

10. Reports of the Chief Executive and Staff for DECISION



22-222

Title: 22-222 2021/22 Annual Report and Summary
Section: Finance & Affordability
Prepared by: Melanie Hartung Finance Manager
Meeting Date: Thursday 29 September 2022

Legal: Yes

Financial: Yes

Significance: **Low**

Report to COUNCIL for decision

PURPOSE

The purpose of this report is to present the Council's 2021/22 Annual Report and Annual Report Summary for adoption. The Chief Executive and Directors will present to Council highlights of our Activities and Levels of Services for the past financial year.

SUMMARY

The Local Government Act 2002 and the Public Audit Act 2001 require Council's Annual Report to be audited each year. Ernst & Young (EY) are appointed by the Auditor-General to carry out the audit of Council's Annual Report. The Closing Report for the Annual Report 2021/22 was presented to the Audit & Risk Committee on 21 September 2022 (Report 22-223).

The audited Annual Report and Annual Report Summary need to be completed and adopted by Council within four months of the end of the financial year (30 June 2022).

This Annual Report reports against year one (2021/22) of our 2021–2031 Long Term Plan.

This year has not been without its challenges. COVID 19 and severe weather events significantly impacted on not only our community but also Council and its ability to deliver services. COVID-19 impacted on staff and contractor shortages, supply chain issues as well as restricting access to our services.

We also faced two declared civil defence emergency events (November and again in March) - impacting on both our community but also our infrastructure. On top of this, a prolonged adverse weather event occurred in April, with the arrival of an ex-tropical cyclone from Fiji. As a result, we sustained significant damage to our roads, and bridges at an expected cost around \$26m to reinstate.

Despite the ongoing challenge with COVID-19 and severe weather events, Council performed well financially. Council has met and exceeded all of its Financial Prudence Benchmarks. The Benchmarks are used to assess whether Council is prudently managing its revenue, expenses, assets liabilities and general financial management.

Two highlights of this year's financial performance are:

1. Less reliance of rates revenue (43%) significantly less than the 2021-2031 LTP threshold of 60%.
2. Capital investment is \$79m, over double the level of the average capital investment over the last 10 years (2012-2022 on average \$38m).

Disappointedly but understandably, we saw a decrease in some of our performance measures, including community sentiment on our services. Vaccine mandates and the different alert levels/traffic light systems limited our community's ability to make use of Council's facilities and services. Also, during the declared civil defence emergency events as staff and contractors were diverted to emergency responses and reinstatement, it meant we could not respond in our usual target response times.

Council was not alone in seeing decreases in community sentiment. Most councils across New Zealand have decreases in overall satisfaction, perceptions of services and facilities as well as image and reputation measures.

Auditors Ernst & Young on completion of their audit and upon adoption of the Annual Report will issue their audit opinion. At that time, their audit opinion will be inserted into the final documents. At time of compiling this report for Council agenda, the audit is still in progress but will be complete by the time of Council meeting on 29th September. Any changes arising from EY's final review process, to the Annual Report that is included within Attachment 1, will be tabled on the day.

The decisions or matters in this report are considered to be of **Low** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS

That the Council:

1. Adopts the Annual Report and Annual Report Summary for the year ended 30 June 2022 in accordance with s98 of the Local Government Act 2002, subject to minor changes, including formatting, grammatical and typing errors.
2. Signs the Statement of Compliance and Responsibility once adopted.

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Annual Report, 2021 - 2031 Long Term Plan, LTP, Annual Plan, AP, Local Government Act, LGA

BACKGROUND

1. Sections 98(2)(a) and (b) of the ¹Local Government Act 2002 (the Act) specifies the purpose of an Annual Report is:
 - a) to compare the actual activities and the actual performance of the local authority in the year with the intended activities and the intended level of performance as set out in respect of the year in the Long-Term Plan (LTP) and the Annual Plan (AP); and
 - b) to promote the local authority's accountability to the community for the decisions made throughout the year by the local authority.
2. Section 99(1)(a) to (d) and (2)(n) addition to the information ²Part 3 of Schedule 10:
 - The Annual Report must contain:
 - a) the financial statements
 - b) the statement about budgeted and actual capital expenditure
 - c) the funding impact statement
 - d) a statement that all statutory requirements in relation to the annual report has been complied with; and
 - Include a summary report of Annual Report, including the Auditor-General's report on whether the summary represents, fairly and consistently, the information regarding the major matters dealt with in the Annual Report.
3. The Annual Report is Council's key accountability document. It sets out what we have achieved in the last year, explains how we spent rates and the value the community received in return. It compares our achievements and progress to what was planned to be achieved, in this case year one (2021/22) of the 2021–2031 Long Term Plan.

DISCUSSION and OPTIONS

Being Accountable to our Community

4. The Annual Report is the story of our performance over the last financial year from 1 July 2021 to 30 June 2022. It is an important way of informing our communities about how we spent their rates. It also highlights the areas we performed well in, the areas where we need to improve and provides context for where we need to head in the future.
5. The emphasis in the front section of the Annual Report and Summary is on informing the community of progress made with Council's major projects, as well as district highlights.
6. It is then followed by our challenges and responses to explain how we will manage these over the next year when deciding on the work we need to do, what we should spend, and when we will deliver. This connects to our 2021–2031 LTP and where we are heading in this next period.
7. The full 2021/22 Annual Report is Attachment 1. The Annual Report Summary is Attachment 2.

¹ Section 98 of the LGA 2002

² Section 99 of the LGA 2002

COVID-19 Impacts to Financial Performance

8. There were several unplanned financial impacts as a result of COVID-19. The key impacts were in the following areas:

Reduced Income/Increased Expenditure

9. The Parking Activity income was around (\$770k) lower than normal due to parking wardens not operating during Level 4 and Council made parking free from 3pm – 5pm an initiative continued from the first lockdown in 2020.
10. To the lesser extent Theatres (\$140k) and the library (\$40k) reduced income, due to operating with limitations during Level 3 and 4 and also staff shortages.
11. There was additional expenditure incurred, just over \$210k, for implementing additional health measures and for security contracted to monitor vaccine passes at the Library, Theatres, Pool, and main Council building.

Capital investment programme

12. Overall delays in construction, shortages of materials as well as shipping delays, availability of people due to illness and higher costs of material have had an impact on our delivery of capital projects. Those projects that were not completed by 30 June 2022, will now be completed in 2022/23.
13. For full details of COVID financial impacts refer to the “Finances at a glance” section.

Financial Performance Overview

14. Council continues to be financially strong, both in terms of its debt and in terms of overall financial performance. Council met all its Financial Prudence Benchmarks. These benchmarks show how councils planned performance compared against actual results. They show that we are prudently managing our revenue, expenses, assets, liabilities, and general financial dealings.
15. One highlight from this year’s results is that our reliance of rates (43%) as a proportion of our total revenue was significantly less than the 2021-2031 Long Term Plan threshold of 60%. This means that by securing more grants and subsidies, we had less reliance on rates. Ultimately, this meant that Council was able to do more, both in terms of capital investment and operationally.
16. In 2021/22 we received a total of \$163.3m in revenue, up \$2.7m more than what was in the Long Term Plan Year 1. This was due to receiving subsidies from Waka Kotahi for roading emergency works and the accounting gain for fair value swaps.
17. Council ended the year with a net surplus of \$38.8m. This was lower by \$11.6m than we expected but this was due mostly to timing of receiving capital grants. The receiving of capital grants is dependent on when projects are completed.

18. The timing of capital grants does not affect the rolling three-year programme as set out within the Long Term Plan, nor will it affect Council's bottom line, but it does create a variance of a lesser surplus than was expected within this Annual Report.
19. Total expenditure was \$124.7m, \$14m more than what was in the Long Term Plan Year 1. The additional expenditure was mostly due to roading emergency works \$19.8m (LTP \$4m) and 100% funded PGF (Provincial Growth Fund) roading operational projects.
20. The total capital investment programme of \$79m, is slightly above last year's record capital investment of \$78.5m. This level of capital investment is significant and is over double the level of the average capital investment over the last 10 years (2012-2022 on average \$38m).
21. This year's capital investment included:
 - a. \$21.7m capital investment spent on our roading network.
 - b. \$21.1m spent on Kiwa Pools.
 - c. \$15.7m spent on Wastewater Treatment Plant.
 - d. \$4.4m spent on the Waipaoa flood control project.

