



Last Year's Report

**2019/20 Te Rīpoata ā Tau
Annual Report**

**Te Kaunihera o Te Tairāwhiti
Gisborne District Council**

Adopted by Council on 24 September 2020







OUR VISION

Tairāwhiti

Tairāwhiti Tangata

Tairāwhiti Taonga

Tairāwhiti Wawata

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

15 Fitzherbert Street, Gisborne 4010, New Zealand

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About this Report | Mō te Pūrongo Nei

This Annual Report tells the story of our performance over the last financial year from 1 July 2019 to 30 June 2020. 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 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 Gisborne District Council's (GDC) 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 Council's commitment to you and our 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 Two of the 2018-2028 Long Term Plan: Our Future Plan.

Annual Plan

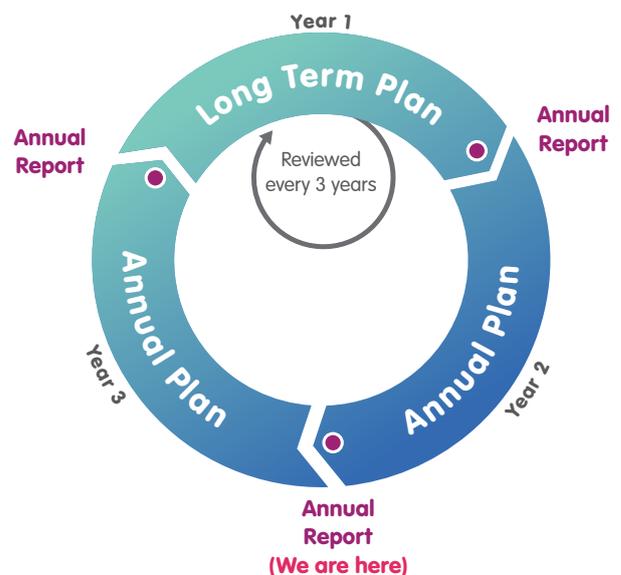
Each year Council is required to have an Annual Plan which sets out the budget for the year. This is based on what is committed to in the LTP but also highlights any projected change or variance from the LTP.

The first year of a LTP does not require a separate Annual Plan but the second and third years must have an Annual Plan. Council is not 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 Plan (in this case Year Two of the 2018-2028 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:





**Building a better
working world**

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF GISBORNE DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

The Auditor-General is the auditor of Gisborne District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, David Borrie, using the staff and resources of Ernst & Young, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 25 September 2020. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 132 to 176:
 - present fairly, in all material respects:
 - the District Council's and Group's financial position as at 30 June 2020;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 179, 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's annual plan;
- the statement of service provision (referred to as "Our Activities") on pages 52 to 128:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, 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; and
- the statement about capital expenditure for each group of activities on pages 52 to 128, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Annual Plan; and
- the funding impact statement for each group of activities on pages 179 to 188, 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's Annual plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 176 to 178, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's Annual plan.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "*Responsibilities of the auditor for the audited information*" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Emphasis of Matter Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the District Council as set out in the notes to the financial statements, including Note 1B.

Responsibilities of the Council for the audited information

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 enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

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

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision (referred to as "Our Activities"), as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 51, 129 to 131 and 189 to 195, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board. Other than the audit, our report on the disclosure requirements, audit of the register and trustee reporting, we have no relationship with or interests in the District Council.



David Borrie
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand

Tairāwhiti tēnā koutou

Nga mihi nui ki a koutou katoa, ngā tāngata o Te Tairāwhiti.

It's been a tumultuous year, and while at times we've been under intense pressure, as a Council we have come through well and are stronger for it.

With the events of early 2020, the events of 2019 seem like the distant past, but we negotiated a nationally significant event, Tuia 250, brilliantly, and held a marvellous event.

As well as Tuia 250, we inducted a new Council, implemented new committee structures, delivered our capital works, gained significant external funding, consulted on and adopted our Spatial Plan, delivered our State of the Environment Report, progressed major projects and transformed some of our activities, such as Civil Defence Emergency Management (CDEM), monitoring and enforcement and integrated catchments.

We responded impressively to COVID-19, first by changing our Annual Plan, but more importantly through carrying out our regional responsibilities for CDEM alongside our regular Council responsibilities. As a team we demonstrated our responsiveness and skill through supporting our community and our own functions under such straitened circumstances. We led a broad collaborative planning process with our regional partners to establish our regional response and recovery plan, Rau Tipu Rau Ora. This plan has become a great example and is highly regarded nationally. Our COVID-19 response is something we can all be proud of.

Besides manoeuvring our way through a nation-wide pandemic, we have navigated significant legislative change. Many councils across the country are under pressure as it is leading us all to operate in a new way. Despite this, in Tairāwhiti, we've achieved great things.

In the month of June we had two weather events, which caused significant damage to the roads and stormwater networks, but our contractors and teams have been quick and efficient in their response.

Last year (2018/19) was about doing the basics well, this year was more of doing the basics better, with some transformational projects and game changers. We also embedded the organisational changes that occurred last financial year with our Journeys team coming fully in-house and undertaking a major overhaul of our Environmental Services and Protection hub through combining regional and district consents in to one team and creating a consents, compliance monitoring and enforcement-focused hub.

Council continues to be financially strong, both in terms of its debt and in terms of its overall financial performance. We ended the year with a \$19.5m surplus. We received significant grants for capital projects, much more than we first had within the 2018-2028 LTP. This enabled us to complete more resilient works and repairs to our roading network, far more than we would have been otherwise able to do without the external funds.



We continued to repair the damage to our roads caused by the June 2018 cyclones, with a further \$10m completed, fully funded by Central Government.

We secured additional \$23.8m redeployment funding and \$27.9m accelerated roading funding. More recently we secured \$40m of Crown Infrastructure Funding for the Olympic Pool, \$7.5m for the Waipaoa River Flood Control Scheme and as part of a national initiative, been allocated \$11m for three waters.

Council's debt position is still within the 2018-2028 LTP limits, at \$58.6m. While it is lower by \$14.2m from where we expected it to be, most of the lower debt was driven by delays in construction of capital projects as a result of COVID-19 lockdown during the peak construction period. The majority of these projects are expected to be completed within 2020/21 and within 2018-2028 LTP timelines.

Overall, another extreme year. One which could not be achieved without the support and commitment of our team of 300+ staff. We are extremely proud of what we have achieved together. Piritahi Tairāwhiti.

Ehara taku toa i te toa takitahi, engari he toa takitini.

My strength is not that of a single warrior but that of many.

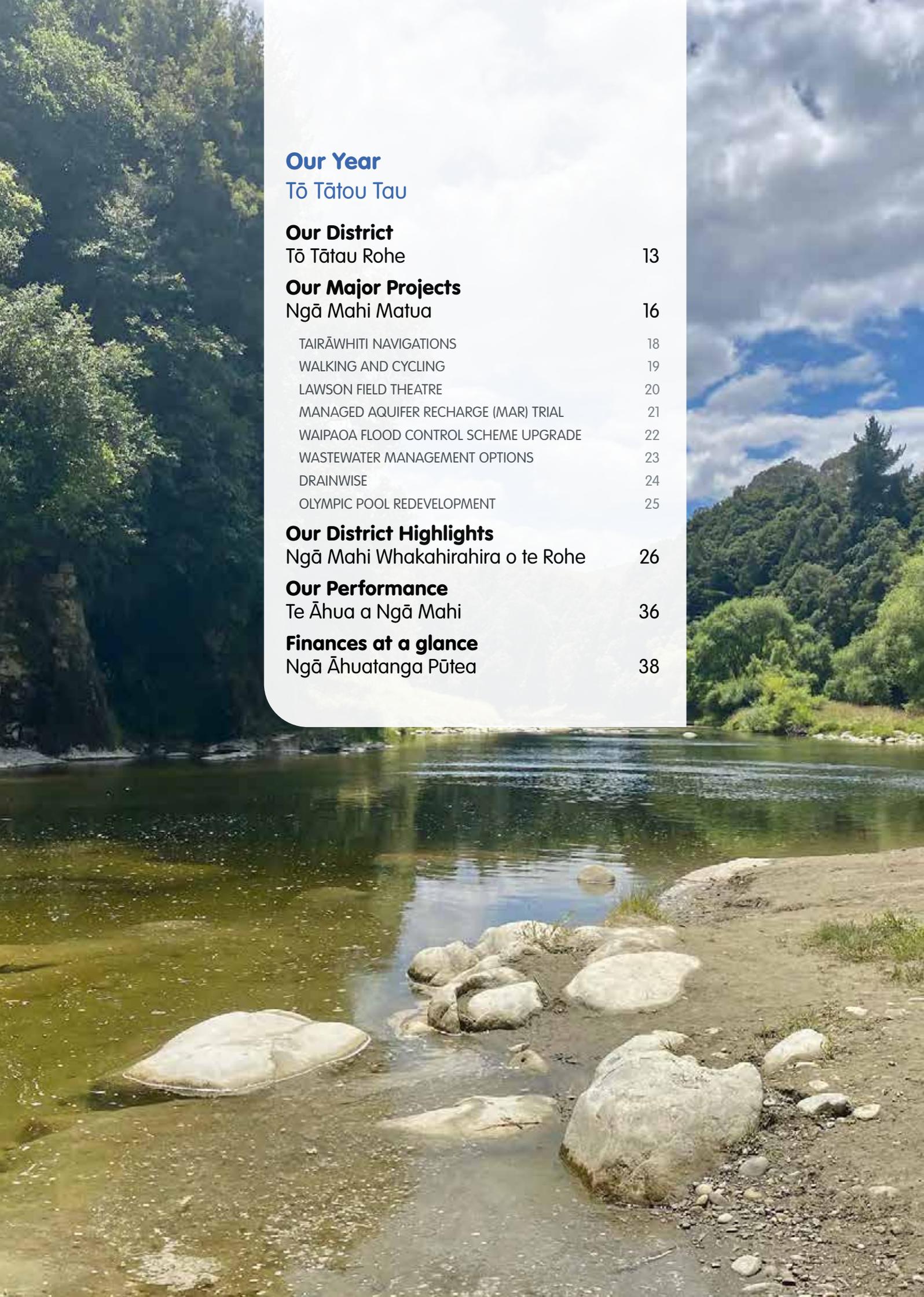
Rehette Stoltz

Mayor

Nedine Thatcher Swann

Chief Executive

Tō Tātou Tau
Our Year



Our Year

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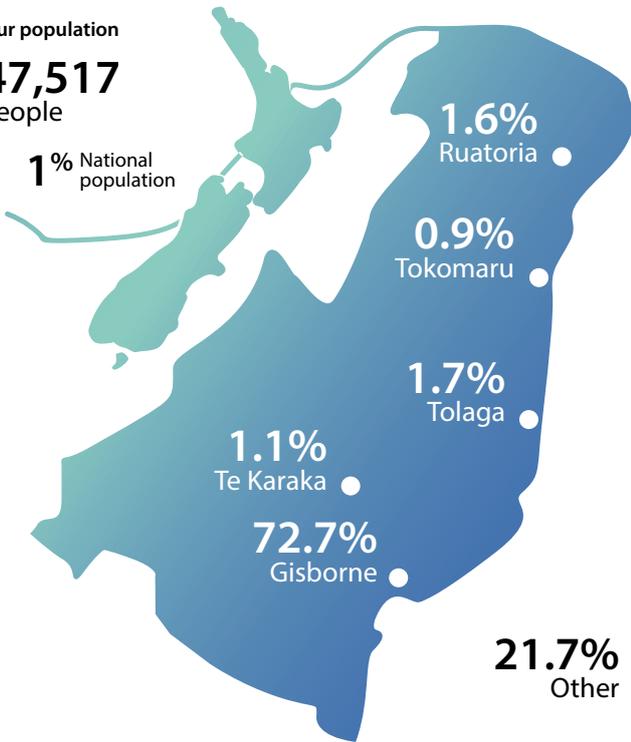
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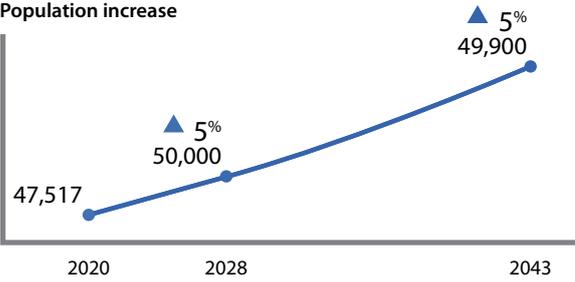
Tairāwhiti at a glance

Our population
47,517
People

1% National population



Population increase



Our ethnicities

58.1% European

52.9% Māori

4.5% Pacific

2.8% Asian

2.2% Other

Nationally
17%
Māori

(Some people may identify as more than one ethnicity)

Weekly personal income



than National Median

- Hawkes Bay and Gisborne \$498
- Nationally \$611

Conversation in Te Reo Māori



4x National percentage

Visitors to our facilities 2018/19 vs 2019/20

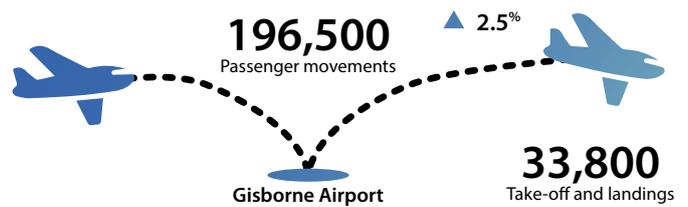
▼ 2% Tairāwhiti Museum

▼ 7% Olympic Pools

▲ 1% HB Williams Memorial Library

▼ 10% HB Williams Memorial Library Online

▲ 1% War Memorial Theatre



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

The Gisborne District (which is also a region) covers a land area of 8,265 square kilometres located in the north-eastern corner of the North Island. This is approximately 5% of New Zealand's total land area.

The estimated population of the district is 47,517¹, which equates to 1% of New Zealand's total population. Gisborne has the lowest ratio of population to land area of all North Island regions. Three quarters of the population lives in Gisborne City, which had an estimated population of 37,200 in 2018.

Other settlements are small, with the largest population being in Tolaga Bay (831) followed by Ruatōria (759), Te Karaka (522) and Tokomaru Bay (444)².

Gisborne has the highest proportion of Māori of all regions, with 53% identifying as Māori in the 2018 census; compared to 17% nationally. 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).

From the southern boundary of the district, the iwi of Te Tairāwhiti are Ngai Tāmanuhiri, Rongowhakaata, Te Aitanga-a-Māhaki, and Ngāti Porou. Ngāti Porou has the highest number of iwi affiliation among Gisborne Māori, with just over 12,000 people in the district identifying with that iwi.

Pacific people make up 4.5% of the local population, and 2.8% identify as Asian in the 2018 Census.

It is also important to note that the region has a high population of those aged under 15 (23.7%) when compared to all of New Zealand (19.6%) (Census 2018).

The district scores high on the social deprivation index. Income levels are below national medians, with a median household weekly income of \$1,456 in 2018 for both Hawkes Bay and Gisborne combined, compared to \$1,708 nationally³. This highlights rates affordability as a particular concern and focus for Council.

The district's population is forecast to grow by almost 2,483 people (5.2%); from 47,517 in 2020 to 50,000 by 2028. By 2043 the forecast population is 49,900; a growth of 2,383 people (5%) over 23 years.

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 a library, theatre, museum and the soon to be upgraded aquatic facility.

Our region has been developing its infrastructure over the years to match the growth.

Stage 1 of Tairāwhiti's iconic new airport terminal officially opened in November 2019. The new terminal is co-funded by Trust Tairāwhiti, the Provincial Growth Fund and Eastland Group, and was developed in partnership with Ngai Tāwhiri.

Gisborne Airport recorded 196,500 passenger movements mainly between Gisborne, Auckland and Wellington. This is up 2.5% on 2019. The airport is owned by Council and operated by the Eastland Group by lease agreement.

Port Gisborne can handle vessels of up to 190m in length and a draught of up to 10.5m. The export wharf has a modern fleet of cargo-handling equipment, a bulk handling installation and cold storage facilities. Gisborne accommodated 21 cruise ships over the summer of 2019/2020 prior to COVID-19 restrictions were put in place.

A new export record was reached of 322,000 tonnes in a single month. They also achieved a new cart-in record on 17 December 2020, after 15,725 tonnes of wood arrived and were processed in a single day.

For manufacturing and food processing, we provide an efficient, reliable supply of quality water. Gisborne is well served with a high-capacity network of electric power lines and sub-stations covering the entire region.

Virtually the whole of the urban area, including the industrial estate, is reticulated with natural gas. Real estate prices present good opportunities. Commercial and industrial space is available at extremely moderate rates compared with those in other areas. We have a very capable local building industry.

Agriculture has been the most important industry in the Gisborne District since earliest settlement. However, agriculture has diversified over the years and now forestry, viticulture, horticulture and industries such as food processing are becoming increasingly important.

Gisborne-based enterprises have shown innovation and excellence in a variety of areas including cheese, beer, wine, cider, meat, popcorn, truffles, hosiery, surfboard production, cashmere fibre production, honey, organic farming and oil extraction for perfume and health products from the native mānuka tree.

¹ Stats NZ - Census 2018

² Statistics New Zealand Subnational Population Estimates for Area Units, Census 2018

³ Statistics New Zealand, Household income by region, household type and source of household income



Our Major Projects Ngā Mahi Matua

1. Tairāwhiti Navigations
2. Walking and Cycling
3. Lawson Field Theatre
4. Managed Aquifer Recharge (MAR) Trial
5. Waipaoa Flood Control Scheme Upgrade
6. Wastewater Management
7. DrainWise
8. Olympic Pool Redevelopment

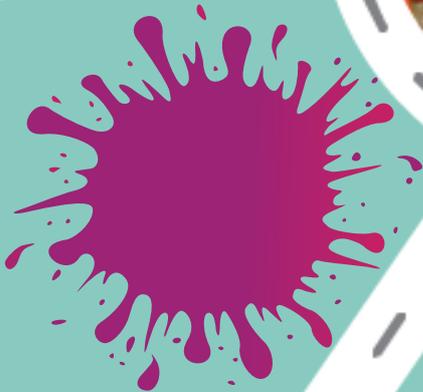




5.



7.



8.



6.



Tairāwhiti Navigations



Tairāwhiti Navigations is a programme of five projects delivered together to ensure the full benefits (economic, tourism, place making and community wellbeing) are realised through well-connected and integrated design, landscaping and story-telling.

The programme consists of five projects:

1. Tūpapa – Historic Interpretations (completed)
2. Inner Harbour Redevelopment (completed)
3. Titirangi Maunga Restoration
4. Titirangi Summit reDevelopment
5. Puhi Kai Iti (inclusive of the 1000-year walk bridge)

The Tūpapa. Our stand. Our story. project was successfully completed and opened by iwi in April 2019.

The Inner Harbour was a key component on showcasing Tairāwhiti during the Tuia 250 commemorations. In partnership with Eastland Port and Ngāti Oneone, the aim was to transform the waterfront to become a visitor hub. All components of the Inner Harbour have been completed i.e. new and upgraded parking, new toilet, green spaces with landscaping, improved lighting and pedestrian and cycle-friendly connections. The programme budget was \$8.3m (not including the Waterfront, which was delivered by Eastland Port).

We've continued working in co-management with Ngāti Oneone, and with the support of community groups and the Department of Conservation to restore the Titirangi maunga. The weed control programme, Whaia Titirangi, has progressed well with an animal pest management plan to support and encourage biodiversity on the maunga. The impact of COVID-19 has presented an opportunity for Whaia Titirangi to provide meaningful employment for displaced members of the Tairāwhiti community under Council's Kaitiaki Project. Whaia Titirangi also provided a 12-week placement for 17 displaced workers. Due to social distancing

requirements Ngāti Oneone offered Te Poho o Rawiri Marae as a base over the 12-week period.

Planning for the Titirangi summit redevelopment started in July 2017. The removal of the James Cook Observatory building on Titirangi summit and enhancements to the gun emplacement were carried out during September 2019. All demolition and landscaping works were completed in time for the Tuia 250 commemorations. Focus has shifted to drafting the design procurement documentation, starting on the development of concept themes and specifying user requirements. The tender for architectural services was released and evaluated.

Puhi Kai Iti started as an upgrade of the existing Cook Landing Site (CLS) and connecting paths and expanded to include the CLS, Te Maro sculpture and the 1000-year walk bridge (the final component to be completed to connect the site to Titirangi across Rakaiaatane Road). The CLS acknowledges the landing place of the tipuna Maia and includes steel tukutuku panels, lighting and landscaping. Construction began in January 2019 and was completed in time for the Tuia 250 commemorations. The project also included the installation of the 10x10 metre art piece to acknowledge Te Maro, a Ngāti Oneone tipuna who was killed in the first encounter with Cook's crew. The structure was installed in September 2019. The 1000-year walk bridge has gone out for tender.

DOLLARS AND CENTS

	2018-2028 LTP BUDGET	2019/20 AP BUDGET	2019/20 YTD ACTUAL
Tūpapa (Completed in 2018/19)	70k ¹	NIL	NIL ²
Inner Harbour Redevelopment	\$3.984m	\$2.202m	\$2.734m ³
Titirangi Maunga Restoration	648k	69k ⁴	\$145k ⁵
Titirangi Summit Development	NIL	\$1.478m ⁶	\$640k ⁷
Puhi Kai Iti	NIL	\$1.85m ⁸	\$298k ⁹

¹ The \$70k budget was in 2018/19.

² This project was completed in 2018/19 financial year.

³ Capital project was completed in 2019/20, just fixes are happening now.

⁴ GDC operational budget was \$68,850. With external grants received from DOC and Te Poho o Rawiri.

⁵ Whaia Titirangi project operational spend.

⁶ \$5m of PGF funding has been lost from this project. The budget remaining will be used for the design stage.

⁷ capex spend of \$197k and opex spend of \$443k.

⁸ Lotteries Significant Projects Fund grants were not received as originally expected for the 1000-year bridge.

⁹ 1000-year bridge is on hold until further funding is secured.

Walking and Cycling



The project brings together a number of strategies, projects and initiatives between Council and the NZ Transport Agency (NZTA) with a focus on cycling safety. With the dissolving of Tairāwhiti Roads this project now only focuses on Council-controlled walking and cycling projects.

- Work began on the extension of the Oneroa Cycle and Walkway. The 3m-wide concrete path will connect the path from where it ends opposite the Olympic Pool Complex, to the Awapuni Stadium. The cost of the work is \$300k, funded by Trust Tairāwhiti. The project is expected to take up to 10 weeks to complete.
- Contractors are hard at work replacing city centre footpaths. The project is part of Council's footpath renewal programme and will cost \$137k. The total cost of this year's full footpath renewal programme is \$307k, funded by the NZTA minor improvements fund and Council.

DOLLARS AND CENTS

2018-2028 LTP BUDGET	2019/20 AP BUDGET	2019/20 YTD ACTUAL
\$1.87m	\$1.77m ¹	\$115k

¹ \$1.77m has been carried over from the \$1.87m that was budgeted for 2018/19.

Lawson Field Theatre



Construction and strengthening works began in July 2018. The building was strengthened to IL3 standard and upgrades included a new roof, exterior cladding, improved drainage and refurbishment of backstage areas, lighting and rigging systems. A blessing took place in July 2019, with the official opening in September 2019.

The project was completed on time, the construction aspect is of a high quality and it was done within the estimated budget.

Bookings have been steady, including corporate, musical, theatrical and private events. The inaugural Te Tairāwhiti Arts Festival saw many people visit the venue for the first time. The theatre closed during the last quarter of the year for the pandemic lockdown period. More data is required to measure and realise the medium to long-term benefits, which will be measured through quarterly public surveys and reporting results to Council.

DOLLARS AND CENTS

The project was completed within the budgeted \$3.6m. Council's contribution was \$1.1m, with the remainder funded by grants and donations, thanks to the efforts of the Gisborne War Memorial Theatre Trust.

The additional funding was from the Regional Culture and Heritage Fund (\$417k), the Lotteries Commission Community Facilities Fund (\$350k), the New Zealand Community Trust (\$400k), and the Eastern Central Community Trust (\$180k). The War Memorial Theatre Trust gained a further \$1m grant from the Eastland Community Trust and a further \$124k from fundraising.

Managed Aquifer Recharge (MAR) Trial



The project aims to inject water from the Waipaoa River into the Makauri aquifer to ensure its ongoing use for irrigation of 3000 hectares of horticultural farmland.

A successful pilot trial has proven the feasibility of MAR in the Makauri aquifer. Work is now underway to continue Stage 2, which is investigating all potential risks.

The trial will generate hydrological data needed to determine the number and location of injection bores in a wider MAR scheme. It will also look at the volume of injection water needed to sustain and then grow irrigation on the Tūrangānui-a-Kiwa/Poverty Bay Flats, as well as looking at cultural and environmental effects.

Following a successful Stage 1 trial in 2017, a resource consent for Stage 2 was granted in August 2018 to investigate further potential risks and inject up to 360,000m³ per year into the aquifer. As part of the resource consent and Trust Tairāwhiti funding conditions, Council engaged with Rongowhakaata Iwi Trust to develop a Cultural Impact Assessment. This was delivered in July 2019.

A Mauri Compass Assessment was also undertaken with Te Aitanga-A-Māhaki and was received in April 2019.

The completion of the Cultural Impact Assessment allowed Council to start the Stage 2 (final stage) injection trial in August 2019.

Bore modifications to the headworks were completed in July 2019 and injection started in August 2019. About 39,000m³ were injected over the 2019 winter injection season. Water quality data was analysed throughout the process to understand potential impacts and no adverse effects were found.

A number of iwi-to-iwi hui have been held since September 2019 and have included representatives from Te Aitanga-A-Māhaki, Rongowhakaata, Te Whānau-a-Kai and Ngā Ariki Kaiputahi. The recommendations from these hui have been discussed with Council and all parties are working to further progress this collaboration.

In February 2020 the framework for a MAR subcommittee was agreed by Council. The membership of this subcommittee was being finalised at the time of writing this report.

Following the lifting of COVID-19 restrictions, injection for the winter 2020 season started in May 2020. This will continue until the summer of 2020, dependant on river flow and quality.

DOLLARS AND CENTS

2018-2028 LTP BUDGET	2019/20 AP BUDGET	2019/20 YTD ACTUAL
\$162k	\$1.19m ¹	\$479k ²

¹ \$1.03m was funded thru grants from the Provincial Growth Fund and Trust Tairāwhiti.

² Actual spend includes both the operational and capital costs.

No budget is allocated in the 2020/21 Annual Plan as the trial is nearing completion and is on track to finish within its estimated budget costs of \$1.2m. This was made up of:

- Council committed \$162k in the 2018-2028 LTP.
- Provincial Growth Fund funding of \$542k.
- Trust Tairāwhiti funded \$488k.

Waipaoa Flood Control Scheme Upgrade



The project’s aim is to increase the level of flood protection of the Waipaoa Flood Control Scheme (the Scheme) up to a 100-year return period accounting for climate change effects out to the year 2090. The Scheme is comprised of approximately 64km of stopbanks along the Waipaoa River.

As well as making the stopbanks higher, construction work will widen the stopbank profile from the current 1.5m top crest to a 4m top crest. This widening component is a key factor to making the scheme more robust and resilient. The Scheme is one of Council’s most valuable assets. It protects some 10,000 hectares of fertile floodplain land and has increased the amount of land being used for high yield horticultural purposes.

- Approximately 6km of stopbanks have been upgraded to date:
 - 4km of stopbank improvements successfully upgraded between Brown Road & Ferry Road, just south of Ormond Township (eastern side) (completed in December 2019).
 - 2km of stopbank improvements successfully upgraded near the Waipaoa River mouth approximately between the KiwiRail Bridge and Te Arai Stream confluence (eastern side) (completed in February 2020).
- Completed a formal risk assessment of the Waipaoa stopbanks and associated flood control assets was completed in March

2020. These inspections are in line with national best practice, and involved visually inspecting and assessing all 64km of the Scheme.

- Applied for \$25m of funding support to Central Government under the ‘Shovel Ready’ Crown Infrastructure Partners (CIP) COVID-19 response to accelerate project delivery phase.
- Completed topographical survey of all of the Waipaoa stopbanks located on the eastern/city side of the Waipaoa River.
- Council agreed to not proceed with the compulsory acquisition (via Public Works Act legislation) to purchase the remaining privately-owned Waipaoa stopbank land located along the eastern (city) side of the Waipaoa River.

DOLLARS AND CENT

2018-2028 LTP BUDGET	2019/20 AP BUDGET	2019/20 YTD ACTUAL
\$16.39m	\$1.55m ¹	\$1.74m

¹ \$1.18m was approved in AP 2019/20, \$69k was carried over from previous year and \$300k was carried forward from future years.

Wastewater Management Options



The first stage of our wastewater treatment plant, constructed in 2010, was the first step in improving the quality of treated wastewater pumped through the outfall pipe into the bay. Our resource consent to discharge the treated wastewater into the bay requires us to implement a further disinfection stage by 2020. We are also required to investigate options for alternative use and disposal of our wastewater and undertake best endeavours to meet cultural objectives to stop discharging into the bay.

The project team identified the most appropriate methods for Gisborne’s wastewater treatment considering social, cultural and environmental outcomes in the context of affordability.

In 2017 we undertook LTP pre-consultation on five potential wastewater management options. A preferred option was adopted by Council in the 2018– 2028 LTP. This option comprises of clarification (removal of solids) and UV treatment of wastewater within the 2018–2028 LTP, with a wastewater wetland constructed once an affordable, sustainable and viable use for the treated wastewater is identified – this is known as Alternate Use Disposal (AUD).

The LTP option adopted by Council is not compliant with the timeframes in the consent. Based on recommendations from the Wastewater Management Committee (WMC) and further information from Council staff, Council decided in February 2019 to implement the projects as fast as practical to reduce this compliance risk.

- Stage 2 upgrade - clarification and UV treatment progress
 - Council has approved a treatment and plant layout option to proceed to detailed design. This has been a staged approach which included the following steps: concept, preliminary, valued engineering and finally detailed design.

- Early equipment procurement, to avoid delays to construction due to sourcing from overseas, has been progressed. Tenders were let and contracts have been awarded for four critical equipment items valuing \$5.3m.
- Significant progress has also been made on the land-use consents and designations required for implementation.
- AUD progress
 - Key stakeholders have been engaged, with further engagement planned, including work with the iwi representatives from the WMC and KIWA Group to progress the use of treated water and identify through land options.
 - To progress faster and reduce costs to our community funding applications to the Provincial Development Unit, an Expression of Interest to the Ministry of Business, Innovation and Employment (MBIE) (Endeavour Fund) had been made
- Separation of mortuary wastewater
 - Removal of mortuary waste from the conventional wastewater stream is seen as essential to eliminating perception and cultural barriers to the future use of the treated wastewater.
 - A project plan has been developed and Council staff have started early discussions with key stakeholders.

DOLLARS AND CENTS

2018-2028 LTP BUDGET	2019/20 AP BUDGET	2019/20 YTD ACTUAL
\$24.38m	\$3.39m ¹	\$1.51m

¹ \$1.6m of the budget carried over to 2020/21

The budget is 100% Council funded with an estimated cost of \$24.4m to complete stage 1.

DrainWise



The DrainWise programme is working to reduce wastewater overflows onto properties and into our rivers during heavy rain.

Significant effort has gone into preparing for rolling out the Infrastructure Improvements on Private Property Strategy, including collecting information on private property sewer laterals and working on operating procedures to enable this compliance and enforcement policy to be rolled out. Property inspections have continued, but we're focussing on the key issue of inflow (as opposed to infiltration).

We've continued constructing stormwater extensions that help deal with flooding and water ponding on private properties. We constructed ten more extensions in Kaiti which has directly benefited 80 properties, reducing ponding on those properties and decreasing the likelihood of rainwater getting into the wastewater system. These improvements indirectly improve downstream properties. Less stormwater as a result enters the wastewater system, and the risk of on-property wastewater overflows is reduced.

Eight out of eleven newly identified stormwater into wastewater cross-connections have been remedied, reducing the volume of rainwater entering the wastewater network. The remaining three are under investigation.

We continued to roll out the DrainWise education and awareness plan, building on the success from 2018/19. A key activity this year was the DrainWise Art competition, which was very successful at

engaging with the general public and schools. The project team also significantly increased its engagement with tangata whenua, working through aspects of mauri, tikanga and mātauranga Māori related to wastewater overflows, providing a robust platform for partnering going forward.

A number of Geographical Information Systems tasks were completed to enable better identification of problem areas and prioritise our work efforts to get the most 'bang for buck' in the shortest time possible, considering available budgets.

Council continued with repairs, replacement and upgrade of the public pipe network where necessary.

DOLLARS AND CENTS

2018-2028 LTP BUDGET	2019/20 AP BUDGET	2019/20 YTD ACTUAL
\$26.85m	\$2.73m	\$1.79m

The project is 100% Council funded. The 2018-2028 LTP has set aside \$20.8m for renewals over 10 years and \$6m to address stormwater issues on private properties through public network extensions. The project also includes \$400k per year for operational costs.

Olympic Pool Redevelopment



The Olympic Pool facility was built in 1974 and is showing its age. Its Council's most frequented recreational facility with over 100,000 visits per year. Key infrastructure (pool and plant) has reached, or is reaching, the end of its intended design life, resulting in increasing repair, maintenance and replacement costs. Admissions are also decreasing significantly as the condition of infrastructure deteriorates.

The major redevelopment project will address current issues by providing a modern, year round fit-for-purpose aquatic facility for the Tairāwhiti community.

The project team have taken the supported high-level concept design from 60% complete to 100% complete.

This process has included completing the necessary technical due diligence for both the internal and external areas of the redevelopment. Geotechnical, structural, traffic, fire and civil engineering services have been engaged, as well as facility design

and landscape architectural services. The objective has been to provide a full concept design package that is consistent with national Construction Industry Council design guidelines. The full concept was presented to Council in August 2020.

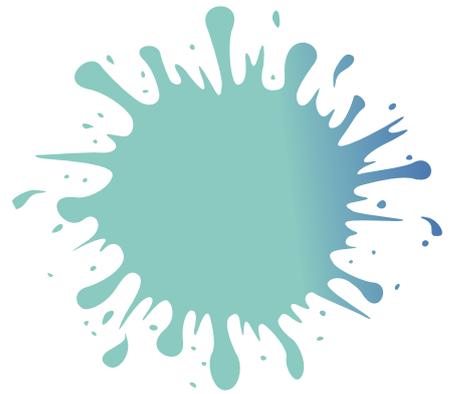
DOLLARS AND CENTS

- Council committed \$5.65m towards the total \$28.5m cost allocated in the 2018-2028 LTP.
- 2020/21 Annual Plan budget= \$4.9m.
- The total above includes \$1.8m of unspent budget that was requested to be carried over to the 2020/21 financial year.
- Central Government to fund up to \$40m from the 'Shovel Ready' Crown Infrastructure Partners (CIP) COVID-19 response.
- Remainder of estimated project budget (\$400k) is to be sourced externally or alternatively underwritten by Council.

2018-2028 LTP BUDGET	2019/20 AP BUDGET	2019/20 YTD ACTUAL
\$5.65m	\$2.275m	\$459k

Our District Highlights

Ngā Mahi Whakahirahira o te Rohe



Provincial Growth Fund

The Provincial Growth Fund (PGF) and the Ministry of Primary Industry (MPI), have awarded GDC with significant grants supporting our commitment to the community and the environment.

A total of \$151.7m over five years was awarded from the Provincial Growth Fund (PGF) and the National Land Transport Fund and will go to road infrastructure. In September 2018, government announced a \$312m PGF grant.

Triennial Local Elections 2019

Our new Council were officially sworn in on Thursday, 31 October 2019. Tairāwhiti's Mayor changed hands for the first time in 18 years and we welcomed the previous Deputy Mayor as the new Mayor. The Mayor, Deputy Mayor and elected members were inducted on board with a comprehensive induction programme, 'Navigating the new triennium', which was facilitated by the Local Government Learning Hub.

Tuia 250

For three months between October and December 2019, Tuia – Encounters 250, or Tuia 250, commemorated 250 years since the first onshore meetings between Māori – the tangata whenua of Aotearoa New Zealand – and Pākehā in 1769–70. Tuia 250 also celebrated the voyaging heritage of Pacific people that led to the settlement of Aotearoa New Zealand many generations before.

One Moment in Time - Road safety campaign

The highly successful 'One moment in time', anti-drink-driving campaign launched in October 2019.

The campaign told the story of Tolaga Bay's Hyrum Paea, who has suffered from severe brain damage when he was run over by a friend's car after falling from the back of a ute after a party.

Spatial Plan - Tairāwhiti 2050

On 30 January 2020, the Spatial Plan - Tairāwhiti 2050 was adopted, providing an agreed direction for regional planning and development, decision-making and investments. This includes the mapping and management of critical infrastructure, transport connections and development. Through engagement with our community in 2019 we identified 8 desired outcomes for 2050.

Our regions response and recovery plan - Rau Tipu Rau Ora

Our biggest leadership challenge of the triennium came in March this year with the COVID-19 pandemic. As the CDEM Group for the region we have worked with our regional and national partners in our response and recovery efforts. Through partnering with iwi and local leaders, discussions with the business sectors, surveys and public feedback we co-created our response and recovery plan - Rau Tipu Rau Ora. This plan outlines our vision for our recovery, the principles that will guide us and the outcomes we want to achieve. It focuses on crucial issues such as housing, employment, health, including the isolation caused by COVID-19 and the risk of future pandemics, stimulating the economy and education and training.

TESP Redeployment Programme

The \$23.755m Tairāwhiti Economic Support Package Redeployment Programme was established to help local workers affected by the impact of COVID-19. While initially aimed to assist displaced forestry workers, the scope has been broadened to include all affected.

The programme is funded through the Ministry of Business, Innovation and Employment, administered by the Provincial Development Unit and managed by Gisborne District Council. It's a huge collaborative effort among so many, including key agencies, iwi and business partners, who are all very focussed on ensuring the 200-odd workers on the Programme gain new skills, qualifications and exposure to the opportunity for meaningful, long-term employment.

State of the Environment

Te Āhuetanga o Te Taiao - Our State of the Environment report was adopted by Council in June 2020

Gisborne District Council has a responsibility for ensuring economic prosperity throughout Tairāwhiti while providing a healthy environment for current and future generations.

The report takes you on a journey through Tairāwhiti's environment. Following the principle of "maunga ki te moana" or mountains to the sea, each section of the report includes environmental data, scientific analysis and case studies of community initiatives.

Shovel ready Crown Investment Partners projects

A total of 1924 projects from across New Zealand with combined value of \$136B were submitted to the Government in April 2020. A shortlist of 802 were selected to put forward to Ministers for further consideration. This Council put forward 9 projects and 6 have made it through for consideration.

Provincial Growth Fund

The Provincial Growth Fund (PGF) and the Ministry of Primary Industry (MPI), have awarded Council with significant grants, supporting our commitment to the community and the environment.

A total of \$151.7m over five years was awarded from the PGF and the National Land Transport Fund and will go to road infrastructure. In September 2018, government announced a \$312m PGF grant. Key components of the funding awarded was:

- **Roading Network** - a total of \$64.2m has been approved for Council's local roading programme, which consists of 21 maintenance and emergency works projects. Council had invested a total of \$30m of PGF funds at the end of the 2019/20 financial year.

Works included the upgrade of Gisborne City's central business district, the Waimata Valley Road seal extension, the Rakaiaatane Road upgrade and the completion of more than \$15m of resilience works across the rural network.

This purpose of this investment is to unlock our region's economic potential by improving the standard of our transport network, support local businesses and create quality employment and training opportunities for local people. The impact of this investment for Tairāwhiti has been immeasurable, changing lives and outcomes for a better future.

- **Tairāwhiti Navigations programme** - \$6.1m for the Titirangi summit redevelopment and \$1.6m for the Puhi Kai Iti/Cook Landing Site upgrade, and key projects within the inner harbour precinct. Council has delivered on its commitments to the community and to PGF government funding to a high standard within specified timeframes and within budget, including delivery of our capital works programme.

We were the first region to receive its share of the \$100m government redeployment package with the announcement on 20 March 2020.



Tuia 250

[Watch drone footage of arrival here](#)

In 2019 Aotearoa New Zealand acknowledged 250 years since the first onshore meetings between Māori and Europeans. Tuia – Encounters 250, or Tuia 250, commemorated 250 years since the first onshore meetings between Māori – the tangata whenua of Aotearoa New Zealand – and Pākehā in 1769–70. Tuia 250 also celebrated the voyaging heritage of Pacific people that led to the settlement of Aotearoa New Zealand many generations before.

This national commemoration was launched here in Tūranganui-a-Kiwa over a week of activities from 3 October 2019 which included a range of events, exhibitions and wānanga and a mass pōhiri at Te Waiohiorore attracting an estimated crowd of 8,000 people in person and a national and international television viewing audience of 5.7million. The pōhiri was supported by the Governor General, the Prime Minister, the British High Commissioner and the President of French Polynesia. Tahiti sent a delegation of 300 people to support the event.

To mark the day that first meetings between tangata whenua and pākehā took place 250 years before, 8 October, the Mayor together with Poutikanga of the Ringatu faith led a dual heritage welcome in the shadow of Titirangi maunga and the HMNZS Otago. While the arrival of the HMB Endeavour replica stirred an angry and emotional response in some, the decision to bring this vessel into the harbour to berth was made to ensure that trainees and crew aboard the vessel were able to disembark safely.

Over this period the Tūpapa Trail was fully activated, the Puhi Kai Iti and Te Maro installations were a spectacular addition to the skyline and 'must see' sites, while taonga taken aboard the Endeavour during those early voyages were returned to the region for a special iwi led exhibition - Tu te Whaihanga. This exhibition will remain at the Tairāwhiti Museum until October 2020 at least and perhaps longer given current world events.

- Tūranga iwi also took their place in world history, hosting the British High Commissioner on local Marae as she delivered a statement of regret on behalf of the British Government for events that led to the loss of life when the Endeavour first landed 250 years prior.
- Congratulations to Te Hā Trust and their pursuit of a vision for a dual heritage and a shared future as we look back to our history with far greater honesty, courage and clarity and commit to building a legacy for Tairāwhiti that we can all be proud of. Even greater acknowledgement must be made of generosity of iwi, who, despite unresolved and ongoing issues with the manner in which the history of the 'settlement' of our region has been recorded and remembered, led a range of events designed to share their knowledge with the world. This was appreciated by locals and visitors alike, many of whom before this time had never had an opportunity to hear historical accounts of iwi. This is a small start that deserves far more attention as we forge our shared future.

Triennial Local Elections 2019

Our new Council were officially sworn in on Thursday, 31 October 2019. Tairāwhiti's Mayor changed hands for the first time in 18 years and we welcomed the previous Deputy Mayor as the new Mayor. The Mayor, Deputy Mayor and elected members were inducted on board with a comprehensive induction programme, 'Navigating the new triennium', which was facilitated by the Local Government Learning Hub.

The Mayor has been focussed on building a strong team dedicated to deliver on promises made to the community. There are new expectations, a commitment to transparency and a renewed enthusiasm to continue to make our communities proud, while focusing on affordability and doing the basics right. This has been the basis for significant review and change across Council in terms of governance, leadership and strategy for the past few months.

Elected members were actively engaged in strategy development, linking through to delivery. Strong linkages to constituents exists given current ward structures, however there is a clear commitment to district-wide priorities and benefits.

A new committee structure was adopted with the aim of speeding up decision-making. Full Council meetings are responsible for strategic leadership, through policies based on the legislative mandate. All councillors sit on three Committees of the Whole — Sustainable Tairāwhiti/Toitū Tairāwhiti, Operations, and the Finance and Performance committees. The three statutory committees are Regional Transport, Civil Defence and Emergency Management and District Licensing. Council is awaiting the establishment of the Local Leadership Body, which is a committee of Council set up under Treaty legislation.

One Moment in Time - Road safety campaign

The highly successful 'One moment in time', anti-drink-driving campaign launched in October 2019.

The campaign told the story of Tolaga Bay's Hyrum Paea, who has suffered from severe brain damage when he was run over by a friend's car after falling from the back of a ute after a party.

Together with our community partners the Police, ACC, Hauora Tairāwhiti, Fire and Emergency, NZ Transport Agency and St John, the objective was to raise awareness and to share stories of local people affected by our harmful drinking culture.

The campaign ran from October 2019 into the New Year. Hyrum took his message to the community through speeches, billboards and on the streets at police checkpoints across the region.

For more information please visit the One Moment in Time website here: www.onemomentintime.co.nz/



Spatial Plan - Tairāwhiti 2050

On 30 January 2020 the Spatial Plan - Tairāwhiti 2050 was adopted, providing an agreed direction for regional planning and development, decision-making and investments. This includes the mapping and management of critical infrastructure, transport connections and development.

Through engagement with our community in 2019 we identified eight desired outcomes for 2050.

- A driven and enabled community
- Resilient communities
- Vibrant city and townships
- Connected and safe communities
- We take sustainability seriously
- We celebrate our heritage
- A diverse economy
- Delivering for and with Māori

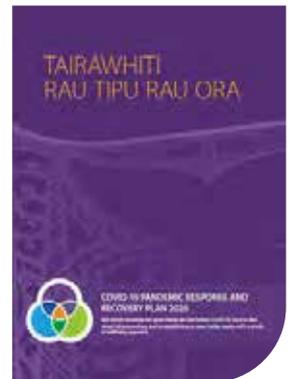
This plan aims to build resilient and prosperous communities. Communities that recognise, protect and build upon their natural capital. Communities that anticipate, respond and adapt positively to the challenges facing our region.

The adoption of Council's Spatial Plan - Tairāwhiti 2050 marked a major milestone in terms of providing strategic direction of how we as a community want our region to look in 30 years' time.



Our regions response and recovery plan - Rau Tipu Rau Ora

Our biggest leadership challenge of the triennium came in March this year with the COVID-19 pandemic. As the CDEM Group for the region we have worked with our regional and national partners in our response and recovery efforts. Through partnering with iwi and local leaders, discussions with the business sectors, surveys and public feedback we co-created our response and recovery plan - Rau Tipu Rau Ora. This plan outlines our vision for our recovery, the principles that will guide us and the outcomes we want to achieve. It focuses on crucial issues such as housing, employment, health, including the isolation caused by COVID-19 and the risk of future pandemics, stimulating the economy and education and training. Rau Tipu Rau Ora's vision for a successful COVID-19 pandemic response and recovery is:



"Tairāwhiti households, whānau, commerce, essential services and communities stand strong together in the face of the immediate, medium and long-term impacts of the global pandemic, COVID-19."

The plan also sets out actions to support local industries, businesses and locals who lost work because of the pandemic's impact.

'Shovel ready' Crown Investment Partners projects

A total of 1924 projects from across New Zealand with combined value of \$136B were submitted to Central Government in April 2020. A shortlist of 802 were selected to put forward to ministers for further consideration. Council put forward nine projects and six have made it through for consideration:

- Olympic pool complex upgrade (the government is funding up to \$40m)
- Wastewater treatment plant upgrade
- Three waters healthy homes programme – Residential stormwater improvement scheme
- Three waters healthy homes programme – Residential wastewater improvement scheme
- Waipaoa river flood control scheme
- Tūranga ki Wairoa – rail (Council supported, not lead)

PGF funding withdrawn

Nation-wide a total of \$600m PGF funding is being refocused on projects with more immediate economic benefits. Due to this, the Government has withdrawn \$5.8m granted to the Titirangi summit redevelopment project from the total \$6.1m awarded in 2018. We will continue to progress planning and design to identify build costs and reapply for external funding.

State of the Environment 2020

Te āhutanga o Te Taiao - Our State of the Environment report was adopted by Council in June 2020.

Council has a responsibility for ensuring economic prosperity throughout Tairāwhiti while providing a healthy environment for current and future generations.

