448
Surplus (deficit) of capital funding	(1,867)	(2,245)	(1,703)	(1,591)
Funding balance ((A-B)+(C-D))	0	0	0	0

Water Supply

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	5
Targeted Rates	2,380	4,616	2,258	4,637
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	2,340	65	2,590	95
Internal charges and overheads recovered	1,245	1,512	1,245	1,384
Local authorities fuel tax, fines, infringement fees and other receipts	0	4	0	0
Total operating funding (A)	5,965	6,197	6,093	6,120
Applications of operating funding				
Payments to staff and suppliers	2,776	2,724	2,705	2,494
Finance costs	118	99	95	78
Internal charges and overheads applied	1,394	1,360	1,512	1,499
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	4,288	4,183	4,312	4,070
Surplus (deficit) of operating funding (A-B)	1,677	2,014	1,781	2,050
Sources of capital funding				
Subsidies and grants for capital expenditure	0	344	618	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	34	(357)	(206)	110
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	34	(13)	412	110
Applications of capital funding				
Capital expenditure				
- to meet additional demand	29	5	28	17
- to improve the level of service	0	0	0	0
- to replace existing assets	681	1,281	1,361	516
Increase/ (decrease) in reserves	1,001	715	803	1,627
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1,711	2,001	2,193	2,160
Surplus (deficit) of capital funding	(1,677)	(2,014)	(1,781)	(2,050)
Funding balance ((A-B)+(C-D))	0	0	0	0

Aquatic and Recreational Facility

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,366	1,366	1,422	1,422
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	1	0	1	0
Fees and Charges	559	403	507	450
Internal charges and overheads recovered	131	709	417	453
Local authorities fuel tax, fines, infringement fees and other receipts	4	4	4	2
Total operating funding (A)	2,061	2,482	2,351	2,328
Applications of operating funding				
Payments to staff and suppliers	1,318	1,233	1,463	1,306
Finance costs	25	22	18	16
Internal charges and overheads applied	665	911	589	615
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,008	2,166	2,070	1,937
Surplus (deficit) of operating funding (A-B)	53	316	281	391
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	250	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(25)	833	(28)	(101)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(25)	833	222	(101)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	749	225	40
- to replace existing assets	55	173	25	4
Increase/ (decrease) in reserves	(27)	227	253	245
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	28	1,149	503	290
Surplus (deficit) of capital funding	(53)	(316)	(281)	(391)
Funding balance ((A-B)+(C-D))	0	0	0	0

Arts and Culture

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,485	1,463	1,464	1,464
Targeted Rates	0	48	6	6
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	117	93	117	143
Internal charges and overheads recovered	39	358	178	218
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
Total operating funding (A)	1,641	1,962	1,766	1,831
Applications of operating funding				
Payments to staff and suppliers	1,036	992	1,154	1,013
Finance costs	71	33	(30)	32
Internal charges and overheads applied	395	686	326	324
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,502	1,711	1,451	1,369
Surplus (deficit) of operating funding (A-B)	139	251	315	462
Sources of capital funding				
Subsidies and grants for capital expenditure	2,877	4,755	2,818	471
Development and financial contributions	0	0	0	16
Increase/(decrease) in debt	3,315	1,167	(305)	(429)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	6,192	5,922	2,513	57
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	6,193	6,144	3,068	481
- to replace existing assets	85	0	46	137
Increase/ (decrease) in reserves	53	29	(286)	(99)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	6,331	6,173	2,829	519
Surplus (deficit) of capital funding	(139)	(251)	(316)	(462)
Funding balance ((A-B)+(C-D))	0	0	0	0

HB Williams Memorial Library

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,973	1,973	1,857	1,857
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	117	97	117	114
Internal charges and overheads recovered	47	372	218	223
Local authorities fuel tax, fines, infringement fees and other receipts	16	16	16	1
Total operating funding (A)	2,153	2,458	2,208	2,194
Applications of operating funding				
Payments to staff and suppliers	1,162	1,091	1,228	1,054
Finance costs	5	6	6	5
Internal charges and overheads applied	739	938	678	669
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,906	2,035	1,912	1,728
Surplus (deficit) of operating funding (A-B)	247	423	296	466
Sources of capital funding				
Subsidies and grants for capital expenditure	21	3	10	430
Development and financial contributions	0	1	0	0
Increase/(decrease) in debt	(6)	31	1,743	245
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	15	35	1,753	675
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	72	3,500	505
- to replace existing assets	212	146	174	163
Increase/ (decrease) in reserves	50	240	(1,625)	473
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	262	458	2,049	1,141
Surplus (deficit) of capital funding	(247)	(423)	(296)	(466)
Funding balance ((A-B)+(C-D))	0	0	0	0

Parks and Community Property

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,123	1,097	1,221	1,221
Targeted Rates	3,644	3,644	4,307	4,307
Subsidies and grants for operating purposes	8	35	8	5
Fees and Charges	322	564	323	273
Internal charges and overheads recovered	2,054	982	946	943
Local authorities fuel tax, fines, infringement fees and other receipts	36	80	36	(94)
Total operating funding (A)	7,187	6,402	6,840	6,656
Applications of operating funding				
Payments to staff and suppliers	3,711	4,680	3,876	4,433
Finance costs	378	338	487	446
Internal charges and overheads applied	2,230	1,511	1,907	1,929
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	6,319	6,529	6,271	6,808
Surplus (deficit) of operating funding (A-B)	868	(127)	570	(152)
Sources of capital funding				
Subsidies and grants for capital expenditure	35	157	125	67
Development and financial contributions	0	1	0	11
Increase/(decrease) in debt	355	1,499	1,600	1,359
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	390	1,657	1,724	1,437
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	7	21	2
- to improve the level of service	376	22	36	5
- to replace existing assets	738	2,076	2,091	2,879
Increase/ (decrease) in reserves	144	(575)	146	(1,601)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1,258	1,530	2,294	1,285
Surplus (deficit) of capital funding	(868)	127	(570)	152
Funding balance ((A-B)+(C-D))	0	0	0	0