Table 1: Finances at a Glance

	BUDGET 2021/22 \$000s	ACTUAL 2021/22 \$000s	VARIANCE FAVOURABLE/ (ADVERSE) \$000s
Revenue from Rates	69,147	69,387	240
Grants and Subsidies - Operational	14,699	28,459	13,760
Grants, Donations, Subsidies and Contributions - Capital	61,396	49,009	(12,387)
Revenue from Operating Activities	15,655	13,946	(1,708)
Other Gains/(Losses)	(474)	2,473	2,947
Total Operating Income	160,422	163,275	2,853
Employee Benefit Expenses	26,570	26,221	349
Depreciation and Amortisation	23,733	23,226	507
Operating Activities	56,477	73,182	(16,705)
Finance Costs	3,813	2,050	1,763
Total Operating Expenditure	110,593	124,679	(14,086)
Net surplus/(deficit) before taxation	49,829	38,596	(11,232)
Subvention Income	600	200	(400)
Income Tax Expense (Benefit)	0	0	0
Net Surplus/(Deficit) after Tax	50,429	38,796	(11,632)
Gains/(Losses) on Property Revaluation	35,747	335,384	299,637
TOTAL COMPREHENSIVE REVENUE AND EXPENSES	86,176	374,180	288,004

22. Council did record a gain in the 2021/22 financial year of \$336m, all assets were revalued either as part of the triannual cycle (property and buildings, airport assets, four waters) or the annual cycle (roading).
23. The majority of the \$336m revaluation relates to Roading (51% or total of \$171m) and Property assets (35% or \$117m).
24. Council holds long-term assets of \$2.8b, 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.
25. Depreciation and amortisation charges totalled \$23.3m (19% of our total costs) and repairs and maintenance costs – excluding roading emergency works reinstatement – were \$12.5m (10% of our total costs).
26. Council debt for 2021/22 is at \$85.7m, lower than what was expected of \$109m. Most of this lower debt has been driven by the timing of capital projects and having more cash on hand due to grants being received in advance of the capital programme.
27. Other variances from the Long Term Plan, both favourable and unfavourable, arose during the year. More detailed analysis of all Council's activities is included in "Our Activities" section of this report.

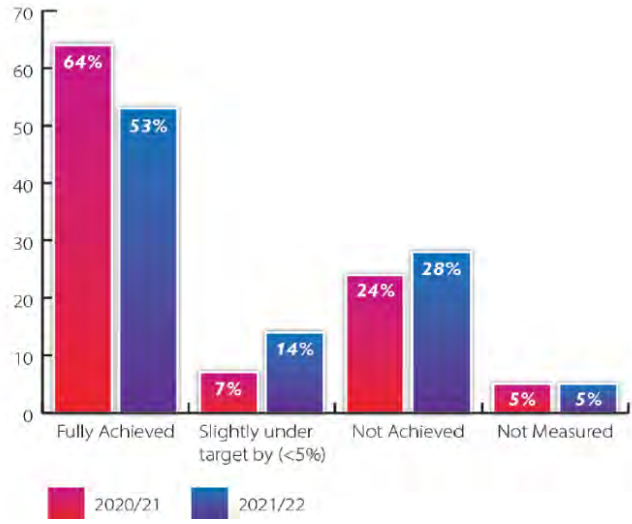
Non-Financial Performance

28. Council measures and monitors the quality and effectiveness of our services to help ensure we are delivering what we said we would and that we are always finding opportunities to improve our performance where it is required. The 103 measures and targets reported across our activities are from Year 1 of the 2021–2031 Long Term Plan. Each activity has performance measures with targets that we aim to achieve.
29. This year we have focused on maintaining Levels of Service where possible for the community whilst supporting and responding to the challenges and opportunities we faced.

Achieving our Performance Targets

30. We have a total of 103 measures, including 32 mandatory measures and 23 measures sourced directly from our Residential Satisfaction Survey.
31. Overall, 67% of our performance measures were on target or slightly under target (within 5% of target) compared to 71% in 2020/21. Fully achieved measures were less than last year, with more shifting to the slightly under target or not achieved. Overall, there was a shift of 4% from achieved (and slightly under) to not achieved.
32. Five percent of performance measures were not measured. This was mostly due to new data measures, impacted by data source limitations.
33. There was a decrease level of satisfaction recorded in some of our areas in terms of services and activities, as taken from the 400 respondents of our Resident Satisfaction survey,

- 34. This year, the Omicron outbreak has impacted on Councils services. There were staffing and contractor shortages alike, affecting our delivery across services such as request for services (RFS), roading maintenance, resource consents building consents, stormwater and rubbish collection.
- 35. Vaccine mandates and the different alert levels or “traffic light” systems limited residents to make use of Councils services and facilities. Council also faced two declared civil defence events and faced prolonged adverse weather event after the ex-tropical cyclone arrived from Fiji in April. Understandably, Requests for Service (RfS) doubled over this period and the response time by staff and contractors took longer than usual. Staff and contractors were for the most part, directed to responding to the emergency events and reinstatement.
- 36. Most Councils across New Zealand have decreases in overall satisfaction, perceptions of services and facilities as well as image and reputation measures.
- 37. The graph below shows the overall results of the performance targets we set for ourselves in 2021/22.



Mandatory Measures

- 38. We have 32 mandatory measures that are set by the Government. They target our Three Waters (Stormwater, Wastewater, Water Supply) Land, Rivers and Coastal, and the provision of our local roads and footpaths. These measures can be found across all local authorities, allowing the public to compare the level of service provided by different Councils.
- 39. This year we achieved 24 (75%) of our mandatory measures; three were slightly under target and five were not achieved.
- 40. The measures we did not achieve fell into three categories
 - a) Footpath and road condition.
 - b) Complaints and response times relating to wastewater and stormwater events.
 - c) Water supply compliance (99%, or 1% under target) recorded in the rural zone – the result did not compromise the safety of drinking water.

41. These services were significantly affected by the severe weather events the region faced over 2021/22 which created delays in repair work and timely service.
42. For more details refer to "Our Performance" section which gives the overall summary and "Our activities" section for the details of each performance measure. This year, for additional transparency each measure has individual comments.

Performance Highlights

43. Council has identified several performance measures which demonstrate service excellence. Our highlights include:
 - Responding to nearly 1400 requests for noise control requests in 2021/22.
 - Continuing to support a downward trend in road accidents within the region.
 - Expanding our coastal monitoring programme to better manage our coastal environment.
 - High levels of satisfaction with the region's water supply system.
 - Increased online visitors to Council's website and environmental data.
44. Council has also identified areas for improvement through our performance measures with lower ratings. Our improvements include:
 - Reducing our response time to roading and footpath requests.
 - Improving the cleanliness of our public facilities.
 - Increasing interest in the development of farm Environment Plans (FEP).
 - Engaging and informing the community better with decisions that affect them.
 - Improving the helpfulness of staff when dealing directly with the public, and
 - Reducing the amount of solid waste we generate and move to landfill.

ASSESSMENT of SIGNIFICANCE

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation

Overall Process: **Low** Significance

This Report: **Low** Significance

Impacts on Council's delivery of its Financial Strategy and Long Term Plan

Overall Process: **Low** Significance

This Report: **Low** Significance

Inconsistency with Council's current strategy and policy

Overall Process: **Low** Significance

This Report: **Low** Significance

The effects on all or a large part of the Gisborne district

Overall Process: **Low** Significance

This Report: **Low** Significance

The effects on individuals or specific communities

Overall Process: **Low** Significance

This Report: **Low** Significance

The level or history of public interest in the matter or issue

Overall Process: **Low** Significance

This Report: **Low** Significance

45. The decisions or matters in this report are considered to be of **Low** significance in accordance with Council's Significance and Engagement Policy.

TANGATA WHENUA/MĀORI ENGAGEMENT

46. Tangata whenua have not been engaged during the preparation of this report.

COMMUNITY ENGAGEMENT

47. Council is not required to consult on its Annual Report. However, we are required to make the Annual Report and the Annual Report Summary document available to the public within one month after its adoption (in this case before 30 October 2022).
48. The Annual Report Summary will be primarily published online this year with links distributed through our eNews.
49. The Annual Report and the Annual Report Summary will also be made available at Council offices, the HB Williams Memorial Library and on our website.

CLIMATE CHANGE – Impacts / Implications

50. There are no climate change impacts or implications associated with the preparation of this report.

CONSIDERATIONS

Financial/Budget

51. Refer to the Financial Performance above.

Legal

52. The content and recommendations in this report are consistent with the requirements of the Local Government Act 2002.
53. The audited Annual Report needs to be completed and adopted by Council within four months of the end of the financial year (30 June 2022). However, for the financial years 2020/21 and 2021/22, Central Government extended the ³Legislation Bill (No 2) in July 2021 to the COVID-19 Response (Further Management Measures). Under section 98 (7) this provides an extension of two months to 31 December for 2021 and 2022. This provision will be repealed on 31 January 2023.