The report takes the reader on a journey through Tairāwhiti's environment. Following the principle of "maunga ki te moana" or mountains to the sea, each section of the report includes environmental data, scientific analysis and case studies of community initiatives.

Our land and soil shows the varied land types and uses in our region. Included in this section are the results of an annual summer crop survey which highlights the variety of crops grown in Tairāwhiti.

Our biodiversity and biosecurity discusses the challenge of protecting and enhancing our natural environment. The section includes several case studies which show the great efforts made to improve our native flora and fauna. A good supply of clean water is vital for many industries to function and wildlife to survive.

Our freshwater provides a series of graphs showing the health of our rivers and streams. Our coast and estuaries takes you through our diverse coastline and in this section you can find out whether the water quality at your local beaches is clean enough for swimming.

Finally, our air, climate and waste includes the region's carbon emissions and how much waste is recycled in Tairāwhiti.

The information contained within this report will help Council identify areas that need further investigation or action to meet environmental requirements. Scientific investigations and proposed actions will be detailed in Council's 2021-2031 LTP.



Tairāwhiti Economic Support Package (TESP) Redeployment Programme

The \$23.755m programme was established to help local workers affected by the impact of COVID-19. While initially aimed to assist displaced forestry workers, the scope has been broadened to include all affected.

The programme is funded through the Ministry of Business, Innovation and Employment, administered by the Provincial Development Unit and managed by Council. It's a huge collaborative effort among so many, including key agencies, iwi and business partners, who are all very focussed on ensuring the 200-odd workers on the programme gain new skills, qualifications and exposure to the opportunity for meaningful, long-term employment.

The mahi includes environmental work across the rohe including on Titirangi, parks and coastal beaches, the re-metalling of unsealed roads throughout the region and the clearance of hazardous trees from local routes. Eastland Group has been subcontracted to remove trees from power lines in partnership with local arborists, while Trust Tairāwhiti are doing workforce development plans for key sectors to assist with the economic recovery of the region.

The workers are referred into the programme through the Ministry of Social Development, who also fund training provided by EIT, Load Out Solutions, GrowSafe and pastoral care through Tūranga Ararau.

The \$23.755m programme is part of \$28.205m allocated to Tairāwhiti in March 2020, with the remainder going to local Government agencies, the Ministry of Social Development, Department of Conservation, New Zealand Transport Agency and Ministry of Primary Industries.

It is part of a wider \$100m national Government redeployment package. Ministers Phil Twyford, Shane Jones and Willie Jackson came to Gisborne to make the announcement and congratulated Council along with Eastland Wood Council, Eastland Port, local iwi, Trust Tairāwhiti, Eastland Group and Central Government agencies for their proactiveness. The unity had also been key to Government's swift response which saw Tairāwhiti as the first region to receive the financial support.



HE PAKU WĀ ANAKE - IMPROVING OUR COMMUNITY FACILITIES

- A new playground was opened in Ruatoria in late January 2020.
- Works were progressed in the Manutuke Te Arai Domain and the Muriwai community priorities were put in place prior to level 4 restrictions.
- We completed amenity planting of the inner harbour.
- We completed the walking track at the base of Titirangi maunga.
- We opened new entrance ways at rural cemeteries.
- We completed construction of new mountain bike trails within the Whataupoko Reserve.
- Officially opened the playground on Titirangi with a karakia (blessing) on 31 July 2019.

KEEPING YOU SAFE ON THE ROADS

- We partnered with the community in the One Moment in Time campaign - telling Hyrum's story and delivering his anti-drink driving safety messages.
- Lytton Road works started at the beginning of February 2020. The \$2m asphalt upgrade is part of the Government's PGF funding.
- Aerodrome Road received a full upgrade in March 2020. PGF fully funded the project, allocating \$3.2m for a heavy-industry zone upgrade which also includes MacDonal and Dunstan roads.
- East Cape Road rock protection project, a \$1.2m project (NZTA subsidy \$816k and Council \$384k), was completed in February 2020.
- Emergency bridge repairs were completed in April for Mangaheia and Takapau bridges as part of the bridge strengthening programme.

STRENGTHENING PARTNERSHIPS AND RELATIONSHIPS

- Council's Cultural Activities section led Operation Manaaki, a wellbeing communication programme reaching out to our over sixty five years community during the novel COVID-19 lockdown period. Over 7,000 people were contacted by nearly 70 staff. Overall our pakeke are an incredibly resilient cohort.
- Our COVID-19 response was different to a normal civil emergency response (a displacing event), in that it enabled further relationship building through the development of the recovery plan and resurgence plan.

ARTS AND CULTURE

- The expanded and upgraded library building was winner of the 2019 Public Architecture Award at the NZ Institute of Architecture, Regional Awards. The building expansion and refurbishment was designed by Chow Hill Architect Ltd with cultural and artistic input by Sir Derek Lardelli.
- Gisborne Theatres completely revamped ticketing systems by moving online to Ticketek New Zealand.
- War Memorial Theatre was the only theatre in Aotearoa to be used as a COVID-19 testing site which was recognised by The Entertainment Venues of New Zealand.
- Art in Public Places Trust provided 'Timelines', a sculpture representing the history of surfing and installed on sand dunes at Roberts Road pause point of the Oneroa walkway.
- Our DrainWise art competition winner Hannah McKinlay painted on the stormwater drain on the corner of Gladstone Road and Lowe Street. Hannah's artwork is titled 'Hand of New Zealand' and she describes it as "The multi-colour hand in my design represents the multiculturalism of New Zealand and our unity or shared responsibility for our lands and water ways."

Right: DrainWise Art Winner - Hannah McKinlay



ADVANCES IN PLANNING AND OPERATIONS

- Project SALUS rolled out the new tsunami inundation maps and progressed with the next steps of community engagement, school and business education and the release of suggested evacuation options.
- On 1 August 2019 we disestablished our joint venture with NZTA (Tairāwhiti Roads) to resume full management and accountability for the outcomes on our roading network.
- The GDC Fix app was launched over the 2019/20 summer period, providing an easy way for the community to report any issues in our places and spaces around Tairāwhiti.
- Summer 2019/20 was the first time we published the water quality of 34 freshwater and beach sites on the LAWA.org website, providing the community the ability to make informed choices about where to swim.

WORKING WITH MAORI AND MANA WHENUA

- Members of the Joint Management Agreement Forum (JMAF) agreed to progress the Joint Management Agreement review, progress joint recruitment of an iwi planner and initiate the development of the Waiapu Catchment Plan.
- We continued our partnership programme with mana whenua to achieve restoration planting, pest and education programmes.
- A partnership between Council, the Maraetaha Trust and the Rangiwaho Marae is focusing squarely on the future at the Pamoia block, recently renamed the Waingake Restoration project.

ENHANCING OUR ENVIRONMENT

- The Waingake Restoration (formerly Pamoia Restoration) project is now well under way. Around 1,600ha of forestry and former forestry land will be progressively logged and around 70% replanted with natives, helping restore biodiversity in the region and creating a buffer for Gisborne's drought-time water supply. Its promising years of engaging and exciting work as pests are eradicated, biodiversity is restored and local jobs created.
- The LiDAR contractor, ASL, was able to operate in Gisborne under alert level 2. The flying and capturing of data are now at 100% complete.
- We continued the implementation of our street tree and garden plan.
- Phase 1 of the possum poisoning programme was executed with over 615ha of Waingake Water Works Bush was completed in June 2020. Rebaiting of possum bait stations was also completed at three PMA sites along the Hawke's Bay Regional Council possum buffer area totalling 122ha.
- We published the State of the Environment Report and communicated this to our community.
- Adopted a science programme of works to deliver Tairāwhiti's statutory environmental objectives.

Award achievements

Parks Week 2020 Marketing Award



AS PART OF THE NZ PARKS AWARDS 2020

Recreation NZ made special mention of the innovative workshops used by the Council during parks week (7-15 March 2020) on subjects such as Māori medicine & eco-sourcing seeds. We also teamed up with Sport Gisborne Tairāwhiti and held a pop-up event at Puawaitanga Park in Ruatoria showcasing the new play equipment.

Green Flag Award



Gisborne's Botanical Gardens was announced as one of 29 parks in the country to receive a prestigious Green Flag Award.

The internationally recognised distinction is given to parks and green spaces that show innovation, community spirit and outstanding management.

Two judges visited Gisborne in August 2019 for a site visit and looked at eight key criteria - a welcoming place, healthy safe and secure, well-maintained and clean, environmental management, biodiversity, landscape and heritage, community involvement, marketing and communication and management.

The Green Flag Award scheme was launched in 1997 and now flags fly in over 2,000 sites across the UK, Europe, the United Arab Emirates, Australia and New Zealand.



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 we aim to achieve. As we are reporting on the 2019/20 financial year, these measures and targets are from year 2 of the 2018-2028 LTP.

Overall Council has performed well. However, we are reporting a 2% decrease on last year's results achieving 63%* of all targets (2018/19 65%). Whilst this is less than expected, we forecasted a result of 68% at year end (3% improvement on FY 2018/19) if not for COVID-19 (refer point 3 below). Further details regarding our performance measure results can be found in [Our Activities](#) section under "Levels of service and performance measures".

Our success can be grouped into three broad areas:

1. Mandatory measures set by Central Government: these measures (of which there are 19) target our Stormwater, Wastewater and Water Supply (3 waters) as well as the provision of footpaths and local roads. We achieved 17 out of 19 (90%). The two exceptions (one not met and the other not measured), related to roading and footpaths respectively. Sadly we reported two fatalities this year on our local road network (one more than reported in

2018/19). A footpath assessment was not carried out this year due to a scheduling conflict with Level 4 restrictions, therefore not measured.

2. Resident satisfaction: overall performance of Council has significantly improved on 2018/19 results (up 10%) together with residents' evaluation of 'Services and Facilities' (up 7%), 'Mayor and Councillors performance' (up 12%) and 'Overall Reputation' (up 12%). Areas of continuing improvement include rates affordability and how you see your rates being spent on services and facilities.
3. *Overall performance (COVID-19 excluded): if not for COVID-19, Council was on track, as at the end of quarter three, to match if not outperform the 2018/19 results. The impact of COVID-19 did translate to a 5% drop in performance when compared to 2018/19, with the greatest impact felt across our theatre bookings and visitor numbers at the library, museum and pool.

Across a selection of Levels of Service, Council has experienced an increase in performance during the fourth quarter period to 30 June this year. Most notably through our customer service, community welfare and support as well as the essential services that continued to be provided through this period.

The following table highlights the successes as well as the challenges we faced during the year regardless of the impact COVID-19.

PERFORMANCE HIGHLIGHTS



MAYOR AND COUNCILLOR PERFORMANCE

Our Resident's survey has shown a 12% increase in overall satisfaction with our Elected members, this is an encouraging result reflecting the commitment and energy our elected members are striving to provide for the community.



OVERALL REPUTATION

The way Gisborne District residents see Council has significantly improved on 2019 (up 12% to 56%). This has been helped with improved satisfaction across metrics including leadership, faith and trust and financial management.

It has been our commitment to get back to basics and then make the basics better.



PEDESTRIANS & CYCLIST SAFETY

A significant improvement on last year's results. A decrease in the annual number of pedestrian and cyclist fatalities and/or injuries were recorded. 5 in total, a pleasing improvement from 22 the prior year.



BIOSECURITY

We increased the total area of Protection Management subject to specific animal and pest control operations.

Contractors successfully completed phase 1 of the possum poisoning programme over 615ha of Waingake Water Works Bush by June 2020. The remaining bush area of 485 ha will be targeted in September 2020. Rebaiting of possum bait stations was also completed at three PMA sites along the Hawke's Bay Regional Council possum buffer area totalling 122ha.



CULTURAL FACILITIES

Residents continue to be very satisfied with our cultural facilities. The highest satisfaction results were for the War Memorial Theatre (96%), the library (93%) and Tairāwhiti Museum (91%).



3 WATERS – STORMWATER/WASTEWATER/WATER SUPPLY

We've had full compliance with regard to water safety.

Our team rolled out the highly successful and visible '3 Ps' campaign to remind residents about what should and should not flush down the toilet.

AREAS FOR IMPROVEMENT



RESOURCE CONSENTS



The percentage of applications completed within statutory time frames has declined over the period (62% to 59%). The integration of regional and district consenting into one team of planners processing resource consents has been disruptive and reduced the number of consents being processed within statutory timeframes. However, this is a short term disruption and is already beginning to result in a more robust and clear resource consenting process, both internally and for our customers.

ILLEGAL DUMPING



Total waste increased by 117 tonnes this year equating to 13.4 tonnes per month on average.

Illegal dumping within the region has been on the rise (when compared to 2018/19) during the first three quarters, however, level 4 restrictions exacerbated this situation.

Staff are working on a communication plan to reduce the impacts and frequency as well as working with the police and the contractor to implement more technological responses, such as cameras.

VALUE FOR MONEY



Resident satisfaction with how rates are spent has increased from 33% last year, to 39%. We acknowledge the community's feedback that there is concern about the ability to pay rates and the way rates are allocated in our region. Council is currently reviewing the Revenue and Financing Policy and giving consideration to changing our rating policy so that it is more consistent across activities and more affordable in those areas where it has been identified that the ability to pay rates is difficult.

ENVIRONMENTAL SERVICES - FARM PLANS



While no improvement on last year with regards to the approval of farm plans, the focus has been on obtaining grant assistance and progressing work programmes for land owners.

COVID-19 impacts to Council's performance

It's been a year unlike any other in recent memory. March to June 2020 was a period of disruption and challenges, but it has also been a period when Tairāwhiti stepped up to provide a level of service and support to one another. Our performance was impacted to varying degrees. In some cases, services had been interrupted or delivered to a lower level than which you as the community are accustomed too. In some exceptional cases, service were modified or delivered to a higher level than would have been the case prior to level 4 restrictions.

The graph below shows how well Council met the performance targets we set for ourselves for 2019/20. Compared to the previous year (2018/19), the percentage of performance targets achieved decreased by 2% from 65% to 63%. For the performance measures which were not measured (5%), most can be categorised as either being a new measure requiring a baseline to be set in this Year 1 of the LTP, or circumstance did not allow for a result to be reported (e.g. Lawson Field Theatre was closed).

Achieving our performance targets



In the absence of COVID-19 we expected our performance to improve by 5%.

Finances at a glance

This section provides an overview of Council's financial results for 2019/20. For further detailed information on the Council and the Group's financial results, refer to the full financial statements in the [Our Finances](#) section.

Details of Council's Statement of Involvement in Council Controlled Organisations (CCOs) and other companies is also 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.

Council continues to be financially strong in terms of its overall debt and financial performance.

Financial Prudence Benchmarks are shown in [Note 37: Disclosure Statement](#) under the [Our Finances](#) section of the report. They graph Council's planned financial performance against actual results. They help assess whether Council is prudently managing its revenue, expenses, assets, liabilities and general financial dealings.

All benchmarks have been met and most are well within planned performance measures.

Financial position overview

Council holds long-term assets of \$2.3bn, including operational and infrastructure assets. When investing in infrastructure, we borrow funds so repayments can be spread across the generations that benefit from these assets.

At the end of this financial year our financial position remains healthy and our debt levels continues to be very conservative.

At year end our total debt was \$58.6m, lower than what was expected to be in the Annual Plan at \$72.8m. Most of this lower debt has been driven by delays arising from COVID-19 lockdown, where a number of capital investment projects couldn't be completed as planned. Typically, April to June is a peak construction period for the capital projects. The majority of these projects are expected to be completed within 2020/21, and within 2018-2028 LTP timelines.

Financial performance

We recorded a \$19.5m net surplus after taxation, against a \$21.3m Annual Plan budget. While there is a variation of \$1.8m from what we initially planned, Council performed financially well over the past year.

At the time of the adoption of the Annual Plan, two capital projects – Titirangi Summit and the 1000-year walking bridge – were expected to go ahead with 100% external funding. As the projects were not started there was no adverse financial impacts to Council, but in terms of a variance to the Annual Plan, there was

a shortfall of \$3m capital grant revenue that would have added to Council's overall net surplus.

The net surplus after taxation is the difference between income received and expenses incurred during the year. The recognition of capital grants and capital subsidies contributes to the recording of a surplus. We record capital grants and capital subsidies as income, even though the money is not used to fund operational activities. This surplus goes towards our capital projects and reduces Council's need to borrow funds.

Total revenue was \$5.8m more than what was in the Annual Plan. This was due to receiving significant external funds for works on our roads and COVID-19 related assistance. Revenue received for roading maintenance included the PGF projects, where the approval for the increased maintenance occurred after the adoption of the Annual Plan. COVID-19 grant revenue arose from grants for community welfare packages and for Tairāwhiti Economic Action Plan Redeployment Programme.

Total expenditure was \$8.2m more than what was in the Annual Plan. This was mostly due to externally funded costs, including the PGF roading maintenance and repairs to damaged roads after storms. Other costs over what was planned included \$1.2m in costs relating to COVID-19, for welfare support packages and Council's CDEM responsibilities. The majority of these costs are reimbursed by National Emergency Agency (NEMA).

Significant roading repairs to the damage roads, after the June 2018 flood, are included in the overall operating expenditure costs. Estimated costs to reinstate the roads after these events were assessed as costing between \$24m to \$26m. The roads were to be repaired over a three-year period, with 100% funding coming from NZTA and the PGF. 2019/20 is the second year of the reinstatement program. In 2019/20, \$10m was spent on June 2018 emergency works road three year reinstatement programme, and a further \$2.6m was spent on other floods.

Other variances from the Annual Plan, both favourable and unfavourable, arose during the year. More detailed analysis of all Council's activities are included in the [Our Activities](#) section of this report.

COVID-19 impacts to financial performance

There were a number of unplanned financial impacts as a result of COVID-19. The key impacts were:

CDEM response and management

A significant effort was made by CDEM to ensure the needs of the Tairāwhiti community were met during the national COVID-19 pandemic, not the least being welfare packages that were delivered to the community. A total of 2,251 food packs and other essentials were distributed to households. Overall \$1.2m was spent within the CDEM area as a response to COVID-19. Most of the costs relate to community welfare assistance, and is funded by the National Emergency Management Agency (NEMA). However, some costs remain as Council-only costs, relating to Council's CDEM responsibilities.

Reduced income

The parking activity income from April to June 2020 was around \$430k lower than the same period last year. The lower revenue related to lower parking fees, lower infringement fees and higher provision of bad debts. As a result of COVID-19 impacts to retail business within the Central Business District (CBD), Council decided to reduce parking meter fees from \$2 to \$1 per hour. Parking was also made free from 3pm to 5pm Monday to Friday.

While no revenue was received from the Olympic pool during level 3 and level 4 of COVID-19, the overall financial impacts were minimal, as lower operating costs offset the lower income.

Capital investment programme

Capital expenditure was lower than what planned, affected by lockdown, where the capital investment projects could not be completed. April to June is typically a peak construction period for capital projects.

More detailed information is included within the [Our Activities](#) section captured under "COVID-19 impacts on services" and under [Note 1B: The effects of COVID-19 on the Council](#) within the [Our Finances](#) section of the report.

	BUDGET 2019/20 \$000s	ACTUAL 2019/20 \$000s	VARIANCE FAVOURABLE/ (ADVERSE) \$000s
Revenue from Rates	62,754	63,297	543
Grants and Subsidies - Operational	22,917	28,821	5,903
Grants, Donations, Subsidies and Contributions - Capital	28,426	27,534	(893)
Revenue from Operating Activities	13,682	14,223	541
Other Gains/(Losses)	12	(280)	(292)
Total Operating Income	127,792	133,595	5,803
Employee Benefit Expenses	22,400	22,319	81
Depreciation and Amortisation	22,112	22,492	(381)
Operating Activities	58,064	66,488	(8,424)
Finance Costs	3,906	3,381	525
Total Operating Expenditure	106,481	114,681	(8,199)
Net surplus/(deficit) before taxation	21,310	18,914	(2,396)
Subvention Income	0	550	550
Income Tax Expense (Benefit)	0	0	0
Net Surplus/(Deficit) after Tax	21,310	19,464	(1,846)
Gains/(Losses) on Property Revaluation	15,473	136,913	121,441
TOTAL COMPREHENSIVE REVENUE AND EXPENSES	36,783	156,377	119,594

Significant changes in Statement of Comprehensive Revenue and Expenditure compared to the 2019/20 Annual Plan Budget

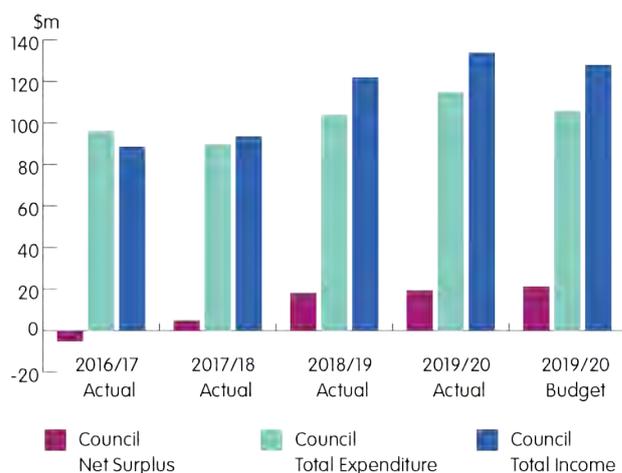
	\$000s
Higher gains from infrastructure assets valuations	121,441
Higher revenue from grants and subsidies	5,011
Higher revenue from operating activities	1,091
Higher revenue from rates	543
Lower employee benefit expenditure	81
Lower finance costs	525
Total Positive Variances	128,692
Less	
Higher operating expenditure and depreciation costs	(8,805)
Higher losses from sale of assets	(292)
Total Negative Variances	(9,097)
TOTAL FACTORS CONTRIBUTION TO THE UNDERLYING VARIANCE	119,595

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 where there is capital project funding being received as grants/subsidies.

Council's budget and actual net surplus for 2017 - 2020 is shown below.

The total income (excluding rates) for 2019/20 has increased by \$9.5m from the last year. The increase is mostly a result of additional grant income from the PGF.

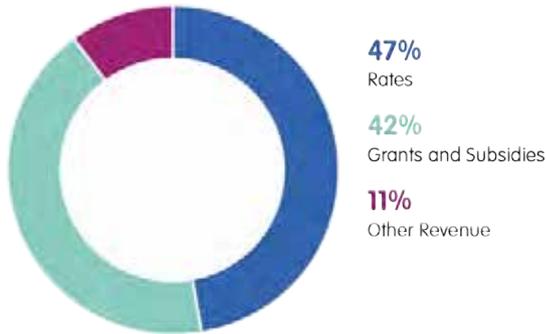
Total Net Surplus 2017-2020



Council income

In 2019/20 the Council received income of \$134m compared to a budget of \$127.8m.

Council 2019/20 Income \$134m



Council rates income represents 47% of the total operating revenue. This is a reduction of 3% compared to 2018/2019 financial year. Grants and subsidies income accounts for 42% of total income and this is a 1% increase compared to last year. These are a significant change to Council's sources of income compared to what we had in the past. It means the external grants and funds that have been secured over the last two years enable Council to do more, both in terms of capital investment and more operationally.

A key direction in Council's financial strategy is to increase income other than rates. In pursuing this key direction Council has reviewed the ownership structures of Council's investments and commercial operations and is looking at various options to achieve the above.

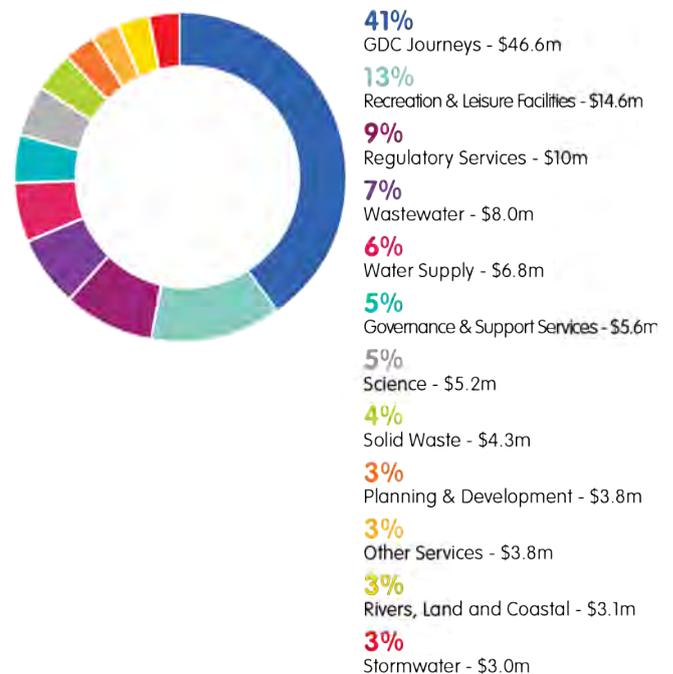
Council expenditure

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

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

As shown by the pie graph on the next page, the GDC Journeys, Recreation & Leisure, Regulatory Services and Wastewater made up 69% of total operating expenditure of the Council. The total cost of these services was \$79.2m.

Council Expenditure



The Council has over \$2.3bn invested in 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 2019/20 depreciation and amortisation charges totalled \$22.5m; this is 20% of our total costs. Repairs and maintenance costs were \$13m; this is 12% of our total costs.

Council debt

Council has debt of \$58.6m, \$14.2m lower than the Annual Plan. Lower debt was driven mostly due to delays arising from COVID-19 (April and May), where capital projects construction could not occur. Forecast debt levels are expected to increase over the next few years as Council completes a number of major projects.

Council Debt

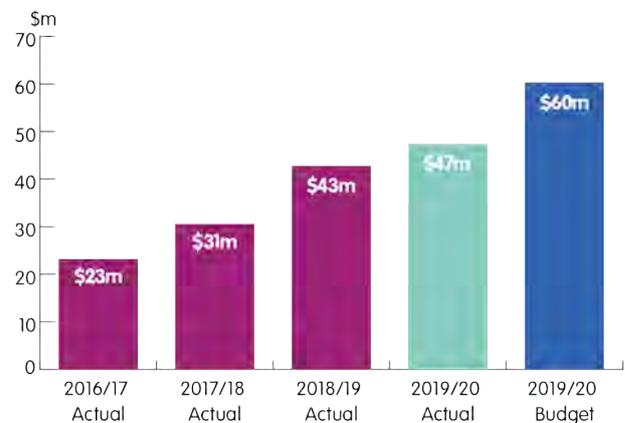


Council capital expenditure

During the year we spent \$47.4m of capital investment on our existing and new assets. Most of the completed projects was on critical infrastructure (\$42m). Key highlights included:

- \$32.1m roading transport projects
- \$7.7m of water, wastewater and stormwater infrastructure
- \$7.6m on parks and community facilities
- 93% of the total planned critical infrastructure projects were completed.

Council Capital Projects 2017-2020



Council's five-year financial performance summary

	2016	2017	2018	2019	2020
Public Debt (\$000)	31,615	37,679	43,880	58,280	58,600
Net Surplus/(Deficit)	(2,911)	(5,186)	5,131	18,280	19,464
Total Comprehensive Revenue and Expenses	10,938	8,530	78,291	78,814	156,377
Net debt as a % of equity <10%	1.63%	1.93%	2.16%	2.77%	2.59%
Net interest as a % of income <10%	2.21%	1.98%	2.09%	1.77%	1.47%
Total debt per capita <\$1700	\$724	\$863	\$1,005	\$1,335	\$1,342
Working Capital (excluding current portion of public debt)	(9,188)	(13,223)	(13,241)	1,093	(1,261)

Tō Tātau Aronga
Our Direction



Our Direction

Tō Tātau Aronga

Our Strategic Direction

Tā Tātau Ahunga Rautaki

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Our Financial Strategy

Tā Tātau Rautaki Ahumoni

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Our strategic direction

Strategic framework

Council's 2018-2028 LTP states the vision for the region, what the community wants to achieve (community outcomes) and strategic priorities. The LTP also sets out what the Council plans to do over the next ten years to contribute to those outcomes.

Vision

Tairāwhiti	Tairāwhiti First
Tairāwhiti Tangata	First to see the light
Tairāwhiti Taonga	First choice for people and lifestyle
Tairāwhiti Wawata	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.

Community outcomes

Our 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. Tairāwhiti Wai** – Improve the wellbeing of our waterways and coastal environments, including protection of healthy soils.
- 2. Intelligent Infrastructure** – Invest in existing and future core infrastructure needs, with a focus on cost efficient and effective designs.
- 3. Intelligent Investment** – Make sensible, long term decisions on investments and borrowing, and always seek the best value for community money.

Our financial strategy

The 2019/20 financial year was guided by the Financial Strategy set out as year 2 in the 2018-2028 LTP. An overarching aim of the Financial Strategy is to meet our critical infrastructure needs in a way that is affordable to our community.

The critical infrastructure included the focus on roads, wastewater, stormwater and water systems. We were also to focus on finding additional sources of income, enabling us to keep rates affordable through grants and dividends, partnerships and through some increases to user pays.

In 2019/20 we received a total of \$56.4m grants, up \$23.6m from what was signalled in Year 2 of the LTP.

Over the last two years we've received \$41m (or 63%) more grants than what we had signalled within the first two years of the LTP. These grants represent significant increases and the ability to do more within our community than if we did not have the external grants.

These additional grants came mostly from NZTA and the PGF. These funds enabled us to reinstate roads after the June 2018 emergency event, for additional road resilience projects and for other community projects (Tairāwhiti Navigations and Inner Harbour).

We're reporting on our Financial Strategy for 2018/19 through the six key directions:

1.

Focus on critical activities and infrastructure

"The Council intends to focus on delivering and maintaining essential services and infrastructure at levels that are appropriate to meet the community needs."

How are we doing?

The LTP forecasts an average spend of \$38m per annum on capital works over the next ten years. However, there have been significant changes as a result of PGF funding and major project decisions that have had a significant impact on being able to deliver more renewals and resilience projects on our roads than ever before.

Specifically, in the 2019/20 financial year, we invested \$42m in critical infrastructure capital projects, and was \$13.7m or 49% more than what was planned in Year 2 of the 2018-2028 Long Term Plan. Also, this year's result is 20% more than what was achieved in 2019/20, where there was \$34.7m capital investment in critical infrastructure.

2.

Keep rates as affordable as practicable

"Council is conscious of the impacts of rates increases on our community."

How are we doing?

The Financial Strategy sets a limit of a maximum of 5% (plus growth) in rates increases over the next 10 years.

The graph in benchmark section (Note 37) shows in detail how we've aligned with our targets. All benchmarks have been met, and are well within planned performance measures.

3.

Increase alternative income streams

"Alternative sources of revenue, other than rates and loans, are critical to help fund Council's activities. They help lessen the financial burden on ratepayers."

How are we doing?

In 2019/20 our rates income as a proportion of total revenue reduced to 47%, down 3% from the previous year. This means we received significant external funds than ever before. The funds we received were to build more resilience on our roads and to build more community projects – from Tairāwhiti Navigations and Inner Harbour projects and to successful funding for MAR projects. This meant we were less reliant on rates, as our main source of income and we were able to do far more than we could if we didn't have the additional external funds.

Council's other vehicle for looking at alternative income streams is our investments within Council-Controlled Trading Organisations (CTO), Gisborne Holdings Limited (GHL). Council owns 100% of GHL and any profits are returned to Council by way of dividends and subvention payments. Council's Investment Strategy with GHL has both shareholder focused goals aimed at increasing the return from commercial operations assets, increasing the income stream to Council and increasing the economic value to the community.

4.

Manage debt prudently

“Council will prudently manage debt within the constraints of Council’s financial management policies (which include policies on Investment, Liability Management and Revenue and Financing).”

How are we doing?

The 2018-2028 Long Term Plan set two debt limits.

\$85m for the first three years, rising to \$105m in the remaining years. The second threshold of \$105m takes account the peak of our ‘infrastructure hump’ where major projects such as the wastewater treatment plant upgrades are completed.

At year end our total debt was \$58.6m, lower than what was expected to be in the Annual Plan at \$72.8m. Most of this lower debt has been driven by delays arising from COVID-19 lockdown, where a number of capital investment projects couldn’t be completed as planned. Typically, April to June is a peak construction period for the capital projects. The majority of these projects are expected to be completed within 2020/21, and within LTP timelines.

5.

Ensure beneficiaries of services pay the costs

“Council aims to ensure that those who benefit from services and infrastructure Council provides pays the cost associated with the provision of those services and infrastructure.”

How are we doing?

The tools we use to achieve this include financial management policies such as Revenue and Financing Policy, Fees and Charges Policy, Investment Policy and also through Development Contributions. We review fees and charges annually to ensure legislative requirements are met and that actual costs are being recovered. The Revenue and Financing Policy is currently under review in preparation for development of the 2021- 2031 LTP.

6.

Growing the rating base

“Council will look to grow our rating base by supporting economic activity without the need to trigger more additional capital works projects. Organisations will be supported to assist in growing the region’s economy.”

How are we doing?

We have several initiatives that support this directive:

- Ensuring long-term sustainable water for horticulture through the MAR project and other sustainable water use initiatives.
- Collaboration with Activate Tairāwhiti to develop He Huarahi hei Whai Oranga, the Tairāwhiti Economic Action Plan. Activate Tairāwhiti is working with business, iwi and government on several initiatives to drive economic growth.
- Growing our tourism sector by developing fit-for-purpose facilities and experiences through the Tairāwhiti Navigations project.
- Provide infrastructure to attract businesses to our region and encourage existing businesses to expand.
- Supporting initiatives that are aimed towards improving the productivity of Māori freehold land.



A Tātau Mahi

Our Activities

Our Activities

A Tātau Mahi

Governance and Support Services

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COVID-19 and Council's Activities

COVID-19 Alert Level 4 came into force at 11:59pm Wednesday 25 March 2020. A State of National Emergency was and it was in force until 12:21pm on Wednesday 13 May 2020.

For Council, this required an immediate response and transition to the provision of 'essential services' only.

Under Alert Level 4, we immediately closed customer services at Awarua Fitzherbert Street, Te Puia Springs, the Taruheru Cemetery office and the office in Bright Street on 22 March 2020.

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 2019/20, how well we performed against our targets and what it cost.

Sections are structured as follows:

What we do

Provides a brief description of what the activity involves.

Why we do it

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

Contribution to community outcomes

The community outcomes the activity contributes to are listed. See [page 44](#) for a full list of our community outcomes.

What we have been doing 2019/20

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 2019/20 year as well as our actual results for the year. The levels of service, performance measures and targets were outlined in the 2018-2028 Long Term Plan. The previous results are taken from the 2018/19 Annual Report.

What was different to levels of service and Performance measures?

Provides explanations for where we have not met our performance targets.

Significant negative effects of delivering this service

This table outlines how Council has worked to address any significant negative effects their areas of activity could have on

the social, economic, environmental, and cultural well-being of its community as identified in the 2018-2028 Long Term Plan.

COVID-19 impacts on services

Provides a brief description of the impacts the alert level restrictions had on our provision of services between 21 March 2020 and 30 June 2020. Where possible, we have quantified the impacts as well as provided performance analysis pre and post Alert Level 4 restriction.

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 2018- 2028 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.

Note: For ease of reporting, this document contains the same activity groupings and levels of service as those used in the 2018-2028 Long Term Plan.

Legend

-  Target achieved
-  Target not met however is an improvement on the 2018/19 result
-  Target not achieved and/or has not improved on the 2018/19 result
-  Performance measure was not measured due to operational or COVID related circumstances.
-  COVID-19 impact

Abbreviations

GDC	Gisborne District Council
CCC	Code Compliance Certificate
COR	Central Organising Rōpū (Leadership Team/Directors)
CDEM	Civil Defence and Emergency Management
JMA	Joint Management Agreement
L3	Level 3 COVID-19 restrictions
L4	Level 4 COVID-19 restrictions
LIM	Land Information Memorandum
LTP	2018-2028 Long Term Plan
NZIER	New Zealand Institute for Economic Research
RfS	Request for Service
RSS	Resident Satisfaction Survey
TEMO	Tairāwhiti Emergency Management Office



Governance and Democracy Support



What we do

Governance

The Governance activity exists to provide for:

- democratic local decision making
- advocacy at a national level on policy, issues affecting our local community, wider participation and representation
- support membership of Local Government NZ and participation in its sector groups
- protection of Council assets including those invested in Council Controlled Organisations
- supporting the relationship with Eastland Community Trust and meeting Council's obligations under the Trust Deed
- meeting Council's obligations to be a good employer.

Democracy Support

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



Why we do it

Governance

- To provide for community representation in an open, democratically accountable way.
- To enable decision-making and action and to promote community wellbeing.
- To provide for the stewardship of Council's assets and to implement the laws that enable physical and natural resources to be allocated.

Democracy Support

To support elected members and staff enabling transparent local decision-making on behalf of the Tairāwhiti community.



This activity contributes to the following community outcomes

Tairāwhiti
Wawata

HIGHLIGHTS

- Sestercentennial Commemorations and Tuia First Encounters 250 event - we worked closely with Te Hā Trust and key stakeholders.
- We ran a successful local government elections work programme.
- We began live streaming all Council and Committee meetings via YouTube.
- Our NZIER report writing benchmarking results have improved on the previous year.





What we have been doing 2019/20

COMMITMENT	PROGRESS
Continue to grow the relationship with strategic partners.	Building relationships with strategic partners remains a focus across the organisation. Development of Tairāwhiti 2050 (the 30-year Spatial Plan) is an important mechanism for building relationships with partners that can help deliver the aspirations of our community, tangata whenua, and business, and deliver a resilient Tairāwhiti. This plan was adopted by Council in early 2020, following extensive engagement with community, iwi, hapū and other stakeholders. As well, a COVID-19 response plan was delivered in 2020 in partnership with other regional leaders. This plan is titled 'Rau Tipu, Rau Ora'.
The Te Hā 1769 – 2019 Sestercentennial Commemorations and the Tuia – First Encounters 250 event.	We worked closely with Te Hā Trust and key stakeholders in the build-up to Sestercentennial commemorations in October 2019. The Navigations Programme of infrastructure upgrades is still in progress Council and its partner organisations have completed an astounding amount of work together. For example: The upgrade of the Rakaiatane / Kaiti Beach road was completed in 2019, the Te Maro art piece installed on Titirangi, the Tūpapa historic interpretations project was completed in 2019, the Inner Harbour Amenity Block and the Puhi Kai Iti - Cook Landing Site redevelopment have also been completed.
Implement the Local Leadership Body (LLB).	While the establishment of the LLB has slowed, individual relationship agreements with Council have progressed. A Joint Action Plan with Rongowhakaata Iwi Trust was adopted by both Councillors and Trustees during its bi-lateral governance hui in August of 2019, with actions being progressed together since.
Build on the existing Joint Management Agreement (JMA) with Te Rūnanganui o Ngāti Porou (TRoNPui).	A JMA Forum comprising elected representatives from Council and TRoNPui and the chief executive of each organisation was established. The first hui was held on 17 May 2019, and the forum continues to meet every three months. A joint approach for the development of the Waiapu Catchment Plan has been co-created and agreed, and both parties continue to progress towards development of a catchment plan for the Waiapu. Mutual capacity building has also been initiated, with Good Decision Making (Commissioner) training being held for nominated iwi and Council staff members in November of 2019. A Ngāti Porou internship programme was also initiated for the summer of 2019-2020, for nominated Ngāti Porou applicants as part of Council's student programme and is set to continue.
Representation Review.	A report will be prepared for Council to consider whether to revisit the representation arrangements in 2021 and whether or not to consider Māori wards following early engagement in September 2020. The representation review is formally due again in 2024 (Local Electoral Act). The COVID-19 restrictions has presented a unique opportunity to look at communities of interest in a different light – for example, community-specific collaboration in response to COVID-19, iwi response to COVID-19, heightened connectivity due to technological shift, etc.
Local Government Election.	Council ran a fair, legal and transparent election with a slightly increased voter turnout. A full report from the Electoral Officer has been presented to Council.
Establish a business case for document assembly and improve the report approval process.	Completed.
Monitor and improve the quality of reports and their effect on good decision-making.	The NZIER review of 2019 reports has been completed and shows improvement on the 2018 result. Benchmarking with Local Government agencies will not be completed until later in 2020 but we are at the 2019 average. NZIER report writing training was commissioned for 15 and 16 June 2020 however it has been postponed. There have been changes to the report template in the recommendations to decrease confusion especially with the "Notes in particular" terminology.



Levels of service and performance measures

Governance

LEVEL OF SERVICE

We provide for the representation of the community in open, democratically accountable decision making.

MEASURE

Approve the SOI1 for CCO's2 in agreed time frames.

Target: **100%** Result: **100%**³ Previous result: **100%** ✓

¹ Statement of Intent

² Council Controlled Organisation

Democracy Support

LEVEL OF SERVICE

We provide the mechanism for decision-making in an open, democratically accountable way.

MEASURE

Percentage of advice to Council that meets good practice standards.

Target: **90%** Result: **100%**⁴ Previous result: **67%** ✓

LEVEL OF SERVICE

We manage the Local Government Official Information and Meeting Act requirements for meetings and agendas for Council.

MEASURE

Agendas for meetings of council and its committees are publicly available at least two working days before advertised meetings.

Target: **100%** Result: **100%**⁵ Previous result: **100%** ✓

LEVEL OF SERVICE

We manage the Local Government Official Information requests and Meeting Act requirements for information requests and complaints to the Ombudsman.

MEASURE

Number of complaints upheld by the Ombudsman.

Target: **0** Result: **0** Previous result: **0** ✓



What was different to levels of service and performance measures?

³Statement of Intent for Gisborne Holdings Limited granted a time extension of one calendar month by Council (COVID-19 related). Completed within the extended timeframe of 31 July 2020.

⁴NZIER report objective reference: A1714777. Calculation by linear grading 1-7. Score of 7 to 10 = 100%. 19/20 result is a score of 7.23 = 100%.

⁵24 March 2020 Extraordinary Council Meeting to appoint an Emergency Committee not advertised. No meeting cancellation for April 2020. Under the Local Government Official Information and Meetings Act 1987, a temporary definition of "publicly notified as a result of COVID-19" was passed whereby section 2A(3) exempts a local authority from the requirement to publicly notify if "...it is not reasonably practicable to do so...".



No significant impact on service provision.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	64	61	3	0
Revenue from Exchange Transactions	27	15	12	10
Expenses	1,276	1,336	60	1,172
NET COST OF SERVICE	1,185	1,259	75	1,162

This activity was funded 2% from grants, 97% from rates and 1% from fees and charges.



What was different from the budget

1. Revenue from non-exchange transactions is in line with budget.
2. Revenue from exchange transactions is \$12k ahead of Annual Plan due to receiving unbudgeted income towards Tuia 250 costs.
3. Expenditure is \$60k under budget. This is due to lower than expected operating costs.

Support Services



What we do

The following internal support services are provided to ensure the smooth running of Council activities:

- People and Capability
- Legal and Risk Services
- Information Services
- Health and Safety
- Finance



Why we do it

Internal support services are provided to ensure the smooth running of Council activities and to assist with continued high performance of GDC.

People and Capability

The People and Capability team provide HR advice and support including employment law guidance, performance management, learning and development, change management, recruitment and induction, organisational development, and payroll.

Legal and Risk Services

The Legal Services team provides clear, accurate and timely legal advice and support to elected members, COR and staff to manage Council's legal risk and ensure a high standard of statutory compliance.

Risk and assurance.

Information Services

Services include IT support, Information Management, Land Information services, Business Intelligence and Business Solution services.

Health and Safety

Activities include critical risk management, establishing a health and safety culture, ensuring compliance under health and safety legislation and the management of contractors.

Finance

The Financial Services Team supports Council in the effective and efficient running of the organisation's finances.



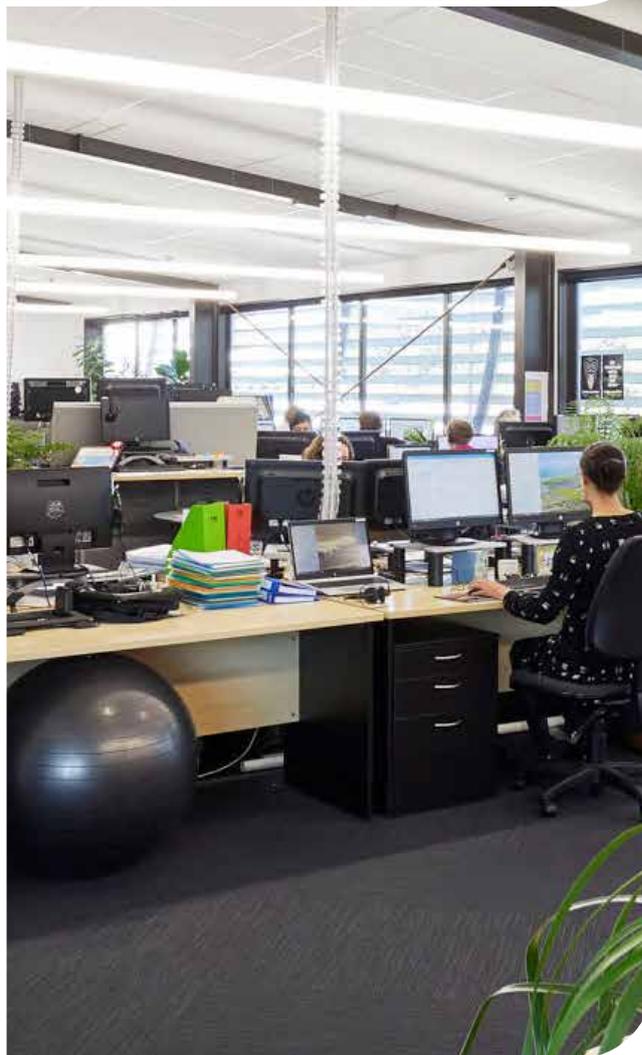
This activity contributes to the following community outcomes

Tairāwhiti
Wawata

Tairāwhiti
Tangata

HIGHLIGHTS

- We implemented Doc Assembler software solution streamlining business processes for management of the Council and Committee agendas, minutes and actions.
- Progressed the "online services" offering to the community.



What we have been doing 2019/20

COMMITMENT

Where possible, streamline business processes to improve practices, advice and services.

PROGRESS

INFORMATION SERVICES

Completed Information Strategy and a refresh of the 10-year old Information Management Policy.

The Enterprise Solution project started, and has a focus on ensuring the new system that is selected will be supportive of business process improvement, and supportive of additional services for internal and external customers.

Implemented Doc Assembler software solution for team leaders and managers to efficiently contribute to Council and Committee reports.

Implemented solution for ratepayers to receive their rates notices electronically. Fits well with on-line payments key project (services).

Began redevelopment of the decade-old GDC website.

Continued progress being made around online services including our online payments, building and resource consent systems and processes, addressing application and processing, inspection, monitoring and enforcement (processes and practices).

Working to implement automated business workflows for processes in Customer Engagement and People & Capability (processes and practices).

PEOPLE AND CAPABILITY

Continued development and use of online performance management platform 'PIRformance' where staff input track and reflect on key performance indicators and annual review content against GDC strategic objectives and vision.

Release of Wellbeing app 'Being Well' to GDC employees to support staff health and wellbeing, including support with nutrition, stress, physical activity and mental wellbeing. App supplied by Southern Cross Health Care (focused to GDC needs).

'Ask your team' platform implemented to better understand culture and employee experience at GDC. Enables fully editable surveys, pulse checks, leadership surveys, and bespoke reporting of results for review and analysis by COR and People and Capability (anonymous/non-identifiable data). Tracks progress against consecutive surveys to show trends, blind spots and milestones.

Increased use of GDC Intranet 'Naumai' to provide a focussed online community for internal staff to engage with news, updates, organisational changes, CE updates and events across Council.

Continuous digital transformation of Council services.