Strategic Planning and Engagement

Funding Impact Statement for the Year ended 30 June	AP 2014/15 \$000s	Actual 2014/15 \$000s	LTP 2015/16 \$000s	Actual 2015/16 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,714	1,715	1,489	1,489
Targeted Rates	2,375	2,375	2,294	2,294
Subsidies and grants for operating purposes	125	179	188	144
Fees and Charges	0	2	0	0
Internal charges and overheads recovered	169	169	96	96
Local authorities fuel tax, fines, infringement fees and other receipts	26	112	26	17
Total operating funding (A)	4,409	4,552	4,094	4,040
Applications of operating funding				
Payments to staff and suppliers	3,351	3,919	3,561	3,310
Finance costs	0	0	0	0
Internal charges and overheads applied	1,209	1,171	1,147	1,102
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	4,560	5,090	4,708	4,412
Surplus (deficit) of operating funding (A-B)	(150)	(538)	(614)	(372)
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)	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	(1)	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	(150)	(539)	(614)	(372)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	(150)	(539)	(614)	(372)
Surplus (deficit) of capital funding	150	538	614	372
Funding balance ((A-B)+(C-D))	0	0	0	0



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OUR
APPENDICES

Our Council - Governance and Structure



Our Role

As one of only six 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



BIOSECURITY
(control of regional plant and animal pests)



CIVIL DEFENCE
(natural disasters, marine oil spills)



REGIONAL LAND TRANSPORT
(planning and contracting of passenger services)



RESOURCE MANAGEMENT
(quality of water, soil, coastal planning etc)



RIVER MANAGEMENT
(flood control and mitigation of erosion)

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 land-use planning and development control)

Our Governance Structure

The elected Council consists of the Mayor and 13 councillors (including the Deputy Mayor). The councillors cover five areas of the district (referred to as wards). 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.

The Council is elected every three years and is responsible for setting the overall direction of the district and budget.

What they do:

- set the budget and overall plan through Long Term Plans and Annual Plans
- adopt policies
- approve bylaws
- monitor Council's performance
- engage with their local communities
- advocate on behalf of others
- raise issues to be addressed.

Council Committees

Council currently has nine committees:

- Community Development and Services
- Environmental Planning and Regulations
- Performance, Audit and Risk
- Hearings
- Infrastructure Services
- Regional Transport
- Wastewater Management
- Future Tairāwhiti
- Civil Defence & Emergency Management.

These are reviewed after each election.

Organisational Structure









Council has one employee, the Chief Executive.







The Chief Executive is responsible for implementing Council's decisions. 287 staff work for the Chief Executive to carry out the operational functions in council plans.

Schedule of Councillors & Schedule of Agents






Schedule of Councillors

(Please note this schedule is subject to change after the October 2016 elections)

GISBORNE  Mayor Meng Foon P 867 1870 M 027 44 84 084 F 867 9265	GISBORNE  Deputy Mayor Rehette Stoltz P 868 5382 M 021 279 7948 F 868 5382	GISBORNE  Cr Larry Foster P 868 8927 M 027 450 8814	TAWHITI-UAWA  Cr Patricia A Seymour (Pat) OBE P 862 2697 M 0274 725 997 F 862 2703
GISBORNE  Cr Amber Dunn P 867 3131 M 021 475 470	GISBORNE  Cr Andy W Cranston P 868 1160 M 027 27 33 192 F 868 1161	GISBORNE  Cr Brian I Wilson P 868 8118(H) 867 4672(W) M 027 237 8080 F 867 4675	WAIAPU  Cr William S Burdett (Bill) P 06 864 8966(H) 864 8341(W) F 06 864 8967

GISBORNE  Cr Meredith Akuhata-Brown P: 867 7496 M: 027 200 5605	GISBORNE  Cr Alan G Davidson P 867 9474 F 867 9473	PATUTAHĪ - TARUHERU  Cr Roger J Haisman P 867 0922 M 027 332 8601 F 867 0918	WAIPAOA  Cr Graeme S Thomson P 862 8737 F 862 8197
GISBORNE  Cr John (Craig) Bauld P 862 9550 F 862 9551	GISBORNE  Cr Josh Wharehinga P 027 512 5195		

Schedule of Senior Management

 CHIEF EXECUTIVE Judy Campbell	 ACTING OPERATIONS GROUP MANAGER Herman Koenders	 PLANNING AND DEVELOPMENT GROUP MANAGER Nedine Thatcher Swann	 ENVIRONMENTAL AND REGULATORY GROUP MANAGER Kevin Strongman	 HUMAN RESOURCES DIRECTOR Karen Aspey
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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 Bank of New Zealand 125 Queen Street, PO Box 2139 Auckland 1140	Cooney Lees Morgan 247 Cameron Road, Tauranga Simpson Grierson 195 Lambton Quay, Wellington Buddle Findlay 1 Willis Street, Wellington	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)



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