³ Annual Reporting and Audit Time Frames Extensions Legislation Bill

POLICY and PLANNING IMPLICATIONS

54. This Annual Report confirms that Council progressed as planned in the 2021–2031 Long Term Plan.

RISKS

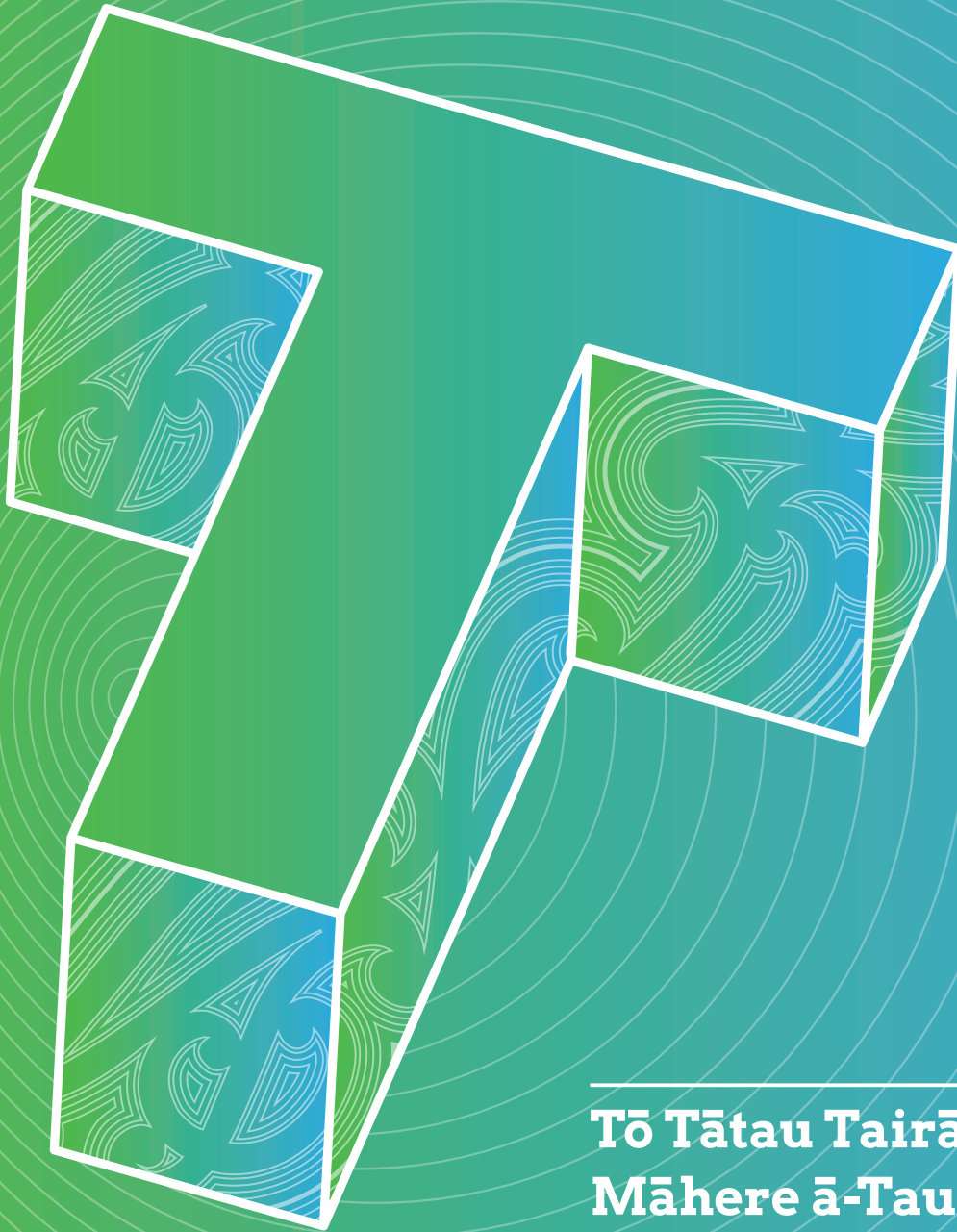
55. There are no major risks associated with the decisions or matters.

NEXT STEPS

Date	Action/Milestone	Comments
29 September 2022	Annual Report and Summary adopted at Council meeting.	Auditors will issue an unqualified audit opinion upon adoption of the Annual Report.
29 September 2022	Media release on Council's financial and non-financial performance none.	
3 October 2022	Annual Report and Summary made available on Council's website.	Hard copies will be made available at Council offices and at the library.
October 2022	Copies of the Annual Report and Summary to the Secretary; Auditor-General and the Parliamentary Library.	

ATTACHMENTS

1. Attachment 1 - 2021-22 Annual Report [22-222.1 - 220 pages]
2. Attachment 2 - Annual Report Summary [22-222.2 - 44 pages]



**Tō Tātau Tairāwhiti
Māhere ā-Tau 2021/22**

**Our Tairāwhiti
2021/22 Annual Report**

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

Adopted by Council on 29 September 2022

ISSN 1178-1084 (Print)

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Tō tātau tirohanga whakamua
Our vision

**Tairāwhiti maranga ake! E tīmata
ana i konei.**

Tairāwhiti rise up! It all starts here.

**Me whiri ngātahi tātau i ngā
āheinga me ngā tauwhāinga kia
whakahī ai te Iwi.**

*Let's navigate our opportunities and challenges
together to make our community proud.*

Ngā kaupapa

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Mo te pūrongo nei About this report

This Annual Report tells the story of our performance over the last financial year from 1 July 2021 to 30 June 2022. 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 Council's activities, their performance and how much we spent on the activities
- our finances – this section provides you with all the financial statements and accompanying notes that give more detail.

Being accountable to our community

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

Long Term Plan

In line with the Local Government Act 2002 (LGA), all councils need to outline the activities and services they plan to provide over ten years. Every three years Gisborne District Council (Council) has to review and prepare a new LTP by engaging with our community. This ensures that our community contributes to setting our future direction. The Long Term Plan (LTP) explains what we're planning to do, how we'll pay for it and what it means for rates and debt. It also sets out measures to monitor and evaluate our progress to ensure we remain transparent and accountable to our community.

This LTP is also an opportunity for Council to explain how we'll:

- carry out major capital projects that will deliver long-lasting benefits by providing, upgrading and enhancing our community spaces
- maintain our assets and invest sustainably in our future to keep our people safe, healthy and thriving
- plan, develop and implement economically sustainable solutions for Tairāwhiti by putting the needs of our community first, both now and over the next ten years.

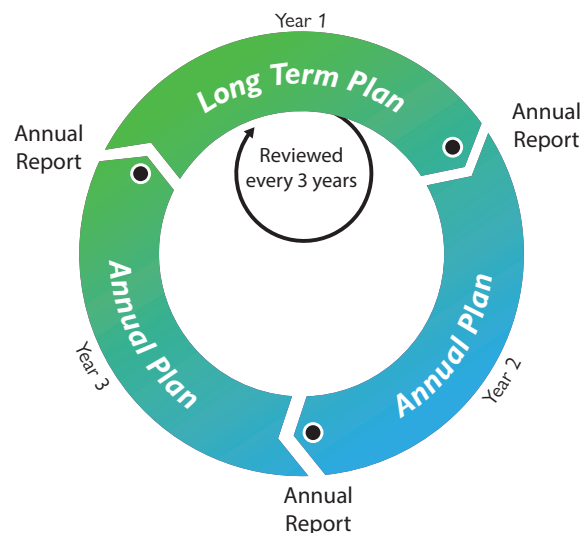
However the LTP is not just a planning document, it is also a blueprint for our shared vision of Tairāwhiti. Under the LGA, the purpose of Local Government includes the promotion of the four aspects of community wellbeing; social, economic, environmental and cultural. This enables us to work together as a community to consider how the activities and services Council plans to undertake affect the wellbeing of our community and achieve community outcomes. The LTP is our primary means for achieving this.

Annual Plan

We prepare an Annual Plan in the second and third year of the LTP. The Annual Plan outlines what we are planning to achieve, including major projects, activities, services and financial information for the specific year. Crucially the Annual Plan shows how much these cost, how we plan on funding them, and the effect on rates and Council's finances. When there are significant changes or variation from the LTP we consult with you on them and include these variations in the Annual Plan.

Annual Report

The Annual Report is our key accountability document that we are required to produce every year, which reports against our Annual Plan and current LTP. It tells the financial story of our performance over the past financial year and also serves as an important way of informing our communities about how we spent rates. It also highlights the areas we performed well in, the areas where we need to improve and provides context for where we need to head in the future.



Resident satisfaction surveys

Responding to community views

We carry out independent resident satisfaction surveys to find out how satisfied residents are with our resources, facilities and services while always looking for opportunities for continuous improvement. The survey and reporting process has to date included collecting data on a quarterly basis through telephone-based surveys, providing quarterly reports, and producing an annual analysis which feeds into our Annual Report.