INFORMATION SERVICES

A major project for the digitisation of property information and records is ongoing with options being assessed to continue the project, which will enable digital access by staff and customers to property records previously held in paper files. This supports processes such as LIMs and consent processing and is key to other digital transformation initiatives such as on-line services and internal processing of forms and applications.

COMMITMENT

PROGRESS

Continue to develop a health and safety culture, while ensuring compliance under health and safety legislation.

Consistent focus on identified critical risks with regular attendance at COR meetings over the year with sustained traction. This has resulted in the majority of identified critical risks being eliminated or robust minimisation controls implemented.

The long term plan and inter-generational debt path. New corridor policy approach considers the uncertainties of managing interest rate exposures over longer time periods. This is consistent with other councils where there is growth in debt forecasts.

Deliver innovative, affordable and fit for purpose business intelligence solutions.

The Business Intelligence team has continued to deliver innovative solutions and improvements throughout the 2019/20 financial year:

- Delivery of a new innovative rates modelling tool to support planning and policy review processes.
- Delivery of an asset business intelligence tool to support the asset management planning process.
- Delivery of resource consent performance and management dashboard reporting.
- Delivery of environmental reporting solutions both internally and externally.

Replace identified information services systems i.e. Enterprise Resource Planning, Enterprise Content Management.

Enterprise Solution is the project that will deliver the replacement of Council's core systems Ozone and Objective. It is a large-scale transformational project impacting the entire organisation. It will change the way all teams work with our systems and information and their involvement is key to the success of the project. The project has commenced and will run for two years.

Develop an enterprise risk management programme.

Strategic risks bow-ties have all been assessed. Work with directors and senior managers on the effectiveness of our controls is ongoing.



Levels of service and performance measures

LEVEL OF SERVICE

We support the organisation to deliver Council services and to provide good quality information to the public.

MEASURE

Percentage of residents satisfied with how rates are spent on services and facilities.

Target: **65%** Result: **39%**¹ Previous result: **33%**



What was different to levels of service and performance measures?

¹ Resident satisfaction with how rates are spent has increased from 33% to 39%. However, we acknowledge the community's feedback that there is concern about the ability to pay rates and the way rates are allocated in our region. Council is currently reviewing the Revenue and Financing policy Policy and giving consideration to changing our rating policy so that it is more consistent across activities and more affordable in those areas where it has been identified that the ability to pay rates is difficult.



COVID-19 impacts on services

Internal support services continued to function in a business-as-usual capacity remotely. Our Information Technology Team, People and Capability, and Health and Safety provided continued support for staff over the Alert Level 4 restrictions period.

Restrictions however did impact our ability to recruit and therefore placed some operational delay on a selection of internal projects and recruitment programmes.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	926	1,000	(74)	(379)
Revenue from Exchange Transactions	1,726	2,299	(573)	947
Expenses	15,369	15,039	(330)	12,885
NET COST OF SERVICE	12,717	11,740	(976)	12,317
CAPITAL EXPENDITURE				
Capital Projects	2,051	3,655	1,604	2,014
Funded By:				
Grants and Subsidies	606	595	(11)	387
Other Capital Revenue	814	699	(116)	899
Depreciation or Other Reserves (Renewals)	1,378	3,016	1,638	1,784
Internal Loans	(846)	(655)	191	(1,109)
Asset Sales	98	0	(98)	52
	(0)	0	0	(0)



What was different from the budget

1. Revenue from non-exchange transactions is \$74k under Annual Plan. This is due to lower penalties collected during the year. All penalties incurred for instalment 4 unpaid rates were waived, this was a response to the impact of Covid-19 on the community.
2. Revenue from exchange transactions is \$573k under Annual Plan. This relates to Gisborne Holdings Ltd (GHL) distribution, where Council has only received a \$1.2m distribution compared to a planned \$1.8m due to no subvention payment or interim dividend being declared at 30 June 2020.
3. Expenditure is \$330k over Annual Plan. This is due to the loss on recognition of the movement in fair value of interest rate swaps and an increase in rates penalties waived.
4. Capital expenditure is \$1.6m under Annual Plan. Due to delays to Councils digitisation project and Enterprise Solution software projects.



Resource Consents



What we do

Provide certainty and regulatory rigor in undertaking Council's legislative duties under the Resource Management Act (RMA) 1991, Building Act 2004 and Local Government Official Information and Meetings Act 1987. Duties under the RMA include land use, subdivision, air discharge water takes, forestry and wastewater discharge resource consents and other national planning instruments such as any relevant National Planning Standards (NPS) and National Environmental Standards (NES).



Why we do it

We do this activity to:

- ensure Council's regulatory responsibilities are met for the environment and community
- manage the district's natural and physical environment now and into the future as detailed in the Tairāwhiti Resource Management Plan and the Freshwater Management Plan
- provide business and regulatory certainty and value to holders of resource consents for economic development and community wellbeing
- ensure a fair process for decision-making on the use of the district's natural and physical resources
- support Gisborne's development and economic growth through resource use and development
- protect our district's heritage
- support the connection of iwi to their values and relationships with their sites of significance and taonga
- allow participants in resource consent processes to have their views heard and considered.



This activity contributes to the following community outcomes

Tairāwhiti
Wawata

Tairāwhiti
Tangata

HIGHLIGHTS

- We have been focusing on uniting Council's district and regional consenting functions.



What we have been doing 2019/20

COMMITMENT	PROGRESS
Developing guidance material for resource consent applicants.	We have identified that web information needs updating. Checklists and guidance has been completed for most consent types.
Developing user-friendly processes to make it easy for the customer.	We are developing forestry application templates.
Evaluating service delivery from a customer perspective to promote ongoing improvements.	We have created water take templates for different sources. We finished standard water take consent conditions. We have been updating forestry consent conditions. We have a new process for s.124 water take extensions - user-friendly method. Improved surrender of consent process.
Promoting pre-application meetings.	This is ongoing and is becoming increasingly popular with developers who are engaging early with senior staff and duty planners
Optimising the process for input from parts of Council to ensure timeliness of information.	Streamlined the expert comments process by holding twice-weekly meetings for all new consents.
Providing input into reviews of the Tairāwhiti Resource Management Plan.	The annotated version of TRMP input is ongoing.
Promoting an enhanced working relationship with iwi and Council consenting staff.	This project is underway and is ongoing.



Levels of service and performance measures

LEVEL OF SERVICE

Decisions on resource consent applications are made in a timely manner following a robust process.

MEASURE

Percentage of applications processed within statutory timeframes (Resource Management Act)

Target: **95%** Result: **59%**¹ Previous result: **62%** X

Percentage of consents that meet good practice standards through Consent Decision Audit.

Target: **92%** Result: **No assessment was undertaken this FY** Previous result: **No assessment was undertaken FY18/19** —



What was different to levels of service and performance measures?

¹ The integration of regional and district consenting into one team of planners processing resource consents has been disruptive and reduced the number of consents being processed within statutory timeframes. However, this is a short term disruption and is already beginning to result in a more robust and clear resource consenting process, both internally and for our customers.

Steps are being put in place to address the decrease in the timeframe target. These include streamline consent template, mentoring programme currently being implemented, recruitment of senior staff currently being undertaken and increasing the net of delegations to sign off consents to prevent bottlenecks at sign off stage and ongoing training of several external consultants across regional consenting.

We widely encourage external stakeholders to engage with us early for a no surprises approach prior to lodgement. We are working to educate applicants to reduce inadequate applications, which result in the application being rejected. There is much work to do internally around application quality in the water allocation space which were the last type of applications to transfer to the combined consenting team.



COVID-19 impacts on services

For the last quarter of the financial year 2018/19 our numbers were as follows:

TOTAL CONSENTS: 111

ON TARGET: 64 (58%)

OVER TARGET: 47 (42%)

For the last quarter of the financial year 2019/20 our resource consent numbers were as follows:

TOTAL CONSENTS: 108

ON TARGET: 59 (55%)

OVER TARGET: 49 (45%)

There is a difference of 3 applications with a small decrease in the percentage of applications processed within statutory timeframes for the last quarter of the financial year 2019/20 when compared to the same time in the previous year. The decrease in processing timeframes being achieved might be attributed to the COVID-19 pandemic and our inability to work under business as usual circumstances, but there are many other factors that could influence this such as complexity of consents, the number that were bundled etc. The changes are not statistically significant, and the team responded well to the changes that were required to work from home during the Alert Levels 3 and 4 restrictions period. The adjustments made over the period mean that the team is able to respond quickly should the return to these levels be necessary.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	0	150	(150)	0
Revenue from Exchange Transactions	706	558	148	628
Expenses	2,024	1,310	(714)	1,439
NET COST OF SERVICE	1,318	602	(716)	811

This activity was funded 60% from rates and 40% from fees and charges.



What was different from the budget

1. Revenue from non-exchange transactions is \$150k under Annual Plan. This is due to the planned revenue being categorised as non-exchange instead of exchange, and accordingly the revenue from exchange transactions is ahead of Annual Plan.
2. Revenue from exchange transactions is \$148k ahead of Annual Plan. When taking into account the planned non-exchange revenue, overall revenue is in line with Annual Plan.
3. Expenditure is \$714k over Annual Plan. This is due to an increase in legal expenses and consultancy fees, along with increased staffing to enable Council to stay compliant with statutory legislation.

Building Services



What we do

Council's building related activities are governed by the Building Act 2004 and the Local Government Official Information and Meetings Act 1987.

Our work in this area provides:

- building consents, code compliance certificates (CCCs) and land information memoranda (LIMs)
- accurate and timely information on building consent processes
- monitors compliance of building warrants of fitness for commercial buildings
- responses to service requests relating to stormwater
- assessments and follow-ups for the strengthening of earthquake prone buildings
- swimming pool inspections to ensure they are safely fenced.



Why we do it

To meet our Council's obligations under the Building Act 2004. Our building services work is about ensuring buildings are safe for people to live and work in, and that people wanting to build or buy a property have access to the information they need.



This activity contributes to the following community outcome

Tairāwhiti
Tangata

HIGHLIGHTS

- We maintained our IANZ Consent Authority accreditation.



What we have been doing 2019/20

COMMITMENT

Set up a digital consent processing system.

Update Council's earthquake prone building register and implement the requirements of the 2017 legislation changes.

Continue to monitor swimming pool fencing safety in response to legislation changes.

Pursue further improvements for all building consent processes and services, including fast tracking building consents.

PROGRESS

While the on line applications are now fully in place there are still some coming in as hard copy or emailed in. The hard copy ones will always be a proportion of our work but we are actively discouraging email applications as the portal is available for digital media and email applications are an additional work load over and above the other two methods of applying.

Earthquake strengthening continues but the pace has been slowed slightly by the COVID-19 Alert Levels 3 and 4 restrictions. This is not significant at this stage but will become so if subsequent Alert Levels 3 and 4 occur.

Building Services are on track to complete their swimming pool inspections on time.

Online (tablet) inspections have commenced for low level building consents. Still in the very early stages and there are fairly large tweaks to be made before it is rolled out to all inspections.



Levels of service and performance measures

LEVEL OF SERVICE

We will deliver a customer focused building consents and compliance monitoring service that meets statutory requirements.

MEASURE

Percentage of building consents processed within twenty working days.

Target: **98%** Result: **92%** Previous result: **99.9%**

Percentage of fast track building consents processed within five working days.

Target: **100%** Result: **100%** Previous result: **100%**

Percentage of Land Information Memorandums (LIM) processed within ten working days.

Target: **98%** Result: **97.25%** Previous result: **98%**



What was different to levels of service and performance measures?

Value of work has only increased slightly from the 2018/19 financial year from \$101,581,951 to \$112,177,004 2019/20 year. The number of consents is down considerably from 853 to 760. This follows the trend from last year of the value of consents going up.



Significant negative effects of delivering this service

POTENTIAL NEGATIVE EFFECTS

No real negative effects except for those that may occur from loss of heritage fabric of the CBD if buildings are demolished as part of the earthquake prone building strengthening requirements.

WHAT HAS BEEN THE EFFECT IN YEAR 2

No heritage buildings demolished in the last 12 months. The ones that have been demolished were not on the heritage register.



COVID-19 impacts on services

There appears to have been little effect from the COVID-19 Alert Levels 3 and 4 on the construction industry. Building Services are ahead of the usual consenting level for this time of the year and builders and designers are reporting that they have work well into 2021. Of course this level of activity is subject to remaining at a COVID-19 alert level that allows for builders to continue construction.

Setting up to respond to an Alert Level 4 restrictions took effort but has resulted in the ability to process building consents seamlessly from home if required. Alert Levels 3 and 4 have a larger impact on inspections as full inspections cannot be undertaken remotely.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	1,183	1,028	155	1,104
Expenses	1,115	1,071	44	1,120
NET COST OF SERVICE	(68)	43	(111)	15

This activity was funded 38% from rates and 62% from fees and charges.



What was different from the budget

1. Revenue from exchange transactions is \$155k favourably ahead of Annual Plan. Building consent income was higher than expected due to an increased volume of consents.
2. Expenditure is \$44k over Annual Plan. This overspend mostly relates to additional consultancy costs, relating to specialised advise for consent applications. These costs are on-charged to the consent applicant.

Enforcement



What we do

The Enforcement activity consists of monitoring and enforcement, animal control, and parking and city watch sub-activities.

The section monitors compliance and enforces the Resource Management Act (RMA) 1991, Tairāwhiti Resource Management Plan (TRMP), Dog Control Act 1996, Impounding Act 1955, Land Transport Act 1998, Land Transport (Road User) Rule 2004, and local bylaws.



Why we do it

Monitoring and enforcement

The monitoring and enforcement sub-activity promotes the sustainable management of natural and physical resources, manages the way people use land and water and how those uses affect the environment. For example, taking water, noise, discharge of contaminants, historic building protection, native bush etc. We also enforce non-compliance with the RMA and TRMP, to meet Council's legislated obligations.

Animal control

This service promotes education with dog owners, maintains compliance with central government legislation regarding the control of dogs, and investigates and enforces non-compliance with the Dog Control Act 1996 and dog attacks on both animals and people.

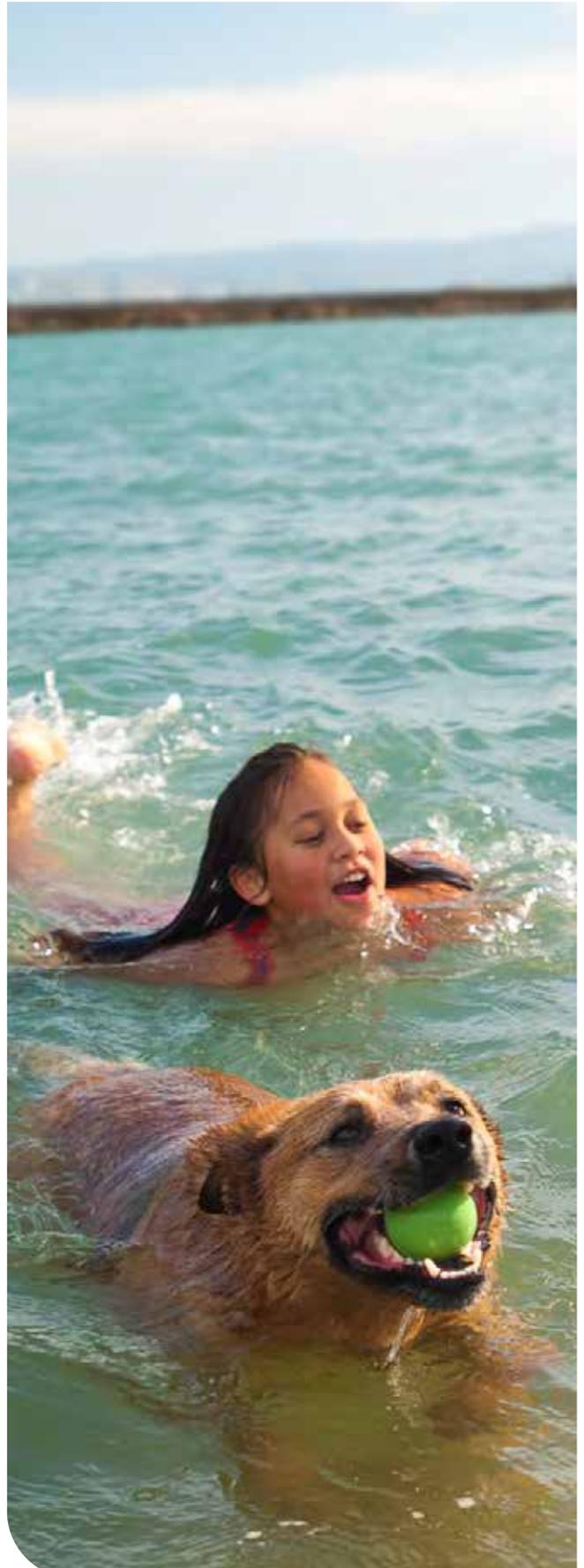
Parking and city watch

This service promotes traffic safety, helps traffic to flow for businesses and retailers, and holds a presence in the Central Business District (CBD) by assisting Police and retailers.



This activity contributes to the following community outcome

Tairāwhiti
Tangata





What we have been doing 2019/20

COMMITMENT	PROGRESS
<p>Continue to provide a safe community by maintaining effective dog control compliance.</p>	<p>Animal control officers do regular patrols around Gisborne and the coastal areas. Officers educate communities on key areas around dog ownership and behaviours. Officers also attend schools to educate children on dog safety and awareness.</p>
<p>Promote traffic safety and ensure traffic flow by continuing to provide enforcement of Council's traffic and parking bylaws as well as stationary vehicle offences.</p>	<p>Parking officers regularly patrol the CBD area. They liaise with and educate customers regarding traffic safety and movement.</p>
<p>Review the Health and Safety Plan every three years and ensure all health and safety requirements are in place.</p>	<p>Ongoing review of health and safety across the Enforcement Team. Body worn cameras have been upgraded to help with the health and safety of staff when working out in the field. Currently work is underway on the Health and Safety Plan for City Watch.</p>
<p>Promote the sustainable management of natural and physical resources through compliance monitoring and enforcement.</p>	<p>District monitoring has been affected by COVID-19. The Alert Levels 3 and 4 restrictions caused a delay in recruitment of an appropriate candidate. This recruitment has now been completed and monitoring has recommenced with consents prioritised according to magnitude and risk.</p> <p>Regional enforcement has undergone and continues to undergo changes aimed at improving process and increasing adherence to legislation.</p> <p>The focus during the year has been continuing to monitor high-risk activities and consents and on enforcement action relating to the high-profile prosecutions following the 2018 June event.</p> <p>Two other prosecutions for discharge to waterways are also in progress.</p> <p>High-level enforcement action has resulted in overspend in legal budget area. Further costs will be incurred as prosecutions continue. The next LTP will address a more appropriate legal support budget.</p> <p>Several successful outcomes from enforcement action has resulted in a total of \$546916.30 in fines imposed by the Courts. \$478,689 of this total sum was imposed on 2 forestry companies following the high profile 2018 Queens Birthday weather event. A further sum of almost \$61,000 was awarded by the Court for a prosecution for discharge to land by a processing company. The remaining is made up from infringement fines from freedom camping, noise control enforcement etc.</p> <p>As we have continued to build our monitoring and enforcement capacity, with all staff undertaking on-line training through the G-Reg initiative. This training has been promoted by Local Government NZ and provides graduated complexity of levels to increase knowledge for staff to move through as their experience develops. Several of the staff have also attended the Basic Investigative Skills course run through Waikato Regional Council. This investment has been reflected in the high quality of investigation files supporting the successful prosecutions.</p>
<p>Develop a Parking Policy that balances fees charged for parking with the availability of parking.</p>	<p>The Parking Policy is currently under review. Enquiries are being made into costs for new parking meters to replace the old stand-alone meters as we can no longer source parts when they break. Two new replacement parking meters have been installed this past year with the ability to accept card payments. These have proved successful, as people prefer card method of payment rather than cash. We continue to get very positive feedback from customers who do not normally carry change.</p>

COMMITMENT

Review the Dog Control Bylaw 2010 in 2020.

Explore opportunities to use technology to make work more efficient, including the use of mobile technology.

PROGRESS

Not yet started, and not due to be reviewed until 2021.

In the process of setting effective and streamlined monitoring systems for regional and district consent monitoring. This is to make a more robust and onsistent monitoring programme that will make monitoring more time and cost-effective. All monitoring staff have the use of mobile devices.

Animal control officers up the coast have been using mobile devices successfully and it would be good for mobile devices to be rolled out to Gisborne town-based animal control officers.

Drone observations using expertise from the Science team has been used on several occasions to support potential prosecution investigations.





Levels of service and performance measures

Parking Services

LEVEL OF SERVICE

Council provides on and off-street parking facilities; to provide sufficient parking to meet reasonable public expectations; to ensure equitable sharing of parking resources and to ensure safe and effective passenger vehicle flow.

MEASURE

Council car park (on and off street) occupancy in the CBD as surveyed within business hours.

Target: **60-90%** Result: **60%** Previous result: **63%**



Animal Control

LEVEL OF SERVICE

Council monitors and enforces compliance with legislation intended to protect its citizens from threats to their safety from animal nuisance.

MEASURE

Percentage of residents satisfied with Council's efforts in controlling dogs and stock as found in the Resident satisfaction surveys.

Target: **50%** Result: **55%** Previous result: **60%**



The percentage of routine requests for dog or stock control issues responded to within 2 days.

Target: **90%** Result: **87%** Previous result: **92%**



The percentage of urgent requests for dog or stock control, responded to within 30 minutes.

Target: **90%** Result: **92%** Previous result: **91%**



What was different to levels of service and performance measures?

Regional monitoring was adjusted to better monitor the use of and discharges to water. These adjustments have resulted in the ability to better respond to complaints and enquires from rate payers and have resulted in appropriate enforcement action being undertaken for breaches of the various acts and planes. Overall performance measure targets were achieved for the activity.



COVID-19 impacts on services

Alert Levels 3 and 4 had significant impact on the ability of CME to undertake compliance activities on site. Staff were able to work remotely during this time to complete administrative tasks such as ensuring files, photo and documents were saved into supporting folders, as well as finalising outstanding reports.

One significant unconsented activity was investigated during Alert Levels 3 and 4 restrictions due to the magnitude of work that was undertaken and the effect on the environment. The outcome of this investigation is continuing. Parking and city watch staff were unable to work during the lock down period. Due to Alert Levels 3 and 4, parking officers were unable to complete the parking survey for the fourth quarter report. Animal control officers worked through the Alert Levels 3 and 4 period, but protocols were adjusted to allow for safety measures.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	921	970	(49)	997
Revenue from Exchange Transactions	2,083	1,642	441	1,694
Expenses	3,113	2,151	962	2,282
NET COST OF SERVICE	109	(462)	571	(410)

This activity was funded 11% from rates, 7% from grants and 82% from fees and charges.

CAPITAL EXPENDITURE				
Capital Projects	29	10	19	34
Funded By:				
Other Capital Revenue	0	0	0	0
Depreciation or Other Reserves (Renewals)	36	10	25	35
Internal Loans	(7)	0	(7)	(1)
	0	0	0	0



What was different from the budget

1. Revenue from non-exchange transactions is \$49k under Annual Plan due to lower infringement fees. As a result of the COVID-19 Alert Levels 3 and 4 restrictions there were no infringement fees collected for a 10 week period. There was an unplanned grant received from Ministry of Business Innovation & Employment (MBIE) for summer camping initiatives.
2. Revenue from exchange transactions is \$441k ahead of Annual Plan. This is mostly due to receiving income from forestry prosecutions relating to the June 2018 flood events. However, this favourable variance was partially offset by lower revenue from parking meters being not collected or enforced from April to June, due to COVID-19.
3. Expenditure is \$962k over Annual Plan. This is mostly due to unbudgeted costs for the forestry investigations relating to the 2018 June flood events in Tolaga Bay. There was an increase in bad debts due to people defaulting from court infringements payment plans as a result of financial difficulties arising from COVID-19. There was also an unbudgeted spend for the summer camping initiative, which had nil rate payers impact as it was 100% funded by MBIE.
4. Capital expenditure is \$19k over budget. More parking meters than expected had to be renewed.



Science



What we do

We carry out regulatory, non-regulatory and science-based services that relate to our regional council function. The science activity consists of four sub-activities: biosecurity, environmental monitoring, land and soil, and water and coastal.

We provide information, assist, regulate, monitor and report on animal and plant pest management, and sustainable land and water resource management. Some direct control of animal pests is carried out.



Why we do it

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



This activity contributes to the following community outcomes

Tairāwhiti
Tangata

Tairāwhiti
Taonga

HIGHLIGHTS

- We published and released to the community our State of the Environment Report 2020.
- We made significant progress in the area of protection management specific to animal and pest control operations.
- The proportion of consents for water takes from the Makauri Aquifer has risen to 90%.
- Our environmental data web pages have become increasingly popular including our safe swimming data submitted to LAWA.org.nz.



What we have been doing 2019/20

COMMITMENT	PROGRESS
<p>Implement the Regional Pest Management Plan.</p>	<p>Monitoring of compliance with the Regional Pest Management Strategy is ongoing. Additional progress has been made with the Waingake Project. Perimeter box traps and bait stations are in operation, over 50% of Waterworks Bush has been controlled for possums. Feral goats are being controlled on farmland adjacent to Waingake.</p> <p>Additional capacity has been added to provide for a focus on marine biosecurity following what was learnt from the SV Wahoo fanworm incursion.</p>
<p>Progressively review water take resource consents to ensure reduction targets in the Waipaoa Catchment Plan are met.</p>	<p>Water take consents for the Makauri Aquifer were reviewed and substantial cuts made to allocation. Some decisions are under appeal, but we are on track to meet the reduction targets for this water source.</p> <p>Fifty eight water take consents are due for renewal for the Waipaoa River, Waipaoa Gravels and Te Hapara Sands aquifers.</p> <p>Processing for these is under way and allocations are being reduced in line with the Waipaoa Catchment Plan.</p> <p>We are also processing a number of water take transfers and variations.</p> <p>A waiting list for water within the Waipaoa catchment has been developed due to some water sources being either currently fully or over allocated.</p> <p>An internal working group has been formed to collaborate on smooth the consenting, monitoring and advisory processes between the many teams involved in this space. This has resulted in more consistent advice given to consent holders as well as identifying challenges and solutions for consent holders and Council to make water allocation and monitoring more transparent.</p>
<p>Work with industry, discharge consent holders and landowners to improve water quality in waterways identified as degraded in the Waipaoa Catchment Plan.</p>	<p>A workshop was held with growers on farm environment plans for the Poverty Bay Flats area to support water quality improvement in the Taruheru river.</p> <p>A Gisborne Farm Environment Plan template has been developed. This may need updating to reflect the resolution of appeals on the Freshwater Plan.</p> <p>Recent monitoring results indicate that further work is required to better understand the causes of water quality degradation and potential solutions.</p>
<p>Develop water allocations and caps for water bodies in the Waiapu, Mōtū, Ūawa and Waimata catchments and recommend storage options for the region.</p>	<p>Development of catchment limits and targets will be led by the Strategic Planning Team.</p> <p>Draft state of the wai reports completed for the Waiapu and Mōtū catchments. Initial scoping work underway to identify gaps in existing knowledge. Looking at tools for better assessing the presence or absence of aquifers in the Ūawa and Waiapu catchments and delineating any aquifers identified.</p>
<p>Work with the forestry industry to implement the NES for Plantation Forestry and associated GDC forestry regulation in the Tairāwhiti Resource Management Plan.</p>	<p>Substantial work has been undertaken to develop standard resource consent conditions and guidance material for staff and applicants on implementation of the NES for Plantation Forestry. This has been collaborative with engagement with the Forestry Environmental Focus Group.</p> <p>The Tairāwhiti Resource Management Plan has been updated to reflect the NES requirements.</p>
<p>Develop an Environmental Monitoring Plan that meets the requirements of the National Policy Statement for Freshwater.</p>	<p>A draft Environmental Monitoring Plan has been developed This will need to be reviewed and updated as a result of the latest National Policy Statement on Freshwater requirements.</p>



COMMITMENT

PROGRESS

Undertake 'State of the Environment' reporting, with a strong focus on providing a good understanding on the state of freshwater resources.

State of environment report completed and released to the community. The Science and Monitoring Teams have held a series of workshops with community stakeholders discussing report findings and next steps.

Implement the joint Ministry for the Environment (MFE)-funded Wharekōpae River Restoration Project.

Now sitting in the Integrated Catchments team, the Wharekōpae River Restoration Project has had the Year 4 annual work plan (AWP) signed off by Mfe and work has begun on implementing a number of projects. This AWP will include some work that were unable to be completed in Year 3 due to COVID-19 restrictions, along with a number of new initiatives.

Through the project there are now have 25 out of 37 farms in the catchment that have completed Farm Environment Plans, and an active community coordinator advocating more be done.

The project has funded 11.4km of fencing along the Wharekōpae River and its tributaries, along with 6 water reticulation systems, planting and culvert installation for stock crossings. 6 new grants are now underway with more to be funded in September 2020.

Progress implementation of erosion plans and plantings on the most severely eroding land in the district through the ECFP.

There was a large uptake of the 2017 and 2018 tranche of the ECFP for direct farmer grants. The fund is transitioning through to One Billion Trees funding. There are still 92 properties without works plans, however, a significant number of these have received funding in the 2017 and 2018 rounds of the ECFP and future work will target those outstanding properties.

Assistance with signing contracts continues to be pursued by GDC and MPI staff. ECFP funds were being targeted at well focussed community led projects that address multiple landowner improvements. Community grants are now dependent on finance being made available through MPI. Ministry of Primary Industries is providing an additional \$420,000 to facilitate the transition through the Hill Country Erosion Fund (HCEF). GDC is supporting the Waiapu PGF project with a significant level of in-kind support coordinated through the Integrated Catchment Management section. A GIS analyst is being appointed for a fixed term contract to improve our measure of Land Overlay implementation and align with ECFP funded treatments.



Levels of service and performance measures

Biosecurity

LEVEL OF SERVICE

Pest animals and pest plants are controlled to minimise their adverse effects on biodiversity, production, amenity and cultural values (as defined in the RPMP and Biosecurity Act 1993).

MEASURE

Percentage of Exclusion Programme pests found established in the district for the first time visited and all animals controlled.

Target: 100% Result: 100% Previous result: 100% ✓

Percentage of known Eradication Programme pest sites visited, and all pests controlled.

Target: 95% Result: 82% Previous result: 90% ✗

Area of Protection Management Areas subject to specific animal and pest control operations per year.

Target: 295ha Result: 737ha¹ Previous result: 241ha ✓

Percentage of monitoring sites in the Hawkes Bay buffer zone assessed post possum control that achieve 10% residual trap catch.

Target: 95% Result: 100% Previous result: 79% ✓

Land and Soil

LEVEL OF SERVICE

We will work with iwi, landowners and the community to reduce soil erosion risk and re mediate severe erosion within the district.

MEASURE

Percentage of total overlay 3A severely erodible land treated with effective tree cover.

Target: 89% Result: 89% Previous result: 88% ✓

Total overlay 3A severely erodible land covered by a draft or final overlay 3A work plan or an Overlay 3A resource consent.

Target: 44,500ha Result: 43,930ha Previous result: 43,930ha ✗

Water and Coastal

LEVEL OF SERVICE

We manage natural water resources, river and lakes and coastal areas to conserve natural values and sustain consumptive usage.

MEASURE

Number of farm environment plans prepared per year.

Target: 40 Result: 0² Previous result: 11 ✗

Percentage of monitored freshwater sites where the MCI monitoring result indicates good water quality or showing improvement.

Target: 51% Result: 34% Previous result: 51% ✗

Proportion of consents for water takes from the Makauri aquifer being managed for the efficient water use.

Target: 50% Result: 90% Previous result: 71% ✓

Percentage of monitored freshwater swimming sites where the water quality is being maintained or is improving for E. coli.

Target: 92% Result: 92% of sites median summer E.coli result improved between 18/19 and 19/20FY ✓

Note, this is the second year we have run a full freshwater recreational waters sampling program, triggered by new NPS-FM requirements. This has in part driven the increase in website hits KPI below.

Percentage of monitored ground water wells in shallow unconfined aquifers where water quality is being maintained or is improving for:

Nitrate levels

Target: 78% Result: 89% Previous result: 97% ✓

Salinity levels

Target: 92% Result: 56%⁴ Previous result: 98% ✗

Environmental Monitoring and Hydrology

LEVEL OF SERVICE

We will collect and manage environmental data to support good resource management decisions and enable a clear understanding of the state of our environment.

MEASURE

The number of hits received on environmental data pages on the Council website.

Target: **30,000** Result: **40,959** Previous result: **34,485** ✓

We have also been investing time in development of the www.LAWA.org.nz website that also shows our data.

	GDC PAGES ON LAWA	GDC	TOTAL HITS
2017/18	7,537		
2018/19	6,164	28,321	34,485
2019/20	13,128	27,831	40,959

What was different to levels of service and performance measures?

¹ 615ha Waingake Water Works Reserve Protection Management Areas (PMA) sites x 4 properties totalling 122 ha.

² Our focus has been on obtaining grant assistance and progressing works programmes for land owners.

³ Summer in early 2020 when the latest samples were taken was quite dry and may have affected the average scores for that year as aquatic systems were put under stress.

⁴ Our results are showing that advancing technology has enabled greater sensitivity in data collection, although this doesn't alone explain the result. It may be a broad scale indicator of general stress the unconfined aquifers are under due to abstraction pressures since monitoring began. A deeper dive may be required to acutely understand what may be driving these broad scale salinity results.

COVID-19 impacts on services

Inability to maintain agreed levels of service under due to the exceptional circumstances Alert Level 4 COVID restrictions that imposed a restriction on field programmes.

Several work streams and regular monitoring were disrupted during Alert Level 4 with staff returning to field work in Level 2 and 3. Some work with Trust Groups in the Waiapu Catchment in association with Integrated Catchments was disrupted with the

Trust milestones being delayed. Any unspent funds attributable to COVID-19 have been rolled over. Staff were able to update databases where data in lower priority areas had accumulated.

The implementation of the compliance date for trade and industrial business to submit a stormwater management plan was pushed out for a further 3 months, from 1 May 2020 to 1 August 2020. This was in recognition of the challenges many businesses were facing during this time.

A number of monitoring programmes were 'paused' during COVID-19 Alert Level 4. Long term State of the Environment monitoring programmes will have a data gap during that time, and exemptions were sought from the Compliance team for a number of GDC owned consents that require regular compliance monitoring that was not undertaken due to not being 'essential'. This included transfer stations/septage and landfills groundwater sampling, as well as wastewater treatment plant compliance.

Recruitment was delayed and a staff member (work visa) is still stuck overseas from the original COVID-19 outbreak. As a result Environmental Monitoring team are still coping with understaffing, but are actively recruiting. Programmes such as trade waste water sampling have not yet started again from the original COVID-19 outbreak until understaffing issues are resolved.

What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	672	425	247	318
Revenue from Exchange Transactions	516	1,049	(534)	689
Expenses	4,264	4,695	431	4,160
NET COST OF SERVICE	3,076	3,220	144	3,153
<i>This activity was funded 77% from rates, 14% from grants and 9% from fees and charges.</i>				
CAPITAL EXPENDITURE				
Capital Projects	273	587	315	325
Funded By:				
Depreciation or Other Reserves (Renewals)	130	77	(54)	280
Grants and subsidies	83	0	(83)	45
Internal Loans	59	511	451	0
	(0)	0	0	(0)

What was different from the budget

1. Revenue from non-exchange transactions is \$247k ahead of Annual Plan. This is due to funding from Trust Tairāwhiti and Ministry of Business, Innovation and Employment (MBIE) for the Makauri Aquifer project, Environmental Science fee for resource consent monitoring.
2. Revenue from exchange transactions is \$534k under Annual Plan. Resource consents and monitoring revenue for land, soil, water and coastal were lower than expected due in part to not able to perform monitoring in COVID-19 Alert Levels 3 and 4.
3. Expenditure is \$431k under Annual Plan. This is due to carrying various vacant roles across the activity.
4. Capital expenditure is \$315k under Annual Plan and most of the variance relates to not needing to do any land remediation. Each year a provision is made for any council land that has been identified as contaminated land/landfill and needs remediation.



Environmental Health



What we do

We provide a diverse range of services that are underpinned by our role in helping to keep our community and environment healthy and safe. These range from education, administration, enforcement and monitoring of:

- food outlets, liquor, premises, and disease control
- living conditions such as drinking water supplies, insanitary housing and on-site wastewater systems
- environmental protection, including air quality and noise control
- waste management and hazardous substances
- **Local** bylaws such as navigation regulations, and control of the use of public places.

Alcohol licensing are also part of the services that we provide, along with serving as Harbourmaster under the Maritime Transport Act.



Why we do it

All the sub-activities under environmental health contribute to a healthy and safe Tairāwhiti, where people live and do business while contributing to quality of life for current and future residents and visitors to our district.



This activity contributes to the following community outcomes

Tairāwhiti
Tangata

Tairāwhiti
Taonga



What we have been doing 2019/20

COMMITMENT	PROGRESS
Undertake a comprehensive background air quality monitoring programme during the wood burning season of 2018.	Monitoring undertaken using low cost sensors with data analysis on contracted out to NIWA. The project is now complete. New equipment to replace the aging air quality monitor has been purchased and installed at the Gisborne City monitoring site. This equipment is recording higher levels of particulate matter than the older equipment and several exceedances of the NESAQ have been recorded. The website information has been improved and a new page created to inform the community of ways they can help reduce particulate matter. The issue of whether we will need to gazette our city airshed as 'polluted' will be a focus for the next two years following the review of the current NES and a refresh of the TRMP.
Implement the Quality Management System approved by MPI, to be used to implement the new Food Act 2014.	Quality Management System developed, approved by MPI and now implemented. Focus now will be on continuous improvement, review of procedures and internal review.
Co-regulatory focus with MPI for implementation of the Food Act 2014.	Staff worked with MPI to educate and assist businesses transitioning to the Food Act 2014. The Transition period ended in November 2019. Staff have continued to collaborate with MPI providing a co-regulatory focus through COVID-19.
Collaborate with Police and health agencies to ensure compliance with the Sale and Supply of Alcohol Act 2012.	Staff continue to collaborate with the reporting agencies and other health agencies involved in alcohol through regular meetings and through close working relationships.
Maintain relationships with agencies for improved alcohol licensing for large-scale events.	Council staff continue to work proactively with other agencies and event organisers to ensure the Act is complied with and alcohol related harm minimised during the Rhythm and Vines festival and other large events.
Maintain the Gisborne Port and Harbour Safety Management System that is consistent with the National Code. Carry out regular audits.	A new safety management system has been developed by the Harbourmaster, peer reviewed with the port, and submitted to the Secretariat. An external audit was completed in August 2019, and the safety management system was found to be consistent.
Deliver a responsive and effective customer service that meets customer demand and expectations.	The team continued to deliver responsive and effective customer service. Food registration screening procedures were improved, to ensure correct registration data was collected and uploaded to MPI's data bases. During Alert Levels 3 and 4 the team developed and presented online zoom training sessions for operators of Food Control Plans.
Embrace emerging technology that creates opportunities to improve service delivery.	During the year considerable improvements were made to iPad forms to allow for easier on-site verification and notes, and improvements to report templates to save time during verification reporting.

MV TAKITIMU
GISBORNE N.Z.



Levels of service and performance measures

LEVEL OF SERVICE

We regulate commercial operations and respond to environmental health issues in the interest of protecting public and environmental health.

MEASURE

Percentage of applications for liquor licences and food certificates processed within target timeframes.

Target: **97%** Result: **64%** Previous result: **79.7%**



Percentage of registered and licensed premises that undergo an environmental health compliance inspection annually.

Target: **100%** Result: **52%** Previous result: **54%**



Percentage of noise complaints to be assessed within half an hour of receiving a complaint.

Target: **90%** Result: **73%** Previous result: **76%**



Percentage of reported pollution incidents with Council response initiated within 30 minutes.

Target: **100%** Result: **85%** Previous result: **74%**



What was different to levels of service and performance measures?

Overall service in this section has not been meeting the performance measures set. This year has been disruptive for the team because of COVID-19 and due to changes in personnel and periods of lower staff numbers, with the area still carrying vacancies for qualified staff. Measures are being put in place to address the backlog of work including the use of consultants and recruitment is ongoing to fill staff vacancies.

Staff are also working to make improvements in systems and processes, over the last year improvements have included, developing and implementing a continuous improvement system, improvement and streamlining reporting from tablet devices; a complete review of screening processes for food data entry and scope of registrations to correct incorrect registration information held by Council's system and Ministry for Primary Industries (MPI); and improved registration support and processes for new food business operators.

A priority focus for workload has been on verification to ensure that we improve verification targets and reporting as required by the Food Act 2014 and to maintain our Recognised Agency Approval and approved QMS from MPI. It has become clear, now that the Food Act 2014 having come fully into effect, that staff

resourcing needs to be addressed to ensure all food registration and verification targets are met.

Noise complaints assessed within half an hour was down on last year's result from 76% to 73% this change is not statically significant. Though some of the reduction can be attributed to Council's noise control service struggling to meet response times due to health and safety measures that need to be taken into account.

Over the past year we have added staff to the list of those whose duties include an element of pollution response. This has seen an increase in our response times. We continue to pursue this target through process review and improvement.



COVID-19 Alert Level 4 and 3 restrictions limited our ability to maintain a levels of service the community expects. Food and Liquor experienced a 10 week period where verifications and inspections of businesses could not be conducted. This period was slightly longer than the period of Alert Levels 3 and 4, ensuring already stressed business owners were not stressed further. Alert

Level 4 restrictions did provide staff with the opportunity (when food businesses were not open) to develop and implement online zoom training sessions (4) for operators of Food Control Plans.

Working from home options were limited and staff were unable to address the backlog- of work that exists in the environmental health area, this has meant a particularly busy time since returning from Alert Levels 3 and 4.

The team worked proactively with the CDEM and responded to many enquiries and complaints during Alert Level 4 restrictions.

During Level 3 the noise control service was challenged in responding to the service of Written Directions and breaches of such. In Level 4 this service was suspended entirely. However RfS numbers relating to stereo noise declined in that time. Due to the inability to assess noise and serve written directions, all infringement fine issuing and processing was suspended.

Pollution response service during Level 3 and 4 was also affected.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	473	453	20	295
Expenses	988	1,444	456	1,306
NET COST OF SERVICE	515	991	476	1,011
<i>This activity is funded 79% from rates and 21% from fees and charges.</i>				
CAPITAL EXPENDITURE				
Capital Projects	17	0	(17)	0
Funded By:				
Internal Loans	17	0	(17)	0
	0	0	(0)	0



What was different from the budget

1. Revenue from exchange transactions is mostly in line with Annual Plan.
2. Expenditure is \$456k under Annual Plan. This is due to lower operating costs and lower employee costs.
3. Capital expenditure is \$17k over Annual Plan and relates to a deposit for the Harbour Master Boat.

Urban Stormwater



What we do

Council owns and operates the public stormwater systems for Gisborne City including Mākaraka and Wainui/Okitū, and urban areas in 12 rural communities from Wharekahika to Matawai.

Our stormwater system is made up of:

- The primary stormwater system comprising piped reticulation, open drains, swale drains, sumps and channels.
- The secondary stormwater system, which activates during significant heavy rain. This includes stormwater flow-paths through reserves, private properties and along road corridors.
- A range of measures that reduce the level of pollutants discharged into natural waterways, including swale drains, green infrastructure, sumps with sediment traps, gross pollutant traps, and education.

The stormwater network includes 162km of stormwater pipes, most of which are reinforced concrete, around 32km of channels and swales, and assets across the city and townships. The network was built 30-60 years ago and based on the estimated remaining life of the pipes, 140km of pipes are in good condition. We extend and upgrade our network where this is warranted.



Why we do it

We do this to protect people, dwellings, private property and public areas from flooding by managing the collection and disposal of stormwater, in a way that protects the environment and public health.



This activity contributes to the following community outcomes

Tairāwhiti
Tangata

Tairāwhiti
Taonga

HIGHLIGHTS

- Our 3 P's DrainWise campaign.
- DrainWise Art Competition.
- Continued progress has been made permanently solving stormwater issues and completing routine drainage maintenance.



What we have been doing 2019/20

COMMITMENT	PROGRESS
<p>DrainWise will be a major focus, with a combination of Council funded upgrades and private property enforcement.</p>	<p>Council approved a compliance and enforcement strategy in June 2019. This will ensure a consistent and equitable approach when requiring property owners to fix stormwater issues that are contributing to wastewater overflows. Supporting operating procedures and processes have been worked on in 2020, to enable a pilot study to commence in early 2021.</p> <p>\$540k was budgeted to extend Council’s public stormwater network into known flooding areas on private property. A total of 15 sites have been completed, with 11 completed since 2019. We have also been identifying additional areas that require this work.</p> <p>Where we have identified cross-connections into the wastewater network, these have been resolved.</p> <p>The DrainWise Art Competition, a component of the overall engagement and awareness plan, was successfully rolled out.</p> <p>A number of focus projects commenced, which are aimed at identifying and remedying where rainwater is getting into the wastewater network.</p>
<p>Complete investigative, design and upgrade work to address known Stormwater capacity restrictions in Stanford Crescent and Rutene Road (Stage 1).</p>	<p>Investigations for Stanford Crescent have been completed. Construction planned for 2020/21.</p> <p>Stormwater upgrade Stage 1 for Rutene Road was deferred until 2019/20 due to construction impacts on private property requiring a significant redesign and to avoid clashes with underground services. Construction 60% completed, some work delayed due to COVID-19 and winter.</p>
<p>Begin investigations, design and installation of stormwater infrastructure in Parkinson Street, Tolaga Bay (Stage 1).</p>	<p>Investigations, design and tendering are complete. Stormwater upgrade physical works completed.</p>
<p>Growth related upgrades in the Taruheru Block.</p>	<p>Development of a concept plan is required to align infrastructure budgets with actual development.</p> <p>A draft high level stormwater management concept plan was produced, which will provide potential developers with options that are supported by Council, and will provide them with sufficient certainty to develop. It will also inform Council’s approach to stormwater in this area.</p>
<p>Maintain a network of the right capacity</p>	<p>Stormwater models have been developed to identify capacity constraints within the network and this is used to plan and implement upgrades as required.</p>



Levels of service and performance measures

LEVEL OF SERVICE

We provide high quality infrastructure and ensure a healthy community through the removal of stormwater and contaminants.

MEASURE

Customer Satisfaction

The number of complaints received about the performance of the stormwater system (per 1000 connections).

Target: <15 Result: 7.44 Previous result: 7.29 ✓

Compliant with the Tairāwhiti Plan for discharge from its stormwater system, measured by the number of:

A. Abatement notices

Target: 0 Result: 0 Previous result: No notices ✓

B. Infringement notices

Target: 0 Result: 0 Previous result: No notices ✓

C. Enforcement orders

Target: 0 Result: 0 Previous result: No orders ✓

D. Convictions

Target: 0 Result: 0 Previous result: No convictions ✓

Target:	Result:	Previous result:	✓
Obtain a resource consent for the discharge of stormwater from the public stormwater network by 2025	A. No notices	A. No notices	✓
	B. No notices	B. No notices	
	C. No orders	C. No orders	
	D. No convictions	D. No convictions	

Percentage of residents satisfied with the district's urban stormwater services.

Target: 50% Result: 54% Previous result: 54% ✓

Response Times

The median response time to attend a flooding event, from the time notification is received to the time service personnel reach the site.

Target: 30 mins Result: N/A¹ Previous result: N/A² ✓

System and Adequacy

The number of flooding events that occur in the district.

Target: 2 or less Result: 0 Previous result: 0² ✓

For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)

Target: <0.2 Result: 0 Previous result: 0² ✓

What was different to levels of service and performance measures?

¹ As there were no flooding events related to a house or business during 2019/20, the response time could not be measured. Therefore, this measure has been achieved by default.

² No dwellings flooded in the 2018/19 period



Significant negative effects of delivering this service

POTENTIAL NEGATIVE EFFECTS	WHAT HAS BEEN THE EFFECT IN YEAR 2
Gisborne City stormwater is significantly affected by high levels of private property flooding entering the wastewater system. This results in wastewater being discharged onto private property and into the rivers.	Three wet weather discharge events occurred this financial year. These had negative effects on the community, on account of health risks, cultural effects, and impacts on recreational use of the rivers, sea and beaches. The DrainWise Programme is being implemented to progressively reduce the frequency of overflows and the quantity discharged, to reduce these effects.
Insufficient control of secondary flow paths will cause flooding on private property, inundating houses and buildings during heavy rains.	The community has not reported any significant flooding. Council staff however observed isolated flooding during heavy storm events, and have responded in those circumstances. Stormwater upgrade projects have been major Council commitments and are expected to continue along with enforcement.

POTENTIAL NEGATIVE EFFECTS

Under capacity of the stormwater network in industrial and residential areas will be a deterrent to developers if they have to pay more to upgrade the capacity of stormwater infrastructure downstream of their proposed development.

The amount of pollutants discharged into the environment from the stormwater system, such as bottles, plastics, rubbish, hydrocarbons, metals, and other products.

WHAT HAS BEEN THE EFFECT IN YEAR 2

No specific negative effects have been noted. Stormwater effects, both water quantity and quality, are generally accepted to be managed by developers (i.e. it is a cost of development).

Stormwater in Gisborne has historically not been extensively managed for contaminants. Ongoing effects have been the discharge and accumulation of heavy metals and hydrocarbons in the environment (freshwater and tidal areas).

While contaminant management is now being considered as opportunities arise, Council is required to develop integrated catchment management plans by 2025. This will include a strategy to address pollutants.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	(25)	0	(25)	(53)
Expenses	2,577	2,549	(28)	2,154
NET COST OF SERVICE	2,601	2,549	(52)	2,207

This activity was funded 100% from rates.

CAPITAL EXPENDITURE

Capital Projects	2,746	2,817	72	1,411
Funded By:				
Other Capital Revenue	0	0	0	0
Depreciation or Other Reserves (Renewals)	1,789	932	(858)	1,029
Internal Loans	956	1,886	930	381
	(0)	0	0	0



COVID-19 Alert Levels 3 and 4 restrictions impacted on the delivery of capital projects and operational stormwater services. Public Drains on Private Property projects were delayed, but the team was able to catch-up once we were at Alert Levels 2 and 1, and they were delivered successfully. Unfortunately the Rutene Road upgrade had to be postponed. DrainWise staff were not able to interact with property owners and occupants, which meant that some operational focus projects had to be put on-hold. These staff were diverted to other COVID-19 relief activities. In terms of flood response, rainfall was low over the lock down period and no relevant operational activities were necessary.



What was different from the budget

1. Revenue from exchange transactions is \$25k under Annual Plan. This is due to a loss on the disposal of a portion of the stormwater reticulation infrastructure.
2. Expenditure is in line with Annual Plan.
3. Capital expenditure is \$72k under Annual Plan. There was underspend on Rutene road project which resulted in a carryover of \$870k into the 2021 financial year. This underspend was offset by the Douglas Street stormwater renewals and Tolaga Bay Parkinson Street renewals projects which were expected to be completed by 30 June 2019 and therefore not included in the Annual Plan, but were completed in the 2020 financial year.

Wastewater



What we do

Gisborne City, including the western industrial area, and Te Karaka are reticulated by Council-owned and administered wastewater systems. We also own and administer the four septage disposal sites at Te Araroa, Tikitiki, Ruatōria (Waiapu), and Te Puia Springs.

Within Gisborne city certain industries are served by a separate industrial wastewater network. This industrial network discharges to the wastewater treatment plant, where it is screened before being discharged out the marine outfall. All wastewater except for the wastewater in the separated industrial network is screened and then treated through a biological trickling filter.

Council regulates trade waste discharges to the Gisborne city wastewater systems (domestic and industrial) by means of the Trade Waste Bylaw.



Why we do it

To protect public health by providing Gisborne City and Te Karaka with a reliable and efficient wastewater system.

To collect, treat and discharge wastewater in a way that minimises adverse effects on the environment and is compliant with resource consents.

Water utilities are a core function of Council and an essential lifeline service. Preparing for natural disasters is integral to what we do, and we collaborate with other utility providers to identify inter-dependencies to build greater resilience.



This activity contributes to the following community outcomes

Tairāwhiti
Tangata

Tairāwhiti
Taonga

HIGHLIGHTS

- The installation of improved sewer pump technologies.
- 3 P's DrainWise campaign.



What we have been doing 2019/20

COMMITMENT	PROGRESS
<p>Reduce overflows onto private property and into our waterways in line with the DrainWise programme by:</p> <ul style="list-style-type: none"> fixing and replacing old private property sewer laterals replacing Council's old leaking earthenware pipes improving network performance through more pipe cleaning and surveillance inspecting properties for stormwater illegally getting into wastewater pipes a programme to improve education and awareness around overflows improve network resilience (generators). 	<p>The project team has collected information on private property sewer laterals, to enable the compliance and enforcement policy to be rolled out.</p> <p>The condition of our most critical interceptors was CCTV assessed as part of the jet-cleaning programme, and this has informed our renewals and upgrades programme.</p> <p>Pipe cleaning commenced as scheduled and critical infrastructure was identified (for surveillance and cleaning).</p> <p>Property inspections have continued, but focussing on the key issue of inflow (as opposed to infiltration). A further 11 stormwater cross-connections into the wastewater network were identified.</p> <p>The education and awareness campaign has been successful in engaging with the community, although significant work remains to be done.</p> <p>All proposed generators have been installed.</p> <p>The work detailed in the Urban Stormwater section of the Annual report is directly relevant to this section.</p>
<p>Design and consent for further wastewater treatment in accordance with the option selected by the community (complete Phase One within 10 years).</p>	<p>Design and consenting has commenced with approval from Council to bring forward construction as soon as practically possible.</p> <p>Early procurement of essential equipment with long lead times for manufacturing and delivery has commenced.</p>
<p>Apply for resource consent for emergency discharges to waterways under the Tairāwhiti Resource Management Plan.</p>	<p>The Assessment of Environmental Effects was completed and the consent application was submitted. This included a comprehensive tangata whenua engagement process, and key stakeholder engagement (pre-consent lodgement).</p>
<p>New infrastructure in the Taruheru Block to allow for future growth.</p>	<p>Development of a concept plan is required to align infrastructure budgets with actual development. No concept plan has occurred due to no identified development or developer this would drive Councils involvement and expenditure.</p>
<p>Complete improvements to septage sites subject to community consultation and resource consents.</p>	<p>Te Araroa has been completed. A site for Tolaga Bay is being investigated with land purchase being negotiated.</p>
<p>Upgrade the Sewer Pump Stations.</p>	<p>We have upgraded the pumps in 7 pump stations to the new modern adaptive impellor pumps that offer a significant improvement to resist pump blockages.</p>
<p>Maintain a network of the right capacity.</p>	<p>A wastewater model was developed to identify capacity constraints within the network and this is used to plan and implement upgrades as required. Council has an ongoing annual budget for renewing its old pipes.</p>



Levels of service and performance measures

LEVEL OF SERVICE

We provide a well-managed wastewater reticulation and treatment system which protects public health and the physical environment.

MEASURE

System and Adequacy

The number of dry weather sewage overflows, per 1000 sewerage connections.

Target: 1 Result: 0.07 Previous result: 0.27 ✓

Management of environmental impacts

Compliance with resource consents for discharge from the wastewater system:

Measured by the number of:

A. Abatement notices

Target: 0 Result: 0 Previous result: No notices ✓

B. Infringement notices

Target: 0 Result: 0 Previous result: No notices ✓

C. Enforcement orders

Target: 0 Result: 0 Previous result: No orders ✓

D. Convictions

Target: 0 Result: 0 Previous result: No convictions ✓

Response to wastewater system faults

Median attendance time: from the notification of the fault to the time that service personnel reach the site (hours).

Target: 1 hr Result: 0.56 hrs Previous result: 0.28 hrs ✓

Median resolution measured from the notification of the fault to the time that service personnel confirm resolution (hours).

Target: 12 hrs Result: 2.17 hrs Previous result: 3.25 hrs ✓

Customer Satisfaction

The total number of complaints per 1000 connections received.

Target: 15 Result: 8.95 Previous result: 10.03 ✓

Percentage of residents satisfied with the Gisborne district's wastewater system.

Target: 50% Result: 57% Previous result: 55% ✓

The annual number of events where sewerage is discharged from Council's reticulation into rivers or streams (in a less than a 1 in 10-year rain event).

Target: ≤4 Result: 3 Previous result: 2 ✓



What was different to levels of service and performance measures?

All performance targets were achieved.



Significant negative effects of delivering this service

POTENTIAL NEGATIVE EFFECTS

Health and safety issues and property damage from overflows from gully traps onto private property.

WHAT HAS BEEN THE EFFECT IN YEAR 2

A number of overflows onto private property occurred. These had negative effects on those residents. Council's contractors responded quickly to minimise and mitigate these effects. The DrainWise Programme is being implemented to progressively reduce the frequency of overflows and the quantity discharged, to reduce these effects.

The education and awareness campaign has been successful in engaging with the community, although significant work remains to be done. The team has developed a strategy to engage with private property owners to fix the issues they are responsible for.

Contamination from controlled emergency discharge of wastewater into waterways.

Three wet weather discharge events occurred this financial year. These had negative effects on the community, on account of health risks, cultural effects, and impacts on recreational use of the rivers, sea and beaches. The DrainWise Programme is being implemented to progressively reduce the frequency of overflows and the quantity discharged, to reduce these effects.

POTENTIAL NEGATIVE EFFECTS

Treated discharges of wastewater to the ocean continue to be culturally offensive to Māori.

WHAT HAS BEEN THE EFFECT IN YEAR 2

The effects of the wastewater discharge on tangata whenua are significant, in terms of social and cultural aspects. The effects on the environment are likely to be limited to the area immediately around the outfall. The health risks associated with the outfall are currently being further assessed.

Council is implementing further treatment to reduce effects on mauri and the marine receiving environment. Council is also working with tangata whenua to progress alternative use and disposal to reduce the volume discharged, with the ultimate aim of eliminating the ocean discharge.

Odours, visual effects and effects on groundwater from the septage disposal sites and oxidation pond.

Septage disposal sites and the Te Karaka Oxidation Pond are in remote areas and have little visual and environmental impact. The oxidation pond was desludged resulting in significantly increased storage capacity. New septage disposal sites are lined to separate them from any groundwater. Septage is removed regularly and treated at the Gisborne Wastewater Treatment Plant.

Under capacity of the wastewater network in industrial and residential areas will be a deterrent to developers if they have to pay more to upgrade the capacity of wastewater infrastructure downstream of their proposed development.

Capacity constraints in the Aerodrome Road industrial area have been considered in development of that area. High water use (and wastewater disposal) industries have been constrained in this area. An upgrade is planned in the LTP to alleviate this issue.

COVID-19 impacts on services

There was no significant impact from COVID-19 on wastewater services. Rainfall was low over the Alert Levels 3 and 4 period and Council staff and contractors remained working. There was however up to a 10 times increase in the number of sewer blockages, predominantly caused by wet wipes and rags used by households. The exception was for project work including pipe relining which was postponed and DrainWise staff who could not interact with property owners and occupants. These staff were diverted to other COVID relief activities.

The Wastewater Treatment Plant remained operational throughout with some project works deferred.

What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	487	365	122	176
Expenses	6,940	6,803	(137)	6,692
NET COST OF SERVICE	6,452	6,437	(15)	6,515

This activity was funded 94% from rates and 6% from fees and charges.

CAPITAL EXPENDITURE

Capital Projects	2,740	6,261	3,521	2,905
Funded By:				
Other Capital Revenue	110	110	0	3
Depreciation or Other Reserves (Renewals)	1,706	3,553	1,847	1,781
Internal Loans	924	2,598	1,675	1,122
	0	0	(0)	0

What was different from the budget

1. Revenue from non-exchange transactions is \$122k ahead of Annual Plan. This is due to increased revenue on trade waste charges.
2. Expenditure is \$137k over Annual Plan. This relates to depreciation costs being higher than expected.
3. Capital expenditure is \$3.5m under Annual Plan. The Wastewater Treatment Plan has been delayed, with costs of \$1.9m being lower than expected. Also, COVID 19 delayed sourcing of custom sourced pipeliners from USA, causing a \$1.3m variance. Most of these variances were recognised and adjustments were made to the Annual Plan 2020/21,

Water Supply



What we do

Council provides treated drinking water to Gisborne City and the communities of Te Karaka, Whatatutu, Mākaraka and Manutūke. We provide compliant water from four treatment plants at Waingake, Waipaoa, Te Karaka and Whatatutu to the water reticulation network, which includes reservoirs, pump stations and the connections from the street mains to all serviced property boundaries.



Why we do it

Council is required to provide a continuous, sustainable, safe drinking water and provide water for fire-fighting purposes to the Gisborne City supply area and a supplementary water supply to consumers' rainwater tanks for the townships of Te Karaka and Whatatutu.

A safe public water supply also contributes to community health by eliminating the need for people to provide their own water system, which could have much higher health risks.



This activity contributes to the following community outcomes

Tairāwhiti
Tangata

Tairāwhiti
Taonga

HIGHLIGHTS

- UV sterilisation plant installed.
- Early augmentation of the Bush Intake and Mangapoike Dam catchment lakes with the Waipaoa Treatment Plant to improve water supply demand management.
- Extensive AC pipe renewals and upgrading electrical control and alarm systems for improved network resilience.



What we have been doing 2019/20

COMMITMENT	PROGRESS
<p>Improve water treatment by installing UV reactors to further reduce the risk of protozoa contamination at the Waipaoa WTP.</p>	<p>The installation of the UV plant is complete. Treatment Plant.</p>
<p>Install 9,000 point of supply manifolds with check valves at residential connections to reduce the backflow contamination risk. This is a seven-year programme or work.</p>	<p>2256 residential connections to date have been renewed or upgraded. This is an ongoing project.</p>
<p>New infrastructure in the Taruheru Block to allow for future growth.</p>	<p>Development of a concept plan is required to align infrastructure budgets with actual development. No concept plan has occurred due to no identified development or developer which would drive Councils involvement and expenditure.</p>
<p>Additional operational and maintenance budget is required, as a result of increased health and safety requirements, drinking water compliance and the Freshwater Plan.</p>	<p>Additional operational budget was provided for increased running of the Waipaoa Water Treatment Plant.</p>





Levels of service and performance measures

LEVEL OF SERVICE

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.

MEASURE

The percentage of residents satisfied with the water supply system.

Target: **70%** Result: **88%** Previous result: **86%** ✓

Demand Management

The average consumption of drinking water per day per resident within the district.

Target: **308 litres** Result: **217 litres** Previous result: **245 litres** ✓

Customer Satisfaction

The total number of complaints received expressed per 1000 connections to the networked reticulation system.

Target: **<20** Result: **4.34** Previous result: **2.79** ✓

Fault Response Times

In response to a fault or unplanned interruption to the networked reticulation system, the following median response times measured:

Attendance for urgent call-outs

Target: **2 hrs** Result: **0.42 hrs** Previous result: **0.18 hrs** ✓

Resolution of urgent call-outs

Target: **8 hrs** Result: **1.28 hrs** Previous result: **2.07 hrs** ✓

Attendance for non-urgent call-outs

Target: **8 hrs** Result: **2.87 hrs** Previous result: **0.48 hrs** ✓

Resolution of non-urgent call-outs

Target: **2 days** Result: **0.89 days** Previous result: **0.98 days** ✓

Maintenance of the reticulation network the percentage of real water loss from Council's networked reticulation system.

Target: **<15%** Result: **Not measured¹** Previous result: **14.5%** —

Safety of Drinking Water

The extent to which the drinking water supply complies with:

1. Part 4 of the drinking-water standards (bacteria compliance criteria)

Gisborne City

Target: **100%** Result: **100%** Previous result: **100%** ✓

Gisborne Rural

Target: **100%** Result: **100%** Previous result: **100%** ✓

Te Karaka

Target: **100%** Result: **100%** Previous result: **100%** ✓

Whatatutu

Target: **100%** Result: **100%** Previous result: **100%** ✓

The extent to which the drinking water supply complies with:

2. Part 5 of the drinking-water standards (protozoal compliance criteria)

Gisborne City

Target: **100%** Result: **100%** Previous result: **100%** ✓

Gisborne Rural

Target: **100%** Result: **100%** Previous result: **100%** ✓

Te Karaka

Target: **100%** Result: **100%** Previous result: **Not met** ✓

Whatatutu

Target: **100%** Result: **100%** Previous result: **100%** ✓

What was different to levels of service and performance measures?

¹ Capacity and resourcing constraints during COVID restrictions resulted in non-measurement. Currently a 5-yearly metric, staff are focusing on options to enable a more frequent process of measurement and reporting in future.



Significant negative effects of delivering this service

POTENTIAL NEGATIVE EFFECTS	WHAT HAS BEEN THE EFFECT IN YEAR 2
<p>Environmental</p> <p>Effects on the environment of discharges of chlorinated water from maintenance activities or pipeline failures.</p>	<p>Council ensures that any discharges are at a rate that dissipates chlorine and does not exceed 0.3mg/l of free available chlorine. No direct discharges to water but across land which will consume chlorine.</p>
<p>Social</p> <p>Health and safety risks associated with the construction, maintenance or operation of the water supply infrastructure.</p> <p>Property damage resulting from mains failures. Damage to some household hot water valves caused by corrosion by-products within galvanised iron rider mains and service connections.</p>	<p>Council has established protocols for H&S with contractors, supported by site auditing.</p> <p>Water mains are located in roadways to reduce risk of property damage. PH of the water is managed to minimise the water corrosivity.</p>
<p>Cultural</p> <p>No potential significant negative cultural effects have been identified for the water supply activity.</p>	<p>Most water activities are subject to resource consent at which point cultural issues are considered. General occur with water takes and discharges to water.</p>

COVID-19 impacts on services

There was no significant impact from COVID-19 on water supply services. Rainfall was low over the lock down period and Council staff and contractors remained working. The exception was for project work including manifold replacements and some upgrading work which was postponed. Water treatment staff operated the Waingake Water Treatment Plant and contractors attended to water breaks and customer requests for service.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	5	0	5	7
Revenue from Exchange Transactions	3,517	2,992	525	3,266
Expenses	6,114	5,539	(575)	5,385
NET COST OF SERVICE	2,592	2,547	(45)	2,112
<i>This activity was funded 50% from rates and 50% from fees and charges.</i>				
CAPITAL EXPENDITURE				
Capital Projects	1,982	2,062	80	1,541
Funded By:				
Grants and Subsidies	0	0	0	0
Depreciation or Other Reserves (Renewals)	1,978	2,067	89	923
Internal Loans	3	(6)	(9)	618
	(0)	0	0	(0)



What was different from the budget

1. Revenue from non-exchange transactions is \$5k ahead of Annual Plan. This relates to penalties for unpaid water rates.
2. Revenue from exchange transactions is \$525k ahead of Annual Plan. This is due to an increase in water meter fees, due to higher usage by users.
3. Expenditure is \$575k over Annual Plan due to higher operating and depreciation costs.
4. Capital expenditure is on par with Annual Plan.

Land, Rivers and Coastal



What we do

Council manages:

- the Waipaoa and Te Karaka Flood Control Schemes, including 68 km of stopbanks
- 277 km of land drains that support agricultural activity
- 303 km of rivers and streams, including bank protection and channel clearance
- \$0.8m of coastal assets in the Wainui Beach Coastal Scheme.

Our work in this area also involves rivers asset management, flood control schemes, river control, land drainage schemes, Wainui Beach foredune protection maintenance and river channel maintenance. The total network replacement value is around \$65m.



Why we do it

We do this to:

- keep people and properties safe from flooding, river erosion and coastal erosion in identified areas. We maintain the design standards and levels of service for our district's land drainage, rivers, streams and coastal protection assets, using the most cost effective long-term asset management options
- provide advisory and investigatory service to mitigate flood risk and coastal erosion



This activity contributes to the following community outcomes

Tairāwhiti
Tangata

Tairāwhiti
Taonga

HIGHLIGHTS

- Wainui Beach emergency protection works.
- Land drainage improvements for Manutuke, & Wharekahika/Hicks bay.



What we have been doing 2019/20

COMMITMENT	PROGRESS
Continue to provide flood warning service.	A team of four staff provide a 24/7 response to Council flood warning system which alerts the flood warning team of river level heights during a rainfall event. This includes a prediction model as part of an advanced warning system.
Waipaoa Flood Control Scheme 15-year upgrade from a 1:100 year event flood protection level, to a 1:100 year event taking into consideration the effects of climate change out to 2090.	Since construction started in Feb 2019, 6km of stopbanks along the Waipaoa River have been successfully upgraded to date.
Review the levels of service for the Te Karaka scheme, which was originally designed for a 1:200 year event.	Will be reviewed as part of the Waipaoa Upgrade programme.
Maintain the land drains to drain a 1:5 year rain event.	Council has a cyclic maintenance programme which includes inspections and capacity checks to maintain drain capacity. The effects of climate change and an increase in tile drains may affect future capacity and is the basis for current and future investigations.
Short-term renewal of the land drainage pump stations and retaining walls on the Tansley Road drain.	Whatatuna Pump station was designed and quotations were accepted before COVID-19. Construction will occur in 2020. Projects completed included Tansley Road Drain Retaining wall and Onepoto Flume. A contract was let for Tansley Rd Retention Dam for construction in 2020/21
Most of the asset value is in non-depreciable assets (stopbanks, channels). Long-term renewal requirements are a relatively low proportion of the overall budget but this needs to be confirmed as condition and life data improves. This needs to be confirmed as condition and life data improves.	A detailed risk assessment was undertaken this year for the Waipaoa Flood Control Scheme.
Ongoing inspections of assets, particularly critical structures.	Critical asset condition and risk has been assessed.
Surveys to capture coastal elevation data.	District-wide Lidar survey has been completed.
Wainui Beach Erosion Management Strategy implementation.	A significant review has been undertaken after Council protected 3 houses from the threat of inundation.
Beach erosion monitoring.	Ongoing.
Respond to Council's Requests for Service (RfS) system to manage and track all requests that the public make.	160 RfS were received. 84% were resolved within the target timeframe.
Review how we do things compared to other similar teams across New Zealand.	Member of the Rivers and Drainage special interest group/s and liaise with adjoining Regional Councils.



Levels of service and performance measures

LEVEL OF SERVICE

We manage the effects of coastal erosion and the drainage of rivers and streams to minimise flood risk.

MEASURE

Percentage of customers who rate Requests for Service responses as excellent/good.

Target: 93% Result: **Not measured**¹ Previous result: **Not measured**

Percentage of Requests for Service resolved within target time frames.

Target: 80% Result: **84%** Previous result: **87%** ✓

System adequacy and maintenance: 25% of flood control stopbank length is inspected annually and maintained to a 1 in 100-year protection standard. Total Stopbank Length 75.4km

Target: 25% Result: **85%**² Previous result: **48%** ✓



What was different to levels of service and performance measures?

¹ Performance measure is no longer being surveyed by the Customer Service Team. This is in favour of more targeted customer satisfaction surveys at point of service.

² Stopbank Inspections were undertaken as part of the Risk Assessment and exceeded the 25% requirement.



Significant negative effects of delivering this service

POTENTIAL NEGATIVE EFFECTS

Blockages during heavy rain and floodgate closure can cause ponding and flooding issues for land and property.

Construction of stopbanks artificially changes the landscape with an impact on recreational and cultural activities.

WHAT HAS BEEN THE EFFECT IN YEAR 2

We check and maintain the floodgate network to ensure the period of time floodgates are closed for the least possible time.

As part of the resource consent process affected parties were consulted and effects mitigated by agreement where possible. During construction regular contact is maintained to manage any concerns.



COVID-19 impacts on services

There was no significant impact from COVID-19 on land, rivers and coastal services. Rainfall was low over the Alert Levels 3 and 4 period and Council staff and contractors remained working. The exception was for a period of one week under Alert Level 4 when contractors could not work.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	225	0	225	100
Revenue from Exchange Transactions	288	277	12	283
Expenses	2,246	2,502	256	2,105
NET COST OF SERVICE	1,733	2,225	492	1,722

This activity was funded 86% from rates, 6% from grants and 8% from fees and charges.

CAPITAL EXPENDITURE

Capital Projects	2,189	2,829	640	1,679
Funded By:				
Other Capital Revenue	10	10	0	10
Depreciation or Other Reserves (Renewals)	957	1,512	555	1,147
Internal Loans	1,222	1,307	85	522
	(0)	0	0	0



What was different from the budget

1. Revenue from non-exchange transactions is \$225k ahead of Annual Plan. This is due to a grant received from Trust Tairāwhiti for the Waikanae to Waipaoa cycle trail.
2. Revenue from exchange transactions is in line with Annual Plan.
3. Expenditure is \$256k under Annual Plan. This is mostly due to lower operating costs, including lower than expected depreciation and interest costs.
4. Capital expenditure is \$640k under Annual Plan. This is largely due to the delay on Tauwhatinui Detention Dam project, now expected to be completed in 2020/21.

GDC Journeys



What we do

A re-branded team called GDC Journeys moved back into Awarua 29 July 2019 after the Tairāwhiti Roads partnership was dissolved in mid-2019 to allow for increased responsiveness.

GDC Journeys manages the land transport activity. This includes all operational elements of road maintenance and renewals, capital projects and walkways and cycleways. We also manage Gisborne City's two commuter and nine school bus services as well as our road safety education initiatives.

Our region has an extensive land transport network including 1,903km of road, with 238km in the urban area and 1,665km of rural roads. The land transport activity is Council's single largest investment activity, providing critical infrastructure to support community connections and economic growth.

Waka Kotahi New Zealand Transport Agency (NZTA) is responsible for the state highway network. Council is responsible for the local road network, including the extensive rural road network and the urban road network.

As a regional authority, we have a responsibility for regional land transport planning. This is carried out by Strategic Planning with GDC Journeys.



Why we do it

Land transport infrastructure is a key enabler of community connectivity and economic activity for our region. Agriculture, forestry and horticulture are major industries in Gisborne, and tourism is growing with great potential.

Significant growth in forest harvest is producing economic benefits and placing pressure on the region's land transport network. Linkages to both domestic and international markets are crucial for the region's economy and employment.

The Land Transport Management Act 2003 requires Council to have a Regional Land Transport Plan and a Regional Public Transport Plan. These plans are reviewed every three years.



This activity contributes to the following community outcomes

Tairāwhiti
Tangata

HIGHLIGHTS

- We welcomed our roading team back into Awarua in late July 2019.
- The annual number of pedestrian and cyclist injuries reduced by 73% on the prior year (from 22 to 5).
- We completed over \$30m of maintenance works during the 2019/20 financial year (inclusive of June 2018, September 2018, and PGF operational works).
- Tiiirangi One Way System - Stage 1 - the Queens Drive turnaround and 30km speed limit is complete.



What we have been doing 2019/20

COMMITMENT	PROGRESS
Improve the condition of road assets that are below the desired levels of service.	The Provincial Growth Package has delivered an immediate stimulus to repair the network which will be supported with National Land Transport funding.
Address backlog of resilience and slip repair work on key routes.	Contract 18/17 delivered by Fulton Hogan Ltd has completed several flood damage and resilience sites in the District including the Tokomaru Bay seawalls and Waitahaia Road. This is a two-year contract and other sites include East Cape Road. A route security business case has been delivered to NZTA for external funding to advance this backlog.
Increase emergency repair works to address damage from frequent heavy rainfall.	\$10m worth of flood damage work was completed in the 19/20 year from the June 2018 and September 2018 flood events. There are 28 remaining sites to complete in the 2020/21 year.
Upgrade rural roads with industry and Transport Agency support, to enable log harvest.	The increased harvesting of radiata pine has put the roading network under significant pressure. We have been working with industry to identify which routes need upgrading on a case by case basis. A number of projects have been completed to increase safety and enable logging on rural roads.
Key resilience strengthening projects on rural roads including East Cape Road Bluff slopes stabilisation.	Contract TR18/17 -Emergency Works has completed works on several coastal including the Tokomaru Bay seawalls. Work will commence this construction season on East cape road. The business case was unable to meet the NZTA funding criteria and so funding requests will be referred to PGF. A district wide route security business case has been delivered to Waka Kotahi for funding of \$4m worth of projects, the local shared will be funded by PGF a decision is pending in September.
Continue to implement the recommendations of the Eastland Port Access Strategic case.	The Provincial Growth funded Rakaiātane Road will implement some of the recommendations. The major decision on the SH 35 intersection changes will be dependent on the network operating framework.
Complete a Network Efficiency Investigation to consider best heavy vehicle routes.	Cardno consultants have completed this work This has led to the Heavy Freight Route consultation which closed in August.
Safety improvements including guard railing and corner realignment in key risk areas.	Safety improvements on local roads are being included in all works designs.
Local road improvements to support forest harvest including Arakihi Road widening and seal extensions to Waimatā Valley, Tauwharepārae and Kanakanaia roads.	Major roading improvements at Arakihi were included as part of the Queen's Birthday emergency event. A scope of works for a PGF seal extension along Waimatā Valley is completed. Tauwharepārae and Kanakanaia are programmed for road repairs but not seal extensions.
Review speed management zoning including progressing safe school speed zones.	No progress on speed management zoning but school safety improvements have been completed at several schools including Girls High School, Wainui, Rere, Te Hapara and Mangapapa.
Township upgrades for Manutūkē and Muriwai.	Speed humps and drainage improvements were installed in Muriwai and a truck stopping bay installed on Waingake road as trucks were stopping outside Manutūkē school. The township upgrade will be completed in August.
Continue street light upgrades.	Contract TR18/08 has completed 300 LED streetlight upgrades on Gisborne city's main arterial routes.

COMMITMENT	PROGRESS
Increase bridge and retaining wall maintenance/renewal work.	Bridge repairs and upgrades included 8 Mangaōporo Bridge #1 and #2, Wigan and Matahiia Bridges retaining wall contracts have been awarded to Siteworx Civil Ltd.
Monitor urban traffic growth trends including potential efficiency impacts on freight and people movements.	Cardno consultants have incorporated this work as part of the Network Operating Plan. An update will be provided to the Regional Transport Committee in September.
Complete the Urban Cycleway Programme from Wainui through Kai Iiti to the Tūrangānuī River including the Gladstone Road Bridge walkway.	Wainui Stage two and Gladstone Road bridge is complete. Wainui to Inner Harbour is planned for completion in 2020/21.
Complete transport upgrades to support the Inner Harbour redevelopment including safe pedestrian access to Titirangi (Kai Iiti Hill).	Journeys will be implementing the one way traffic system to Tititangi, stage one is complete with the introduction of the turning circle.
Upgrade Titirangi Road to enable safer pedestrian use and improve car parking.	Journeys will be implementing the one way traffic system to Tititangi, stage one is complete with the introduction of the turning circle.
Progress the Taruheru Cycleway with external funding.	No progress, staff prioritised to complete PGF work.
Complete the new Taruheru subdivision road linking Pōtāe Avenue to Nelson Road and Gwyneth Place parking improvements.	Contract 18/26 with WSP Opus will deliver a final scope of works by February 2020. Legalisation process completed and contract documents ready for tender in October 2020.
Tourism upgrades including increased rest areas on SH35 and upgrades to East Cape Road.	Upgrades completed included the resurfacing and planting of rest areas along SH35 providing safer access a more appealing, convenient option for travellers to rest.
Continue to support the Gizzy Bus and the school bus service, the free Kai Iiti School bus and the SuperGold Card and Total Mobility schemes.	\$40k has been distributed to continue the Kai Iiti School bus scheme this financial year.
Footpath and crossing renewals.	Contract TR 18/21 by Ritchie Civil Ltd has delivered crossings improvements and footpath renewals.
Consider possible trial revegetation of State Highway road corridor site with native vegetation.	No progress.



Levels of service and performance measures

LEVEL OF SERVICE

We ensure the roading network is designed and managed for safe use with low crash and injury rates.

MEASURE

Annual number of pedestrian and cyclist injury accidents.

Target: **Decrease** Result: **5 (2 fatal, 3 serious)** Previous result: **22** ✓

Percentage of residents who feel that riding a bicycle is unsafe.

Target: **Maintain or decrease from prior year** Result: **26%** Previous result: **26%** ✓

Road Safety: The change from the previous financial year in the number of fatalities and serious injuries on the local road network.

Target: **Decrease** Result: **2 Fatal, 17 Serious** Previous result: **1 Fatal, 16 Serious** ✗

LEVEL OF SERVICE

We operate and maintain a reliable roading network that is in good condition and fit for purpose.

MEASURE

Percentage of residents satisfied with the overall condition of Council roads (excluding state highways):

Target: **60%** Result: **41%** Previous result: **Urban 45% Rural 27%** ✗

Response to service requests: The percentage of customer service requests relating to roads and footpaths to which Council responds within the time frame specified in the LTP.

Target: **80%** Result: **81%** Previous result: **67%** ✓

Road condition: The average quality of ride on a sealed local road network, measured by smooth travel exposure.

Target: **80% of sealed network to have NAASRA count of 150 or better** Result: **90.3%** Previous result: **89%** ✓

Road maintenance: The percentage of the sealed local road network that is resurfaced.

Target: **5%** Result: **4.6%** Previous result: **5%** ✗

Footpaths: The percentage of footpaths within the district that fall within the service standard set out in the Pathways Asset Management Plan.

Target: **60%** Result: **Not measured¹** Previous result: **98%** —

LEVEL OF SERVICE

We provide and maintain affordable and accessible transportation services that balance the needs of all users.

MEASURE

Percentage of residents using the walking and cycling networks.

Target: **Increase from base set in year 1** Result: **64%** Previous result: **56%** ✓

Percentage of customers who rate the passenger transport system as excellent/good.

Target: **80%** Result: **Not measured** Previous result: **Not measured** —

The number of bus passengers per annum.

Target: **145,000** Result: **100,054** Previous result: **133,426** ✗



What was different to levels of service and performance measures?

¹ Due to budgetary considerations, it was not deemed best use of budget to conduct this assessment. Management are considering the most practical approach would be to assess every 3 years, whilst assessment ratings historically have been in the high 90 percentile.



Significant negative effects of delivering this service

POTENTIAL NEGATIVE EFFECTS	WHAT HAS BEEN THE EFFECT IN YEAR 2
Heavy vehicle traffic noise and vibration to properties adjoining roads.	The PGF enabled the asphalt construction along Lytton Road, this \$3.0m projects not only improved amenity values for residents who live along this route but continues the distribution of heavy freight along these routes.
Potential for dust on unsealed roads to affect health.	Not actioned last year as most of the work was focused on PGF delivery.
Potential for air pollution from traffic fumes including in high traffic areas.	This is a regional issue and not been monitored by Journeys.
Construction of roads can have a significant negative effect on the environment and community, such as congestion and delays, air pollution, safety and water quality issues and disturbance of cultural sites during earthworks.	The effects this past year have been less than anticipated.
Pests and weeds in the road corridor.	Pampas is the target species for the next 5 years in the road corridor. The main focus is the Waipaoa ward.

COVID-19 impacts on services

During the COVID-19 Alert Levels 3 and 4 restrictions we were unable to continue any maintenance on the network. All work unless deemed emergency was stopped, this impacted the delivery of our June 2018/September 2018 Flood Works Program, where we were on track to fully deliver this program before year end. This package of work has now been pushed out to the end of the 20/21 construction season.

Public Transport during COVID-19 Alert Levels 3 and 4 was made an essential service. In response to keeping the buses running we reduced the timetables. The service was only for public needing essential items from the supermarket and essential workers who needed to get to work. We put a stop to this service for the rest homes as the elderly were vulnerable at the time and we didn't want to put anyone at risk.

During the COVID-19 Alert Levels 3 and 4 period NZTA made all fares on the buses free by 100% fully funding the passenger revenue based off the previous financial years figures. The fare free policy was implemented on 24 March 2020 and fares were reinstated on 18 May 2020 in Gisborne.

All additional cleaning requirement costs were 100% funded by NZTA.

Since going into Alert Level 1 our passenger patronage is much lower than what it was prior to COVID-19. Prior to COVID-19 our bus numbers were around 1400 a month, post COVID-19 the bus numbers are 900-1000.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	26,708	22,046	4,662	23,872
Revenue from Exchange Transactions	53	46	7	78
Expenses	44,139	38,994	(5,145)	41,244
NET COST OF SERVICE	17,378	16,902	(476)	17,294
CAPITAL EXPENDITURE				
Capital Projects	32,132	30,809	(1,324)	27,163
Funded By:				
Grants and Subsidies	26,438	24,082	(2,356)	21,444
Depreciation or Other Reserves (Renewals)	4,744	5,412	668	4,217
Other Capital Revenue	250	250	0	259
Internal Loans	700	1,064	364	1,243
	(0)	0	0	0

Non-Subsidised Local Roads funded from 100% rates, Subsidised Local Roads is funded from 32% depreciation/loans and 68% from subsidies, Passenger Transport is funded from 25% rates and 75% from subsidies and Flood Damage and Emergency Reinstatement is funded from 32% rates and 68% from subsidies.



What was different from the budget

1. Revenue from non-exchange transactions is \$4.7m ahead of Annual Plan. This is due to the Provincial Growth Fund (PGF) income of \$5.7m to cover the PGF roading expenses, and was received after the adoption of the Annual Plan. Council also received funding of \$1m from the Ministry of Business, Innovation and Employment (MBIE) for the Tairāwhiti Redeployment Programme (TRP).
2. Revenue from exchange in line with Annual Plan.
3. Expenditure is \$5.1m over Annual Plan. This relates to PGF and TRP operational costs which were not reflected in the Annual Plan but are 100% externally funded.
4. Capital expenditure is \$1.3m over Annual Plan. This relates to PGF projects which were not reflected in the Annual Plan but are 100% externally funded.

Solid Waste



What we do

Council ensures sustainable management of our district's waste by minimising waste generation and maximising opportunities to use waste as a resource. Key activities include:

- 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

Council is legally obliged to manage our district's waste under the Local Government Act and Public Health Act 1956. The Waste Minimisation Act 2008 also requires all local authorities to adopt a Waste Management and Minimisation Plan (WMMP). We have a duty to ensure that this activity is managed effectively and efficiently.



This activity contributes to the following community outcomes

Tairāwhiti
Tangata

Tairāwhiti
Taonga



What we have been doing 2019/20

COMMITMENT	PROGRESS
<p>Maintain existing levels of service for kerbside collection, litter bins, transfer station management and waste minimisation. New opportunities for improvement and efficiency will be identified through the new WMMP and progress may be made in establishing shared services opportunities with Wairoa District Council.</p>	<p>Works in the Solid Waste portfolio continue along multiple fronts including the maintenance of levels of service, waste minimisation and the management of the network of transfer stations.</p> <p>Staff continue to grow and develop the relationship with external community groups such as the Tairāwhiti Environment Centre in an effort to progress waste minimisation advocacy in the towns and in the coastal community.</p> <p>Due to COVID related delays staff continue to liaise with the Ministry for the Environment around the application for the Resource Recovery Centre feasibility.</p> <p>The kerbside collection contractor has maintained its existing level of service and is working to improve in areas. The relationship with this contractor is a positive one with the contractor willing to assist council in areas of waste minimisation as well. The conversation around Wheelie Bins is an ongoing one.</p> <p>Unfortunately there has been a significant overall increase in illegal dumping both in town and in the wider communities, particularly in and around the time of national Alert Levels 3 and 4 restrictions. Staff continue to react to this and are looking at options to try and reduce this. Included in this is a communications plan as well as the use of technology as a deterrent.</p>
<p>The Paōkahu Landfill, which is acknowledged as having an environmental impact on the Awapuni lagoon waterways, will be a focus to minimise impacts and support tangata whenua aspirations for restoring the area for future generations.</p>	<p>Extensive work has been undertaken in regards to the landfill cap at Paokahu and the effects it has on the site itself. The investigation of the cap determined it is non-compliant in areas but further work undertaken to determine the effects of rain on the cap has shown it performs to a standard comparative to a compliant cap.</p> <p>Staff continue to work through this with consultants and the compliance team - the results of which will impact some of the remedial works that are programmed for delivery in the 20/21 financial year.</p>
<p>Implement the WMMP 2018–2024.</p>	<p>Work continued in the 19/20 financial year toward achieving the actions set out in the WMMP. To date staff have worked to achieve 22 of the 33 actions set out in the plan.</p> <p>The emergence of COVID-19 did negatively impact some of these achievements with many workshops and school visits forced to be cancelled or postponed.</p> <p>Highlights include progress on the MFE Resource Recovery Centre application, further work to grow and empower community groups through increased support of the Tairāwhiti Environment Centre and continued support of national programmes to educate and promote recycling awareness.</p>
<p>Work on potential opportunities to collaborate with Wairoa District Council on regional solid waste opportunities.</p>	<p>Staff from GDC and Wairoa District Council continue to maintain a close working relationship, looking for opportunities to collaborate in resolving the issues associated with Solid Waste.</p>
<p>Health and safety review of solid waste and its contractors.</p>	<p>Health and Safety assessment of contractors and the Community Caretakers are monitored through regular monthly meetings and auditing of the processes all contractors use.</p>
<p>Implement a waste management asset replacement programme.</p>	<p>Staff continue to work with Community Caretakers and Recreational Services around the renewal of key assets and infrastructure.</p> <p>Staff continue to monitor incoming RfS to ensure that any issues identified by the community are assessed and attended too based on Health and Safety risk.</p>



COMMITMENT

Public awareness programmes such as composting workshops.

Monitor the effects of the introduced user pays system on rural transfer stations to track progress and identify any future waste minimisation needs.

Decision to be made on the Waiapu Landfill closure.

Implement additional spring cleaning/summer season services for the Central Business District street cleaning contract.

Continue to support the EnviroSchools programme.

PROGRESS

GDC has recently renewed its sublease within the Tairāwhiti Environment Centre for the Rethink Centre. Staff are working with the Environment Centre to develop ways that not only maintain the current level of support but looks at ways to expand it as we move forward.

The GDC Waste Minimisation Facilitator continues to support TEC staff with the communications of workshops held at the Environment Centre

Work to monitor the impact of this is ongoing. Recent work to streamline metal recycling up the coast and inland has been implemented which has provided a more constant service.

The implementation of new retrofitted containers continues with two new containers installed, further installs are programmed moving forward.

Group discussions as part of the Waiapu Advisory Group have been impacted due to COVID-19 and changes in the Solid Waste team. To date no decisions have been made regarding the long term future of the Waiapu Landfill but will continue to work with the community and council around this matter.

The systems and processes to enable the required levels of service increase in the Central Business District during the spring and summer months has been implemented through the Recreational Services Mahi o Te Tairāwhiti contract and continues to be monitored through regular monthly meetings.

Councils Waste Minimisation Facilitator continues to support the EnviroSchools programme in a co-ordination capacity.

Work continues in this space in an effort to alleviate funding pressures along with the additional pressures placed on the co-ordination role.

EnviroSchools impact inside Schools was hampered by the Alert Levels 3 and 4 restrictions but this forced the team the rethink the system and take it online which was seen as a success.



Levels of service and performance measures

LEVEL OF SERVICE

Solid waste facilities are adequate and available to the community, including regular kerbside collection services and transfer stations.

MEASURE

Total waste received as illegal dumping.

Target: **Decrease** Result: **161 t¹** Previous result: **43.82 t** X

Resident satisfaction with kerbside rubbish bag and recycling collections.

Target: **90%** Result: **77%²** Previous result: **82%** X

LEVEL OF SERVICE

Public information and programmes promote waste minimisation.

MEASURE

Resident satisfaction with Council's waste minimisation services and initiatives.

Target: **74%** Result: **69%³** Previous result: **74%** X

LEVEL OF SERVICE

Waste is diverted from the landfill via waste minimisation methods.

MEASURE

Reduction in waste to landfill. Total kg of solid waste to landfill per head of population.

Target: **285 kg** Result: **318 kg** Previous result: **323 kg** X

Increased ratio of recycling tonnage to landfill waste tonnage.

Target: **30:70** Result: **26:74⁴** Previous result: **35:65** X

LEVEL OF SERVICE

No adverse effects on the environment or human health from the Paokahu and Waiapu landfills.

MEASURE

Number of resource consent breaches for Waiapu and Paokahu landfills.

Target: **<5 pa** Result: **10⁵** Previous result: **12** X

What was different to levels of service and performance measures?

¹ Staff are working internally on communications plans to try and reduce the impacts and frequency as well as working with the police and the contractor to implement more technological responses such as cameras

² Whilst only a small decline in satisfaction this can be attributed to a change in community wants as well as frustration throughout the duration of Alert Levels 3 and 4. Staff worked daily throughout Alert Levels 3 and 4 with contractors to minimise community frustration and continue to do so on a regular basis.

³ Whilst every effort was made to ensure a consistent and normal kerbside collection this service was impacted by COVID-19 restrictions as the Innes Street Transfer Station was shut during Alert L4 an L3 and recycling opportunities were limited to glass only.

⁴ The drop in recycling can be attributed to the increased inclusion of plastics 3-7 in landfill waste as well the negative impacts of COVID-19 where national recycling centres were closed in L4 and L3. The net result of this was an increase in waste to landfill during this time. Staff continue to work with the contractor and community groups to look at new ways to increase waste minimisation.

⁵ Matters that were brought to light as part of the 2018/19 non-compliance are still being rectified by staff and are counted as part of the 2019/2020 report. The restrictions of movements around L4 and L3 did result in technical non-compliance from the council monitoring team.



Significant negative effects of delivering this service

POTENTIAL NEGATIVE EFFECT	WHAT HAS BEEN THE EFFECT IN YEAR 2
The most significant effect is on the environment, through depositing waste in landfills.	We continue to provide waste minimisation options through Councils WMMP explained above.
Potential for odour, dust, vermin, litter and noise from waste minimisation facilities (e.g. landfills), which may affect neighbours and public health.	Continue to manage and monitor facilities to ensure there are no effects on the public.
Kerbside collections, if not done properly, can lead to public health and safety issues.	Continued management of the contract and levels of service expectations met by the current contractor.
Refuse collection has potential negative effects from waste escaping from rubbish bags or bins and affecting the amenity of areas.	Continued management of the contract and levels of service expectations met by the current contractor.
Noise may be a factor for the city transfer station, when the stations are operated seven days a week.	Continued management of the contract and ensuring the contractor meets the required resource consent conditions.
The user pays system can lead to some people dumping rubbish to avoid paying.	Monitored and mitigated through Councils request for service system and tracking illegal dumping disposal tonnages through the contractor.



COVID-19 impacts on services

Solid Waste services were classified as essential service during the COVID-19 Level 4 restrictions.

Staff and contractors made every effort to manage resident's expectations with respect to kerbside collections, recycling and transfer station visitation.

In the Rural townships, Transfer Stations that were overseen by the Community Caretakers resulted in additional workers being taken on to enable the site to operate as was required by central government.

In town, Waste Management were forced to send all recycling bar glass to landfill as no ability existed at the recycling centres to manually sort the product that was collected. The net result of this was an increase in landfill waste and a reduction in recycling. Recycling was reinstated as soon as the sorting centres were open.