Resident satisfaction surveys are an important pulse-check on how we are doing in the delivery of our services and to ensure we are accountable to our community. As such, these surveys need to be relevant, interactive and user-friendly so we can ensure genuine community input.

Online and service-user surveys

We are amending our current model to enhance the way in which we collect survey information, by focussing on targeted online surveys, supplemented by “point of service” user

surveys, via QR codes and kiosks. The new process will be ‘live’ for beginning of Year 2 of the LTP of the 2021–2031 LTP. This will be followed by a full review of our performance measures (to inform the next 2024–2034 LTP) to ensure that both the questions we are asking our community and the methodology we are using to capture their feedback is fit for purpose.

Quarterly reporting

Council publishes quarterly reports to give our community a summary of how we are progressing compared to our LTP/ Annual Plans. We do this three times a year while the fourth quarterly report becomes our Annual Report.



Pūrongo arotake pūtea Audit report



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF GISBORNE DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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, Stuart Mutch, 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 XX September 2022. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages XX to XX and pages XX to XX:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2022;
 - 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 XX, 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 Long-term plan;
- the statement of service provision referred to as "our activities" on pages XX to XX:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2022, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;



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- 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 XX to XX, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term Plan; and
- the funding impact statement for each group of activities on pages XX to XX, 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 long-term 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 XX to XX, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's and Group's audited information and, where applicable, the District Council's Long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter - The Government's three waters reform programme

Without modifying our opinion, we draw attention to note 1C "Three waters reform programme" on page [x], which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these proposed reforms, once legislated, will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. The bill is currently before Parliament and as such, the impacts of the proposed reforms are currently unclear. Additional legislation is expected later in 2022 that will provide detail on the transfer of assets and liabilities to the water service entities.

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.



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

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 Long-term 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.



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- 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 auditor’s 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 audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages XX to XX and XX to XX, but does not include the audited information and the disclosure requirements, and our auditor’s report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



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working world**

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: *International 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 debenture trustee reporting, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.

[signature of Appointed Auditor]

Stuart Mutch
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand





From left: Nedine Thatcher Swann (Chief Executive), Rehette Stoltz (Mayor).

He kupu whakataki nā te Kahurangi me te Manahautū **A message from our Mayor and Chief Executive**

Mihi i te reo,

Firstly, we would like to acknowledge how difficult the last year has been for our community and our country. COVID-19 and climate change related weather events significantly impacted on our community and the way we went about our lives.

Despite these challenges, we have together navigated unprecedented circumstances and we thank you for the part that you have played in keeping our community safe. We are both proud to outline in this Annual Report, that we have continued to deliver on an ambitious programme of work progressing the key priorities you identified in our Long Term Plan.

On 17 August 2021 New Zealand entered into lock down and this was proceeded by vaccination mandates, isolation requirements, limits on gatherings, masks and the like. Consequentially, this contributed to staff and contractor shortages and supply chain issues.

It impacted on our ability to effectively engage with our community on issues that mattered and to deliver our intended levels of service and projects. The alert levels under the traffic light system also limited our community's ability to interact with Council and to use and enjoy all our services.

Notwithstanding COVID-19, four major weather events hit our region over the past 12 months with our communities and our infrastructure majorly impacted. Two local state of

emergencies were declared and we sustained significant damage to our roads and bridges resulting in approximately \$26m worth of unbudgeted emergency works.

The extent of flood damage has meant some isolated communities and individuals have had to deal with ongoing road work delays. While our response was strong and fast, we remain in recovery mode and continue ongoing recovery efforts in partnership with local and central government agencies.

These uncontrollable issues combined with local government reforms and the decision to remove Three Waters from local authorities have made for a challenging year. However our major projects remain on track and where there are delays, projects are expected to be completed within 2022/23 as highlighted through our 2021–2031 LTP budgets.

We have made significant progress on the redevelopment of the much-loved but seriously run-down Olympic Pool facility. Kiwa Pools will be a modern, world class facility, with a moveable floor, night-time theatre facilities, café and function centre. Our new facility is on track to open in the first quarter of 2023.

We're also on target to complete work on our Wastewater Treatment Plant by the end of 2022. This will double the size of our existing plant and will enable us to treat our wastewater with state-of-the-art technology to make it even cleaner before it's released into our bay.



We remain in a financially strong position, both in terms of debt and our overall financial performance. This year our rates revenue was 43% of the total operating revenue. This means that the bulk of our income has been from grants and other services making your money go further. Our debt position is \$85.7m, well within the 2021–2031 LTP limit.

In March 2022 Council adopted an ambitious 2030 net-zero emissions target. We've created a roadmap to our 2030 target. We will be matching actions with words and prioritising resources as we continue our climate change journey.

We secured \$2.2m in funding from the Ministry for the Environment to support the restoration of the mauri (life force) and ora (health) of the Tūrangānui Estuary System. Comprising over thirty projects over the next four years this is an amazing programme that will have huge benefits for the health of our rivers

We are also incredibly proud of the progress we are making on our Treaty obligations and our work towards becoming a good Treaty partner. We've started the development of a decision framework for councillors and established a co-governance group with iwi with a focus on the Tairāwhiti Resource Management Plan.

We've also done a lot of work responding to central Government's proposals for change. Work on the Three Waters Reform continues to progress. Our approach to the Reforms has been to ensure that the new entity is able to provide

better outcomes for Tairāwhiti. We will continue to engage with central government on their changes and other reforms underway which include the Resource Management Reform and the Future for Local Government.

As we look to the future, there are exciting changes ahead for our region. Our new representation arrangements for this year's local body election sees the establishment of five Māori Ward seats, eight General Ward seats and Mayor.

Finally, although our year has not been easy, we have continued to focus and deliver on what you told us matters in our Long Term Plan. We have responded to external and uncontrollable events keeping our community safe while at the same time applying your rates wisely while planning for our future.

We invite you to read our Annual Report, acknowledge the challenges and celebrate the good work we've done.

Nga mihi

Rehette Stoltz
Mayor

Nedine Thatcher Swann
Chief Executive



Tō tātou tau
Our year

Tairāwhiti āianeī Tairāwhiti today

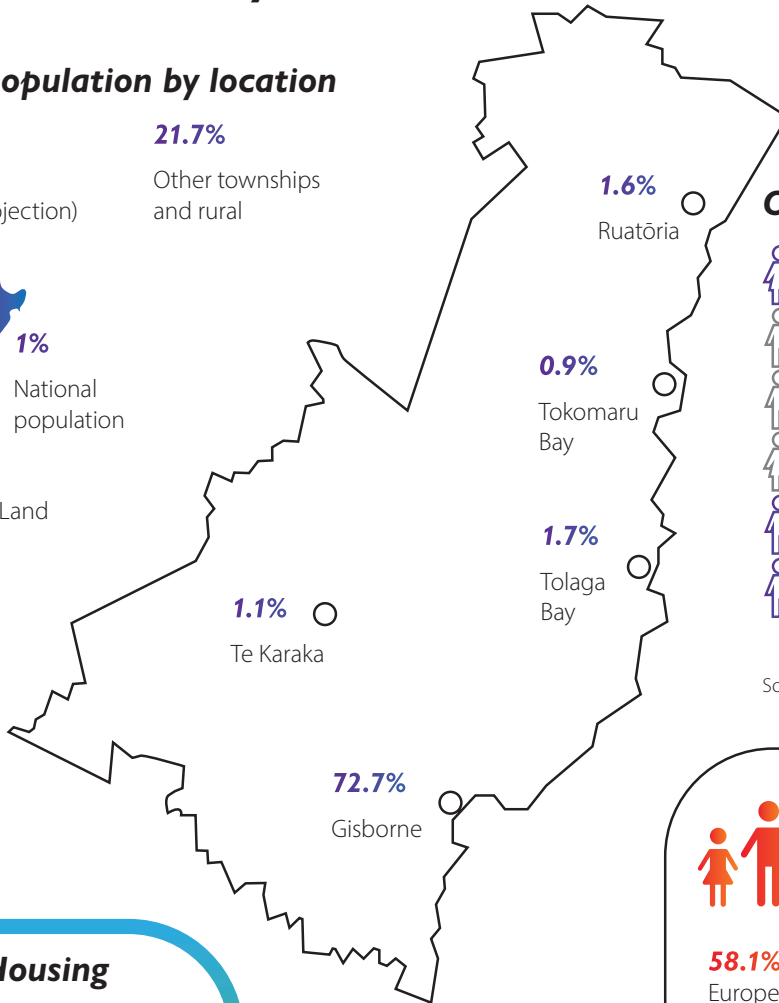
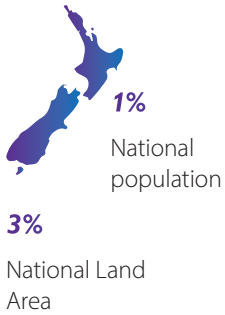
Our population by location