Prior to Alert Level 4, illegal dumping within the region was on the rise (when compared to 2018/19) during quarters 1 to 3. Alert Level 4 merely exacerbated the situation.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	197	220	(23)	195
Expenses	4,037	3,901	(136)	4,307
NET COST OF SERVICE	3,840	3,681	(159)	4,112
<i>This activity was funded 96% from rates and 4% from fees and charges.</i>				
CAPITAL EXPENDITURE				
Capital Projects	202	251	49	64
Funded By:				
Other Capital Revenue	659	647	(12)	0
Depreciation or Other Reserves (Renewals)	52	44	(8)	58
Internal Loans	(509)	(440)	69	6
	0	0	(0)	(0)



What was different from the budget

1. Revenue from exchange transactions is \$23k under Annual Plan. This is due to lower than expected Waste Levy income.
2. Expenditure is \$136k over Annual Plan. This is due to increased landfill aftercare provision and more depreciation costs than expected.
3. Capital expenditure is \$49k under Annual Plan. This is due to delays with the Paokahu closed landfill project, with the unspent budget being transferred to 2020/21 Annual Plan.

Cultural Activities



What we do

Access to the arts and culture make a significant contribution to the social and economic life of our community.

- Theatres – Council provides facilities, expertise and services that enable the public to experience and participate in performing and visual arts, corporate and community events.
- Museum and public art - Council provides facilities, services and public art projects. We own and maintain the Museum buildings but contract services to the Tairāwhiti Museum Trust.
- HB Williams Memorial Library - The library provides access to space and resources including professional staff, a relevant collection of materials including local histories, free internet, a digital e-library, and specialised programmes to inspire learning and civic participation.
- Tairāwhiti Navigations - The programme includes the following projects: Historical Interpretations (Tūpapa), Inner Harbour redevelopment, Cook Landing Site, Titirangi Summit and Titirangi Restoration.



Why we do it

- Theatres - To provide facilities, expertise and services that enable the public to experience and participate in performing and visual arts, corporate and community events. To provide a space for local, national and international events to enable our citizens to participate in a global arts environment.
- Museum and public art - To provide facilities, services and art in public places that enable the public to experience and participate in the visual arts, and to house and support a regional museum to provide a safe repository for the district's Taonga (treasures).
- HB Williams Memorial Library - To contribute to our community's lifelong learning, literacy and education, as well as meeting intellectual, recreational, economic and cultural needs. This is a time of transformational shift where library services will focus on digital services, people and spaces and preserving local history for all.
- Tairāwhiti Navigations - The Navigations projects showcase our area to locals and visitors alike. There is potential for this activity to develop local and regional enterprise and foster ongoing working partnerships between Council and the community. This programme aims to deliver a range of benefits that will add value to our community, economy and lifestyle from tourism, economic and environmental initiatives – along with an enhanced sense of place, pride and natural beauty.



This activity contributes to the following community outcomes

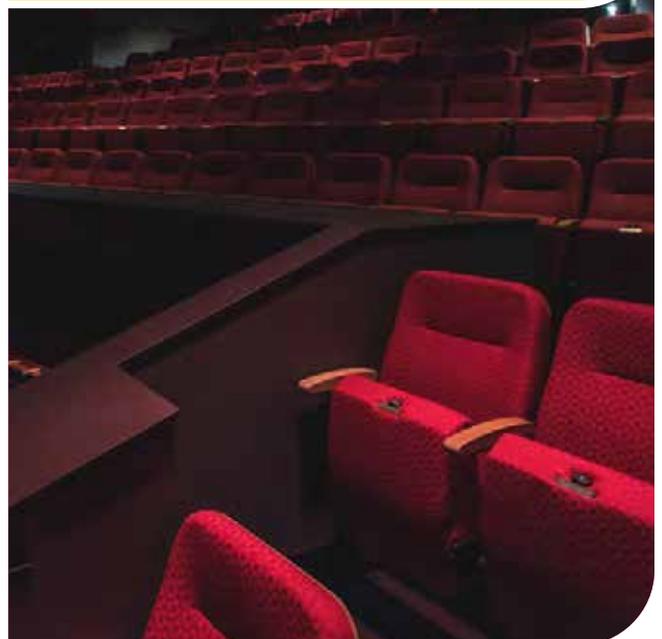
Tairāwhiti
Wawata

Tairāwhiti
Tangata

Tairāwhiti
Taonga

HIGHLIGHTS

- The expanded and upgraded library building was winner of the 2019 Public Architecture Award at the NZ Institute of Architecture, Regional Awards. The building expansion and refurbishment was designed by Chow Hill Architect Ltd with cultural and artistic input by Sir Derek Lardelli.
- Gisborne Theatres completely revamped ticketing systems by moving online to Ticketek New Zealand. Local sales were relocated to Gisborne i-Site where a range of ticketed event are centralised. The new system provides more flexibility for mobile users and easier engagement for local groups and promoters.
- Cultural Activities led Operation Manaaki a wellbeing communication with people over sixty five years during the COVID-19 Lockdown Alert Levels 3 and 4 period. Over 7000 people were contacted by nearly 70 staff. Overall our pakeke are an incredibly resilient cohort.



What we have been doing 2019/20

COMMITMENT	PROGRESS
THEATRES	
Review all contracts and agreements with suppliers and Theatre users and implement improvements.	Complete. Ticketek is now council partner and Gisborne i-Site is the local agency for buying tickets to council venues in person.
Maintenance on Patutahi Hall fire escape and balustrades.	Complete.
Increase revenue generation.	Revenue increased by charging for value added services for theatre hirers, hosting an on-licence bar and marketing offerings.
MUSEUM AND PUBLIC ART	
Complete an Arts Plan for the district to be linked with the Community Facilities Strategy.	Complete.
Install Hawaiki Tūrangā and Ruapani sculptures.	This is an Iwi led project with support from Council. The installation process commenced. At year end, preparation of the site was underway although stalled due to detection of asbestos in soil.
Restore Totem Pole in time for Te Hā 2019.	The Totem pole is to be placed in storage to condition the wood to a dry state before work can commence. Discussions in progress with stakeholders.
Museum to develop 10-year strategic plan.	Complete.
Continue to financially support Museum services and own and maintain buildings.	Museum roof repairs complete. Funding provided for contract to deliver Museum Services to Tairāwhiti community.
Council and Museum to renegotiate service delivery contract. Timelines Sculpture.	Initiate in Year 3.
HB WILLIAMS MEMORIAL LIBRARY	
Consolidate programming and new uses in upgraded library building.	Seven new rooms of variable size have generated ability for users to host their own events or work quietly. Justices of the Peace provide weekly service that has proven accessible and useful in a central location. Community partnerships are in development phase.
Continue to develop the e-library including creating an online place to manage and share community/social history.	Ongoing E-books are increasingly being 'loaned' by more people. Content includes e-books for young people and both fiction and non-fiction. Social history materials continue to be digitised in house and becoming available online. 6000+ newspapers and magazines from around the world in 60+ different languages became freely available on smartphones, tablets and laptops via pressreader.com Complete refresh of Aotearoa People's Network Kaharoa computers that deliver free access to broadband internet services so that everyone can benefit from accessing, experiencing and creating digital content. 75% government funded. Pipiwaharaura and Eastland Sun newspapers have been microfilmed for conservation and digital-ready purposes.

COMMITMENT	PROGRESS
Renew Integrated Library Management System.	Initiate in Year 3
Strengthen and embed bicultural capacity in all areas of library services.	Ongoing Bicultural signage renewal, events including celebration of Matariki Māori New Year, Tuia 250, Te Hā and Horouta stories delivered. Recruitment skillset reviewed.
TAIRĀWHITI NAVIGATIONS	
Navigations Projects are ready in time for Sestercentennial commemorations and a Tier 1 National event 'Tuia – First Encounters 250' to provide the platform for an event of global significance.	All Tairāwhiti Navigations projects have progressed well alongside ambitious timeframes. Tūpapa project is complete. Te Maro Sculpture installed. The Inner Harbour Redevelopment project and Puhi Kai Iti Cook Landing Site upgrade is complete. The Titirangi Restoration project is an on-going community partnership project with Ngāti Oneone, reliant on additional external funding.
Ongoing maintenance of assets and infrastructure.	The Inner Harbour phase 1 area has been maintained by Council's Liveable Spaces team, including year 1 of establishment of amenity planting. Future maintenance of new assets as a result of the Programme of work are included in Roding, Liveable Spaces and Utilities asset management plans and maintenance programmes.
Continue to build on partnerships that have been developed.	Tairāwhiti Navigations programme has been reliant on the on-going commitment and support from Tūranga Iwi, Historic Places Trust, Trust Tairāwhiti, Department of Conservation, Eastland Port, Te Hā Trust and Tairāwhiti Museum.



Levels of service and performance measures

LEVEL OF SERVICE

Cultural facilities are accessible to Tairāwhiti residents and visitors.

MEASURE

Number of visitors per annum to Tairāwhiti Museum.

Target: **45,000** Result: **39,503** Previous result: **45,074** ❌

Percentage of households that have used the HB Williams Memorial Library in the last 12 months as found in the Resident satisfaction survey.

Target: **66%** Result: **57%** Previous result: **54%** ❌

Number of onsite visitors to the HB Williams Memorial Library per annum.

Target: **150,000** Result: **109,820** Previous result: **140,978** ❌

Number of online visitors to the HB Williams Memorial Library per annum.

Target: **18,000** Result: **42,546** Previous result: **47,290** ✅

LEVEL OF SERVICE

Regular and varied programmes, events and exhibitions to support community wellbeing are provided at cultural facilities.

MEASURE

Number of booking days per annum: Lawson Field Theatre.

Target: **200** Result: **123**¹ Previous result: **N/A** ❌

Number of booking days per annum: War Memorial Theatre.

Target: **85** Result: **180** Previous result: **124** ✅

LEVEL OF SERVICE

Maintain cultural facilities at a fit for purpose, clean and safe standard.

MEASURE

Percentage of residents satisfied with the Lawson Field Theatre.

Target: **90%** Result: **87%**¹ Previous result: **N/A** ❌

Percentage of residents satisfied with the War Memorial Theatre.

Target: **90%** Result: **96%** Previous result: **96%** ✅

Percentage of community satisfied with the quality of art in public places and the way it is maintained.

Target: **80%** Result: **81%** Previous result: **79%** ✅

Percentage of residents satisfied with the Tairāwhiti Museum.

Target: **90%** Result: **91%** Previous result: **94%** ✅

Percentage of residents satisfied with Gisborne district's library services.

Target: **90%** Result: **93%** Previous result: **95%** ✅



What was different to levels of service and performance measures?

¹ Lawson Field Theatre re-opened following earthquake strengthening 14 September 2019 and closed again 20 March 2020. It was occupied by Civil Defence Emergency Management 6 May 2020 - 12 June 2020. It was essentially unavailable for hire for five months.



COVID-19 impacts on services

All facilities were closed 20 March, 5 days before Alert Level 4 was announced. Library and Theatres re-opened shortly after Alert Level 3 was enabled.

Theatres

Lawson Field Theatre - 41 events were cancelled

War Memorial Theatre exceeded the annual target by nearly 50%, in part due to the fulltime occupation by Hauora Tairāwhiti for COVID-19 testing 26 March 2020 - 12 June 2020. 16 events were cancelled

Library

An estimate of 25,000 fewer visitors for the last quarter of the year. At Alert Level 3 a limit of 50 visitors were able to enter the building with contact tracing details being collected as a compulsory condition of entering, time spent in the building was restricted to half an hour, returned books were put in isolation for three days, the first floor remained closed and social distancing was monitored. All events, programmes, room bookings were cancelled during this period. Opening hours were reduced and staff worked across two different shifts.

Online offerings saw an increase in use of audio and e-book as well as a librarian reading children's books on Facebook thanks to a release of copyright by some publishers for this purpose. Digital

use apart from website visits not reported here. All digital use will be reported 2021.

Fees and charges were halted and books of loan were automatically extended to incur no overdue fees.

Museum

Tairāwhiti Museum reopened 14 May during Alert Level 3 with reduced offerings. Whilst visitor numbers in June were fewer overall there was strong visitation by domestic tourists (up 160%) on the previous June.

Online engagement with resources and social media increased during the period.

Public Art

Minor capital projects were not undertaken. Impact was negligible given there was no one available to undertake work. This has been moved into next year's programming.

Overall the main negative impact has loss of face to face connection with community and inability to meet levels of service and financial targets. There is still a lot of apprehension regarding gathering in public spaces and facilities at year end. However, positive opportunities for the future have arisen particularly around online offerings and partnerships. Cultural Activities were prepared and our community spent time accessing and getting to know range of online resources. Planning is afoot for new ways to ensure our community remains connected in person and remotely

What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	59	0	59	168
Revenue from Exchange Transactions	294	436	(142)	329
Expenses	3,587	3,854	267	3,580
NET COST OF SERVICE	3,234	3,418	184	3,083
<i>This activity was funded 90% from rates, 3% from grants and 7% from fees and charges.</i>				
CAPITAL EXPENDITURE				
Capital Projects	846	2,404	(1,557)	3,913
Funded By:				
Grants and Subsidies	69	2,130	(2,061)	2,250
Other Capital Revenue	0	0	0	0
Depreciation or Other Reserves (Renewals)	450	582	(131)	430
Internal Loans	327	(308)	635	1,233
	0	0	0	0

What was different from the budget

1. Revenue from non-exchange transactions is \$59k favourably ahead of Annual Plan. This is due to the library receiving external grants to purchase books.
2. Revenue from exchange transactions is \$142k under Annual Plan. As a result of COVID-19 Alert Levels 3 and 4 the Theatres and Library were forced to close for 7 weeks, which resulted in lower hire charges and book rentals for the period.
3. Expenditure is \$267k under the Annual Plan. This mostly relates to lower than expected depreciation costs.
4. Capital expenditure is \$1.55m under Annual Plan. This is due to the 1000-year bridge project spend being put on hold until further grant funding is secured.

Recreation and Amenity



What we do

The recreation and amenity activity includes parks and gardens, urban and rural cemeteries, public toilet facilities, community property and the Olympic Pool complex.

Open Spaces, Parks and Gardens

Council manages and maintains a wide variety of parks, reserves, sports grounds, walkways, coastal foreshore areas, and other open spaces throughout the district, including over 100 amenity gardens. About two thirds of the parks and community property assets are located within urban Gisborne, with the balance spread throughout the district, roughly in proportion to population distribution.

Cemeteries

Council maintains 11 cemeteries within the city and across the district and is responsible for all burials and regulations within these cemeteries. Council also manages the public record of burials.

Community Property

We manage all lease and licence agreements on parks, open spaces and sports grounds, and provide facility management for community buildings (including public toilets) and monuments.

Olympic Pool Complex

The Olympic Pool complex is an important recreational and sporting facility with about 120,000 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 complex includes a health and therapy facility.



Why we do it

Open Spaces, Parks and Gardens

Council maintains areas that allow cultural, leisure and recreational activity and opportunities while ensuring landscape amenity values and ecological protection. Our parks and gardens create a sense of place and are an expression of our town's identity.

Cemeteries

Our cemeteries provide a final resting place for members of our community. We maintain cemeteries out of respect to people who

are buried and remembered there and provide accurate records so families can easily find and pay respects to their loved ones.

Community Property

Council maintains a community property network that ensures all leases and licences meet the requirements under relevant legislation, and that community buildings and associated services are provided to meet community expectations.

Olympic Pool Complex

The Olympic Pool complex provides facilities for our community to exercise, play, socialise and have fun. Council encourages people of all ages to engage in recreational activities that help them live active and healthy lives.



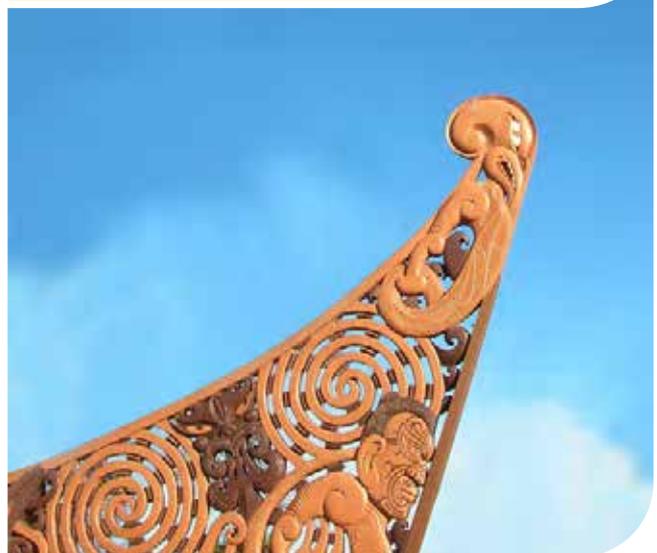
This activity contributes to the following community outcomes

Tairāwhiti
Tangata

Tairāwhiti
Taonga

HIGHLIGHTS

- We were awarded the Parks Week 2020 Marketing Award.
- Our Botanical Gardens were awarded the prestigious Green Flag Award.
- Continued partnership programme with mana whenua to achieve restoration planting, pest and education programmes.



What we have been doing 2019/20

COMMITMENT	PROGRESS
Continuing with the vegetation restoration within the Titirangi Recreation Reserve.	Further plantings and plant pest removal undertaken in partnership with Ngāti Oneone as planned through the Whāia programme and community. Also involves Recreational Services to support plant pest removal, as well as support and advice from across Council biodiversity team and Department of Conservation.
Support implementation of integrated township plans.	We have been working with township planning teams implementing works in Te Ārai Domain in the 2018/2019 year. These works were developed with the Manutūkē Township Plan Update process. This includes tree work at the Domain as well as new fencing.
Develop ash gardens within our cemeteries.	Several new berms were created at Taruheru including new ash gardens, using native plantings. New berms were also installed at Tokomaru Bay cemetery.
Replant street trees.	Year 2 (2019/20) of the Street Tree Garden and Implementation plan was initiated as part of a three-year programme, resulting in new plantings in Gardner Place and Owen Road to date; replacing hazardous/problematic trees. Planning for wide scale planting in 2020/21 also complete, involving community engagement and input.
Redeveloping Titirangi summit, subject to external funding.	Titirangi Summit phase 1 work was completed including the removal of the Titirangi Observatory and a tidy up of the summit in time for the national bicentenary Tuia 250 event and local Te Ha 1769 commemorations; in partnership with Ngāti Oneone.
Relocating the public toilet at Wharekahika.	Designs were finalised with further community engagement and installation of a new wharepaku was initiated.
Developing the Anaura Bay arrival area, subject to external funding.	The early 2019 application to the Tourism Infrastructure Fund for this project was unsuccessful, as was a second application in lodged in 2020. Completion of this project, being historical interpretation, park furniture and further amenity planting remains unfunded at this time.
Removal and revegetation of trees with Waihirere Domain Reserve.	Further hazardous tree work was completed, goat pest control work was also undertake, and discussions with the local community have been revisited to deliver outcomes together.
Support implementation and maintenance requirements for Tairāwhiti Navigations Project.	The amenity and horticulture team completed Inner Harbour Phase 2 plantings and maintain phase 1 as well as the amenity planting as part of the Tupapa walkway.
Renewal of the Whataūpoko Reserve bike trails.	The Mountain Bike Club completed phase 2 trail works with support and guidance from Council, including further engagement with adjoining neighbours. Planning for the signage to support the trails is underway through a signage plan, with signs to be installed.
Sports ground improvements at the Oval Reserve, Heath Johnston Park, Nelson park and Hatea-a-Rangi Domain.	Improvements completed at Hatea a Rangi reserve including new fence/ bench seats. Turf improvements planning complete and renewal work undertaken at The Oval and Harry Barker reserve. Further work to be completed.
Ongoing renewals of various assets.	Continues as planned.



Levels of service and performance measures

LEVEL OF SERVICE

Recreation and amenity facilities are accessible to Tairāwhiti residents and visitors.

MEASURE

Percentage of residents that have visited a Council park or reserve in the last 12 months.

Target: 77% Result: 78% Previous result: 81% ✓

Number of pool admissions per year.

Target: 140,000 Result: 110,105 Previous result: 120,345 ✗

LEVEL OF SERVICE

Provide high quality experiences at recreation and amenity facilities.

MEASURE

Percentage of residents satisfied with the public conveniences.

Target: 50% Result: 42%¹ Previous result: 47% ✗

Percentage of users satisfied with the quality of sports surfaces and facilities when using parks.

Target: 80% Result: 79%² Previous result: 82% ✗

Percentage of residents satisfied with the quality of our parks.

Target: 86% Result: 86% Previous result: 87% ✓

Percentage of residents satisfied with the Olympic Pool.

Target: 50% Result: 75% Previous result: 77% ✓

LEVEL OF SERVICE

Maintain recreation and amenity facilities at a fit for purpose, clean and safe standard.

MEASURE

Council aquatic facilities are safe and operate in accordance with PoolSafe NZS guidelines.

Target: 100% Result: 100% Previous result: 100% ✓

Percentage of playgrounds that meet relevant New Zealand safety standards.

Target: 100% Result: 90% Previous result: 87% ✗

Percentage of time OPC pool water quality meets NZ standard 5826:2010.

Target: 90% Result: 95% Previous result: 96.2% ✓



What was different to levels of service and performance measures?

¹ This result is lower than our target and less than the previous year, likely impacted by these amenities being closed for almost two months during Level 4 and Level 3 alert levels. They were closed as council contractors could not ensure they would be cleaned within the additional and required hygiene standard after every use. Council received a number of complaints in regards to the closures. Otherwise, Council is also aware that an increased maintenance regime could go some way to ensure an increase in satisfaction levels, however Council did not have the budget to service higher levels of service.

² A slight reduction in levels of service is likely due to the closure of sports parks during the COVID Level 3 and 4 period, and the few weeks it took to achieve an expected level of service for sports turf.



COVID-19 impacts on services

Open Space, parks and gardens

Under COVID Alert Level 3 and 4 playgrounds, sports parks, carparks within reserves were all closed. Public toilets and changing rooms were also closed. No maintenance of these areas were undertaken during this time, this includes no mowing, weeding, and plant pest management. All activities ceased other than hazardous tree work. There were 2 hazardous tree operations undertaken at this time related to trees growing in to power lines. All park bookings were cancelled including for weddings, and sporting events.

Cemeteries

Burials and interments were able to continue at Taruheru Cemetery as an essential service, although gatherings were limited to 10 people under Level 3, and no family gathering under Level 4 initially until an amendment was made to the government guidelines to allow for up to 4 to attend. All maintenance of the grounds ceased over this time and any public toilets on site remained closed. Preparedness for the full pandemic effect on our local community was also undertaken to ensure Council could respond appropriately, if necessary.

Community Property

Community buildings largely remained closed during this period as the community followed essential service guidelines.

Olympic Pool Complex

As with the H B Williams Library the Pool complex was closed under Level 3, five days before the government activated Alert Level 4. The facility had been operating with a maximum capacity of 50 public admissions under Level 3 to ensure distancing guidelines and hygiene standards could be applied. During Level 3 on way down the levels, repairs were undertaken on the 50m Pool as serious leaks and failings were found with significant water loss. Repair work was undertaken, allowing the facility to re-open in June 2020.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	806	0	806	5
Revenue from Exchange Transactions	1,225	975	250	867
Expenses	8,722	7,797	(925)	7,462
NET COST OF SERVICE	6,690	6,822	131	6,590

This activity is funded 75% from rates, 10% from Grants and 15% fees and charges.

CAPITAL EXPENDITURE

Capital Projects	1,969	8,351	6,382	1,476
Funded By:				
Grants and Subsidies	297	1,618	1,322	537
Depreciation or Other Reserves (Renewals)	1,074	2,592	1,518	1,007
Internal Loans	599	4,141	3,542	(68)
	(0)	0	0	(0)



What was different from the budget

1. Revenue from non-exchange transactions is \$806k ahead of Annual Plan. Grants were received from MBIE (Ministry of Business, Innovation and Employment) to fund the Responsible Camping project, the Observatory and Tairāwhiti Redeployment Programme.

2. Revenue from exchange transactions is \$250k ahead of Annual Plan. The increased revenue relates to the i-site vested building. However, it is partially offset by lower income from cemetery plot fees and Olympic Pool admission fees. The pool has been impacted by the 7 weeks at COVID-19 Alert Levels 3 and 4.
3. Expenditure is \$925k over Annual Plan. Most of this overspend relates to higher operating costs within reserve and convenience activities. It included 100% grant funding for the demolition costs and establishment around the Observatory and Titirangi Summit area, and for Tairāwhiti Redeployment Programme.
4. Capital expenditure is \$5.9m under budget. This is due to aligning projects with external funding, and included the Olympic Pool Redevelopment and Titirangi Summit Major projects. Other projects delayed were the Peel Street Toilets, Sportsground Facilities Upgrades and Renewals, Anaura Bay Arrival Area along with various other smaller projects. The unspent funds have been carried forward into the 2021 financial year.

Customer Engagement



What we do

The Customer Engagement activity is made up of three sub-activities - customer services, communications, and the co-ordination of events.

In person, in print and online, we keep our community informed and provide opportunities for people to have their say on issues that may affect them. We want people to have confidence in the quality of the information we provide and in the delivery of our service.



Why we do it

Customer engagement is about meeting the needs of our community and customers in a timely and professional manner. Our customer service people are the face of Council and we work hard to ensure our community has positive interactions with Council.



This activity contributes to the following community outcomes

Tairāwhiti
Wawata

Tairāwhiti
Tangata

Tairāwhiti
Taonga

HIGHLIGHTS

- We are proud of our COVID / Community welfare response. Providing that much needed support and information to the community.



What we have been doing 2019/20

COMMITMENT	PROGRESS
Further develop a CDEM Communications Plan including greater use of social media and other modes of communication.	Internal communications plan has been activated. Continuing to enhance our social media communications. Increasing communications with our community links and partner groups. Updated Tsunami evacuation maps on the Gisborne District Council website.
Continue CDEM training/public education.	We have been providing education and guidance on the updated Tsunami inundation zones for kura, schools ECE and other organisations upon request.
Undertake regional exercises involving our community link teams.	Regular Exercises have been carried out. The ongoing plan was interrupted by COVID-19. We are on track to enhance the training of our community link.
Review the Gisborne CDEM Recovery and Welfare Plan.	Recovery plan completed. Working with our Welfare groups to review the welfare plan is ongoing.
Undertake controller and key staff training as part of national training programmes and local training exercises.	COVID-19 has halted some of our key training and workshops. These are to continue for the foreseeable future. TAKATU has undergone changes and has allowed us to access more function specific training modules, many of which are still under development. Controllers Course - Response & Recovery Leadership Development Programme is being rolled out to controllers if pace is available on the programme. Developing a plan to train and engage our community link more effectively. COVID-19 has been a good conduit for training of our staff
Train staff and community link volunteers in the operation of an ECC.	This has been ongoing with our regional training exercises and will focus more on our community link volunteers post COVID-19
Review the tsunami inundation maps for the Tairāwhiti area.	Tsunami inundation maps reviewed, signed off and implemented. Website updated. Local presentations on these completed on request. Community engagement hui scheduled at the HB Williams Memorial Library and our coastal regions was put on hold due to COVID-19 and will resume as soon as reasonably practicable.
Build up our responder capacity for emergency events.	Continue to send staff on facilitated ITF training courses. Working with NEMA to have TEMO staff complete train the trainer to enable in house courses to be held for our staff more easily and readily accessible.
Have the ability to send suitably qualified and experienced support to other regions for their emergency responses.	TEMO has increased capacity from this time last year and is in a position to assist if required and is a mechanism for a training opportunity if the need arises.
Maintain and build new partnerships with iwi and communities.	Iwi liaison during our COVID-19 response was vital in the operation. Our iwi liaison officer during COVID-19 continues to work closely with TEMO. Rau tipu rau ora was implemented for our COVID-19 recovery and will continue to play an integral part of TEMO operations. Ongoing support to our communities to build the community link networks and relationships in our regions will continue.
Put in place contracts with key players such as Controllers, Recovery and Welfare Managers who are not employed by Council.	The Group controller for Tairāwhiti stepped down, an appointment was made and the newly appointed group controller is a council employee. We continue to monitor this situation in regard to other key roles.



Levels of service and performance measures

LEVEL OF SERVICE

We support the organisation to provide good quality information to the public to enable communities to participate in the decision-making process.

MEASURE

Percentage of residents satisfied with Council’s provision of information in Council newsletters, brochures, and consultation documents, as found in the Resident Satisfaction Survey (RSS).

Target: **50%** Result: **60%** Previous result: **60%**

LEVEL OF SERVICE

We support the organisation to deliver Council services and to provide good quality information to the public.

MEASURE

Percentage of customers satisfied with the helpfulness of staff as found in the Resident satisfaction survey.

Target: **80%** Result: **78%**¹ Previous result: **80%**

Percentage of residents who are satisfied with Council customer service at first point of contact by:¹

Email

Target: **80%** Result: **60%** Previous result: **43%**

Phone

Target: **80%** Result: **61%** Previous result: **67%**

In person

Target: **80%** Result: **78%** Previous result: **74%**

Online (including social media)

Target: **80%** Result: **52%** Previous result: **76%**



What was different to levels of service and performance measures?

¹ The Customer Service Team experienced an increase in phone enquiries during the COVID-19 restrictions period providing welfare and information support to ECC. The Resident Survey highlighted an increased satisfaction rating during the 4th quarter which is significantly at odds with the third quarter results.



COVID-19 impacts on services

While COVID-19 restrictions meant we were unable to deliver face to face customer service at both our service centres for nearly 8 weeks, we successfully handled all calls, emails, Facebook and web queries with staff working remotely. We embraced the opportunity to encourage our customers towards our online payments options.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	21	0	21	0
Revenue from Exchange Transactions	125	125	(1)	113
Expenses	1,995	1,979	(16)	1,602
NET COST OF SERVICE	1,850	1,854	4	1,489

This activity was funded 14% from grants and 86% from fees and charges.



What was different from the budget

1. Revenue from non-exchange transactions is \$21k favourably ahead of Annual Plan, due to a grant received from the Ministry of Business Innovation & Employment (MBIE) for summer camping initiatives.
2. Revenue from exchange transactions is in line with Annual Plan.
3. Expenditure is \$16k over Annual Plan. This relates to unbudgeted spends on the summer camping initiatives which is funded by the MBIE grant Council received.

Emergency Management



What we do

Council's Civil Defence Emergency Management (CDEM) team is responsible for the implementation of decisions made at CDEM group and is tasked to fulfil the objectives set in the CDEM Group Plan 2016-21. These activities increase community awareness, understanding, preparedness and participation, reduces the risks from all natural and man-made hazards in our region and makes us more able to manage and recover from emergencies.

The Tairāwhiti Emergency management Office (TEMO) manages civil defence through the 4Rs: reduction, readiness, response and recovery.



Why we do it

Council undertakes the CDEM activity to ensure it is meeting the requirements of the Civil Defence Emergency Management Act 2002.



This activity contributes to the following community outcomes

Tairāwhiti
Wawata

Tairāwhiti
Tangata

Tairāwhiti
Taonga

HIGHLIGHTS

- There has been an increased training and awareness of CDEM in GDC. Regular training and exposure to an ECC and emergency event in a training environment.
- We have increased capacity within the TEMO team. We now have 3 full time roles and one fixed term role. This increases our knowledge base and capabilities in TEMO.
- Regular ongoing engagement with our community link networks.
- Community engagement with our kura, schools, ECE, local business and the public. Our ability to provide accurate and up to date information.



What we have been doing 2019/20

COMMITMENT	PROGRESS
Further develop a CDEM Communications Plan including greater use of social media and other modes of communication.	Internal communications plan has been activated. Continuing to enhance our social media communications. Increasing communications with our community links and partner groups. Updated Tsunami evacuation maps on the Gisborne District Council website.
Continue CDEM training/public education.	We have been providing education and guidance on the updated Tsunami inundation zones for kura, schools ECE and other organisations upon request.
Undertake regional exercises involving our community link teams.	Regular Exercises have been carried out. The ongoing plan was interrupted by COVID-19. We are on track to enhance the training of our community link.
Review the Gisborne CDEM Recovery and Welfare Plan.	Recovery plan completed. Working with our Welfare groups to review the welfare plan is ongoing.
Undertake controller and key staff training as part of national training programmes and local training exercises.	COVID-19 has halted some of our key training and workshops. These are to continue for the foreseeable future. TAKATU has undergone changes and has allowed us to access more function specific training modules, many of which are still under development. Controllers Course - Response & Recovery Leadership Development Programme is being rolled out to controllers if pace is available on the programme. Developing a plan to train and engage our community link more effectively. COVID-19 has been a good conduit for training of our staff.
Review the Gisborne CDEM Recovery and Welfare Plan.	Recovery plan completed. Working with our Welfare groups to review the welfare plan is ongoing.
Train staff and community link volunteers in the operation of an ECC.	This has been ongoing with our regional training exercises and will focus more on our community link volunteers post COVID-19
Review the tsunami inundation maps for the Tairāwhiti area.	Tsunami inundation maps reviewed, signed off and implemented. Website updated. Local presentations on these completed on request. Community engagement hui scheduled at the HB Williams Memorial Library and our coastal regions was put on hold due to COVID-19 and will resume as soon as reasonably practicable.
Build up our responder capacity for emergency events.	Continue to send staff on facilitated ITF training courses. Working with NEMA to have TEMO staff complete train the trainer to enable in house courses to be held for our staff more easily and readily accessible.
Have the ability to send suitably qualified and experienced support to other regions for their emergency responses.	TEMO has increased capacity from this time last year and is in a position to assist if required and is a mechanism for a training opportunity if the need arises.
Maintain and build new partnerships with iwi and communities.	Iwi liaison during our COVID-19 response was vital in the operation. Our iwi liaison officer during COVID-19 continues to work closely with TEMO. Rau tipu rau ora was implemented for our COVID-19 recovery and will continue to play an integral part of TEMO operations. Ongoing support to our communities to build the community link networks and relationships in our regions will continue.
Put in place contracts with key players such as Controllers, Recovery and Welfare Managers who are not employed by Council.	The Group controller for Tairāwhiti stepped down, an appointment was made and the newly appointed group controller is a council employee. We continue to monitor this situation in regard to other key roles.



Levels of service and performance measures

LEVEL OF SERVICE

We help to build a more resilient district where communities understand and manage their hazards and risks.

MEASURE

Overall score from the Ministry of CDEM assessment of the CDEM Group's capability.

Target: **70%** Result: **Not measured¹** Previous result: **78%** —

Percentage of residents able to manage for 2-3 days without access to normal day-to-day services in the event of a natural disaster.

Target: **80%** Result: **96%** Previous result: **95%** ✓

LEVEL OF SERVICE

We protect the environment from pollutants spilled in marine accidents.

MEASURE

The Marine Oil Spill Plan is current and staff lists are updated annually.

Target: **Achieve** Result: **Achieved** Previous result: **Achieved** ✓



What was different to levels of service and performance measures?

¹ The current national Monitoring and Evaluation process was put on hold due to the national CDEM TAG (Technical Advisory Group) review and changes to NEMA.



COVID-19 impacts on services

COVID-19 halted some of our key training and workshops. Training will recommence as soon as practicable.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	1,016	72	943	52
Expenses	1,687	490	1,197	606
NET COST OF SERVICE	672	418	254	554



What was different from the budget

1. Revenue from exchange transactions is \$943k favourably ahead of Annual Plan. This is due to funding from NEMA (National Emergency Management Agency) for the Emergency Air Shelter and recovery of community assistance costs from COVID-19.
2. Expenditure is \$1.2m over Annual Plan. This is due to unbudgeted costs spent on community assistance during the COVID-19 Alert Levels 3 and 4. Majority of these costs are funded by NEMA.
3. Capital project costs are \$42k over Annual Plan. This is due to the purchase of an Emergency Air Shelter for emergency events which was funded by NEMA.

Strategic Planning and Performance



**What
we
do**

Strategic Planning

The Strategic Planning team gives meaning to Council's vision, strategic priorities and community outcomes. The team uses strategies, policies, plans and bylaws to link Council's aspirations and strategic direction with its operations – the actions that make it happen.

Fostering Māori participation in Council decision-making is a crucial focus for strategic planning and for Council as a whole. Community participation in Council decision-making is also an integral part of developing and implementing our policy and plans.

Performance

The Performance Team supports Council's performance management and reporting framework. This includes:

- preparing Council's Long Term Plan, annual reports and annual plans
- resident satisfaction surveying and co-ordinating Council's input into, and responding to, external performance benchmarking
- providing training and support for Council's
- Requests for Service (RfS) management system ongoing development of the organisation's
- performance management framework and
- associated business planning and reporting.



**Why
we
do it**

Strategic Planning

- Support community economic, environmental, social and cultural well-being.
- Manage the use, development and protection of our natural and physical resources, now and into the future.
- Invest in infrastructure, facilities and services in a transparent, evidence-based manner consistent with our vision, community outcomes, strategic priorities and relevant legislation.
- Enable decisions, priorities and investments to reflect community values in a cost-effective way. Provide leadership across Tairāwhiti-Gisborne and be advocates for our community.
- Support Council to improve the unique Te Tiriti o Waitangi / Treaty of Waitangi relationship between Council (as agents of the Crown) and iwi.

Performance

- To support the organisation to plan effectively and to focus its resources on what's most important and cost-effective for our Council and community.
- To contribute to organisational accountability - measuring and reporting on 'what we said we'd do', from individual Requests for Service (RfS) through to delivering on the commitments in our Long Term Plan.



**This activity contributes
to the following
community outcomes**

Tairāwhiti
Wawata

Tairāwhiti
Tangata

Tairāwhiti
Taonga

HIGHLIGHTS

- We adopted our Tairāwhiti 2050 Spatial Plan in January this year.
- We have begun our LTP 2021-31 work programmes.



What we have been doing 2019/20

COMMITMENT

PROGRESS

STRATEGIC PLANNING

Review Council's Regional Policy Statement that is the key strategic environmental document for the region.

A key focus for 2018/19 has been research and engagement on the big issues facing Tairāwhiti and the community aspirations for the region looking ahead to 2050. This information helped develop an integrated regional strategy Tairāwhiti 2050 (Spatial Plan).

A review of the effectiveness of the current Tairāwhiti Resource Management Plan (which includes the Regional Policy Statement) is underway and being informed by feedback received during engagement on the Tairāwhiti 2050 (Spatial Plan) project.

Subject to the outcomes of this review and Council approval, development of the new Regional Policy Statement will begin in the 2019/20 year.

Continue with reviews of the regulations in the Tairāwhiti Resource Management Plan as per the Strategic Planning forward work programme including provisions about freshwater management (including a catchment plan for Waiapu), coastal planning issues such as water quality and discharges land use zones.

The majority of appeals on the Proposed Regional Freshwater Plan have been resolved. One outstanding appeal from Te Whānau a Kai relating to how the plan recognises and provides for Māori cultural values and interests.

An updated Progressive Implementation Plan for the NPS-Freshwater Management was adopted by Council.

Scoping work to support development of the Waiapu Catchment Plan undertaken – including preparation of a 'State of the Wai' report.

The Housing and Business Assessment required by the NPS-Urban development Capacity is largely complete.

Contribute to developing stronger relationships with Māori through a range of measures including building Council capacity through training, mentoring, fora and centralised information implementing statutory responsibilities and agreements, e.g. Local Leadership Body and Joint Management Agreement with Ngāti Porou, exploring opportunities for formalised sharing of decision-making, e.g. co-management plans.

Drafted an internal Māori Responsiveness Action Plan approach to be rolled out in 2019/20.

Initiated a joint working party to assist with implementation of the Waiapu Joint Management Agreement (JMA). A key outcome was establishment of the JMA Forum – the inaugural meeting was on 17 May 2019.

Joint Governance hui with Rongowhakaata Iwi Trust initiated – the first hui was held on 18 December 2019. We have agreed to develop a joint priority Action Plan.

We supported the Tūranganui-a-Kiwa/Poverty Bay name change.

COMMITMENT

Maintain Council's existing strategic framework including: completing omnibus reserve management plans for Body neighbourhood reserves and coastal reserves reviewing bylaws and policies when required review of township plans with communities:

East Cape, Patutahi, Tiniroto, Waerenga ō Kurī Ruatōria, Te Puia and Waipiro.

PROGRESS

BYLAWS

Added a Tokomaru Bay Restricted Area to the Alcohol Control Bylaw.
Initial data gathering and assessment undertaken in relation to Freedom camping.
Received delegations from NZTA that allow Council to manage stock and parking on state highways.

POLICIES

New Board Appointments and Remuneration Policy prepared and adopted by Council.
Community facilities strategy and associated plans completed.
The Gambling Policy was reviewed, and a more restrictive policy adopted by Council.
New Smoke free Policy adopted.

PERFORMANCE

Continue to support business planning across the organisation to support the delivery of our LTP commitments and other organisational priorities.

Adoption of a Major Projects Framework has provided for a more robust understanding of roles and responsibilities for the delivery of Major Projects. The standardisation of the Activity Reporting process has provided efficiencies and clarity of how we are performing relative to 2018-2028 LTP commitments. Management plans are being reviewed as part of the LTP development phase.

Continue ongoing improvements to support high quality integrated activity reporting to Council and committees.

Benefits from Komiti Kōrero project to streamline the process for producing committee activity reports are being realised.

Coordinate the preparation of Council's 2019/20 and 2020/21 Annual Plan and yearly Annual Reports.

Our 2018/19 Annual Report has been adopted 26 September 2019 with an unqualified audit opinion. Annual Plan 2020/21 has been adopted at Council 25 June 2020.

Continue to support staff to respond to Requests for Service through dashboards and effective training.

New staff continue to be trained and ongoing support has been provided. RfS data quality is checked regularly and opportunity for improvement have been followed up by staff.

Continue to coordinate Council's involvement in organisational benchmarking opportunities (PWC, LGNZ Excellence Programme, reputational and resident satisfaction measures).

Residential Satisfaction Survey: The annual results are included in this Annual Report.

Levels of service and performance measures

Strategic Planning

LEVEL OF SERVICE

Council has a clear, rigorous and current strategic framework across the range of Council activities including resource management, infrastructure and social and economic development. Our work is robust, evidence-based, legally compliant and reflects the needs and aspirations of our community.

MEASURE

Percentage of significant policy projects presented to Council that meet good practice standards when independently assessed each year.

Target: 90%¹ Result: 92% Previous result: N/A

LEVEL OF SERVICE

Our decision-makers are provided with clear and robust advice on which to make decisions.

MEASURE

Percentage of advice to Council that meets good practice standards when independently assessed.

Target: 90% Result: 100% Previous result: Draft results were expected in Oct 2019

LEVEL OF SERVICE

Our decision-makers are provided with clear and robust advice on which to make decisions.

MEASURE

Percentage of Strategic Planning budget committed to fostering Māori capacity.

Target: 1.75 FTE² Result: 1.75 FTE Previous result: 1.75 FTE

Health of relationships with Māori collectives (as determined by co-designed review measures).

Target: Baseline³ to be set Result: Not measured Previous result: Not measured

LEVEL OF SERVICE

We support communities to engage in Council decision-making through appropriately planned, designed and delivered engagement processes.

MEASURE

Percentage of feedback satisfied with Strategic Planning engagement processes (as measured in situ).

Target: 80%⁴ Result: Not measured Previous result: 82%

Performance

LEVEL OF SERVICE

Our Annual Plans (AP), Annual Reports (AR) and Long Term Plans (LTP) are fit for purpose.

MEASURE

Our AP, AR and LTP are prepared in accordance with statutory requirements.

Target: Achieve Result: Achieved Previous result: Achieved

What was different to levels of service and performance measures?

¹ A baseline was not established in the 2018/19 year as no significant policy projects were presented to Council. An interim target of 90% has been set in line with the level of service regarding general advice to Council.

² 1.75 FTE was committed to fostering Māori capacity in the 2018/19 year. This has been set as a target for future years.

³ A baseline has not been established. This will be considered by existing co-governance and co-management forums.

⁴ A baseline of 80% has been set as a target for future years.

COVID-19 impacts on services

Consultation on our Annual Plan 20/21 was impacted and we were unable to undertake a fuller engagement process with face-to-face meetings across the district. Social media and other channels were predominately focused on COVID-19 messaging as well. The Consultation Document was available on the website and there was limited promotion through the newspaper. Overall rates revenue increase is 3.26%, consistent with year 3 of the LTP.

As well as keeping overall rates increases in line with the LTP, the Annual Plan increased the provision for rates remissions by \$1m.

The remissions allow relief to those ratepayers who are financially hardest hit by COVID-19. The remissions provide targeted relief to those ratepayers facing financial hardship, as opposed to a blanket approach of reducing overall rates revenue.

Additional revision of proposed activities and budget was required to ensure that Council balanced lower rates and higher remissions to find the right balance between supporting the needs of the current community who may be facing financial hardship without overly burdening future generations.

Due to staff being required to be a part of the Civil Defence response to COVID-19 there was some delay in project milestones for the preparation of the 2021 Long Term Plan (LTP). This required the use of consultants for some discreet pieces of work in order to ensure that the key dates for audit review in 2020 and public consultation in 2021 will still be met.

What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	36	55	(19)	198
Revenue from Exchange Transactions	8	0	8	1
Expenses	2,812	3,543	(731)	2,955
NET COST OF SERVICE	2,768	3,488	720	2,756

This activity is funded 99% from rates and 1% from grants.

What was different from the budget

1. Revenue from non-exchange transactions is \$19k under Annual Plan. This is due to some grant funds being transferred to 2020/21 to align with where the expenditure will occur. They were unable to be fully spent due to COVID-19.
2. Revenue from exchange transactions is \$8k favourably over Annual Plan. This is due to funding received from Trust Tairāwhiti for their portion of advertising for the Te Hā 250 event.
3. Expenditure is \$731k under budget. This is due to underspends from delays with the Freshwater Plan and Spatial Plan projects. There are also vacancies being carried with roles that are hard to fill in the current market conditions. As a result of COVID-19 the Creative NZ and Rural Travel grants have not been fully spent.



Commercial Operations



What we do

Council's commercial operations are made up of a number of commercial and semi-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 including its Council Controlled Trading Organisations. Its largest investment is Gisborne Holdings Ltd (GHL), and its wholly owned subsidiary Tauwharepārae Farms Ltd.

Phased transfers of our commercial assets to GHL have been undertaken as part of a strategy to maximise their commercial opportunities. Assets transferred to date have included:

- Municipal Buildings
- Gisborne Vehicle Testing Station
- Waikanae Beach Top 10 Holiday Park
- Miscellaneous Commercial Property – including dog pound, Banks Street properties.



Why we do it

The primary focus of commercial operations, before the transfer of commercial assets to GHL, was to operate profitably and provide a non-rates income stream to Council.

Since the transfer, the vehicle achieving this same goal is from our investment in GHL. GHL dividends are an important income stream used to reduce the level of rates and allow investment in infrastructure.

Council's investment strategy with GHL, as the main investment vehicle, has both shareholder focused goals aimed at increasing the return from commercial operations assets, increasing the income stream to Council over the life of the Long Term Plan and increasing the economic value to the community.

Council's other semi-commercial assets are not primarily focused on profit.

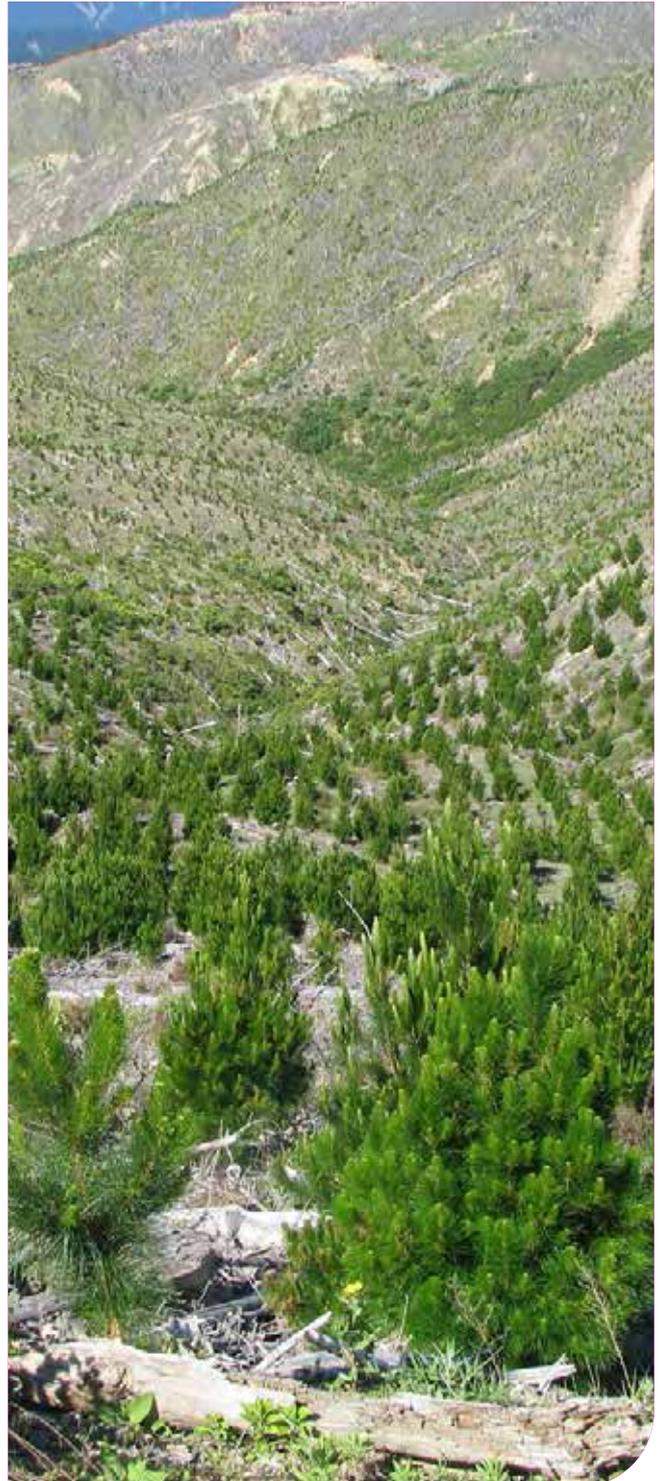
Council provides quality and affordable housing for those aged 55-years and over who have difficulty in providing it for themselves, with rent not exceeding 90% of the market rate. The focus for the Council airport asset is to aid economic value for our area and maintain a strategic asset. Forestry assets are primarily for the protection of water supply and erosion-prone land.



This activity contributes to the following community outcomes

Tairāwhiti
Wawata

Tairāwhiti
Tangata





What we have been doing 2019/20

COMMITMENT	PROGRESS
Divest some of the surplus staff housing assets.	A review of staff houses that are no longer required has been considered and approved for disposal. Three roadmen properties have been identified as no longer being required for its original purpose.
Review harvesting of forestry and investigate replanting options and partnering arrangements.	In progress. Business case with partnering arrangements is being re-assessed with the most up to date harvesting profile for the Pamoā area. Once completed it will be updated and incorporated into the 2021-2031 Long Term Plan.
Review/renegotiate airport lease.	New lease agreement has been completed and operates from 1 April 2018 to 30 September 2048.
Consult, evaluate and decide on future asset transfer of community housing to GHL.	Currently under review, along with Investment Strategic and strategic alignment with Spatial Plan. Changes will be incorporated within the 2021 -2031 Long Term Plan





Levels of service and performance measures

LEVEL OF SERVICE

Operate commercial operations profitably and maintain returns to Council.

MEASURE

Improve the investment return level in order to grow the return from 2% of Council revenue to 4%.

Target: 2-4% Result: 2% Previous result: 2.5%

LEVEL OF SERVICE

Suitable and affordable housing is provided to enable independent living for people aged 55 years and over who have difficulty providing it for themselves.

MEASURE

Percentage of customer satisfaction with standard of accommodation and services as found in our annual inspection survey.

Target: 95% Result: 96.5% Previous result: 95.8%

Rent as a percentage of market rate (lower quartile) not to exceed 90%.

Target: Achieve Result: Achieved Previous result: Achieved



What was different to levels of service and performance measures?

All performance targets were achieved.



COVID-19 impacts on services

Refer to the [GHL Annual Report 2019/20](https://gisborneholdings.co.nz/about-us/annual-reports/) (<https://gisborneholdings.co.nz/about-us/annual-reports/>)

No significant impact on service provision.



What it cost

	2019/20 ACTUAL	2019/20 AP BUDGET	2019/20 VARIANCE	2018/19 ACTUAL
OPERATING EXPENDITURE (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	981	1,562	(582)	2,154
Expenses	1,675	1,484	(192)	1,583
NET COST OF SERVICE	695	(79)	(773)	(572)
<i>This activity was funded 100% from fees and charges.</i>				
CAPITAL EXPENDITURE				
Capital Projects	209	266	57	305
Funded By:				
Other Capital Revenue	0	0	0	0
Depreciation or Other Reserves (Renewals)	205	268	63	280
Internal Loans	4	(1)	(6)	25
	0	0	(0)	0



What was different from the budget

1. Revenue from exchange transactions is \$582k under Annual Plan. Overall Council received \$1.6m of stumpage revenue which was offset by an overall accounting reduction in the fair value of forestry blocks by \$2.1m.
2. Expenditure is \$192k over Annual Plan. This is mostly due to increased operating costs, higher than expected valuation fees along with increased rates and rental costs.
3. Capital expenditure is \$62k under budget. This mostly relates to works been delayed due to COVID-19 Alert Levels 3 and 4 restrictions which will be finished in the next financial year.

O Tātou Tohatoha Pūtea
Our Finances

Our Finances

O Tātou Tohatoha Pūtea

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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 2020 fairly reflect the financial position, results of operations and service performance achievements of the Gisborne District Council.

Rehette Stoltz
Mayor

Pauline Foreman
Chief Financial Officer

Nedine Thatcher Swann
Chief Executive



Statement of Comprehensive Revenue and Expenses

for the year ended 30 June 2020

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		NOTE	COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
24,837	24,837	Grants and Subsidies - Operational	4	22,917	28,821	29,100
25,012	25,012	Grants, Donations, Subsidies and Contributions - Capital	4	28,426	27,534	27,534
507	507	Other Non Exchange Revenue	5	1,790	1,623	1,623
19,245	18,967	General Rates And Uniform Annual General Charge	3	20,218	20,263	20,067
38,243	38,243	Targeted Rates (other than a targeted rate for water supply)	3	39,624	39,647	39,647
REVENUE FROM EXCHANGE TRANSACTIONS						
978	978	Development and Financial Contributions	5	699	827	827
10,099	24,143	Other Revenue	5	9,393	10,521	20,153
3,210	3,210	Targeted Water Rates	3	2,912	3,387	3,387
488	88	Dividends	5	1,800	1,205	5
84	84	Interest Received	5	0	47	47
397	(2,213)	Other Gains/(Losses)	6	12	(280)	(4,060)
123,100	133,857	Total Revenue		127,792	133,595	138,330
EXPENSES						
20,152	23,327	Employee Benefit Expenses	7	22,400	22,319	25,528
60,008	66,080	Expenditure on Operating Activities	9	58,064	66,488	68,527
21,642	22,509	Depreciation and Amortisation	8	22,112	22,492	23,592
3,619	4,163	Financing Costs	10	3,906	3,381	3,911
105,421	116,080	Total Expenses		106,481	114,681	121,558
17,679	17,777	Net Surplus/(Deficit) before Taxation and subvention income		21,310	18,914	16,771
600	0	Subvention Payment from GHL		0	550	0
0	287	Income Tax Expense	11	0	0	(422)
18,279	17,490	Net Surplus/(Deficit) after Taxation		21,310	19,464	17,193
OTHER COMPREHENSIVE INCOME						
60,535	60,535	Gains/(Losses) on Property Revaluation		15,473	136,913	150,786
0	0	Deferred Tax on Building Revaluations	11	0	0	40
60,535	60,535	Total Other Comprehensive Income		15,473	136,913	150,826
78,813	78,026	TOTAL COMPREHENSIVE REVENUE AND EXPENSES		36,783	156,377	168,019

Statement Concerning Balanced Budget

for the year ended 30 June 2020

COUNCIL 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s
121,719	Operating Income	127,792	133,595
(104,039)	Operating Expenditure	(106,481)	(114,681)
600	Subvention Payment	0	550
0	Income Tax Expense/(Benefit)	0	0
18,280	Net Operating Surplus/(Deficit) After Taxation	21,311	19,464
	LESS		
742	Capital Rates Income	1,018	1,018
25,012	Capital Grants and Subsidies	28,426	27,534
1,036	Other Capital Grants, Donations and Contributions	699	827
(3,769)	Operations funded by Reserve funds	332	3,319
	PLUS		
8,133	Depreciation not Funded	8,903	9,470
(3,392)	(Decrease)/increase in Council deficit	261	3,763
	(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 (breakeven). 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 2020

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		NOTE	COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
CURRENT ASSETS						
3,964	6,935	Cash and Cash Equivalents	13	582	9,967	9,969
14,651	14,651	Non Exchange and Other Receivables	14	6,749	11,469	11,468
8,869	9,070	Exchange Trade and Other Receivables	14	8,174	11,743	12,053
61	256	Inventories	15	78	101	231
684	684	Non-current Assets Held for Sale	18	50	565	565
28,229	31,596	Total Current Assets		15,633	33,844	34,285
CURRENT LIABILITIES						
430	430	Deposits Held	19	432	431	431
23,835	25,400	Trade and Other Payables	20	20,173	30,686	32,016
1,965	2,199	Employee Benefit Liabilities	21	1,918	2,676	2,972
15,680	35,374	Borrowings	22	11,780	5,000	5,571
154	154	Provision for Other Liabilities	23	364	94	94
752	752	Derivative Financial Instruments	17 & 29A	704	1,219	1,219
0	552	Taxation		0	0	434
42,816	64,861	Total Current Liabilities		35,371	40,105	42,736
(14,587)	(33,265)	Net Working Capital		(19,738)	(6,261)	(8,451)
NON-CURRENT ASSETS						
2,124,583	2,205,003	Property Plant and Equipment	24	2,138,475	2,286,794	2,380,781
6,628	9,824	Intangible Assets	25	3,423	6,785	9,983
5,976	31,206	Biological Assets	26	5,988	3,833	25,356
33,406	1,417	Investments	16	32,893	33,595	1,639
2,170,593	2,247,449	Total Non-Current Assets		2,180,780	2,331,007	2,417,759
NON-CURRENT LIABILITIES						
42,600	42,600	Borrowings	22	61,047	53,600	69,500
152	152	Employee Benefit Liabilities	21	170	176	223
2,763	2,763	Provision for Other Liabilities	23	2,258	2,894	2,894
1,542	2,374	Emissions Trading Scheme Liabilities	25	0	1,950	2,855
0	5,364	Deferred Tax Liability	11	0	0	4,090
3,226	3,226	Derivative Financial Instruments	17 & 29A	1,892	4,029	4,029
50,283	56,480	Total Non-Current Liabilities		65,368	62,649	83,591
2,105,722	2,157,704	Net Funds Employed		2,095,674	2,262,097	2,325,716
EQUITY						
422,042	428,737	Accumulated Surplus	27	452,285	439,305	443,724
41,122	41,122	Special Funds	27	30,192	43,776	43,775
1,642,559	1,687,846	Revaluation Reserves	27	1,613,197	1,779,017	1,838,217
2,105,722	2,157,704	TOTAL EQUITY		2,095,674	2,262,097	2,325,716

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

Authorised for and on behalf of Gisborne District Council on 24 September 2020.



Rehette Stoltz

Mayor



Nedine Thatcher Swann

Chief Executive

Statement of Changes in Equity

for the year ended 30 June 2020

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		NOTE	COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
EQUITY OPENING BALANCES						
405,831	413,315	Accumulated Funds and Retained Earnings		424,428	422,044	428,736
38,483	38,483	Special Funds and Reserves		36,739	41,117	41,117
1,582,594	1,627,881	Revaluation Reserves		1,597,724	1,642,559	1,687,847
2,026,908	2,079,679	Total Equity Opening Balance		2,058,891	2,105,720	2,157,700
CHANGES IN EQUITY						
Accumulated Surplus (Retained Earnings)						
(2,639)	(2,639)	Transfer (to)/from Special Funds and Reserves		6,547	(2,658)	(2,658)
78,814	78,026	Total Comprehensive Income		36,784	156,377	168,019
0	0	Transfer to/(from) Restricted Funds Liability Movement		0	0	0
Special Funds and Reserves						
2,639	2,639	Transfer (to)/from Retained Earnings		(6,547)	2,658	2,658
78,814	78,026	Total Changes in Equity		36,784	156,377	168,019
EQUITY CLOSING BALANCES						
422,042	428,737	Accumulated Funds and Retained Earnings	27	452,285	439,305	443,724
41,122	41,122	Special Funds and Reserves	27	30,192	43,776	43,775
1,642,559	1,687,846	Revaluation Reserves	27	1,613,197	1,779,017	1,838,217
2,105,722	2,157,704	TOTAL EQUITY CLOSING BALANCE		2,095,674	2,262,097	2,325,716
Attributable to:						
2,105,722	2,157,704	Gisborne District Council		2,095,674	2,262,097	2,325,716

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

Statement of Cash Flow

for the year ended 30 June 2020

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		NOTE	COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
CASH FLOW FROM OPERATING ACTIVITIES						
56,373	56,373	Receipts from Rates		58,612	58,314	58,118
12,441	27,359	Receipts from Activities		15,537	15,603	25,450
41,553	41,553	Receipts from Government Grants and Subsidies		51,591	69,396	69,675
84	84	Interest received		0	47	47
405	5	Dividends received		1,800	1,288	88
1,497	0	Subvention payment received		0	403	0
(77,333)	(88,668)	Payments to Suppliers and Employees		(79,090)	(92,166)	(97,942)
(854)	(854)	Grants paid		(1,057)	(927)	(927)
320	327	Net GST paid		0	(742)	(742)
(2,236)	(2,780)	Interest paid		(3,942)	(2,063)	(2,593)
0	(1,598)	Income Tax paid		0	0	(934)
32,250	31,802	Net Cash Flows Operating Activities	28	43,451	49,153	50,240
CASH FLOW FROM INVESTING ACTIVITIES						
268	306	Sale of Property Plant and Equipment		12	30	49
625	625	Forestry harvesting		0	1,655	1,655
(42,938)	(49,154)	Purchase of Property Plant and Equipment		(60,303)	(43,851)	(44,703)
(1,136)	(1,136)	Purchase of Intangible Assets		0	(1,048)	(1,048)
(87)	(88)	Purchase of Investments		0	(256)	(256)
0	(3)	Purchase of Carbon Credits		0	0	0
0	(241)	Forestry expenditure		0	0	0
(43,268)	(49,691)	Net Cash from Investing Activities		(60,291)	(43,470)	(44,303)
CASH FLOW FROM FINANCING ACTIVITIES						
14,400	23,805	Increase/(Decrease)in Borrowings		16,840	320	(2,903)
14,400	23,805	Net Cash Flow from Financing Activities		16,840	320	(2,903)
3,382	5,916	Net Increase/(decrease) in Cash		0	6,003	3,034
582	1,020	Cash at beginning of the year		582	3,964	6,936
3,964	6,936	CASH AND CASH EQUIVALENTS AT YEAR END		582	9,967	9,970

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 subsidiary: Tauwharepārae Farms Ltd.

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

	DIVIDENDS 2019 \$000s	DIVIDENDS 2020 \$000s	SUBVENTION 2019 \$000s	SUBVENTION 2020 \$000s
Gisborne Holdings Ltd	400	1,200	600	550

Total Cost

The provision of financial assistance by the Gisborne District Council to this organisation and the related companies Tauwharepārae Farms Ltd is by way of share capital. Council holds a \$14m internal loan to finance its investment in GHL. Council incurred a \$563k (2019 \$590k) 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 \$550k (2019 \$600k) to the Council, Gisborne Holdings Ltd reported a net loss after tax of \$0.1m (2019 profit \$2.2m) for the year. Net assets (de)/ increased \$0.6m from \$98.7m to \$99.4m.



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 subsidiary, Gisborne Holdings Ltd (100% owned). Gisborne Holdings Ltd is incorporated in New Zealand, and pursuant to the Local Government Act 2002 is a Council Controlled Trading Organisation.

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.

Basis of Preparation

The financial statements of the Group are for the year ended 30 June 2020. The financial statements were authorised for issue by Council on 24 September 2020.

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 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 of the Group in the year ended 30 June 2020, other than the amendments to PBE Standards as described below. Other than the changes described below, all accounting policies and disclosures are consistent with those applied by the Group in the previous financial year.

The Group applied, for the first time, amendments to standards, which are effective for annual periods beginning on 1 July 2019. The application of these amendment to standards did not have an impact on the Group's financial position, performance and/or disclosures to the financial statements.

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

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. The Group is a going concern due to the ability of Council to access funding through LGFA up to 175% of total revenue.

Subsidiaries are consolidated by 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 less any impairment charges 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 2018-2028 Long Term Plan Revenue and Financing Policy.

The following specific recognition criteria must be met before revenue is recognised:

GENERAL AND TARGETED RATES

General and targeted rates are set annually and invoiced within the year. The group recognises revenue from rates when the council has struck the rates and provided the rates assessment. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable.

GOVERNMENT GRANTS AND SUBSIDIES

Government grants with no stipulations attached are recognized as revenue in the financial statements of the reporting period in which they are received or receivable by the Council.

To the extent that there are stipulations attached to Government grants that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once the Council has satisfied these conditions.

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 except where it relates to an item recognized in Other Comprehensive Income.

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 surplus/deficit except when it relates to items charged or credited directly to other comprehensive income, in which case the tax is dealt with in other comprehensive income.

Leases

GROUP AS A LESSEE - 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.

GROUP AS A LESSOR - OPERATING LEASES

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added the carrying amount of the leased asset and recognised over the lease term. Rent received from an operating lease is recognised as income on a straight-line 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
- 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 surplus/deficit in which case the transaction costs are recognised in surplus/deficit.

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 is 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:

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 surplus/deficit 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.

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 in other comprehensive income except for impairment losses, which are recognised in surplus/deficit.

In the event of impairment any cumulative losses previously recognised in other comprehensive income will be removed and recognised in surplus/deficit 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 surplus/deficit.

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 surplus/deficit.

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 surplus/deficit.

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

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.

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 surplus/deficit. The costs to maintain the forestry assets are included in surplus/deficit.

Council has transferred forestry rights in respect relating to 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 a percentage 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 Tauwharepārae Farms Ltd.

Tauwharepārae Farms Ltd (TFL), a subsidiary of Gisborne Holdings Limited (GHL) has voluntarily entered the New Zealand Emissions Trading Scheme (ETS) in respect of 1,224.2 hectares of forest land located in the Tauwharepārae area. This entitles TFL to receive emission units (units) for carbon stored in the specified area from a 1 January 2008 baseline.

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

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 in 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.

Property, Plant and Equipment

Property, plant and equipment comprises:

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.

INITIAL RECOGNITION AND SUBSEQUENT EXPENDITURE

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be measured reliably.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant and equipment. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met.

For assets that are revalued, subsequent costs 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.

MEASUREMENT SUBSEQUENT TO INITIAL RECOGNITION

Operational assets

All operational assets, with the exception of operational land and operational buildings, are measured using the cost model less accumulated depreciation and impairment losses.

Operational land

Operational land is measured using the revaluation model. The fair value of operational land is determined by a registered valuer using market based evidence. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The valuation cycle for revalued asset classes is normally three years, or more frequently when there are indicators that the values may have changed substantially from carrying value.

Operational buildings

Operational land is measured using the revaluation model. The fair value of operational land is determined by a registered valuer by using either the investment, direct comparison or depreciated replacement cost approach. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The valuation

cycle for revalued asset classes is normally three years, or more frequently when there are indicators that the values may have changed substantially from carrying value.

Other operational assets - Library books

General collections - All new and replacement books are recorded at cost in the year they are purchased and subsequently depreciated based on useful lives. Donated books are capitalised at fair value and subsequently depreciated based on useful life. Lost, sold and otherwise unsalvageable books are recognised in disposals. At year-end, stock on hand and remaining useful lives are determined by the Head Librarian using data maintained in the Liberty Library Management system.

Permanent collections - The permanent collection is carried at deemed cost.

Infrastructure assets

Infrastructure assets, with the exception of roading, are independently valued every 3 years at depreciated replacement costs, and between independent valuations are valued internally at depreciated replacement costs.

Infrastructure assets - Roading

Roading assets are independently revalued annually.

Infrastructure assets - 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.

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)	5 - 20 years
Pavement Surface (unsealed) - Wearing Course	5 years
Pavement Layers (basecourse)	40 - 100 years
Formation	(not depreciated)
Culverts	70 years
Footpaths	20 - 75 years
Surface Water Channels	75 years
Signs	12 years
Street Lights	15 - 25 years
Bridges	25 - 80 years
Retaining Structures	80 years
Traffic Signals	15 years
Parking Meters	15 years
Railings	10 - 15 years
Safety Projects	10 - 13 years

WATER RETICULATION

Pipes	30 - 165 years
Valves, Hydrants	25 years
Pump Stations	15 - 100 years
Dams	400 years
Structures	16 - 200 years
Sewerage Reticulation	
Pipes	60 - 100 years
Pump Station	15 - 100 years
Manholes	100 years
Treatment Plant	15 - 50 years
Laterals	100 years

STORMWATER SYSTEMS

Pipes	62 - 100 years
In-drain Structures	25 - 100 years
Flood Control Systems	25 - 100 years
Solid Waste	4 - 25 years

OPERATIONAL ASSETS

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

Assets under construction are 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.

DERECOGNITION

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to accumulated comprehensive revenue and expense.

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 surplus/deficit. 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 through other comprehensive income, and any balance recognised in surplus/deficit.

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 retirement 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 27A: Asset Revaluation Reserve on page 166](#).

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 2025.

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.

Standards issued and not yet effective, and not early adopted

FINANCIAL INSTRUMENTS

PBE IFRS 9 and PBE IPSAS 41 have been issued to update the requirements in IPSAS for recognition and measurement of financial instruments and substantially aligns those requirements with the more recent requirements in IFRS 9 Financial Instruments.

This Standard, when applied, supersedes parts of PBE IPSAS 29 Financial Instruments: Recognition and Measurement and supersedes PBE IFRS 9 Financial Instruments. The new standards are effective for annual periods beginning on or after 1 January 2022. The main changes are:

- Introduces a classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- Applies a forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Introduces a hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

The Council plans to apply this standard in the preparing its 30 June 2023 financial statements. The Council and has not yet assessed the effects of the new standards.

INCOME TAXES

The XRB have issued an amendment to PBE IAS 12 Income taxes. The amendment clarifies recognition and measurement requirements where there is uncertainty over income tax treatments. The Council plans to apply the amendment to this standard in preparing its 30 June 2021 financial statements. The Council and Group have not yet assessed the effects of the amendment to this standard.

Note 1B: The effects of COVID-19 on the Council

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. The country was in lockdown at Alert Level 4 from 26 March to 27 April, and then remained in lockdown at Alert Level 3 until 13 May.

During this period, the Council closed certain facilities. Most staff moved to a “work from home” model, while staff involved in providing essential services continued.

After 13 May, the Council has operated during Level 2 and Level 1.

The main impacts on the Council’s financial statements due to COVID-19 are explained below:

- A reduction in capital and operating expenditure as some work programmes were put on hold during lock-down.
- There will likely be a higher level of collectability issues for rates and some other revenue streams as a result of some sections of the community being under increased financial pressure.
- Additional costs of \$1.2m relating to Civil Defence Emergency Management, mostly arising from welfare packages that was distributed within the community. The majority of these costs are reimbursed by National Emergency Management Agency.
- Parking activity had reduced revenue of \$430k when compared to the same April to June period last year. Council reduced parking meter fees from \$2 to \$1 and made parking free from 3pm to 5pm weekdays.

The effect on our operations is reflected in these financial statements, based on the information available to the date these financial statements are signed. At this time, it is difficult to determine the full on going effect of COVID-19 and therefore some material uncertainties remain. There could also be other matters that affect the Council in future, of which we are not yet aware. To the extent possible we have considered the likely impact of COVID-19 on areas such as our provisioning for doubtful debts To date there has not been a significant impact on Council’s financial performance or position.



Note 2: Summary Cost of Services by Activity for the year ended 30 June 2020

COUNCIL 2018/2019 ACTUAL \$000s		COUNCIL 2019/2020 AP \$000s	COUNCIL 2019/2020 ACTUAL \$000s
REVENUE FROM EXCHANGE TRANSACTIONS			
1,104	Building Services	1,028	1,183
2,154	Commercial Operations	1,562	981
329	Cultural Activities	436	294
113	Customer Engagement	125	125
52	Emergency Management	72	1,016
1,694	Enforcement	1,642	2,083
362	Environmental Health	453	473
10	Governance	15	27
867	Recreation and Amenity	975	1,225
628	Resource Consents	558	706
283	Rivers, Land and Coastal	277	288
689	Science	1,049	516
195	Solid Waste	220	197
(53)	Stormwater	0	(25)
	Strategic Planning and Performance	0	8
947	Support Services	2,299	1,726
78	GDC Journeys	46	53
176	Wastewater	365	487
3,266	Water Supply	2,992	3,517
12,897	Total Revenue From Exchange Transactions	14,117	14,880
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
168	Cultural Activities	0	59
0	Customer Engagement	0	21
997	Enforcement	970	921
0	Governance	61	64
5	Recreation and Amenity	0	806
0	Resource Consents	150	0
100	Rivers, Land and Coastal	0	225
318	Science	425	672
	Strategic Planning and Performance	55	36
(379)	Support Services	1,000	926
23,872	GDC Journeys	22,046	26,708
0	Wastewater	0	0
7	Water Supply	0	5
25,286	Total Revenue From Non- Exchange Transactions	24,708	30,444

COUNCIL 2018/2019 ACTUAL \$000s		COUNCIL 2019/2020 AP \$000s	COUNCIL 2019/2020 ACTUAL \$000s
EXPENSES			
1,807	Building Services	1,752	1,794
1,759	Commercial Operations	1,810	1,884
4,436	Cultural Activities	4,722	4,450
(109)	Customer Engagement	125	125
782	Emergency Management	703	1,906
3,128	Enforcement	2,953	3,926
2,114	Environmental Health	2,219	1,766
2,543	Governance	2,725	2,664
8,813	Recreation and Amenity	9,134	10,132
1,916	Resource Consents	1,780	2,507
2,783	Rivers, Land and Coastal	3,345	3,075
5,021	Science	5,618	5,171
4,549	Solid Waste	4,207	4,329
2,527	Stormwater	2,988	2,990
	Strategic Planning and Performance	4,548	3,795
1,022	Support Services	1,828	2,802
43,439	GDC Journeys	41,665	46,567
7,745	Wastewater	7,898	8,040
5,915	Water Supply	6,463	6,759
104,039	TOTAL EXPENSES	106,481	114,681
65,857	Net Cost of service	67,657	69,356

Expenses include internal charges, this is why the COS expense amounts differ with each activity the total will be the same.

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 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
60,698	60,420	Gross Rates Revenue	62,754	63,297	63,101
Gross Rates Revenue Consists of :					
4,193	3,915	General Rates	4,777	4,781	4,585
15,052	15,052	Uniform Annual General Charge	15,441	15,482	15,482
38,243	38,243	Targeted Rates	39,624	39,647	39,647
3,210	3,210	Metered Water Rates	2,912	3,387	3,387
60,698	60,420	Gross Rates Revenue	62,754	63,297	63,101
632	632	Less Remissions ¹	587	639	639
60,066	59,788	NET RATES REVENUE	62,167	62,658	62,462

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.

For the year ended 30 June 2020 and 2019, the annual rates income of the Council for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is the same as the total rates amount shown above in line with Deed 16.9(c).

Rating Base Information as at 30 June 2019

	2019/20	RATING UNITS	TOTAL CAPITAL VALUE \$000s	TOTAL LAND VALUE \$000s
Rateable Units		22,221	10,433,670	6,011,948
Non Rateable Units		1,283	634,272	229,791

Note 4: Revenue from Grants and Subsidies

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
REVENUE FROM GRANTS AND SUBSIDIES					
		Central Government Grants	116	22,187	22,466
11,720	11,720				
32,355	32,355	NZTA Rooding Subsidies	46,100	32,201	32,201
5,773	5,773	Other Grants and Subsidies	5,127	1,966	1,966
49,849	49,849	TOTAL REVENUE FROM GRANTS AND SUBSIDIES	51,344	56,355	56,634

Revenue relating to capital work from grants and subsidies (and hence operating income) for Council total \$27,533,776 (2019: \$25,011,895).

Expenditure relating to these projects will be recognised (primarily as depreciation) over the life of the assets. Council received capital grants from various providers, Such as Trust Tairāwhiti, National Emergency Management Agency, Energy Efficiency and Conservation Authority, Ministry of Business Innovation and Employment, War Memorial Theatre Trust Gisborne, NZ Lottery Board, Ministry for Primary Industries and Land Information New Zealand during the year. Our main contributors were the NZ Transport Agency \$12,096,990 (2019: \$9,199,095) and the Provincial Growth Fund \$14,346,605 (2019: \$10,722,339) for recognised capital grants during the year for roading related work.

Some of the grants received but not fully spent during the period have therefore been recognised only to the extent that conditions have been fulfilled.

There are no other contingencies attached to grants received. Cash flows from grants and subsidies (and hence operating cash inflows) for Council with respect to these capital grants see the associated cash outflows recognised as investing activities.

Note 5: Revenue from Operating Activities

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
REVENUE FROM OPERATING ACTIVITIES					
		Development Contributions			
899	899		699	814	814
		Capital Contributions			
79	79		0	13	13
1,011	1,011	Rates Penalties	1,000	931	931
9,222	23,267	Activity Revenue	9,833	10,871	20,504
84	84	Interest	0	47	47
488	88	Dividends	1,800	1,205	5
373	373	Petroleum Tax	350	341	341
TOTAL REVENUE FROM OPERATING ACTIVITIES					
12,157	25,802		13,682	14,223	22,655

Note 6: Revenue from Other Gains

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
REVENUE FROM OTHER GAINS (LOSSES)					
		Gain/(Loss) on Changes in Fair Value of Forestry Assets			
613	(3,525)		0	(488)	(2,755)
		Gain/(Loss) on Changes in Fair Value of Livestock			
0	(118)		0	0	(1,440)
		Gain/(Loss) on Disposal of Property, Plant and Equipment			
(193)	(255)		12	(202)	(202)
		Gain/(Loss) on Disposal of Intangible Assets			
(141)	(141)		0	0	0
		Net Emission Trading income			
111	1,819		0	(0)	(73)
		Gain/(Loss) on Changes in Fair Value of Non-Current Receivables/ Investment			
8	8		0	410	410
TOTAL REVENUE FROM OTHER GAINS (LOSSES)					
397	(2,213)		12	(280)	(4,060)

Note 7: Employee Benefit Expense

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
EMPLOYEE BENEFIT EXPENSE					
20,805	23,911	Salary and Wages	23,660	22,736	25,810
		Defined Contribution Plans Expense	609	610	694
		Increase / (Decrease) in Leave Liabilities	36	492	543
		Less Recharged to Other Expense Categories ¹	(1,906)	(1,519)	(1,519)
(1,163)	(1,163)				
TOTAL EMPLOYEE BENEFIT EXPENSE					
20,152	23,327		22,400	22,319	25,528

Note: Wages and salaries can be recharged to other expense categories and capitalised project costs.

Note 8: Depreciation and Amortisation Expense

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
DEPRECIATION AND AMORTISATION EXPENSE					
620	1,488	Commercial Operations	636	639	1,739
796	796	Cultural Activities	1,167	918	918
1	1	Customer Engagement	1	1	1
32	32	Emergency Management	27	16	16
6	6	Enforcement	7	10	10
2	2	Governance	2	2	2
806	806	Recreation and Amenity	909	1,072	1,072
139	139	Rivers, Land and Coastal	175	149	149
78	78	Science	117	105	105
349	349	Solid Waste	333	351	351
922	922	Stormwater	941	1,016	1,016
1,813	1,813	Support Services	1,504	1,856	1,856
11,648	11,648	GDC Journeys	11,986	11,657	11,657
2,144	2,144	Wastewater	2,072	2,224	2,224
2,288	2,288	Water Supply	2,236	2,478	2,478
21,642	22,509	TOTAL DEPRECIATION AND AMORTISATION EXPENSE	22,112	22,492	23,592
20,496	21,362	Total Depreciation	22,112	(21,193)	(22,292)
1,146	1,146	Total Amortisation	0	(1,299)	(1,299)
21,642	22,509		22,112	(22,492)	(23,592)

Note 9: Expenditure on Operating Activities

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
OPERATING EXPENDITURE					
2,051	2,383	Administration Expenses	2,276	2,229	2,513
181	230	Audit Fees Financial Reporting (incl. Trustee reporting)	212	190	247
0	0	Audit Fees Long Term Plan	0	0	0
2	2	Audit of Registry	0	3	3
2,566	2,790	Consultants and Professional Services	1,681	2,162	2,227
687	687	Elected Members and Director's Fees	717	752	946
180	221	Indirect Employment Costs	173	220	247
1,069	1,069	Grants and Donations	1,057	927	931
943	1,114	Insurance Costs	920	999	1,216
1,928	150	Rental and Operating Leases	1,879	1,965	151
11,682	12,737	Repairs and Maintenance	12,053	12,652	13,233
887	887	Bad Debts Written Off-Rates	696	1,046	1,046
320	320	Bad Debts Written Off-Other	100	454	458
136	136	IRD Compliance Costs	151	132	132
1,825	1,871	Litter bins and City Cleaning	1,985	1,874	1,925
14,203	14,203	Emergency Works	11,511	13,851	13,851
21,346	27,278	Other Operating Expenditure ¹	22,654	27,032	29,402
60,008	66,080	TOTAL OPERATING EXPENDITURE	58,064	66,488	68,527

¹ Other operating expenses include such items as: electricity, operational contracts, treatment plants, pump stations, internal interest, vegetation planting contracts, facilities contracts and cleaning contracts.

Note 10: Finance Costs

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s	COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
FINANCE COSTS				
1,173	1,173			
		1,605	1,054	1,054
968	1,512	2,241	952	1,482
58	58	60	58	58
1,382	1,382	0	1,270	1,270
39	39	0	47	47
3,619	4,163	3,906	3,381	3,911

Losses on derivatives (interest rate swaps) were categorised in the 2019 annual report as revenue from operating activities. For comparability reasons this balance has been reclassified to 'Finance costs'. The impact of the reclassification this is an increase of \$1.4m to 2019 revenue from operating activities and a corresponding increase of \$1.4m to the 2019 finance costs. There is no impact on the reported net surplus, or material change to previously reported benchmarks.

Deferred Tax Asset/(Liability) - Group

	PROPERTY, PLANT AND EQUIPMENT \$000s	BIOLOGICAL ASSETS \$000s	EMPLOYEE ENTITLEMENTS AND OTHER \$000s	TAX LOSS RECOGNISED \$000s	NZ EMISSION UNITS \$000s	TOTAL \$000s
Balance as at 30 June 2018	(672)	(5,065)	42	26	(175)	(5,844)
Charged to surplus or deficit	(285)	1,255	4	(8)	(487)	480
Charged to Equity	0	0	0	0	0	0
Balance as at 30 June 2019	(957)	(3,810)	46	19	(662)	(5,364)
Charged to surplus or deficit	731	466	26	(9)	20	1,234
Charged to Equity	40	0	0	0	0	40
Balance as at 30 June 2020	(186)	(3,344)	72	9	(642)	(4,090)

Deferred tax has been calculated at 28%. Council (the Parent) has recognised a deferred tax asset of \$9k (2019: 19k) in relation to unused tax losses of \$34 (2019: 68k). 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 11: Income Tax

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
17,680	17,778	Surplus Before Tax	21,310	18,914	16,771
		Subvention			
600	0	Payment	0	550	0
5,118	4,978	Tax @ 28%	5,967	5,450	4,696
Plus/(Less) Tax Effect of:					
		Net Non Taxable			
		and Non			
5,118	(4,691)	Deductible Items	(5,967)	(5,450)	(5,118)
		Imputation			
		credits Utilised	0		0
0	0	Deferred Tax			
		Adjustment	0	0	0
0	287	TAX EXPENSE	0	0	(422)
Made up of -					
		Current Tax			
0	767	Expense	0	0	818
		Deferred Tax			
0	(480)	Expense	0	0	(1,240)
0	287		0	0	(422)

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.

Below we have included tables to reflect financial assets that are past due as at the end of the reporting period but not impaired. Rooding subsidies, debtor control, GST receivable and GHIL current account are not included as not past due.

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 2020 and 2019, all overdue receivables had been assessed for impairment and appropriate provisions applied where necessary. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

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

Note 14A: Impairment

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
5,531	5,531	Beginning Balance	5,851	5,851
320	320	Charge for Year	444	444
5,851	5,851	ENDING BALANCE	6,295	6,295

The status of Receivables as at 30 June 2020 and 2019 are detailed below:

Note 14B: Receivables

COUNCIL 2019			COUNCIL 2020		
GROSS \$000s	IMPAIRED \$000s	NET \$000s	GROSS \$000s	IMPAIRED \$000s	NET \$000s
SUNDRY INVOICE RECEIVABLES					
1,549	0	1,549	1,743	0	1,743
475	0	475	0	0	0
18	0	18	5	0	5
98	0	98	1,193	23	1,170
2,140	0	2,140	2,941	23	2,918
GROUP 2019			GROUP 2020		
GROSS \$000s	IMPAIRED \$000s	NET \$000s	GROSS \$000s	IMPAIRED \$000s	NET \$000s
SUNDRY INVOICE RECEIVABLES					
2,380	0	2,380	2,604	0	2,604
477	0	477	4	0	4
19	0	19	5	0	5
101	0	101	1,195	23	1,172
2,977	0	2,977	3,808	23	3,785

Note 14C: Rates Receivable

COUNCIL 2019			COUNCIL 2020		
NO. OF PROPERTIES	OUTSTANDING \$000s		NO. OF PROPERTIES	OUTSTANDING \$000s	
GENERAL LAND RATES					
904	1,373	Current <12 mths	1,088	1,618	
116	419	Past due 1-2 yr	92	426	
44	243	Past due 2-3 yr	54	244	
100	381	Past due >3 yr	95	405	
1,164	2,416	TOTAL OUTSTANDING	1,329	2,693	
MĀORI LAND RATES					
212	1,384	Current <12 mths	189	1,346	
66	1,122	Past due 1-2 yr	88	1,238	
58	1,000	Past due 2-3 yr	54	1,029	
480	2,330	Past due >3 yr	485	2,441	
816	5,837	TOTAL OUTSTANDING	816	6,054	
METERED WATER SUPPLY					
743	436	Current	685	441	
0	0	Past due 1 mth	1	5	
19	3	Past due 2 mths	22	9	
0	1	Past due 3 mths	15	12	
762	440	TOTAL OUTSTANDING	723	467	

Note 15: Inventories

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
INVENTORIES					
2	2	Te Puia/Bushmere Road	2	2	2
15	15	Olympic Pool	15	20	20
20	20	Drainage	13	17	17
24	24	Soil Conservation	48	62	62
0	15	Waikanae Holiday Park	0	0	6
0	12	Gisborne Vehicle Testing	0	0	10
0	168	Farming	0	0	113
61	256	TOTAL INVENTORIES	78	101	231

No inventories have been pledged as security for liabilities.

Note 16: Investments

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
0	0	Term Deposits <12 mths	0	0	0
ORDINARY SHARES					
32,455	0	Gisborne Holdings Ltd	32,038	32,455	0
160	160	Civic Financial Services Ltd	160	92	92
9	9	BoPLASS Ltd	9	9	9
0	464	Share held in unlisted Company	0	0	497
100	100	LGFA Shares	100	100	100
682	682	LGFA Notes	586	939	939
0	2	Top 10 Shares	0	0	2
33,406	1,417	TOTAL INVESTMENTS	32,893	33,595	1,639
Investments Classified as:					
0	0	Current Investments	0	0	0
33,406	1,417	Non-Current Investments	32,893	33,595	1,639
33,406	1,417		32,894	33,595	1,639

Civic Financial Serviced Ltd

The carrying amount of this investment is recorded at fair value. Movements in fair value are recognised in other comprehensive income.

All the other investments are classified as available for sale.

Group Information

The financial statements of the Group includes Gisborne Holdings Limited ("GHL"). GHL is a controlled entity and the Council has 100% equity interest in GHL. The carrying value of the Council's investment in GHL is \$32,455,000 (2019: \$32,455,000). The reporting date of the Council and GHL is 30 June.

Note 17: Derivatives

The Group has interest rate swap contracts with a fair value liability of \$5,247,924 (2019: \$3,978,238). These swaps are exposed to fair value movements as interest rates change.

The weighted average effective interest rate of the interest rate swaps was 3.83% (2019: 4.47%). 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 surplus or deficit.

For further information on the interest rate swaps, please refer to [Note 29: Financial Instruments on page 168](#).

Note 18: Assets Held for Sale

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
112	112	Land	50	112	112
572	572	Buildings	0	453	453
684	684	TOTAL NON CURRENT ASSETS HELD FOR SALE	50	565	565

The building at 175 Palmerston Road (Gisborne Community Early Education Centre) was sold to the current occupants for a nominal consideration. Surplus staff housing at 3060 Tiniroto Road, 10 Mutuera Road and 416 Te Wera Road continue to be prepared for sale with auctions planned for October 2020. Sales costs of \$4.9k have been incurred during the year.

Note 19: Deposits Held

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
79	79	General and Other Deposits	43	19	19
16	16	Resource Consent Bonds	70	40	40
322	322	Footpath Deposits	305	358	358
13	13	Gisborne Rural Volunteer Fire	13	13	13
430	430	TOTAL DEPOSITS HELD	432	431	431

Note 20: Trade and Other Payables

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
678	828	Income in Advance	1,318	1,659	1,808
1,558	1,558	Rates in Advance	1,983	1,627	1,627
72	72	Gisborne District Council Disaster Relief Fund	71	73	73
843	843	Contract Retentions	371	999	999
0	0	Accruals - Loan Interest	0	0	24
107	107	Accruals - Audit Fees	138	153	199
10,240	10,535	Accruals - Other	1,121	2,734	2,734
10,337	11,457	Trade and other Payables	15,172	23,442	24,552
23,835	25,400	TOTAL TRADE AND OTHER PAYABLES	20,173	30,686	32,016

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

Note 21: Employee Benefit Liabilities

	ACCRUED WAGES & SALARIES \$000s	ANNUAL LEAVE \$000s	LONG SERVICE LEAVE \$000s	RETIREMENT LEAVE \$000s	SICK LEAVE \$000s	TOTAL \$000s
GROUP 2019						
Balance at 1 July 2018	372	1,460	40	292	68	2,232
Additional leave accrued	405	2,027	5	39	12	2,488
Amounts Paid	(372)	(1,928)	(16)	(53)	0	(2,369)
Balance at 30 June 2019	405	1,559	29	278	80	2,351
GROUP 2020						
Balance at 1 July 2019	405	1,559	29	278	80	2,351
Additional leave accrued	690	2,117	1	26	35	2,869
Amounts Paid	(405)	(1,615)	(5)	0	0	(2,025)
Balance at 30 June 2020	690	2,061	25	304	115	3,195
Current Portion	690	2,056	20	132	74	2,972
Non Current Portion	0	5	5	172	41	223
TOTAL PROVISIONS	690	2,061	25	304	115	3,195
COUNCIL 2019						
Balance at 1 July 2018	372	1,373	40	292	68	2,145
Additional leave accrued	405	1,793	5	39	12	2,254
Amounts Paid	(372)	(1,841)	(16)	(53)	0	(2,282)
Balance at 30 June 2019	405	1,325	29	278	80	2,117
COUNCIL 2020						
Balance at 1 July 2019	405	1,325	29	278	80	2,117
Additional leave accrued	643	2,086	1	26	4	2,760
Amounts Paid	(405)	(1,615)	(5)	0	0	(2,025)
Balance at 30 June 2020	643	1,796	25	304	84	2,852
Current Portion	643	1,796	20	133	84	2,676
Non Current Portion	0	0	5	171	0	176
TOTAL PROVISIONS	643	1,796	25	304	84	2,852

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 0.41% (2019: 1.27%) and assumed salary inflation of 1.9% (2019: 1.9%). (Treasury discount rates: 1 year 0.23%, 2 years -, 5 years 0.41%).

Note 22: Borrowings

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
9,680	29,374	Bank Loans	780	0	571
6,000	6,000	Commercial Paper	6,000	0	0
0	0	Debenture	5,000	5,000	5,000
15,680	35,374	Total Current	11,780	5,000	5,571
0	0	Bank Loans	28,947	(0)	15,900
42,600	42,600	Debenture and FRN Debt Securities	32,100	53,600	53,600
42,600	42,600	Total Non Current	61,047	53,600	69,500
58,280	77,974	TOTAL BORROWINGS	72,827	58,600	75,071

Note 22A: Fair Value

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

Debenture and Floating Rate Note (FRN) Debt Securities

Council has issued \$58.6m (2019: \$42.6m) of debentures and floating rate notes with maturities from May 2021 to April 2029. Interest is paid quarterly in arrears. The interest rate range as at 30 June 2020 varies from 1.01% to 1.99% (2019: 2.43% to 2.71%) and are subject to quarterly reset dates.

Bank Facilities

Council has \$25m (2019: \$25m) worth of committed funding facilities available. At reporting date the drawn down under these facilities was nil (2019: \$9.7m, with an interest rate of 2.55%). Interest is payable at wholesale market rates.

GHL has a working capital facility with a limit of \$3.5m together with a \$12.5m short term advance facility in place with ANZ Bank New Zealand Limited. The facilities are secured by way of a general security agreement. The balance at 30 June 2020 was \$0.6m (2019: \$19.7m).

Commercial Paper

The Council do not have any commercial papers held on 30 June 2020. The Council had \$6m as at 30 June 2019 at rate of 1.91%.

Security

Council borrowings are secured by way of a Debenture Trust Deed over Council rates revenue. GHL loans are secured by way of general security agreement.

Note 23: Provision for Other Liabilities

	PAOKAHU LANDFILL AFTERCARE \$000s	WAIAPU LANDFILL AFTERCARE \$000s	OTHER PROVISIONS \$000s	TOTAL \$000s
COUNCIL AND GROUP 2019				
Balance at 1 July 2019	1,398	912	5,923	8,233
Additional Provisions Made/(Reversed)	191	249	0	440
Amounts Used	(93)	0	(5,702)	(5,795)
Discount unwind	23	16	0	39
Balance at 30 June 2019	1,519	1,177	221	2,917
COUNCIL AND GROUP 2020				
Balance at 1 July 2019	1,519	1,177	221	2,917
Additional Provisions Made/(Reversed)	104	43		147
Amounts Used	(52)	0	(61)	(113)
Discount unwind	16	21	0	36
Balance at 30 June 2020	1,587	1,241	160	2,987
Current Portion	94	0	0	94
Non Current Portion	1,493	1,241	160	2,894
TOTAL PROVISIONS	1,587	1,241	160	2,987

Landfill closure and aftercare liability

The long-term nature of these liabilities means that there are inherent uncertainties in estimating costs to be incurred. To provide for the estimated costs a charge is made each year against each landfill.

Council has a legal obligation under its resource consent to provide ongoing maintenance and monitoring services at the Paokahu and Waipu landfills after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. Each separate landfill provision includes all costs associated with landfill post-closure.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to 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 2020 provision:

- Future cash flows were indexed 1.50% each year before a discount rate of 1.06% was applied.

In 2019, a discount rate of 1.76% was applied, with future costs indexed each year at 1.72%.

Waipu Landfill

The current landfill cells are expected to close on 30 June 2025 with aftercare costs expected to occur six months after. The future costs have been estimated to be incurred for 30 years, until 2055.