50,243

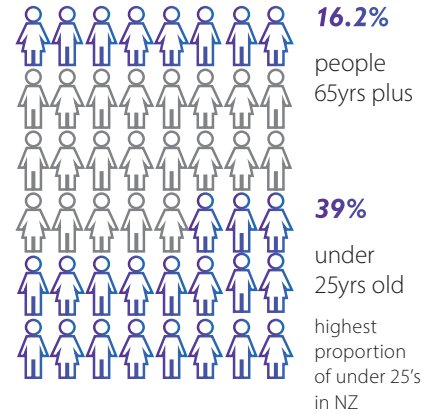
People
(2021 projection)

21.7%

Other townships
and rural



Our population age



Source: Stats NZ – www.stats.govt.nz

Our Housing



\$840,000

National Median

\$665,000

Tairāwhiti Median

7.3%

Tairāwhiti House Price Rise

2.4%

National Median House Price Rise

(As of year on year May 2022)

Tairāwhiti is NZ's fastest rising house market

Source: REINZ – www.reinz.co.nz

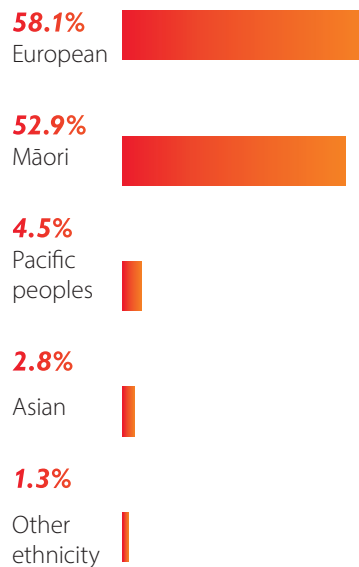


Our tangata whenua

- 4** Regional Iwi
- 70** Operational Marae
- 16%** Te Reo Māori Speakers
- 4x** National percentage of Te Reo Māori speakers



Our Ethnicity



Multiple ethnicities possible so totals more than 100%

Council Services



10,718
registered dogs

43
playgrounds
30
sports parks



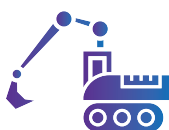
1,889km of roads of which almost
87% are rural roads

77
public conveniences



38,300m³ of water capacity stored in
7 reservoirs

236km
of footpaths



76km
of stopbanks



Household Income

\$103,000

National Median

\$83,000

Tarāwhiti Median

18.6%

Less than National Annual Median income

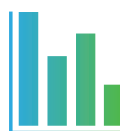


Employment

68% Working-age Employed

4.9% Unemployment Rate

65% Living in Decile 8-10



GDP

\$2.3b

\$45,531 per capita

0.7% National Contribution



Gisborne Airport

134,236

Passenger movements

16,782

Take-offs and landings

Source: Eastland Group
www.eastland.nz –
Annual Report 2022

Gisborne Port

2,672,000 tonnes of cargo left our port



103 logging ships and
3 kiwifruit ships berthed

Source: Eastland Group
www.eastland.nz –
Annual Report 2022

Ngā mahi whakahirahira o te rohe Our district highlights

Our community's aspirations for our region's future are enhanced by a combination of social, cultural, environmental, and economic factors. For more on Our Community's Wellbeings see [page 50](#).



During 2021/22 Council carried out and supported many initiatives around the region that contributed to improving the community's wellbeing. Some of our achievements are highlighted here.



Enabling and supporting community led projects



Council's procurement and contract policies have been updated to better support local businesses in tendering roading contracts.



This will expand our local workforce and create positive outcomes and better service for our community.



Improving our roading updates

We have expanded our website to include more information on our roading works programme. This will give more information on scheduled road works, improving transparency and giving the community a greater understanding of Council's plans.



Stopbank cycleway



Waipaoa Stopbank cycle trail (between Waipaoa River end of Centennial Marine Drive, up to Matawhero SH2 Bridge) was opened to the public.



Removal of mortuary waste from the wastewater network.

The Gisborne Trade Waste Bylaw was amended to prohibit the discharge of mortuary waste into our waterways, realigning our processes with the expectations of our community and tikanga.



Using Three Waters Reform investment package to provide water to our Muriwai and Ruatoria communities



Construction has commenced for the Muriwai Township water supply with completion expected by December 2022.



Investigations for a suitable groundwater take for Ruatoria is under way. Completion is programmed for June 2023.



Tairāwhiti Marae Resilience and Emergency Preparedness project



We facilitated the funding from Te Puni Kōkiri and Toitū Tairāwhiti, these funds will prepare some of our isolated marae for climate resilience and emergencies.



Township upgrades



Works are under way on township upgrades in Te Araroa and Tikitiki, which will be completed by October 2022. Ruatoria is currently in the planning phase.



The upgrade to the playground behind the Tiniroto Community Hall will be completed by the end of September 2022.



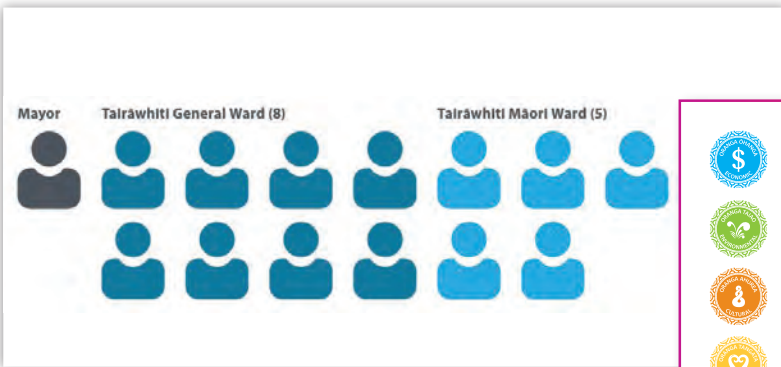
Growing our relationships with tangata whenua

Council has continued to build strong and authentic relationships with our tangata whenua, with endorsement from local iwi to enter into co-governance discussions.



Working with Councillors on co-governance

We have been working with our councillors to develop and endorse strategies and partnerships to progress towards co-governance with mana whenua.



Representation Review

Changes to our election process, including the addition of a Māori ward and the change to the Single Transferable Vote system will ensure better representation for Māori, women, rural communities, and minority groups.



Land Management

We continue to progress with our land management programme, while keeping informed on the national freshwater reforms and Farm Environmental Plans to ensure we are prepared to support our community.



Removing overdue fees and wiping historical debt for library patrons



In 2022 Council approved the removal of library fines and debts. This is part of our commitment to ensuring equity of library services for everyone in our community.



Dune care programme and street tree planting project



Two thousand native dune grasses have been planted along Wainui beach dunes system to support the coastal environment, in partnership with community planting groups.

750 street trees have been planted with 269 planted this year in Gisborne city. The planting supports placemaking and environmental outcomes consistent with Council's Street Tree and Garden Plan.



Establishing new partnerships



Council has formalised a number of flagship project partnerships within the region, including the Waingake and Titirangi restoration projects.



Olympic Pool Complex redevelopment project



Construction and operational planning for the Kiwa Pools is progressing well and on time, opening in March 2023.



Changes to our Freedom Camping Bylaw

New camping bylaw implemented – different season and spaces.



Climate change programme

Our climate change programme is in development, with an ambitious target of Gisborne District Council to reach net zero carbon by 2030.



Development of Poverty Bay Flats Groundwater model

We worked with tangata whenua and stakeholders to develop a sophisticated groundwater model for the Poverty Bay Flats. This will be used to further understand the pressures on our groundwater, including climate change. The model will be used as one of the tools to help Council manage our groundwater sustainably and within the principles of Te Mana o te Wai.



New bling for dogs

We have introduced new QR enabled metal tags that will last the lifetime of your dog. This will save around 11,000 plastic dog tags being thrown away each year.



Oil spill response improvements

We have made improvements to our oil spill and vessel asset management. Bringing all assets into one location at the port, where they are most likely to be needed, will speed up our response times to oil spills, improving the outcome for our community and environment.



Consents

The consents teams have been very busy with the increase in housing and other developments, with things looking set to increase next financial year with lots of building and infrastructure developments set for 2022/23. Over 900 Building Consents and 651 Resource Consents were issued in 2021/22.



Restoring the mauri and ora of the Tūrangānui Estuary System Freshwater Improvement Fund



This project includes 32 sub-projects of riparian planting, wetland restoration, enhancing habitats for fish and reducing erosion in Gisborne's waterways.



The programme will continue until June 2026 and will involve local contractors, tangata whenua and opportunities for schools and the community to be actively involved.



Tairāwhiti Resource Management Plan



Our first review of the TRMP since its rollout in 2017 will see significant changes in the way we make decisions about how we manage our natural and built environments.

We have established a project team and programme plan, with work under way in three key areas (freshwater, urban growth and development, and the regional policy statement).

Ngā mahi matua Our major projects

Projects with major capital investment or community impact are known as major projects. They are programmes of work delivered to further our vision and community outcomes. They have significant benefits for our communities and involve significant investment. For more information on our major projects please refer to our [website](#).



DrainWise

The DrainWise programme is about working with our community to prevent wastewater overflows onto private property and into our rivers during heavy rain. We work with property owners to inspect, assist homeowners and educate residents about fixing issues with gully traps, downpipes and underground pipes in their homes.

For more information see our website <https://www.gdc.govt.nz/council/major-projects/drainwise>

Dollars and Cents

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$32.3m Capital budget	\$3.1m Capital spend	\$1.7m Capital spend
\$3.8m Operational budget	\$337k Operational spend	\$349k Operational spend

The project is 100% Council funded to address stormwater issues on private properties through public network extensions.

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- 1 A driven and enabled community
- 2 Resilient communities
- 4 Connected and safe communities

Council Activity

To see how this major project contributes to Council's activities refer to:

Wastewater Group on page 84.

Urban Stormwater Group on page 94.

Project highlights 2021/22

Council's wastewater network

- Improved the performance of our public wastewater network through increased cleaning and surveillance.
- Spent \$2.5m replacing leaking earthenware pipes and \$186k reducing the risk of overflows from sewer pump stations.

Council's stormwater network

- Completed the stormwater models for Whataupoko/ Mangapapa and Elgin/Central Business District (CBD) to identify future upgrades.
- Spent \$1.3m on major stormwater upgrades on Rutene Road and \$512k on reducing flooding by extending Council pipes into private property.

Private property

- Completed major stormwater upgrades on Maki Street and Rutene Road.
- Repaired 599 leaking gully traps.
- Undertook 1953 rapid inflow assessments.
- Fixed 57 downpipes.

Project status



Start date: July 2015

This programme is ongoing.

COVID-19 impacts were felt through, delays due to access on private property which had to either be postponed or restricted.



Navigate Tairāwhiti

Navigate Tairāwhiti is a programme of five projects delivered together with tangata whenua and partner organisations.

The programme weaves together significant sites through storytelling and is designed to highlight our region's unique culture and heritage of first arrivals and great navigators.

For more information see our website www.gdc.govt.nz/council/major-projects/navigate-tairawhiti

Dollars and Cents

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$1.8m	\$1.4m	\$430k

Te Panuku/Titirangi Summit redevelopment is pending external funding to complete. \$1.1m has been grant funded to date.

The 1000-year Walkway Bridge has received \$2.7m of grant funding (\$1.8m included in the LTP and an additional \$900k in 2022) from the Lottery Significant Projects Fund for construction of the Bridge. Additional funding is being sought to pay for the artistic elements of the bridge.

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- 1 A driven and enabled community
- 3 Vibrant city and townships
- 4 Connected and safe communities

Council Activities

To see how this major project contributes to Council's activities refer to:

Liveable Communities Group on page 98.

Project highlights 2021/22

Te Panuku Tū/Titirangi Summit redevelopment

- Ngāti Oneone gifted the name Te Panuku Tū to the Titirangi Summit redevelopment.

Titirangi maunga restoration

- Pest traps built by local tamariki alongside Whāia Titirangi were set on the maunga.
- The Whāia Titirangi programme planted approximately 500 natives, eco-sourced and propagated by Women's Native Tree Project.

1000-year Walkway Bridge

- The design of the 1000-year Walk Bridge was completed.

Project status

Te Panuku Tū/Titirangi Summit redevelopment

Requires further external funding to build.

On hold

Puhi Kai Iti/ Cook Landing Site

Pending the completion of the 1000-year Walkway Bridge and the Te Maro Sculpture.

On track

Titirangi maunga restoration

Completed and business-as-usual now led by Ngāti Oneone

Completed

Tūpapa: Our Stand. Our Story

Completed

Inner harbour upgrade

Completed



Kiwa Pools

We’re building a pool that is fit-for-purpose for our community, now and for the future. The completed facility will be a modern, year-round, temperature-controlled aquatic centre the whole community can enjoy. Ngāi Tāwhiri hapū have partnered with Apollo and Council to co-design the facility. They are also providing cultural guidance, paying careful attention to the relationship of the building, the land and the people of Tairāwhiti.

For more information see our website <https://www.gdc.govt.nz/council/major-projects/kiwa-pools>

Dollars and Cents

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$44.5m	\$26.7m	\$21.1m

Central Government funded \$40m as part of the nationwide COVID-19 shovel-ready stimulus package, while Council committed the remaining funds towards the project.

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- 2 Resilient communities
- 3 Vibrant city and townships
- 4 Connected and safe communities
- 6 We celebrate our heritage

Council Activity

To see how this major project contributes to Council’s activities refer to:

Liveable Communities Group on page 98.

Project highlights 2021/22

- Progress was slowed by COVID-19; requirements around isolation caused staff shortages and supply change issues. Significant weather events in April also delayed works.
- Mihi Whakatau/blessing of the site.
- Additional features include a more generous pool deck, a moveable floor covering one quarter of the 50-metre pool, a café area and a birthday/multi-purpose room.
- The facility will also include a two-metre deep 50m x 20m multi-use pool, leisure and toddler’s pool, learn-to-swim/hydrotherapy pool, indoor change rooms, administration and office facilities, pool plant, service areas, car park and associated landscaping .
- Construction and operations are on track with our March 2023 opening date.

Project status

Start date: August 2017

Kiwa Pools

To be completed by March 2023





Waingake Transformation Programme

The Waingake Transformation Programme is our ambitious plan to restore the vital ecosystem of Waingake to its natural state. We will restore 1200ha of clear-fell pine back to indigenous forest, in partnership with mana whenua Maraetaha Incorporation.

For more information see our website <https://www.gdc.govt.nz/council/major-projects/waingake-restoration>

Dollars and Cents

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$17.9m	\$1.4m	\$1.3m

We expect to receive a significant level of external funding for the programme over this LTP cycle.

Secured \$5m in external funding from Department of Conservation, Ministry for Primary Industries and One Tree Planted

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- ② Resilient communities
- ⑤ We take sustainability seriously
- ⑥ We celebrate our heritage

Council Activity

To see how this major project contributes to Council's activities refer to:

Liveable Communities Group on page 98.

Project highlights 2021/22

- Our partnership to manage the project with Maraetaha Incorporation was formalised through a Memorandum of Understanding (MoU) and a Joint Steering Group was established.
- Completed procurement for plant supply, planting and pest control contractors for the next three years.
- Completed a possum toxin operation and began installation of new traplines and additional traps.
- Completed control of 150ha of wilding pines and other invasive weed species.
- The presence of threatened Long Tailed Bats and at risk NZ Fernbird/Mātātā within a wetland at Waingake was confirmed.
- Ungulate pest numbers have significantly reduced with the number of goat kills per hunter hour decreasing.
- The Ngāi Tāmanuhiri kaitieki hunting roopu have been working alongside our contractor advancing commercial culling techniques and biodiversity awareness.

Project status



Start date: October 2019

This project is ongoing.



Waipaoa Flood Control Climate Change Resilience Project

The project will increase the level of flood protection of the Waipaoa River, accounting for climate change impact (sea level rise and larger rain events) out to the year 2090.

For more information see our website <https://www.gdc.govt.nz/council/major-projects/waipaoa-river-flood-control-scheme>

Dollars and Cents

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$33.6m	\$4.7m	\$4.4m

The total project estimate is \$32m-\$35m of which Council was awarded \$7.5m of Government funding to accelerate the delivery phase of the project up until 2023.

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- ② **Resilient communities**
- ③ **Vibrant city and townships**
- ④ **Connected and safe communities**

Community Activity

To see how this major project contributes to Council’s activities refer to:

Land, Rivers and Coastal Group on page 68.

Project highlights 2021/22

- Awarded two-year stopbank upgrade contract for an added 17km of upgrades.
- Continued work on eastern side stopbanks.
- Started flood mitigation measures work at Tangihanga Station (western side), Mahunga Stream floodgate construction (eastern side) in Ormond Township.
- Successfully completed around 9km of stopbank upgrade work, all on eastern side.

Project status

Start date: 2015

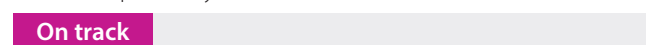
Mahunga Stream Floodgates and Eastern side stopbanks upgrade

To be completed by 2023.



Western side stopbanks upgrade

To be completed by 2031.





Walking and cycling projects

The programme brings together several strategies, projects and initiatives between Council and Waka Kotahi (New Zealand Transport Agency) with a focus on cycling safety.

Walking and cycling networks support and encourage our community to get outside and enjoy being able to move around the city easily and safely and therefore improve health, economic and social outcomes.