The following major assumptions have been made in calculating the 2020 provision:

- Future cash flows were indexed 1.50% each year before a discount rate of 1.17% was applied.

In 2019, a discount rate of 1.77% was applied, with future costs indexed each year at 1.76%.

Other Provisions

The other provision to capture is the Risk Pool liability, this is the future expenditure of an uncertain amount or the timing, where the Group has a present obligation and a reasonable estimate can be made of the amount of the obligation.

Risk Pool Liability: Please refer to [Note 32: Contingent Liabilities on page 174](#).

Note 24: Property Plant and Equipment

COUNCIL 2020	COST/REVALUATION 1 JULY 2019 \$000s	ACCUMULATED DEPRECIATION AND IMPAIRMENT 1 JULY 2019 \$000s	CARRYING AMOUNT 1 JULY 2019 \$000s	CURRENT YEAR TRANSFERS \$000s	CURRENT YEAR ADDITIONS \$000s	CURRENT YEAR DISPOSALS & OTHER MOVEMENTS \$000s	REVALUATION CURRENT YEAR \$000s	REVALUATION (ACCUMULATED DEPRECIATION REVERSED) \$000s	CURRENT YEAR DEPRECIATION \$000s	RECOVERED DEPRECIATION \$000s	OTHER ADJUSTMENTS \$000s	COST/REVALUATION 30 JUNE 2020 \$000s	ACCUMULATED DEPRECIATION \$000s	CARRYING AMOUNT 30 JUNE 2020 \$000s
OPERATIONAL ASSETS														
Land	139,954	–	139,954	4	191	–	76,293	–	–	–	–	216,443	–	216,443
Buildings/Land Improvements	76,534	(11,800)	64,734	4,456	1,474	(6)	5,881	7,948	(2,238)	103	(645)	87,693	(5,986)	81,707
Plant /Motor Vehicles	7,025	(3,864)	3,161	677	800	(239)	–	–	(593)	175	–	8,263	(4,282)	3,980
Office Equipment	7,491	(4,818)	2,672	(742)	326	–	–	–	(133)	–	–	7,075	(4,951)	2,124
Other Equipment	3,786	(2,352)	1,435	–	562	(77)	–	–	(394)	77	–	4,271	(2,669)	1,602
Wharves	3,424	(667)	2,758	–	–	–	–	–	(68)	–	–	3,424	(735)	2,689
Library Books - General	1,653	(1,213)	439	–	124	(89)	–	–	(128)	58	–	1,688	(1,283)	405
Library Books - Permanent	336	(6)	330	–	–	–	–	–	–	–	–	336	(6)	330
Assets Under Construction	5,633	–	5,633	(4,393)	1,487	(182)	–	–	–	–	–	2,544	–	2,544
Total Operational Assets	245,836	(24,719)	221,116	2	4,964	(593)	82,174	7,948	(3,554)	413	(645)	331,738	(19,913)	311,825
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	61,741	(2,534)	59,207	499	501	(23)	(3,868)	2,529	(1,252)	2	–	58,849	(1,255)	57,594
Sewer and Wastewater Treatment Plant & Facilities	35,172	(1,712)	33,460	38	341	–	(614)	1,712	(953)	–	–	34,937	(953)	33,984
Stormwater	55,202	(1,816)	53,386	686	1,494	(26)	2,531	1,813	(1,016)	1	–	59,887	(1,018)	58,869
Water Supply Reticulation Systems	43,726	(2,187)	41,539	122	1,044	(19)	3,475	2,185	(1,276)	1	–	48,349	(1,277)	47,072
Water Supply Treatment Plant & Facilities	60,799	(2,257)	58,542	3	802	–	(1,270)	2,257	(1,160)	–	–	60,334	(1,160)	59,174
Solid Waste	3,001	(603)	2,398	–	18	(9)	(360)	603	(296)	2	–	2,651	(294)	2,356
Flood Control	63,355	(252)	63,103	289	2,317	(8)	2,918	252	(141)	0	–	68,872	(141)	68,731
Waiapu Aftercare Provision Deferred Expense Asset	575	(256)	319	–	–	–	–	–	(54)	–	–	575	(310)	265
Roading	1,585,844	–	1,585,844	1,542	27,791	–	22,156	11,491	(11,491)	–	–	1,637,333	–	1,637,333
Assets under Construction	5,672	–	5,672	(3,182)	7,101	–	–	–	–	–	–	9,591	–	9,591
Total Infrastructural Assets	1,915,087	(11,618)	1,903,468	(2)	41,409	(85)	24,967	22,843	(17,639)	6	0	1,981,377	(6,408)	1,974,969
TOTAL PROPERTY PLANT AND EQUIPMENT	2,160,922	(36,338)	2,124,583	0	46,373	(678)	107,141	30,792	(21,193)	419	(645)	2,313,114	(26,321)	2,286,794

The Council and Group have adjusted the comparative year note disclosure for Property, Plant and Equipment for the year ended 30 June 2019. The adjustment is a reclassification between Cost/ Revaluation and Accumulated Depreciation for infrastructural and operational assets due to a recalculation of the balances. The reclassification does not have an impact on the Carrying Amount of Property, Plant and Equipment at 30 June 2019, therefore no impact on the reported balances in the Statement of Financial Position at 30 June 2019 or the Statement of Comprehensive Revenue and Expenses for the year then ended.

COUNCIL 2019

	COST/REVALUATION 1 JULY 2019 \$000s	ACCUMULATED DEPRECIATION AND IMPAIRMENT 1 JULY 2019 \$000s	CARRYING AMOUNT 1 JULY 2019 \$000s	CURRENT YEAR TRANSFERS \$000s	CURRENT YEAR ADDITIONS \$000s	CURRENT YEAR DISPOSALS & OTHER MOVEMENTS \$000s	REVALUATION CURRENT YEAR \$000s	CURRENT YEAR DEPRECIATION \$000s	RECOVERED DEPRECIATION \$000s	IMPAIRMENTS \$000s	OTHER ADJUSTMENTS \$000s	COST/REVALUATION 30 JUNE 2020 \$000s	ACCUMULATED DEPRECIATION \$000s	CARRYING AMOUNT 30 JUNE 2020 \$000s
OPERATIONAL ASSETS														
Land	140,134	-	140,134	(283)	104	-	-	-	-	-	-	139,954	-	139,954
Buildings / Land Improvements	73,008	(9,843)	63,165	1,830	1,694	(10)	-	(2,009)	52	-	11	76,534	(11,800)	64,734
Plant / Motor Vehicles	6,420	(3,653)	2,767	-	887	(282)	-	(484)	274	-	-	7,025	(3,864)	3,161
Office Equipment	6,916	(4,663)	2,253	434	142	-	-	(155)	-	-	-	7,491	(4,818)	2,672
Other Equipment	3,551	(2,077)	1,475	-	385	(150)	-	(425)	150	-	-	3,786	(2,352)	1,435
Wharves	3,424	(598)	2,826	-	-	-	-	(68)	-	-	-	3,424	(667)	2,758
Library books - General	1,592	(1,212)	379	-	156	(94)	-	(81)	80	-	-	1,653	(1,213)	439
Library books - Permanent	336	(6)	330	-	-	-	-	-	-	-	-	336	(6)	330
Assets Under Construction	10,482	-	10,482	(7,687)	8,831	(322)	-	-	-	-	-	11,303	-	11,303
Total Operational Assets	245,863	(22,052)	223,811	(5,706)	12,198	(859)	0	(3,224)	556	0	11	251,506	(24,719)	226,787
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	58,170	(1,264)	56,906	417	1,579	(91)	1,666	(1,278)	8	-	-	61,741	(2,534)	59,207
Sewer and Wastewater Treatment Plant & Facilities	33,969	(865)	33,104	90	249	-	865	(847)	-	-	-	35,172	(1,712)	33,460
Stormwater	51,948	(895)	51,053	901	729	(34)	1,785	(922)	1	-	(127)	55,202	(1,816)	53,386
Water Supply Reticulation Systems	41,195	(1,078)	40,117	746	512	(6)	1,280	(1,111)	2	-	-	43,726	(2,187)	41,539
Water Supply Treatment Plant & Facilities	59,059	(1,114)	57,945	59	801	-	881	(1,143)	-	-	-	60,799	(2,257)	58,542
Solid Waste	3,060	(312)	2,748	-	64	(20)	(103)	(295)	3	-	-	3,001	(603)	2,398
Flood Control	60,814	(120)	60,694	815	1,246	-	480	(132)	0	-	-	63,355	(252)	63,103
Waiapu Aftercare Provision Deferred Expense Asset	575	(202)	373	-	-	-	-	(54)	-	-	-	575	(256)	319
Roading	1,517,715	-	1,517,715	1,684	24,274	-	53,681	(11,491)	-	-	(20)	1,585,844	-	1,585,844
Assets under Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Infrastructural Assets	1,826,504	(5,850)	1,820,655	4,711	29,454	(151)	60,535	(17,272)	13	0	(147)	1,909,415	(11,618)	1,897,797
TOTAL PROPERTY PLANT AND EQUIPMENT	2,072,366	(27,902)	2,044,466	(995)	41,652	(1,010)	60,535	(20,496)	570	0	(136)	2,160,921	(36,338)	2,124,583

GROUP 2020

	COST/REVALUATION 1 JULY 2019 \$000s	ACCUMULATED DEPRECIATION AND IMPAIRMENT 1 JULY 2019 \$000s	CARRYING AMOUNT 1 JULY 2019 \$000s	CURRENT YEAR TRANSFERS \$000s	CURRENT YEAR ADDITIONS \$000s	CURRENT YEAR DISPOSALS & OTHER MOVEMENTS \$000s	REVALUATION CURRENT YEAR \$000s	REVALUATION (ACCUMULATED DEPRECIATION REVERSED) \$000s	CURRENT YEAR DEPRECIATION \$000s	RECOVERED DEPRECIATION \$000s	OTHER ADJUSTMENTS \$000s	COST/REVALUATION 30 JUNE 2020 \$000s	ACCUMULATED DEPRECIATION \$000s	CARRYING AMOUNT 30 JUNE 2020 \$000s
OPERATIONAL ASSETS														
Land	194,287	(2,083)	192,204	4	191	-	87,634	-	(181)	-	-	282,117	(2,264)	279,854
Buildings/Land Improvements	106,158	(14,641)	91,516	4,456	1,987	(6)	7,971	7,948	(2,830)	545	(645)	119,920	(8,979)	110,942
Plant /Motor Vehicles	8,190	(4,623)	3,567	677	902	(273)	-	-	(737)	177	-	9,496	(5,183)	4,313
Office Equipment	9,039	(5,436)	3,603	(742)	480	-	-	-	(315)	-	-	8,777	(5,751)	3,026
Other Equipment	3,786	(2,352)	1,435	-	562	(77)	-	-	(394)	77	-	4,271	(2,669)	1,602
Wharves	3,424	(667)	2,758	-	-	-	-	-	(68)	-	-	3,424	(735)	2,689
Library Books - General	1,653	(1,213)	439	-	124	(89)	-	-	(128)	58	-	1,688	(1,283)	405
Library Books - Permanent	336	(6)	330	-	-	-	-	-	-	-	-	336	(6)	330
Assets Under Construction	5,683	-	5,683	(4,393)	1,592	(230)	-	-	-	-	-	2,652	-	2,652
Total Operational Assets	332,556	(31,021)	301,535	2	5,837	(674)	95,605	7,948	(4,654)	856	(645)	432,682	(26,870)	405,812
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	61,741	(2,534)	59,207	499	501	(23)	(3,868)	2,529	(1,252)	2	-	58,849	(1,255)	57,594
Sewer and Wastewater Treatment Plant & Facilities	35,172	(1,712)	33,460	38	341	-	(614)	1,712	(953)	-	-	34,937	(953)	33,984
Stormwater	55,202	(1,816)	53,386	686	1,494	(26)	2,531	1,813	(1,016)	1	-	59,887	(1,018)	58,869
Water Supply Reticulation Systems	43,726	(2,187)	41,539	122	1,044	(19)	3,475	2,185	(1,276)	1	-	48,349	(1,277)	47,072
Water Supply Treatment Plant & Facilities	60,799	(2,257)	58,542	3	802	-	(1,270)	2,257	(1,160)	-	-	60,334	(1,160)	59,174
Solid Waste	3,001	(603)	2,398	-	18	(9)	(360)	603	(296)	2	-	2,651	(294)	2,356
Flood Control	63,355	(252)	63,103	289	2,317	(8)	2,918	252	(141)	0	-	68,872	(141)	68,731
Waiapu Aftercare Provision Deferred Expense Asset	575	(256)	319	-	-	-	-	-	(54)	-	-	575	(310)	265
Roading	1,585,844	-	1,585,844	1,542	27,791	-	22,156	11,491	(11,491)	-	-	1,637,333	-	1,637,333
Assets under Construction	5,672	-	5,672	(3,182)	7,101	-	-	-	-	-	-	9,591	-	9,591
Total Infrastructural Assets	1,915,087	(11,618)	1,903,469	(2)	41,409	(85)	24,967	22,843	(17,639)	6	0	1,981,377	(6,408)	1,974,969
TOTAL PROPERTY PLANT AND EQUIPMENT	2,247,643	(42,639)	2,205,004	0	47,247	(758)	120,571	30,792	(22,292)	862	(645)	2,414,058	(33,278)	2,380,781

GROUP 2019

	COST/REVALUATION 1 JULY 2019 \$000s	ACCUMULATED DEPRECIATION AND IMPAIRMENT 1 JULY 2019 \$000s	CARRYING AMOUNT 1 JULY 2019 \$000s	CURRENT YEAR TRANSFERS \$000s	CURRENT YEAR ADDITIONS \$000s	CURRENT YEAR DISPOSALS & OTHER MOVEMENTS \$000s	REVALUATION CURRENT YEAR \$000s	CURRENT YEAR DEPRECIATION \$000s	RECOVERED DEPRECIATION \$000s	IMPAIRMENTS \$000s	OTHER ADJUSTMENTS \$000s	COST/REVALUATION 30 JUNE 2020 \$000s	ACCUMULATED DEPRECIATION \$000s	CARRYING AMOUNT 30 JUNE 2020 \$000s
OPERATIONAL ASSETS														
Land	190,173	(1,902)	188,271	(283)	4,398	-	-	(181)	-	-	-	194,287	(2,083)	192,204
Buildings/Land Improvements	98,975	(12,257)	86,718	1,830	5,351	(10)	-	(2,437)	52	-	11	106,158	(14,641)	91,516
Plant /Motor Vehicles	7,554	(4,271)	3,283	-	986	(350)	-	(625)	274	-	-	8,190	(4,623)	3,567
Office Equipment	8,175	(5,164)	3,011	434	442	(11)	-	(272)	-	-	-	9,039	(5,436)	3,603
Other Equipment	3,551	(2,077)	1,475	-	385	(150)	-	(425)	150	-	-	3,786	(2,352)	1,435
Wharves	3,424	(598)	2,826	-	-	-	-	(68)	-	-	-	3,424	(667)	2,758
Library Books - General	1,592	(1,212)	379	-	156	(94)	-	(81)	80	-	-	1,653	(1,213)	439
Library Books - Permanent	336	(6)	330	-	-	-	-	-	-	-	-	336	(6)	330
Assets Under Construction	11,314	-	11,314	(8,471)	8,833	(322)	-	-	-	-	-	11,354	-	11,354
Total Operational Assets	325,094	(27,487)	297,607	(6,491)	20,550	(938)	0	(4,090)	556	0	11	338,227	(31,021)	307,206
INFRASTRUCTURE ASSETS														
Sewer and Wastewater Reticulation Systems	58,170	(1,264)	56,906	417	1,579	(91)	1,666	(1,278)	8	-	-	61,741	(2,534)	59,207
Sewer and Wastewater Treatment Plant & Facilities	33,969	(865)	33,104	90	249	-	865	(847)	-	-	-	35,172	(1,712)	33,460
Stormwater	51,948	(895)	51,053	901	729	(34)	1,785	(922)	1	-	(127)	55,202	(1,816)	53,386
Water Supply Reticulation Systems	41,195	(1,078)	40,117	746	512	(6)	1,280	(1,111)	2	-	-	43,726	(2,187)	41,539
Water Supply Treatment Plant & Facilities	59,059	(1,114)	57,945	59	801	-	881	(1,143)	-	-	-	60,799	(2,257)	58,542
Solid Waste	3,060	(312)	2,748	-	64	(20)	(103)	(295)	3	-	-	3,001	(603)	2,398
Flood Control	60,814	(120)	60,694	815	1,246	-	480	(132)	0	-	-	63,355	(252)	63,103
Waiapu Aftercare Provision Deferred Expense Asset	575	(202)	373	-	-	-	-	(54)	-	-	-	575	(256)	319
Roading	1,517,715	-	1,517,715	1,684	24,274	-	53,681	(11,491)	-	-	(20)	1,585,844	-	1,585,844
Assets under Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Infrastructural Assets	1,826,504	(5,850)	1,820,654	4,711	29,454	(151)	60,535	(17,272)	13	0	(147)	1,909,415	(11,618)	1,897,797
TOTAL PROPERTY PLANT AND EQUIPMENT	2,151,597	(33,337)	2,118,261	(1,780)	50,004	(1,089)	60,535	(21,362)	570	0	(136)	2,247,642	(42,639)	2,205,003

Properties held for resale are recorded at net cost as at 30 June 2020. Refer to [Note 18: Assets Held for Sale on page 155](#).

ROADING ASSETS

The roading asset valuation was undertaken at 30 June 2020 by Pauline True, Martin Hunter, and Brian Smith independent valuers of Stantec Limited. The depreciated replacement cost of roading assets as at 30 June 2020 is \$1.6b (2019: \$1.6b).

LAND AND BUILDINGS

Land and buildings were revalued to fair value at 01 July 2019 by Bruce Cowper, Kay Maw, Che Whitaker and Ben Inder independent valuers of Lewis Wright Valuation and Consultancy Limited.

INFRASTRUCTURAL ASSETS

All infrastructural assets, exclusive of roading, were revalued at 01 July 2019 by Fraser Clarke, George Beveridge and John Vessey independent valuers of WSP New Zealand Limited using the depreciated replacement cost method.

Insurance Disclosure

PROPERTY, PLANT AND EQUIPMENT

The total value of assets covered by insurance contracts for these assets is \$253,107,593. 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 varies as per GDC Material Damage site schedule.
2. Material Damage including Fire caused by natural disaster. This covers for fire caused by natural disaster. Council's limit of liability varies as per GDC Material Damage site schedule.
3. Machinery Breakdown Coverage. This covers breakdown of insured plant and machinery. Council's limit of liability is \$1,000,000.

FORESTRY

The total value of assets covered by insurance contracts for forestry is \$781,000. Our insurance cover for this covers loss or damage to trees principally by fire and reinstatement costs. Council's limit of liability is \$781,000.

MOTOR VEHICLES

The total value of our fleet is \$1,724,060. 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. Third party liability is limited to \$20,000,000 across BoPLASS.

WATER, WASTEWATER, STORMWATER, RIVERS AND LAND DRAINAGE

The declared value for infrastructure assets is \$480,428,584. Insurance covers physical loss caused by a natural catastrophe event. Council has a limit of liability of \$250,000,000.

Note 24A: Assets under Construction

	COUNCIL		GROUP	
	2019 \$000s	2020 \$000s	2019 \$000s	2020 \$000s
Building/Land Improvements	1,576	0	1,626	107
Community Property Management	0	292	0	292
Conveniences	1,149	129	1,149	129
Information Management	100	362	100	362
Land	2	(0)	2	(0)
Library	53	(0)	53	(0)
Parks and Open Spaces	1,100	1,669	1,100	1,669
Plant	125	290	125	290
Rivers and Flood Control	370	260	370	260
Roading	510	3,707	510	3,707
Sewer and Wastewater	2,441	3,798	2,441	3,798
Solid Waste	0	92	0	92
Stormwater	734	1,693	734	1,693
Theatres	3,052	0	3,052	0
Water Supply	189	202	189	202
TOTAL ASSETS UNDER CONSTRUCTION	11,401	12,493	11,451	12,600

Note 25: Intangible Assets

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
OTHER INTANGIBLE ASSETS					
8,193	8,193	Balance at 1 July - Cost	7,602	10,381	10,381
1,702	1,702	Balance at 1 July - WIP		98	98
(4,770)	(4,770)	Less Accumulated Amortisation and Impairment	(4,178)	(5,504)	(5,504)
5,125	5,125	Opening Carrying Amount	3,423	4,975	4,975
98	98	Additions to WIP		262	262
2,741	2,741	Additions	0	787	787
(141)	(141)	Disposals	0	0	0
(1,702)	(1,702)	Transfers from WIP	0	0	0
0	0	Change in Fair Value	0	0	0
(1,146)	(1,146)	Less Amortisation Charge	0	(1,298)	(1,298)
4,975	4,975	Closing Carrying Amount	3,423	4,727	4,727
Balance at 30 June					
10,479	10,479	Cost	7,602	11,528	11,528
(5,504)	(5,504)	Less Accumulated Amortisation and Impairment/Change in Fair Value	(4,178)	(6,801)	(6,801)
4,975	4,975	Closing Carrying Amount	3,423	4,727	4,727
EMISSIONS TRADING SCHEME ASSETS					
0	656	Balance at 1 July - Cost	0	1,653	4,849
0	0	Less Impairment	0	0	0
0	656	Opening Carrying Amount	0	1,653	4,849
1,653	4,193	Additions	0	407	407
0	0	Disposals	0	0	0
0	0	Impairment	0	0	0
1,653	4,849	Closing Carrying Amount	0	2,061	5,257
Balance at 30 June					
1,653	4,849	Cost	0	2,061	5,257
0	0	Less Impairment	0	0	0
1,653	4,849	Closing Carrying Amount	0	2,061	5,257
6,628	9,824	TOTAL INTANGIBLES	3,423	6,787	9,983
EMISSIONS TRADING SCHEME LIABILITIES					
0	0	Balance at 1 July - Cost	0	1,542	2,374
1,542	2,374	Additions	0	407	481
0	0	Disposals	0	0	0
0	0	Impairment	0	0	0
1,542	2,374	Closing Carrying Amount	0	1,950	2,855
111	2,475	Net Emissions Trading Scheme Assets	0	111	2,401

At balance date Council recognised \$2,060,593 (2019: 1,653,257) of Emission Trading Scheme carbon units.

Note 26: Biological Assets – Livestock

Biological Assets

Council biological assets consist of forest only (\$3.8m). Group biological assets consist of sheep and cattle (livestock - \$11.1m) and forestry (\$14.3m). The Group farms livestock for the sale of sheep, lambs, cattle and calves. As at 30 June 2020 the Group had 33,625 sheep, 5,524 cattle (2019: 32,980 sheep, 5,478 cattle). During the year the Group sold 30,210 sheep, 2,484 cattle (2019: 24,994 sheep, 2,551 cattle).

Reconciliation of Opening Balance to Closing Balance – 2020

GROUP	SHEEP		CATTLE		TOTAL
	QTY	\$000s	QTY	\$000s	\$000s
Opening Balance as at 1 July 2019	32,980	6,016	5,478	6,505	12,521
Natural Increase	33,974	4,929	2,629	1,837	6,767
Purchases	56	60	47	166	226
Changes in Fair Value	0	(705)	0	(387)	(1,092)
Sales	(30,210)	(4,139)	(2,484)	(2,488)	(6,628)
Death and Killed	(3,175)	(530)	(146)	(183)	(713)
Closing Balance as at 30 June 2020	33,625	5,631	5,524	5,450	11,081

Reconciliation of Opening Balance to Closing Balance – 2019

GROUP	SHEEP		CATTLE		TOTAL
	QTY	\$000s	QTY	\$000s	\$000s
Opening Balance as at 1 July 2018	30,814	5,625	5,467	7,014	12,639
Natural Increase	30,696	4,280	2,661	2,131	6,411
Purchases	49	50	47	210	260
Changes in Fair Value	0	132	0	214	346
Sales	(24,994)	(3,453)	(2,551)	(2,888)	(6,341)
Death and Killed	(3,585)	(618)	(146)	(176)	(794)
Closing Balance as at 30 June 2019	32,980	6,016	5,478	6,505	12,521

Note 26A: Biological Assets – Livestock

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

2018/19			2019/20		
QUANTITY	\$000s		QUANTITY	\$000s	
SHEEP					
24,203	4,701	Mature	25,228	4,459	
8,777	1,315	Immature	8,397	1,172	
32,980	6,016	TOTAL SHEEP	33,625	5,631	
CATTLE					
3,193	4,663	Mature	3,183	3,875	
2,285	1,842	Immature	2,341	1,575	
5,478	6,505	TOTAL CATTLE	5,524	5,450	

Note 26B: Biological Assets – Livestock

2018/19			2019/20			
QTY	AVG PRICE \$	2019 \$000s	QTY	AVG PRICE \$	2020 \$000s	
SHEEP						
24,994	138	3,453	Sales	30,210	137	4,139
Less Cost of Sales						
30,814	183	5,625	Opening Stock	32,980	183	6,016
49	1,020	50	Add Purchases	56	1,071	60
32,980	183	6,016	Less Closing Stock	33,625	167	5,631
			(341) Total Cost of Sales			445
GROSS PROFIT FROM SHEEP						
3,794			3,694			
CATTLE						
2,551	1,132	2,888	Sales	2,484	1,002	2,488
Less Cost of Sales						
5,467	1,283	7,014	Opening Stock	5,478	1,187	6,505
47	4,468	210	Add Purchases	47	3,532	166
5,478	1,187	6,505	Less Closing Stock	5,524	987	5,450
			719 Total Cost of Sales			1,221
GROSS PROFIT FROM CATTLE						
2,169			1,267			

The fair value of livestock is determined by independent valuation as at 30 June 2020. 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.

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 Council and Group have 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.

There is no financial risk management strategy for livestock.

Note 26C: Forestry

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
5,988	22,599	Balance at 1 July	5,988	5,976	18,685
0	236	Increases due to Purchases	0	0	0
		Gains/(Losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	0	(487)	(2,755)
(625)	(625)	Harvest	0	(1,655)	(1,655)
5,976	18,685	BALANCE AT 30 JUNE	5,988	3,833	14,275

Harvesting was undertaken during the year; income received from log sales was \$1.7m (2019: \$0.6m).

Council's forestry holdings have been valued by Andrew Clarke, Consulting Manager, Kenneth Tsang, NZIF Registered Forestry Consultant and Denny Du, Forest Analyst of PF Olsen and Company Limited. A post-tax discount rate of 6% (2019: 6.00%) has been used in discounting the present value of expected cash flows. The valuations are compliant with PBE IPSAS 27.

The valuation of the Pamoā forestry assets as at 30 June 2020 is \$3.3m. (2019: \$5.3m).

The valuation of the Council's forestry assets as at 30 June 2020 is \$0.6m. (2019: \$0.7m).

Tauwharepārae Forests

The fair value of the forest tree crop is determined by independent valuation. Independent forestry valuation as at 30 June 2020 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

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% (2019: 6%) Rate of Inflation - 1% (2019: 1.5%) Rate of Tax - 28% (2019: 28.0%)

During the year was nil forestry development expenditure was capitalised to the forest asset (2019: \$0.2m).

Financial Risk Management Strategies

The Group is exposed to financial risks arising from changes in timber prices. The Group is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore has not taken any measures to manage the risks of a decline in timber prices.

Note 27: Equity

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
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ACCUMULATED SURPLUS (RETAINED EARNINGS)

405,831	413,315	Balance at 1 July	424,428	422,044	428,736
(2,639)	(2,639)	Transfers (to)/from Special Funds	6,547	(2,658)	(2,658)
570	570	Transfers from Asset Revaluation Reserve on Disposal of Property, Plant and Equipment	0	455	455
18,280	17,491	Surplus/(Deficit) for the year	21,311	19,464	17,192
422,042	428,737	Balance at 30 June	452,285	439,305	443,724

SPECIAL FUNDS AND RESERVES

38,478	38,478	Balance at 1 July	36,739	41,117	41,117
2,639	2,639	Transfer (to)/from Retained Earnings	(6,547)	2,658	2,658
41,117	41,117	Balance at 30 June	30,192	43,776	43,775

ASSET REVALUATION RESERVES

1,582,594	1,627,881	Balance at 1 July	1,597,724	1,642,559	1,687,847
60,535	60,535	Revaluations	15,473	136,913	150,360
(570)	(570)	Transfers to Retained Earnings on Disposal of Property, Plant and Equipment	0	(455)	(455)
0	0	Deferred Tax on building revaluations	0	0	465
1,642,559	1,687,846	Balance at 30 June	1,613,197	1,779,017	1,838,217

Note 27A: Asset Revaluation Reserve

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s	ASSET CLASSES 2018/19	ASSET CLASSES 2019/20	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
90	90	Investments	Investments	90	90
OPERATIONAL ASSETS					
118,555	161,596	Land - Major	Land	194,848	248,180
	0	Land - Minor			0
25,115	27,798	Buildings/Land Improvements	Buildings/Land Improvements	37,584	43,851
	0	CBD			0
	0	Office Equipment			0
	0	Other Equipment			0
	0	Other Operational Asset			0
0 INFRASTRUCTURAL ASSETS					
31,573	31,573	Sewer and Wastewater	Sewer and Wastewater	31,290	31,290
24,992	24,992	Stormwater	Stormwater	29,287	29,287
54,617	54,617	Water Supply	Water Supply	61,254	61,254
1,011	1,011	Solid Waste	Solid Waste	1,254	1,254
1,338,169	1,338,169	Roading	Roading	1,371,816	1,371,816
48,564	48,564	Flood Control	Flood Control	51,721	51,721
(126)	(563)	Deferred Tax Asset Revaluation	Deferred Tax Asset Revaluation	(126)	(523)
1,642,559	1,687,846			1,779,017	1,838,219

Note 27B: Internal Borrowings

	OPENING BALANCE 1 JULY 2019 \$000s	NEW BOR- ROWINGS \$000s	INTEREST \$000s	REPAYMENTS PRINCIPAL \$000s	CLOSING BALANCE 30 JUNE 2020 \$000s
Building Services	2	0	0	1	1
Commercial Operations	439	26	17	37	429
Cultural Activities	3,692	652	144	325	3,671
Customer Engagement	24	0	1	1	23
Emergency Management	4	0	0	1	3
Enforcement	49	0	2	7	43
Environmental Health	0	17	0	0	17
GDC Journeys	11,309	1,410	480	709	11,950
Governance	2	0	0	1	1
Recreation and Amenity	11,113	1,292	459	693	11,712
Rivers, Land and Coastal	6,624	1,408	277	386	7,806
Science	217	85	9	26	277
Solid Waste	4,311	144	157	653	3,802
Stormwater	5,475	2,233	250	443	7,265
Support Services	21,539	311	655	1,156	20,592
Wastewater	21,621	2,524	858	1,600	22,545
Water Supply	1,978	133	77	129	1,982
	88,400	10,233	3,388	6,167	92,119

Note 27C: **Special Funds and Other Reserves**

	OPENING BALANCE 1 JULY 2019 \$000s	TRANSFERS TO RESERVES \$000s	TRANSFERS FROM RESERVES \$000s	CLOSING BALANCE 30 JUNE 2020 \$000s	DESCRIPTION / USE
Municipal Theatre Project	29	0	0	29	Reserve held as a source of capital funding for the redevelopment of theatres
Waipaoa River Flood Control Scheme	752	7	0	760	Reserve is a funding source for minor and major capital work in relation to the Waipaoa River Flood Control Scheme
Wastewater Treatment Plant Reserve (prefunding in advance for the Wastewater Treatment Plant)	0	100	0	100	
Civil Defence Disaster Relief	543	5	0	549	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	2,240	22	0	2,262	Reserve is to hold proceeds of selected asset sales which are to be utilised for capital developments as determined by Council
Quarry Rehab	1,177	12	0	1,188	Reserve is to provide for the restoration and rehabilitation of the Patutahi Quarry
Olympic Pool Development	30	0	0	30	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 Post-ponement Fidelity	1	0	0	1	Reserve is to cover rates postponement fidelity issues. The retention of this reserve is a compliance issue
Reserves Contributions	118	1	0	119	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	(49)	341	284	8	Reserve holds development contributions received in relation to Rooding. Funding is utilised for capital expenditure on Land Transport infrastructure resulting from growth due to developments within the district
Water Supply - Urban Development Contributions	(524)	163	0	(361)	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	575	191	18	747	Reserve holds development contributions received in relation to Wastewater. Funding is utilised for capital expenditure on Wastewater infrastructure resulting from growth due to developments within the district
Stormwater - Urban Development Contributions	(819)	100	43	(762)	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	259	16	0	275	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	7	0	0	7	Reserve holds funds that are distributed in accordance with the trust deed
GHL Forestry Reserve	(3,085)	(34)	872	(3,990)	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.
Pamoā Restoration Reserve	424	1,659	594	1,489	Funds from Pamoā harvest for the restoration around the Wainake water supply.
Rooding FAR Reserve	1,181	1,004	0	2,185	Funds from increased subsidy from NZTA to be used on rooding projects subject to approval by Council.
Land Subdivision	371	4	0	374	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
Organisation Development Reserve	175	1,143	0	1,318	Operational Surplus to be used to fund organisational development
Depreciation	37,712	22,414	22,679	37,447	Reserve holds funds utilised on projects that replace the districts assets
TOTAL SPECIAL FUNDS AND OTHER RESERVES	41,117	27,150	24,491	43,776	

Note 28: Reconciliation of Net Surplus to Operating Cash Flows

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s		COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
18,280	17,491	Reported Net Surplus after tax	19,464	17,193
ADD/(DEDUCT) NON CASH ITEMS				
21,642	22,509	Depreciation & Amortisation	22,492	23,591
1,382	1,382	Unrealised (Gain)/Loss on Derivative Financial Instruments	1,270	1,237
(8)	(26)	Other Fixed and Investment Asset Changes/ (Credits)	67	67
0	119	Livestock Holding (Gain)/ Loss	0	1,440
334	396	(Profit)/ Loss on Disposal of Assets	202	202
(613)	3,525	Forestry Value (Gain) / Loss	488	3,277
0	0	Loss on timber stock	0	0
(5,316)	(5,316)	Other provisions and deferred expense asset	70	70
0	(480)	Increase in Deferred Taxation	0	(1,238)
(110)	(1,818)	Carbon Credit Allocation	0	(449)
1,207	1,207	Bad Debts Written Off	1,499	1,499
0	0	Vested Assets	(445)	(445)
18,518	21,498		25,643	29,252
ADD ITEMS CLASSIFIED AS INVESTING ACTIVITIES				
1,348	1,348	Movement of Plant, Property and Equipment included in Trade Payables	(2,525)	(2,525)
1,348	1,348		(2,525)	(2,525)
INCREASE/(DECREASE) IN WORKING CAPITAL				
(10,734)	(10,764)	Trade & Other Receivables	(1,044)	(1,056)
17	(10)	Inventories	(40)	25
(1)	(1)	Deposits Held	1	1
3,955	3,023	Trade & Other Payables	7,066	6,480
(1)	(1)	Provision for Other Liabilities	0	0
(28)	119	Employee Benefit Liabilities	735	837
897	0	Subvention Payment Due	(147)	147
0	(901)	Taxation Payable	0	(115)
(5,895)	(8,535)		6,571	6,319
NET CASH INFLOW FROM OPERATING ACTIVITIES				
32,250	31,802		49,153	50,240

Note 29: Financial Instruments

Financial Risk Management Objectives and Policies

The Group's financial instruments include the following financial assets and liabilities:

Cash and cash equivalents, trade and other receivables, available-for-sale financial assets, and the following financial liabilities:

Accounts payable and borrowings from bank funding and secured debentures, and derivative financial instruments.



Note 29A: Financial Instruments

COUNCIL 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s	COUNCIL 2019/20 AP \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
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FINANCIAL ASSETS

Non Current Assets					
951	1,417	Investments - Non Current	855	1,140	1,639
951	1,417	Available for Sale Financial Assets	855	1,140	1,639
Current Assets					
0	0	Investments - Current	0	0	0
0	0	Available for Sale Financial Assets	0	0	0
3,964	6,935	Cash and Cash Equivalents	582	9,967	9,969
23,520	23,721	Trade and Other Receivables	14,879	23,211	23,521
27,484	30,656	Loans and Receivables at Amortised Cost	15,460	33,178	33,490

FINANCIAL LIABILITIES

Non Current Liabilities					
0	0	Bank Loan	28,947	0	15,900
42,600	42,600	Secured Debentures	32,100	53,600	53,600
152	152	Trade Payables and Accruals	170	176	223
42,752	42,752	Financial Liabilities Measured at Amortised Cost	61,217	53,776	69,723
3,226	3,226	Derivative Financial Instruments	1,892	4,029	4,029
3,226	3,226	Financial Liabilities at Fair Value Through Surplus or Deficit	1,892	4,029	4,029
Current Liabilities					
752	752	Derivative Financial Instruments	704	1,219	1,219
0	0	Secured Debentures	5,000	5,000	5,000
6,000	6,000	Commercial Paper	6,000	0	0
9,680	29,374	Bank Loan	780	0	571
25,800	27,559	Trade Payables and Accruals	20,173	33,362	34,987
42,232	63,685	FINANCIAL LIABILITIES AT AMORTISED COST	32,657	39,581	41,777

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 discounted cash flows valuation technique 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:

Year Ended 30 June 2019				Year Ended 30 June 2020			
Valuation Technique				Valuation Technique			
QUOTED MARKET PRICE (LEVEL 1)	OBSERVABLE INPUTS (LEVEL 2)	NON OBSERVABLE INPUTS (LEVEL 3)	TOTAL	QUOTED MARKET PRICE (LEVEL 1)	OBSERVABLE INPUTS (LEVEL 2)	NON OBSERVABLE INPUTS (LEVEL 3)	TOTAL
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
COUNCIL							
Financial Assets							
0	951	0	951	0	1,140	0	1,140
0	951	0	951	0	1,140	0	1,140
Financial Liabilities							
0	(3,978)	0	(3,978)	0	(5,248)	0	(5,248)
0	(3,978)	0	(3,978)	0	(5,248)	0	(5,248)
GROUP							
Financial Assets							
0	1,417	0	1,417	0	1,639	0	1,639
0	1,417	0	1,417	0	1,639	0	1,639
Financial Liabilities							
0	(3,978)	0	(3,978)	0	(5,248)	0	(5,248)
0	(3,978)	0	(3,978)	0	(5,248)	0	(5,248)

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 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
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COUNTER PARTIES WITH CREDIT RATINGS

Cash at Bank and Term Deposits			
3,964	6,935	AA-	9,967 9,969
3,964	6,935	Total cash at bank and term deposits	9,967 9,969

COUNTER PARTIES WITHOUT CREDIT RATINGS

53	53	Existing counter party with no defaults in the past	53 53
53	53	TOTAL RATES POSTPONEMENT AND COMMUNITY LOANS	53 53

FINANCIAL ASSETS

3,964	6,935	Cash and Cash Equivalents	9,967	9,969
23,520	23,721	Trade and Other Receivables	23,211	23,521
0	0	Current Investments	0	0
27,484	30,657	TOTAL FINANCIAL ASSETS	33,179	33,491

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

COUNCIL 2019			COUNCIL 2020		
GROSS \$000s	IMPAIRED \$000s		GROSS \$000s	IMPAIRED \$000s	
TRADE AND OTHER RECEIVABLES					
18,322	0	Current	17,758	0	
793	0	Past due 0 - 3 months	132	0	
275	0	Past due 3 - 6 months	181	0	
9,981	5,851	Past due >6 months	11,434	6,295	
29,371	5,851	TOTAL TRADE AND OTHER RECEIVABLES	29,505	6,295	
GROUP 2019			GROUP 2020		
GROSS \$000s	IMPAIRED \$000s		GROSS \$000s	IMPAIRED \$000s	
TRADE AND OTHER RECEIVABLES					
18,523	0	Current	18,068	0	
793	0	Past due 0 - 3 months	132	0	
275	0	Past due 3 - 6 months	181	0	
9,981	5,851	Past due >6 months	11,434	6,295	
29,572	5,851	TOTAL TRADE AND OTHER RECEIVABLES	29,815	6,295	

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 22: Borrowings).

On a cash flow basis, the Council maintains sufficient funds to cover all obligations as they fall due. Facilities are maintained in accordance with the Council's Treasury Management Policy and Guidelines.

Contractual Maturity Analysis of Financial Assets

The table above analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contracted maturity date.

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

	STATEMENT OFFINANCIAL POSITION	TOTAL CONTRACTUAL CASH FLOWS	0 - 12 MONTHS	1 - 2 YEARS	2 - 5 YEARS	> 5 YEARS
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
COUNCIL 2020						
Cash and Cash Equivalents	9,967	9,967	9,967	0	0	0
Trade and Other Receivables	29,505	29,505	29,452	0	0	53
Current Investments	0	0	0	0	0	0
TOTAL FINANCIAL ASSETS	39,472	39,472	39,419	0	0	53
COUNCIL 2019						
Cash and Cash Equivalents	3,964	3,964	3,964	0	0	0
Trade and Other Receivables	29,371	29,371	29,321	0	0	50
Current Investments	0	0	0	0	0	0
TOTAL FINANCIAL ASSETS	33,334	33,334	33,284	0	0	50
GROUP 2020						
Cash and Cash Equivalents	9,969	9,969	9,969	0	0	0
Trade and Other Receivables	29,815	29,815	29,762	0	0	53
Current Investments	0	0	0	0	0	0
TOTAL FINANCIAL ASSETS	39,785	39,785	39,732	0	0	53
GROUP 2019						
Cash and Cash Equivalents	6,935	6,935	6,935	0	0	0
Trade and Other Receivables	29,572	29,572	29,522	0	0	50
Current Investments	0	0	0	0	0	0
TOTAL FINANCIAL ASSETS	36,507	36,507	36,457	0	0	50



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

	STATEMENT OF FINANCIAL POSITION	TOTAL CONTRACTUAL CASH FLOWS	0 - 12 MONTHS	1 - 2 YEARS	2 - 5 YEARS	> 5 YEARS
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
COUNCIL 2020						
Trade and Other Payables	33,362	33,362	33,362	0	0	0
Derivative Financial Instruments	5,248	5,248	1,219	1,214	2,297	518
Bank Loans	0	0	0	0	0	0
Commercial Paper	0	0	0	0	0	0
Debentures	58,600	58,600	5,000	7,100	25,500	21,000
TOTAL FINANCIAL LIABILITIES	97,210	97,210	39,581	8,314	27,797	21,518

COUNCIL 2019						
Trade and Other Payables	25,800	25,800	25,800	0	0	0
Derivative Financial Instruments	3,978	3,978	752	867	1,868	491
Bank Loans	9,680	9,680	9,680	0	0	0
Commercial Paper	6,000	6,018	6,018	0	0	0
Debentures	42,600	47,103	1,084	6,069	29,599	10,351
TOTAL FINANCIAL LIABILITIES	88,058	92,579	43,334	6,936	31,467	10,842

	STATEMENT OF FINANCIAL POSITION	TOTAL CONTRACTUAL CASH FLOWS	0 - 12 MONTHS	1 - 2 YEARS	2 - 5 YEARS	> 5 YEARS
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
GROUP 2020						
Trade and Other Payables	34,987	34,987	34,987	0	0	0
Derivative Financial Instruments	5,248	5,248	1,219	1,214	2,297	518
Bank Loans	16,471	16,471	571	15,900	0	0
Commercial Paper	0	0	0	0	0	0
Debentures	58,600	58,600	5,000	7,100	25,500	21,000
TOTAL FINANCIAL LIABILITIES	115,306	115,306	41,777	24,214	27,797	21,518

GROUP 2019						
Trade and Other Payables	27,599	27,599	27,599	0	0	0
Derivative Financial Instruments	3,978	3,978	752	867	1,868	491
Bank Loans	29,374	29,374	29,374	0	0	0
Commercial Paper	6,000	6,018	6,018	0	0	0
Debentures	42,600	47,103	1,084	6,069	29,599	10,351
TOTAL FINANCIAL LIABILITIES	109,551	114,072	64,827	6,936	31,467	10,842

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.

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 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
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WEIGHTED EFFECTIVE INTEREST RATES

2.55%	2.69%	Bank Loan	n/a	n/a
2.55%	2.55%	Debentures	1.29%	1.29%
4.47%	4.47%	Derivative Financial Instruments	3.83%	3.83%
1.91%	1.91%	Commercial Paper	n/a	n/a

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 2018/19 ACTUAL \$000s	GROUP 2018/19 ACTUAL \$000s	COUNCIL 2019/20 ACTUAL \$000s	GROUP 2019/20 ACTUAL \$000s
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NET SURPLUS HIGHER/(LOWER)

1,560	1,560	+ 100 Basis Points	1,882	1,882
(1,672)	(1,672)	- 100 Basis Points	(2,009)	(2,009)

Note 30: Commitments

	TOTAL \$000s	0 - 12 MONTHS \$000s	1 - 5 YEARS \$000s
COUNCIL 2020			
Capital Commitments - Approved and Contracted	24,180	23,871	309
TOTAL COMMITMENTS	24,180	23,871	309
COUNCIL 2019			
Capital Commitments - Approved and Contracted	11,510	11,510	0
TOTAL COMMITMENTS	11,510	11,510	0
GROUP 2020			
Capital Commitments - Approved and Contracted	24,277	23,968	309
TOTAL COMMITMENTS	24,277	23,968	309
GROUP 2019			
Capital Commitments - Approved and Contracted	11,510	11,510	0
TOTAL COMMITMENTS	11,510	11,510	0

Note 31A: Leases

	TOTAL \$000s	0 - 12 MTHS \$000s	1 - 5 YEARS \$000s	5+ YEARS \$000s
GROUP 2020				
Operating Lease Payments	699	58	233	408
TOTAL NON CANCELLABLE OPERATING	699	58	233	408
GROUP 2019				
Operating Lease Payments	873	102	305	466
TOTAL NON CANCELLABLE OPERATING	873	102	305	466
COUNCIL 2020				
Operating Lease Payments	29,749	2,008	7,444	20,297
TOTAL NON CANCELLABLE OPERATING	29,749	2,008	7,444	20,297
COUNCIL 2019				
Operating Lease Payments	31,800	1,929	7,528	22,342
TOTAL NON CANCELLABLE OPERATING	31,800	1,929	7,528	22,342

Gisborne District Council leases buildings from Gisborne Holdings Ltd. This arrangement began 1 December 2015. In 2020 the annual lease amount was \$1.9m. Non-cancellable lease terms range between 5 and 18 years from start date.

Note 31B: Residential Lease

Council leases its residential property assets to tenants. The terms of each tenancy are governed by the Residential Tenancies Act 1986. Rent is charged at less than market value. The leases are cancellable by the tenants and this is provided by the Residential Tenancies Act. A minimum notice period of 21 days applies or, if cancelled by Council, 90 days' notice is required.

The future aggregate minimum lease payments to be received under operating leases are as follows:

	TOTAL \$000s	0 - 12 MTHS \$000s	1 - 2 YEARS \$000s	2 - 5 YEARS \$000s
COUNCIL 2020				
Operating Lease Commitments	65	65	0	0
TOTAL OPERATING LEASE COMMITMENTS	65	65	0	0
COUNCIL 2019				
Operating Lease Commitments	65	65	0	0
TOTAL OPERATING LEASE COMMITMENTS	65	65	0	0

Note 32: 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.

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 local authorities, particularly as a result of the leaky building epidemic. As this exposure was unforeseen, the amount of contributions collected and reinsurance placed was insufficient to meet the claims turn out with the result being calls for additional funds on members. While the risk of further calls diminishes with each year as limitation periods expire, liability remains for the Council for those years where it was a Riskpool member. Should there be adverse claims developments, the Riskpool Board will advise affected members of the call and their share of the liability at the earliest possible time.