For more information see our website www.gdc.govt.nz/council/major-projects/walking-and-cycling-projects

Dollars and Cents

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$7.8m	\$655k	\$689k

\$2.5m – the local share (loan funding) for the Taruheru River Walkway and Cycling project (subject to external funding).

\$100k per annum additional expenditure for the 2021–2023 LTP for the Tairāwhiti Walking and Cycling Network Plan (subject to approval from Waka Kotahi).

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- 2 Resilient communities
- 3 Vibrant city and townships
- 4 Connected and safe communities
- 5 We take sustainability seriously

Council Activity

To see how this major project contributes to Council's activities refer to:

Roads and footpaths on page 72.

Project highlights 2021/22

- Queens Drive completed a one-way system with separated walking/cycling lane from Te-Poho-o-Rawiri marae up to Titirangi Maunga summit.
- New footpath at Wainui, Hamanatua Stream reserve, to connect the network up with Okitu via the SH35 bridge underpass.
- Crawford Road separated cycleway completing the connection from Wainui through Kaiti and the Inner Harbour to the Oneroa (city beach) and Riverside shared Walkway/Cycleways.
- Waipaoa Stopbank cycle trail (between Waipaoa River end of Centennial Marine Drive, up to Matawhero SH2 Bridge) was opened in June 2022.
- Resource consents for Ūawa Cycleway have been lodged and are due to be issued at the end of August 2022.

Project status



Start date: July 2021

This project is ongoing.



Wastewater Treatment Plant upgrade

We're upgrading the infrastructure of our treatment plant to improve water quality. We're exploring alternative use and disposal with wetlands in partnership with key stakeholders and Iwi representatives from the Wastewater Management Committee (WMC) and KIWA Group to progress the use of treated water.

For more information see our website www.gdc.govt.nz/council/major-projects/wastewater-management-options

Dollars and Cents (Stormwater & Wastewater)

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$31.3m	\$18.8m	\$15.7m

A further \$2.6m is budgeted to start the process of building a city wastewater wetland – to act as the final stage of wastewater disposal, rather than marine outfall – in 2029 to 2031. There is also additional expenditure identified beyond the LTP to allow for completion of the wetland.

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- ① **A driven and enabled community**
- ② **Resilient communities**
- ⑤ **We take sustainability seriously**
- ⑥ **We celebrate our heritage**

Council Activity

To see how this major project contributes to Council's activities refer to:

Wastewater Group on page 84.

Project highlights 2021/22

- Progress was slowed by COVID-19; requirements around isolation caused staff shortages and supply change issues. Significant weather events in April also delayed works.
- Construction consents granted, principal contractor awarded for treatment plant upgrade.
- Earthworks to prepare the base of the new clarifier pump station completed.
- Principal supplied equipment received onsite.

Project Status

Start date: December 2015

Wastewater Treatment Plan upgrade

Works on target to complete construction in January 2023. Commissioning will take a further two to three months.

On track





Ngā hononga tiriti

Treaty relationships and partnerships

Over the last 12 months Te Kaunihera o Te Tairāwhiti (Council) has undertaken a journey of improved understanding of the Te Tiriti o Waitangi (Te Tiriti) context in Tairāwhiti. This has included:

- Seeking an improved understanding of tangata whenua aspirations, and a desire to enhance our relationships together through wānanga with iwi
- Clarifying our intent and role as a Te Tiriti partner and improving our understanding of Te Tiriti o Waitangi through internal workshops
- Making an in-principle decision to pursue the establishment of a joint decision-making body with tangata whenua.

These actions have created positive forward momentum toward Tiriti Partnership. We will continue developing effective and meaningful collaboration with mana whenua to ensure Iwi and hapū roles in the future decision-making for the region.



Key initiative – Giving effect to Te Tiriti

Background

Te Tiriti o Waitangi governs the relationship between Māori and the Crown and ensures the rights of Māori as tangata whenua are protected. Local Government also have responsibilities to Māori under Te Tiriti and across varying legislation, including the Local Government Act 2002.

Council recognise that while legal and statutory obligations to Māori exist, these form only part of the foundation, and are not the ceiling for future Te Tiriti based decisions and partnerships.

Our journey so far

There has been a considerable lift in the visibility of tangata whenua partnership, responding to sudden and emerging mahi. Investing in and enhancing relationships so we can transition to Te Tiriti partnership has been the focus.

This has resulted in the development of a firm basis for building relationships with tangata whenua leadership, to build their trust in Council.

Facing the future together

Implement our Māori Responsiveness Programme.

Key initiative – Treaty Partnership

Background

We are on a journey to establish meaningful Treaty Partnerships with ngā iwi o Tairāwhiti. This begins with building relationships bound in respect, trust and openness and will continue on to enabling joint decision making at the highest level, alongside enduring respect and acknowledgment of each other's mana and responsibilities across our region.

Council have many arrangements and forums in place where co-management, co-governance and joint decision making occur. However these are usually limited in scope and resource. We are now asking ourselves, and working with iwi to define, what next?

While Council is at the start of our Te Tiriti voyage and still have much to do internally and with iwi, our commitment to being a good Treaty partner and embodying and giving effect to Te Tiriti in Tairāwhiti remains firm.

Our journey so far

Māori responsiveness has defined a baseline measure of Māori and Treaty responsiveness which will be incorporated into the next Annual Plan.

Facing the future together

Develop and monitor an appropriate level of service and associated performance measure in collaboration with Iwi/hapū stakeholders to ensure we are effectively engaging with Māori.

Key initiative – Tairāwhiti Piritahi

Background

Our internal framework of 'Tairāwhiti Piritahi' policy is underpinned by the following principles:

- **Tika** – a shared commitment to “do the right thing” – morally and ethically – by making certain that everyone is treated with equal respect and fairness.
- **Pono** – a shared commitment to ensure informed decision-making is underpinned by, and made with, honesty, integrity and good faith.
- **Manaakitanga** – the mutual elevation of mana in encounters and when engaged in discourse as a means of seeking shared understanding based on the spirit of respect and dignity.
- **Kete mātauranga** – Council recognises that tangata whenua have an embodied set of expertise and skills in providing a Māori world view in decision-making processes.

See the full document on Our 'Tairāwhiti Piritahi' Policy on our [website](#).

Our journey so far

This policy promotes and facilitates Māori participation in Council's decision-making processes, including a framework for building organisational capability and additional opportunities for Māori to contribute to Council's decision-making processes.

Facing the future together

Continue to provide guidance to staff on our organisational expectations for building effective relationships with Māori at every level.

Te anga piritahi ki mua – ngā tauwhāinga me nga whakautu **Facing the future together – our challenges and responses**

Council is operating in a period of significant change and uncertainty in the local government sector. Our focus will be to continue to navigate the challenges identified in the LTP, ranging from the ongoing impacts of the COVID-19 pandemic, changes to the legislative environment within which we operate, to the increasing adverse weather events we are facing due to climate change.

Below are the significant challenges we are currently facing and how we are responding to them. For more information on the challenges identified in the LTP, refer to our [website](#).

COVID-19

Our challenge

The COVID-19 pandemic has had a significant impact on the health and wellbeing of our people and economy. Council's work programme has also been impacted.

Our journey so far

The pandemic has impacted on the capacity of both contractors and staff, causing significant delays to some projects. In addition, it has affected Council's ability to obtain materials in a timely manner due to international and domestic shipping delays. It is expected that our supply chains may continue to be disrupted for the foreseeable future.

These disruptions and the resulting inflationary impact have placed pressure on the delivery of our capital works programme.

- the development of a 30-year national Infrastructure Strategy
- the Three Waters Reform which will determine how our critical water infrastructure will be managed.

These changes will have a big impact on the work we do and the legislative framework we operate under.

Our journey so far

While we don't fully know the direction or outcome of the reviews and reforms, we are working as closely as possible with Government to ensure the needs of our people will continue to be met.

We are also focussed on ensuring we are not reaching limits for our ability to borrow. This means we have a buffer, if necessary, to cover increased costs that may be incurred from having to enact new legislation or if unforeseen events arise.

Future plans

In order to manage these impacts, we are focussing on:

- delivering more streamlined procurement processes;
- utilising existing contractors on major local projects;
- shifting towards managing capital works on a three-year cycle.

This last point is of particular importance as looking at our capital investment programme over a three-year period allows us to better absorb and prioritise around the big external challenges like COVID-19 and increasing adverse weather events.

Future plans

Over the next few years, we'll receive guidance and decisions from central Government on each of these reviews and reforms and we'll work with our community to decide on the best response for Tairāwhiti.

For more information on this project go to page 36.