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 \$29.2m determined at 30 June 2020 (2019: \$21.1m).

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 in addition to that already recognised in the financial statements to surrender New Zealand emissions units of approximately \$7.2m determined at 30 June 2020 (2019: \$5.3m). 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.

If these contingencies were to arise, emissions units held may be utilised to settle these obligations.

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 2020, NZLGFA had borrowings totalling \$11,907m (2019: \$9,840m).

Financial reporting standards require Gisborne District Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Note 33: Related Party Transactions

All the above services were provided on normal terms and conditions of trade. Figures for services provided are shown exclusive of GST. Balance sheet items are GST inclusive. All balances have been eliminated on consolidation.

Relationship with Gisborne Holdings Ltd

Gisborne Holdings Ltd (GHL) is 100% owned by Gisborne District Council (GDC). The GDC is, through GHL, a 100% shareholder in Tauwharepārae Farms Ltd.

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

All subsidiaries have a 30 June balance date.

TRANSACTIONS WITH GHL	2019 \$000s	2020 \$000s
Services Provided to Council	596	260
Services Provided by Council	278	246
Lease Provided by GHL	1,880	1,972

The above table shows the transactions with GHL during the financial year. As GHL forms part of the Group, these transactions are eliminated upon consolidation.

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 34: Council Key Management Personnel Compensation

	2019 \$000s	2020 \$000s
Salaries and Other Short Term Employees Benefit		
Governance	724	781
Chief Executive and Senior Leadership Team	1,682	1,662

Key management personnel include the Mayor, Councillors, Chief Executive and a seven person leadership team. The total number of elected members of the governing body during the financial year comprised of 15 full time equivalent elected members including the Mayor.

Note 35: Council Remuneration and Severance Payments

During the year to 30 June 2020 the total remuneration received by or payable to the Mayor, other Councillors and Chief Executive of the Council were as follows:

	2019	2020
R Stoltz, Mayor	\$50,706	\$134,464
J Wharehinga, Deputy Mayor	\$38,649	\$58,310
M Foon	\$144,855	\$25,217
WS Burdett	\$59,838	\$63,498
P Seymour	\$57,549	\$55,968
G Thomson	\$46,506	\$16,223
B Wilson	\$46,195	\$16,039
A Cranston	\$46,075	\$50,700
M. Akuhata-Brown	\$38,089	\$44,007
L Foster	\$39,506	\$47,869
A Dunn	\$38,089	\$47,768
K Fenn	\$38,089	\$13,284
M MacLean	\$39,063	\$14,034
S Dowsing	\$40,418	\$42,342
S Faulkner	\$0	\$32,498
D Gregory	\$0	\$29,058
A Robinson	\$0	\$29,058
T Sheldrake	\$0	\$29,331
K Worsnop	\$0	\$31,497
N Thatcher-Swann, Chief Executive	\$322,015	\$321,950

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	2019	2020
\$140,000 - \$340,000 ¹	10	11
\$120,000 - \$140,000	8	9
\$100,000 - \$120,000	17	34
\$ 80,000 - \$100,000	50	52
\$ 60,000 - \$ 80,000	98	94
Less than \$ 60,000	157	185
	340	385
Full Time Employees ²	273	316
Full Time Equivalent Employees ³	16	19

¹ If the number of employees in any band is 5 or fewer, the number for that band must be combined with the next-highest band.

² Full time employees: the total number of people employed full time (30 hours or more per week) excluding casual staff as at 30 June 2020.

³ Full time equivalents: the total number of contracted hours for all part time (less than 30 hours per week) staff and all casual staff, divided by the full time equivalent hours (40 hours).

Severance Payments

Once severance payment of \$3,250 was made during the 2020 financial year. Five severance payments were made in the 2019

financial year. The value of each of the severance payments in the 2019 financial year were \$116,645, \$35,000, \$31,289, \$18,024, \$14,403.

Note 36: Events after Balance Date

On 14 July 2020 the government announced a \$40m grant to the Council for the redevelopment of the Olympic Pools complex. At 30 June 2020 the carrying value recognised by the Council for plant at the Olympic Pools is \$3.4m. These assets will be written-down to the extent that carrying value exceeds the estimated recoverable amount of these assets. At the date of authorising the 2019/20 annual report, the best estimate of the total write-down relating to these assets is \$2.6m and will be recognised in the 2020/21 – 2021/22 annual reports.

Note 37: 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.

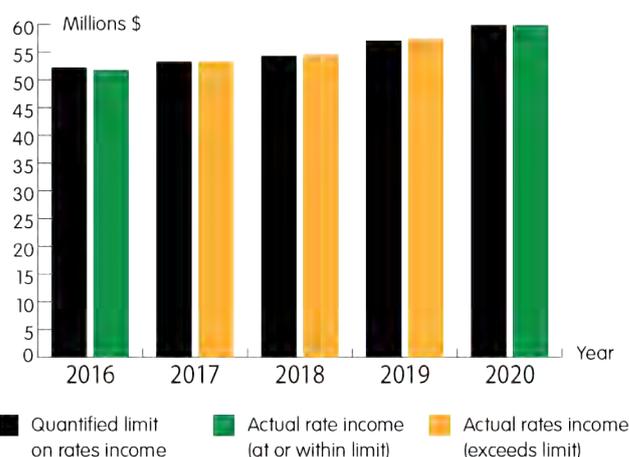
QUANTIFIED LIMITS ON RATES

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

Rates 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.

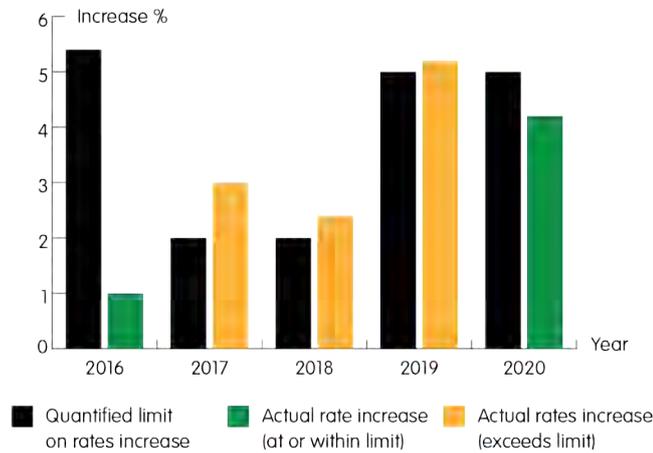
Rates Affordability Benchmark



Quantified Limit on Rates Increases

This year Council's total increase in rates income was an increase of 4.2%. The 2018-2028 Long Term Plan estimate was 5%.

Rates Increases Benchmark



Debt Affordability Benchmark

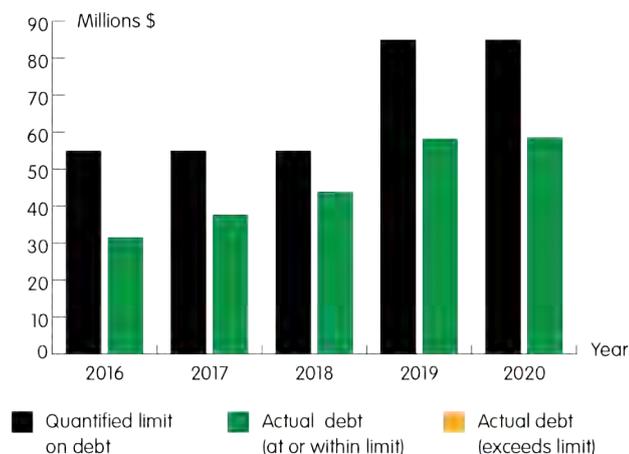
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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 \$85m.

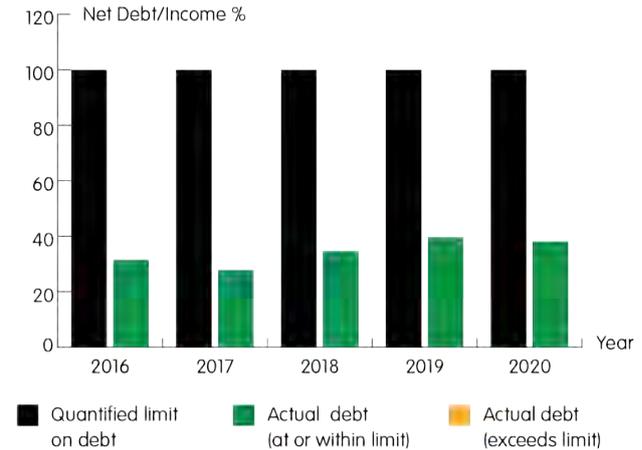
Debt Affordability Benchmark



Our Limit on Net Debt as a Percentage of Income

The following graph compares the Council's net debt as a percentage of income which is the first quantified limit on borrowing stated in the Liability Management Policy included in the Council's Long Term Plan. The quantified limit is equal or less than 100% of income.

Debt Affordability Benchmark

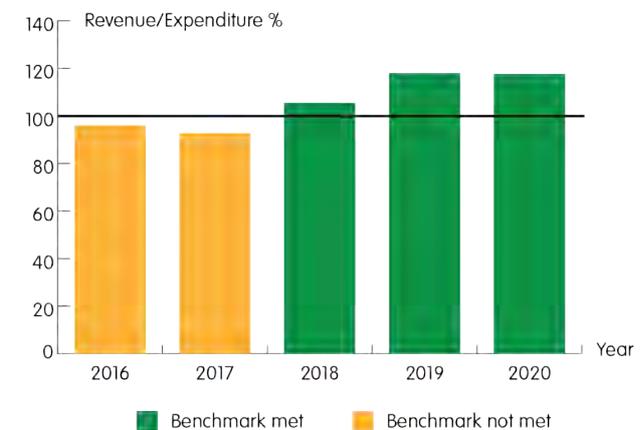


Balanced Budget Benchmark

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

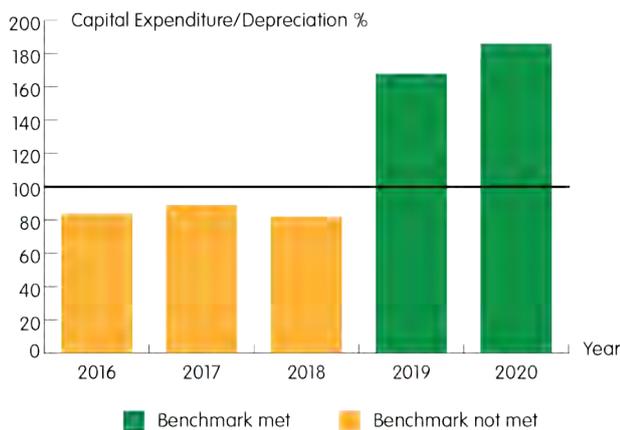


Essential Services Benchmark

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.

Essential Services Benchmark

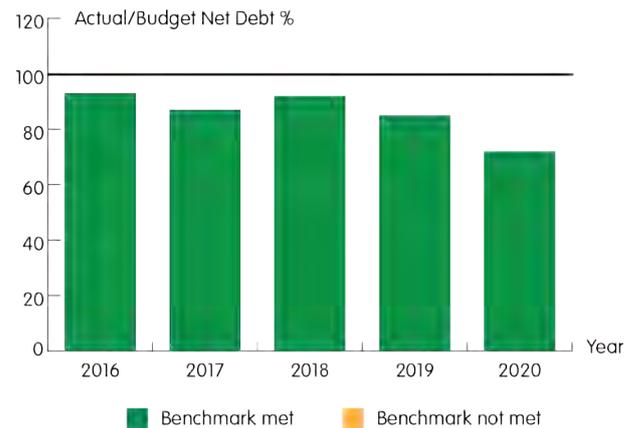


Debt Control Benchmark

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

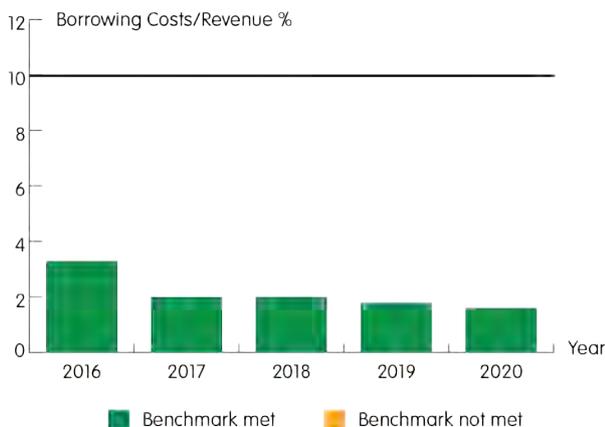


Debt Servicing Benchmark

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).

It meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

Debt Servicing Benchmark



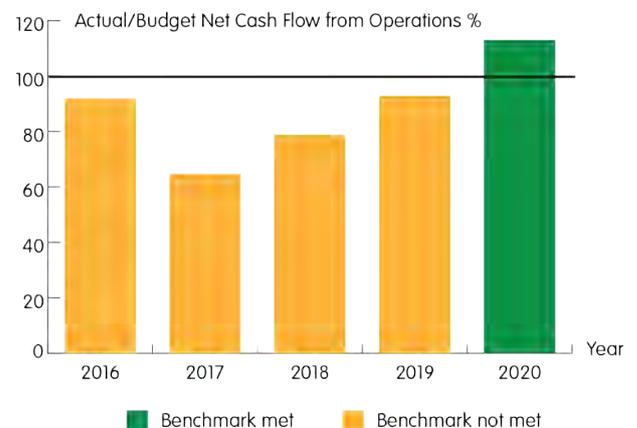
Operations Control Benchmark

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.

Operations Control Benchmark

GDC



Funding Impact Statement

Council

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE (WHOLE OF COUNCIL)	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	20,100	20,255	21,218	21,216
Targeted Rates	40,825	41,453	42,536	43,012
Subsidies and grants for operating purposes	13,898	24,837	22,917	28,821
Fees and Charges	8,644	7,387	8,054	8,424
Interest and dividends from investments	1,800	(810)	1,800	1,252
Local authorities fuel tax, fines, infringement fees and other receipts	1,900	2,799	2,130	2,711
Total operating funding (A)	87,167	95,922	98,655	105,435
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	68,472	80,177	80,464	88,831
Finance costs	2,971	2,220	3,906	3,357
Other operating funding applications	0	0	(0)	(0)
Total applications of operating funding (B)	71,443	82,397	84,370	92,188
Surplus (deficit) of operating funding (A-B)	15,724	13,525	14,285	13,247
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	18,509	25,070	28,426	27,534
Development and financial contributions	699	978	699	827
Increase/(decrease) in debt	7,668	3,226	10,071	4,066
Gross proceeds from sale of assets	12	(200)	12	(104)
Lump sum contributions	0	0	(0)	(0)
Total sources capital funding (C)	26,887	29,074	39,208	32,324
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	426	307	1,504	562
- to improve the level of service	14,613	19,687	30,035	15,345
- to replace existing assets	29,570	22,835	28,764	31,520
Increase/ (decrease) in reserves	(1,997)	(230)	(6,809)	(1,857)
Increase/ (decrease) of investments	0	0	(0)	(0)
Total applications of capital funding (D)	42,612	42,599	53,494	45,571
Surplus (deficit) of capital funding	(15,724)	(13,525)	(14,285)	(13,247)
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	0

Commercial Operations

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	20	20	4	4
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	2,843	1,228	1,450	1,326
Internal charges and overheads recovered	15	68	(11)	18
Local authorities fuel tax, fines, infringement fees and other receipts	113	926	112	(345)
Total operating funding (A)	2,991	2,243	1,556	1,002
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	784	945	829	1,019
Finance costs	26	18	19	17
Internal charges and overheads applied	277	245	316	226
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,087	1,208	1,164	1,262
Surplus (deficit) of operating funding (A-B)	1,904	1,035	392	(260)
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	(22)	25	(22)	(10)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(22)	25	(22)	(10)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	56	0	26
- to replace existing assets	225	249	266	178
Increase/ (decrease) in reserves	1,657	755	104	(475)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1,882	1,060	370	(270)
Surplus (deficit) of capital funding	(1,904)	(1,035)	(392)	260
FUNDING BALANCE ((A-B)+(C-D))	0	(0)	0	(0)

Enforcement

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	13	13	25	25
Targeted Rates	329	329	357	357
Subsidies and grants for operating purposes	180	176	180	229
Fees and Charges	1,390	1,480	1,525	1,960
Internal charges and overheads recovered	68	68	237	237
Local authorities fuel tax, fines, infringement fees and other receipts	888	1,036	907	815
Total operating funding (A)	2,868	3,101	3,232	3,623
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,914	2,274	2,143	3,101
Finance costs	0	2	1	2
Internal charges and overheads applied	915	914	1,039	1,050
Other operating funding applications	0	0	(0)	(0)
Total applications of operating funding (B)	2,829	3,190	3,183	4,153
Surplus (deficit) of operating funding (A-B)	39	(90)	49	(530)
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	(7)
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	(7)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	4	0	0
- to replace existing assets	35	30	10	29
Increase/ (decrease) in reserves	4	(125)	39	(566)
Increase/ (decrease) of investments	0	0	(0)	(0)
Total applications of capital funding (D)	39	(91)	49	(537)
Surplus (deficit) of capital funding	(39)	90	(49)	530
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	0

Building Services

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	695	695	724	724
Targeted Rates	0	8	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	930	1,042	1,028	1,122
Internal charges and overheads recovered	14	14	15	15
Local authorities fuel tax, fines, infringement fees and other receipts	0	62	0	61
Total operating funding (A)	1,640	1,822	1,766	1,921
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	938	1,120	1,071	1,115
Finance costs	0	0	0	0
Internal charges and overheads applied	701	701	695	693
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,640	1,821	1,766	1,808
Surplus (deficit) of operating funding (A-B)	0	1	0	113
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	(0)	0	(1)	112
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	(0)	0	(1)	112
Surplus (deficit) of capital funding	(0)	(1)	0	(113)
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	(0)

Environmental Health

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	1,720	1,731	1,766	1,766
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	415	335	444	456
Internal charges and overheads recovered	1,735	1,735	1,810	1,810
Local authorities fuel tax, fines, infringement fees and other receipts	9	28	9	17
Total operating funding (A)	3,879	3,829	4,029	4,049
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,338	1,306	1,444	988
Finance costs	0	0	0	0
Internal charges and overheads applied	2,541	2,543	2,585	2,588
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	3,879	3,850	4,029	3,576
Surplus (deficit) of operating funding (A-B)	0	(21)	0	473
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	17
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	17
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	17
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	0	(21)	0	473
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	0	(21)	0	490
Surplus (deficit) of capital funding	(0)	21	0	(473)
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	0

Science

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	0	4	0	0
Targeted Rates	4,060	4,068	4,152	4,152
Subsidies and grants for operating purposes	400	318	425	672
Fees and Charges	584	558	683	489
Internal charges and overheads recovered	5,006	5,006	5,310	5,310
Local authorities fuel tax, fines, infringement fees and other receipts	260	132	366	33
Total operating funding (A)	10,309	10,085	10,936	10,656
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	4,448	4,078	4,553	4,151
Finance costs	9	5	26	9
Internal charges and overheads applied	5,878	5,866	6,233	6,217
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	10,336	9,949	10,812	10,376
Surplus (deficit) of operating funding (A-B)	(26)	136	125	280
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	45	0	83
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	560	215	511	59
Gross proceeds from sale of assets	0	0	0	(6)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	560	260	511	136
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	280	168	286	165
- to replace existing assets	374	157	302	108
Increase/ (decrease) in reserves	(120)	72	48	143
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	534	396	636	416
Surplus (deficit) of capital funding	26	(136)	(125)	(280)
FUNDING BALANCE ((A-B)+(C-D))	(0)	(0)	(0)	(0)

Resource Consents

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	1,021	1,021	1,072	1,072
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	150	0	150	0
Fees and Charges	340	626	558	698
Internal charges and overheads recovered	12	12	12	12
Local authorities fuel tax, fines, infringement fees and other receipts	15	2	0	8
Total operating funding (A)	1,538	1,661	1,792	1,790
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,050	1,439	1,310	2,024
Finance costs	0	0	0	0
Internal charges and overheads applied	487	489	481	495
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,538	1,928	1,792	2,519
Surplus (deficit) of operating funding (A-B)	0	(267)	0	(729)
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	0	(267)	0	(729)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	0	(267)	0	(729)
Surplus (deficit) of capital funding	0	267	0	729
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	0

Emergency Management (CDEM)

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	574	574	634	634
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	0	(7)	0	(1)
Internal charges and overheads recovered	20	20	21	21
Local authorities fuel tax, fines, infringement fees and other receipts	66	59	72	1,017
Total operating funding (A)	660	646	728	1,671
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	431	574	463	1,671
Finance costs	0	0	0	0
Internal charges and overheads applied	197	197	234	241
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	628	771	697	1,912
Surplus (deficit) of operating funding (A-B)	32	(124)	31	(241)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	42
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(3)	(2)	(3)	(1)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(3)	(2)	(3)	40
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	42
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	29	(126)	28	(242)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	29	(126)	28	(201)
Surplus (deficit) of capital funding	(32)	124	(31)	241
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	0

Governance

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	2,604	2,604	2,649	2,649
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	61	64
Fees and Charges	13	6	13	0
Internal charges and overheads recovered	11	11	11	11
Local authorities fuel tax, fines, infringement fees and other receipts	2	4	2	27
Total operating funding (A)	2,630	2,625	2,736	2,750
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,247	1,170	1,334	1,274
Finance costs	0	0	0	0
Internal charges and overheads applied	1,381	1,383	1,400	1,399
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,628	2,552	2,734	2,672
Surplus (deficit) of operating funding (A-B)	2	73	2	78
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	1	72	1	77
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1	72	1	77
Surplus (deficit) of capital funding	(2)	(73)	(2)	(78)
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	(0)

Support Services

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	925	1,050	1,167	1,160
Targeted Rates	(2,080)	(2,080)	(1,896)	(1,896)
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	42	60	49	65
Internal charges and overheads recovered	19,528	19,894	20,380	19,973
Interest and Dividends from Investments	1,800	(810)	1,800	1,252
Local authorities fuel tax, fines, infringement fees and other receipts	352	403	439	380
Total operating funding (A)	20,567	18,518	21,938	20,934
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	12,265	11,521	13,418	12,936
Finance costs	(120)	(449)	117	577
Internal charges and overheads applied	6,727	8,031	7,168	7,406
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	18,872	19,104	20,703	20,919
Surplus (deficit) of operating funding (A-B)	1,695	(586)	1,235	15
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	387	595	606
Development and financial contributions	699	899	699	814
Increase/(decrease) in debt	(951)	(1,109)	(655)	(846)
Gross proceeds from sale of assets	12	(37)	12	128
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(240)	140	651	703
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	575	718	1,076	610
- to replace existing assets	1,959	1,296	2,579	1,442
Increase/ (decrease) in reserves	(1,079)	(2,460)	(1,769)	(1,333)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1,455	(446)	1,886	718
Surplus (deficit) of capital funding	(1,695)	586	(1,235)	(15)
FUNDING BALANCE ((A-B)+(C-D))	(0)	0	(0)	0

Flood Protection

FUNDING IMPACT STATEMENT FOR THE YEARENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	1,702	1,710	1,875	1,875
Targeted Rates	1,135	1,145	1,203	1,203
Subsidies and grants for operating purposes	0	100	0	225
Fees and Charges	172	280	265	276
Internal charges and overheads recovered	385	317	369	250
Local authorities fuel tax, fines, infringement fees and other receipts	11	4	12	20
Total operating funding (A)	3,405	3,555	3,724	3,849
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,935	1,711	1,939	1,820
Finance costs	283	255	388	277
Internal charges and overheads applied	1,050	995	1,212	1,079
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	3,268	2,961	3,539	3,176
Surplus (deficit) of operating funding (A-B)	137	594	186	673
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	1,058	522	1,307	1,022
Gross proceeds from sale of assets	0	0	0	(7)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	1,058	522	1,307	1,015
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	155	15	651	58
- to replace existing assets	1,875	1,664	2,178	2,132
Increase/ (decrease) in reserves	(835)	(563)	(1,336)	(501)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1,195	1,116	1,493	1,688
Surplus (deficit) of capital funding	(137)	(594)	(186)	(673)
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	0

GDC Journeys

FUNDING IMPACT STATEMENT FOR THE YEARENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	125	125	250	250
Targeted Rates	11,948	12,004	12,192	12,192
Subsidies and grants for operating purposes	13,068	23,872	22,046	26,708
Fees and Charges	0	0	0	0
Internal charges and overheads recovered	2,531	2,585	2,233	2,249
Local authorities fuel tax, fines, infringement fees and other receipts	46	78	46	53
Total operating funding (A)	27,717	38,664	36,767	41,452
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	17,579	29,161	26,368	32,002
Finance costs	396	436	640	480
Internal charges and overheads applied	4,932	4,780	4,904	4,677
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	22,907	34,377	31,912	37,159
Surplus (deficit) of operating funding (A-B)	4,810	4,288	4,855	4,293
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	14,547	21,502	24,082	26,425
Development and financial contributions	0	76	0	13
Increase/(decrease) in debt	2,240	1,243	1,064	700
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	16,788	22,821	25,147	27,138
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	50	23	715	289
- to improve the level of service	7,454	15,383	16,198	10,143
- to replace existing assets	14,190	11,757	13,895	21,700
Increase/ (decrease) in reserves	(97)	(54)	(807)	(701)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	21,597	27,109	30,001	31,431
Surplus (deficit) of capital funding	(4,810)	(4,288)	(4,855)	(4,293)
FUNDING BALANCE ((A-B)+(C-D))	0	0	(0)	0

Solid Waste Management

FUNDING IMPACT STATEMENT FOR THE YEARENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	2,628	2,628	2,664	2,664
Targeted Rates	1,916	1,925	1,971	1,971
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	186	220	210	197
Internal charges and overheads recovered	59	334	114	269
Local authorities fuel tax, fines, infringement fees and other receipts	10	9	10	7
Total operating funding (A)	4,798	5,116	4,968	5,108
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	3,284	3,729	3,363	3,483
Finance costs	224	229	205	204
Internal charges and overheads applied	360	576	420	561
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	3,868	4,534	3,988	4,248
Surplus (deficit) of operating funding (A-B)	930	582	981	861
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	12
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(594)	(601)	(440)	(509)
Gross proceeds from sale of assets	0	(34)	0	(7)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(594)	(635)	(440)	(504)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	10	4	166	51
- to replace existing assets	75	59	85	151
Increase/ (decrease) in reserves	251	(117)	290	154
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	336	(53)	541	356
Surplus (deficit) of capital funding	(930)	(582)	(981)	(861)
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	0

Urban Stormwater Services

FUNDING IMPACT STATEMENT FOR THE YEARENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates	2,894	2,907	2,988	2,988
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	0	0	0	0
Internal charges and overheads recovered	182	200	188	195
Local authorities fuel tax, fines, infringement fees and other receipts	0	(48)	0	0
Total operating funding (A)	3,076	3,059	3,176	3,183
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,255	1,021	1,207	1,310
Finance costs	349	212	401	250
Internal charges and overheads applied	589	573	627	609
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,192	1,806	2,235	2,169
Surplus (deficit) of operating funding (A-B)	883	1,253	941	1,014
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	1,982	381	1,886	1,789
Gross proceeds from sale of assets	0	(5)	0	(25)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	1,982	377	1,886	1,765
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	84	142	14	48
- to improve the level of service	1,540	669	2,356	1,606
- to replace existing assets	1,387	600	447	1,092
Increase/ (decrease) in reserves	(144)	218	9	33
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	2,866	1,629	2,826	2,779
Surplus (deficit) of capital funding	(883)	(1,253)	(941)	(1,014)
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	(0)

Wastewater

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	0	0	110	110
Targeted Rates	6,736	6,799	7,082	7,082
Subsidies and grants for operating purposes	17	0	0	0
Fees and Charges	349	295	358	506
Internal charges and overheads recovered	1,026	1,015	1,108	1,108
Local authorities fuel tax, fines, infringement fees and other receipts	8	(34)	8	3
Total operating funding (A)	8,135	8,074	8,666	8,810
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	3,368	3,694	3,613	3,858
Finance costs	1,050	853	1,118	858
Internal charges and overheads applied	2,076	2,068	2,204	2,209
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	6,493	6,616	6,934	6,925
Surplus (deficit) of operating funding (A-B)	1,642	1,459	1,732	1,885
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	3	0	0
Increase/(decrease) in debt	566	1,122	2,598	924
Gross proceeds from sale of assets	0	(85)	0	(22)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	566	1,040	2,598	902
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	249	0	361	0
- to improve the level of service	276	96	3,117	167
- to replace existing assets	3,615	349	2,783	1,388
Increase/ (decrease) in reserves	(1,932)	2,460	(1,931)	1,185
Increase/ (decrease) of investments	0	(407)	0	47
Total applications of capital funding (D)	2,208	2,498	4,330	2,787
Surplus (deficit) of capital funding	(1,642)	(1,459)	(1,732)	(1,885)
FUNDING BALANCE ((A-B)+(C-D))	0	(0)	0	0

Water Supply

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	0	7	0	5
Targeted Rates	6,314	6,722	6,383	6,858
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	78	51	80	143
Internal charges and overheads recovered	728	1,167	796	1,035
Local authorities fuel tax, fines, infringement fees and other receipts	0	21	0	5
Total operating funding (A)	7,120	7,968	7,259	8,045
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	3,042	3,037	3,210	3,559
Finance costs	78	60	94	77
Internal charges and overheads applied	1,715	1,697	1,720	1,680
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	4,836	4,794	5,023	5,316
Surplus (deficit) of operating funding (A-B)	2,284	3,174	2,236	2,730
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	513	618	(6)	3
Gross proceeds from sale of assets	0	(17)	0	(17)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	513	601	(6)	(14)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	33	8	34	0
- to improve the level of service	620	610	101	133
- to replace existing assets	1,227	923	1,926	1,849
Increase/ (decrease) in reserves	917	2,234	169	734
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	2,797	3,775	2,230	2,716
Surplus (deficit) of capital funding	(2,284)	(3,174)	(2,236)	(2,730)
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	0

Cultural Activities

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	3,489	3,489	3,576	3,576
Targeted Rates	141	150	334	334
Subsidies and grants for operating purposes	0	168	0	59
Fees and Charges	365	344	426	310
Internal charges and overheads recovered	555	569	649	656
Local authorities fuel tax, fines, infringement fees and other receipts	17	(1)	10	6
Total operating funding (A)	4,568	4,719	4,994	4,941
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	2,479	2,652	2,546	2,525
Finance costs	91	132	141	144
Internal charges and overheads applied	1,430	1,425	1,516	1,519
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	4,000	4,209	4,203	4,188
Surplus (deficit) of operating funding (A-B)	567	510	791	753
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	2,501	2,598	2,130	69
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(0)	885	(308)	327
Gross proceeds from sale of assets	0	(14)	0	(22)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	2,501	3,469	1,822	374
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	427	1,333	1,880	387
- to replace existing assets	2,647	2,580	524	460
Increase/ (decrease) in reserves	(6)	66	209	281
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	3,068	3,979	2,613	1,127
Surplus (deficit) of capital funding	(567)	(510)	(791)	(753)
FUNDING BALANCE ((A-B)+(C-D))	(0)	0	0	(0)

Customer Engagement

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	21
Fees and Charges	64	53	66	67
Internal charges and overheads recovered	1,814	1,814	1,954	1,954
Local authorities fuel tax, fines, infringement fees and other receipts	28	60	60	58
Total operating funding (A)	1,906	1,927	2,080	2,100
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	1,798	1,601	1,977	1,994
Finance costs	0	1	1	1
Internal charges and overheads applied	108	102	101	84
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,905	1,704	2,079	2,079
Surplus (deficit) of operating funding (A-B)	1	223	1	21
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	(1)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	(1)	0	(1)
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	1	222	1	20
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1	222	1	20
Surplus (deficit) of capital funding	(1)	(223)	(1)	(21)
FUNDING BALANCE ((A-B)+(C-D))	(0)	0	(0)	0

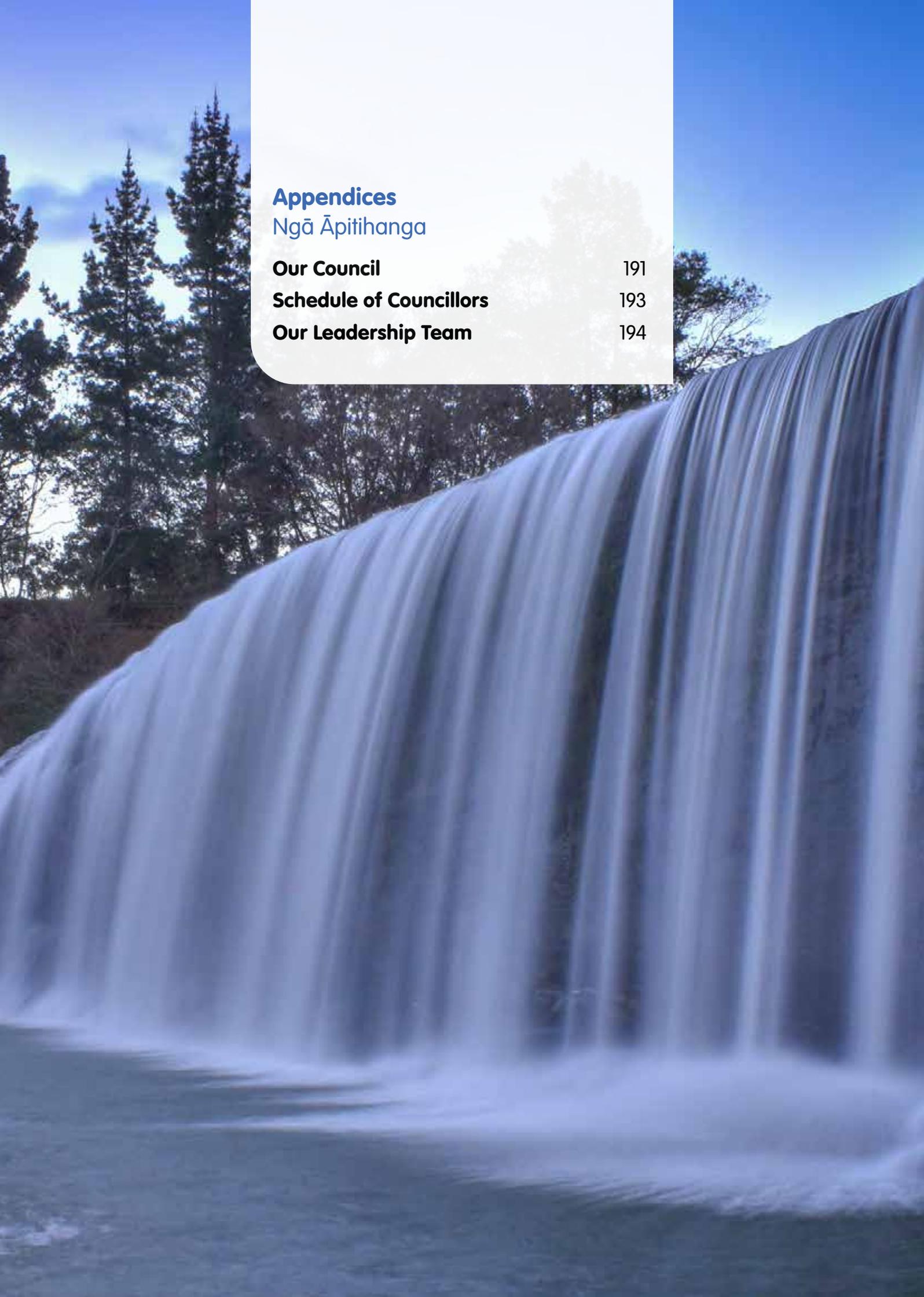
Recreation and Amenity

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	2,938	2,938	3,069	3,069
Targeted Rates	4,891	4,935	5,082	5,082
Subsidies and grants for operating purposes	0	5	0	806
Fees and Charges	872	817	898	810
Internal charges and overheads recovered	1,349	1,381	1,640	1,567
Local authorities fuel tax, fines, infringement fees and other receipts	75	58	77	540
Total operating funding (A)	10,125	10,134	10,766	11,874
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	5,979	6,190	6,134	7,190
Finance costs	584	465	755	459
Internal charges and overheads applied	2,718	2,732	2,977	2,977
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	9,281	9,388	9,865	10,627
Surplus (deficit) of operating funding (A-B)	844	745	901	1,247
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	1,460	537	1,618	297
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	2,320	(68)	4,141	599
Gross proceeds from sale of assets	0	(8)	0	(125)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	3,780	461	5,759	771
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	10	39	380	59
- to improve the level of service	3,276	377	4,204	721
- to replace existing assets	1,962	1,061	3,768	1,190
Increase/ (decrease) in reserves	(623)	(270)	(1,691)	49
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	4,625	1,206	6,660	2,019
Surplus (deficit) of capital funding	(844)	(745)	(901)	(1,247)
FUNDING BALANCE ((A-B)+(C-D))	(0)	0	(0)	0

Strategic Planning and Performance

FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE	AP 2018/19 \$000s	ACTUAL 2018/19 \$000s	AP 2019/20 \$000s	ACTUAL 2019/20 \$000s
SOURCES OF OPERATING FUNDING				
General Rates, uniform annual general charges, rates penalties	1,648	1,648	1,634	1,634
Targeted Rates	2,542	2,542	2,689	2,689
Subsidies and grants for operating purposes	83	198	55	36
Fees and Charges	0	0	0	1
Internal charges and overheads recovered	368	438	494	494
Local authorities fuel tax, fines, infringement fees and other receipts	0	1	0	7
Total operating funding (A)	4,641	4,827	4,872	4,861
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	3,338	2,955	3,543	2,811
Finance costs	0	0	0	0
Internal charges and overheads applied	1,323	1,329	1,499	1,478
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	4,661	4,284	5,042	4,289
Surplus (deficit) of operating funding (A-B)	(20)	542	(170)	572
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	(20)	542	(170)	572
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	(20)	542	(170)	572
Surplus (deficit) of capital funding	20	(542)	170	(572)
FUNDING BALANCE ((A-B)+(C-D))	0	0	0	0

Ngā Āpitihanga Appendices



Appendices
Ngā Āpiti hanga

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Our Council

Governance and Structure



Our Role

As one of only six Unitary Authorities, the Gisborne District 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

COMMITTEES OF A WHOLE

- Sustainable Tairāwhiti/Toitū Tairāwhiti
- Finance & Performance
- Operations

STATUTORY COMMITTEES

- Regional Transport
- District Licencing
- Civil Defence & Emergency Management.

STANDING COMMITTEES

- Audit & Risk
- Wastewater management
- Regulatory Hearings Panel
- Conduct Review
- Chief Executive Performance
- Local Leadership Body (LLB).

These are reviewed after each election.

Organisational Structure

The elected Council has one employee, the Chief Executive. The Chief Executive is responsible for implementing and managing Council's policies and objectives within the budgetary constraints established by Council.

Chief Executive, Nedine Thatcher Swann, established a new Hub structure for Council, effective May 2017. Each Hub has a cohesive community and customer focus committed to deliver the goals and aspirations of the community that we serve and share accountability and risk for achieving agreed priorities.

Senior Managers are now referred to as Directors, with the exception of the Chief Financial Officer who has a specific focus on Finance and Affordability.

The Director positions are strategic in nature and support the Chief Executive to lead the Council's focus on our long-term challenges. They have direct accountability for the activities that have the opportunity to most likely influence the needs of our communities and customers.

The leadership team are referred to as the Central Organising Rōpū – or the COR. The structure is shown on [page 194](#).

Schedule of Councillors

	<p>REHETTE STOLTZ Mayor</p> <p>mayor@gdc.govt.nz</p> <p>06 868 5382 021 279 7948</p>		<p>JOSH WHAREHINGA Deputy Mayor</p> <p>josh.wharehinga@gdc.govt.nz</p> <p>027 512 5195</p>
	<p>AMBER DUNN* Gisborne</p> <p>amber.dunn@gdc.govt.nz</p> <p>021 475 470</p>		<p>ANDY CRANSTON Gisborne</p> <p>andy.cranston@gdc.govt.nz</p> <p>06 868 1160 027 273 3192</p>
	<p>DEBBIE GREGORY Gisborne</p> <p>debbie.gregory@gdc.govt.nz</p> <p>027 319 4300</p>		<p>MEREDITH AKUHATA-BROWN Gisborne</p> <p>meredith.akuhata-brown@gdc.govt.nz</p> <p>06 867 7496 027 200 5605</p>
	<p>SHANNON DOWSING Gisborne</p> <p>shannon.dowsing@gdc.govt.nz</p> <p>021 222 2571</p>		<p>TERRY SHELDRAKE Gisborne</p> <p>terry.sheldrake@gdc.govt.nz</p> <p>021 645 503</p>
	<p>TONY ROBINSON Gisborne</p> <p>tony.robinson@gdc.govt.nz</p> <p>022 085 0902</p>		<p>LARRY FOSTER Gisborne</p> <p>larry.foster@gdc.govt.nz</p> <p>06 868 8927 027 450 8814</p>
	<p>PAT SEYMOUR Tawhiti-Uawa</p> <p>pat.seymour@gdc.govt.nz</p> <p>06 862 2697 027 472 5997</p>		<p>BILL BURDETT Waiapu</p> <p>bill.burdett@gdc.govt.nz</p> <p>06 864 8966 027 686 4968</p>
	<p>KERRY WORSNOP Waipaoa</p> <p>kerry.worsnop@gdc.govt.nz</p> <p>027 863 9002</p>		<p>SANDRA FAULKNER Taruheru-Patutahi</p> <p>sandra.faulkner@gdc.govt.nz</p> <p>06 862 2697 027 472 59 97</p>

* Councillor Amber Dunn tendered her resignation on 19 August 2020.

Our Leadership Team

Known as the Central Organising Rōpū (COR)



Chief Executive - **Nedine Thatcher Swann**



Chief Financial Officer - **Pauline Foreman**

Finance, Risk Support, Internal Audit



Director Community Lifelines - **David Wilson**

Journeys (Local Roads), 4 Waters (Water Supply, Wastewater, Stormwater, Land Rivers and Drainage), Civil Defence Emergency Management



Director Transformation and Relationships - **Keita Kohere**

Strategic Planning, Planning and Performance, Environmental Science & Monitoring, MAR project



Director Environmental Services and Protection - **Helen Montgomery**

Consents (Building, Resource Consents), Compliance (Environmental Health, Animal & Stock Control, Parking, Environmental Risk and Enforcement), Harbourmaster



Director Internal Partnerships - **James Baty**

People & Capability (Human Resources), Health & Safety, Organisational Culture, Democracy & Support Services (Governance), Legal & Risk Services, Information Services, Information Technology, Information Management, Land Information, Business Solutions and Business Analytics), Risk & Assurance



Director Liveable Communities - **Andrew White**

Liveable Spaces (Aquatic Services, Amenity and Horticulture, Cemeteries), Cultural Activities (Theatres and Library services), Community Assets & Resources (Solid Waste, Asset Management), Integrated Catchments (Soil Conservation, Biosecurity and Catchments), Community Projects



Customer Engagement Manager - **Anita Reedy-Holthausen**

Customer Services, Communication, Online Communication, Māori Engagement



Principal Advisor to the Chief Executive - **Lisa Osler**

Chief Executive and Mayor's Office

Schedule of Agents

BANKERS

Westpac Banking Corporation
101 Gladstone Road, Gisborne

ANZ National Bank Ltd
36 Gladstone Road, Gisborne

SOLICITORS

Simpson Grierson
195 Lambton Quay, Wellington

Cooney Lees Morgan
247 Cameron Road, Tauranga

Buddle Findlay
1 Willis Street, Wellington

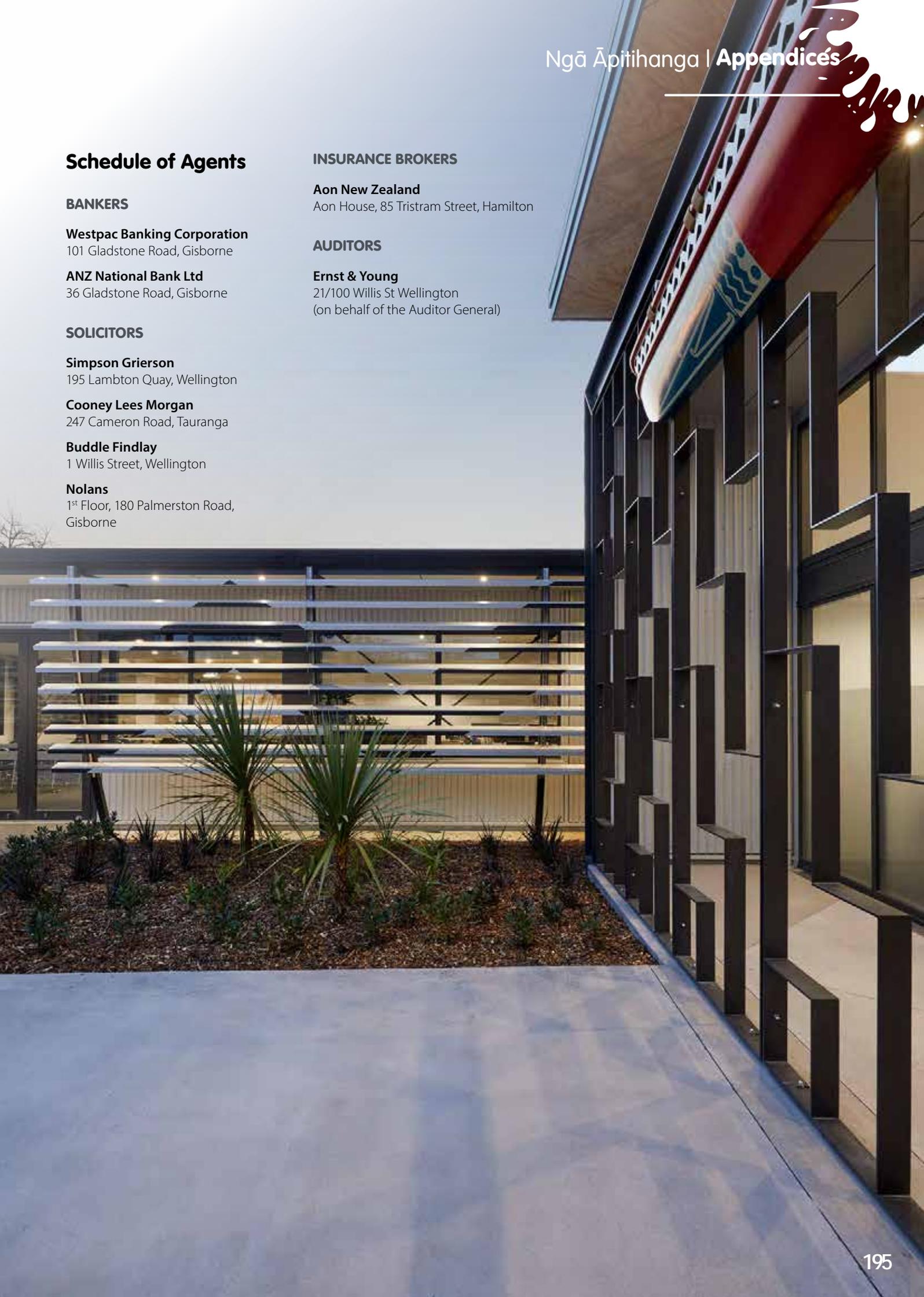
Nolans
1st Floor, 180 Palmerston Road,
Gisborne

INSURANCE BROKERS

Aon New Zealand
Aon House, 85 Tristram Street, Hamilton

AUDITORS

Ernst & Young
21/100 Willis St Wellington
(on behalf of the Auditor General)





Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

15 Fitzherbert Street, Gisborne 4010, New Zealand

 @GisborneDC

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