Climate change and increasing weather events

Our challenge

Climate change is the most significant long-term issue facing our region. In 2020, Government declared a climate emergency, recognising the need for all of us to prepare for the impacts of a warming climate – with erosion, flash floods, wildfires, and more pressure on the productivity of the land we depend on. We're expecting:

- temperature rises and increased fire risk
- severe and more frequent storms (with major impacts on our steep hill country and coasts)
- damage to infrastructure such as roads and pipes because of erosion
- risks to water supply (drinking, stock water irrigation) through droughts
- sea level rise, coastal erosion, and floods, affecting homes and recreation
- new diseases and pest species.

Changing legislation environment

Our challenge

Successfully providing resilient infrastructure to support community wellbeing and enable economic growth, whilst acting as effective kaitiaki, is an increasing challenge for all councils.

ⁱ Central Government has acknowledged this by undertaking a series of major reviews and reforms including:

- a review into the future of local government
- the upcoming repeal and replacement of the Resource Management Act
- direction on responding to climate change impacts and how to move towards a low emissions future

Government has recently finalised the National Emissions Reduction Plan (May 2022) and the National Adaptation Plan (August 2022). We will closely follow these initiatives to understand the regional impacts of Government's plans and to determine Council's response.

Our journey so far

Our region has experienced severe weather events over the past 12 months, resulting in two declared states of local emergency, causing significant damage to our communities, and delaying Council's capital projects due to our need to focus on emergency response and recovery.

Council is responding to the changing climate through the development of an organisational emissions reduction plan, with the goal of Council reaching net zero emissions by 2030.

In July 2022, a climate change roadmap was adopted – its focus was wider than decarbonisation (its adaptation and mitigation, including decarbonisation). The draft 2050 Climate Change roadmap sets out our climate change journey, milestones, and timeframes and how we will work with others to support regional climate change goals. We are working with Trust Tairāwhiti on a regional decarbonisation approach.

For more information view report 22-143 on our [website](#).

Future plans

We'll work with our community to achieve several planned projects:

- Natural hazards mapping and a climate change risk assessment to inform our adaptation planning.
- Adaptation planning to prepare for the regional impacts of climate change, in particular along our coastlines.
- Walking and cycling projects, to provide infrastructure in the move towards a low-emissions future.
- Increased protection against floods through the Waipaoa Flood Control Climate Change Resilience Project.
- Waingake transformation programme which will protect the city's water supply and improve the region's biodiversity.
- Review of the Tairāwhiti Resource Management Plan to manage the use of our natural resources and look at where growth and development should occur in the future.
- Reduction of waste emissions through implementing the waste management and minimisation plan.
- Working with our regional partners on a regional decarbonisation roadmap to map out our emissions reduction journey in a way that minimises the socio-economic impacts of climate action on our people.

Tairāwhiti Resource Management Plan Review

Our challenge

ⁱⁱ A review of the Tairāwhiti Resource Management Plan (TRMP) is overdue as our current plan is outdated and doesn't reflect our community's aspirations or expectations.

Our region has changed due to development, population growth, and changing demands on our natural resources. National direction and community expectations about environmental outcomes and how we manage natural resources have also changed, and we expect more direction as part of the resource management reforms. The new TRMP will be the framework we use to make future decisions about how we manage the natural and built environment.

Our journey so far

The TRMP review commenced on 1 July 2021 and is tracking well across the three main workstreams. The procurement of external support has been key to progress delivery of this programme of work this year.

Work on a Future Development Strategy has progressed – this will set out our plan for the next 30 years of housing and business growth in the region. It will be guided by Tairāwhiti 2050 (Spatial Plan) but contain more detail on where and how our urban areas and townships can grow. We are engaging with tangata whenua on this kaupapa and there has been public engagement on potential growth sites.

Freshwater catchment planning for the Mōtū, Waiapū (in partnership with Ngāti Porou) and Waimatā-Pakarae catchments is under way. We are also preparing to start a review of the Waipaoa Catchment Plan and the Regional Freshwater Plan.

Several technical studies have been commissioned to support the update of the Regional Policy Statement and staff have made progress on identifying significant resource management issues facing Tairāwhiti.

Future plans

Phase one of the review, covering the first four year is currently under way, with public notification planned for 2024, and includes three workstreams running concurrently:

- Te Kaupapa Tauākī ā-Rohe / Developing a new Regional Policy Statement.
- Te Whakamahere Wai Māori/Freshwater Planning, inclusive of catchment planning.
- Te Whakawhanake me te Whakarahi Taone / Urban Growth and Development Planning.

For more information on this project go to page 36.

Resources available for further information:

i Future for Local Government

An independent Ministerial review into the future of local government is under way and should be completed by April 2023.

Its overall purpose is to consider how New Zealand's system of local governance will need to evolve over the next 30 years in order to improve the wellbeing of New Zealanders and actively embody the Treaty partnership.

Since the last reorganisation of the system in 2002, local government has become more complex and demanding, having been dealt more responsibilities with little increase in funding or capability. More information is available on the Future for Local Government [website](#).

Three Waters Reform

The Government has initiated a major reform of Three Waters services. This will see the management and delivery of drinking water, wastewater, and stormwater services transferred from 67 councils (nationwide) to four entities by June 2024.

The foundations of these new entities will be co-governance arrangements between tangata whenua and councils and their scale means they would be able to borrow enough to fund the investment needed in water services and infrastructure.

Central government released the first of two Bills for consultation in June 2022 with a second Bill due out before the end of 2022. This legislation will set up the structures and functions of the new three waters system and allow Council to plan for how it will continue to deliver the services that will remain with council after the reforms.

More information is available on the Department of Internal Affairs [website](#).

Resource Management reforms

The Government is repealing the Resource Management Act 1991 (RMA) and replacing it with three new pieces of legislation. These are:

- the Natural and Built Environments Act (NBA), which will be the main replacement for the RMA
- the Spatial Planning Act (SPA), which will require councils, iwi/Māori, and central government agencies to develop 30-year regional spatial plans
- the Climate Change Adaptation Act (CCAA), which deals with the legal and technical matters associated with climate change adaptation and managed retreat.

The intention behind these reforms is to bring about transformative and systemic change in the 'resource planning' space. The Natural and Built Environments Act and the Spatial Planning Act will be introduced to Parliament toward the end of 2022. The Climate Change Adaptation Act is expected to follow in 2023. More information is available on the Ministry for the Environment [website](#).

ii Tairāwhiti Resource Management Plan

The LTP included a significant investment of \$25.8m (including \$7m for freshwater) to support a review of the TRMP and deliver Council's freshwater planning programme. The TRMP will have a significant impact on Tairāwhiti, and can help address:

- housing supply issues and removing barriers to develop affordable housing for Māori (including papakainga);
- water allocation and giving effect to Te Mana o te Wai;
- sustainable land use, including enabling productive use of whenua Māori;
- protecting what we value – ecosystems, freshwater, air quality, biodiversity, the coastal environment, and our historic heritage;
- building resilience, by addressing impacts of climate change and natural hazards.

For more information, please refer to our [website](#).



Te āhua a ngā mahi Our performance

How did Council do this year?

Council measures and monitors the quality and effectiveness of our services to help ensure we are delivering what we said we would and that we are always finding opportunities to improve our services. These are captured as performance measures, which are confirmed with the adoption of our 2021–2031 Long Term Plan. Changes to performance measures are notified through the Annual Plan process.

Complete details on Council performance measures are available in Our Activities section on page 55.

Key

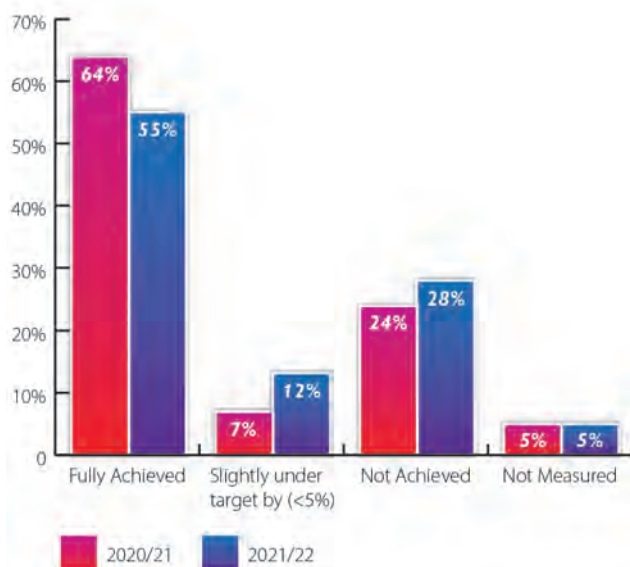


Overall performance

The graphs below show how well Council met the performance targets we set for ourselves in 2021/22. Five percent of performance measures were not measured. This was mostly due to new data measures, impacted by some data source limitations.

We have a total of 102 measures, including 32 mandatory measures and 22 measures sourced directly from our Residential Satisfaction Survey.

Overall, 67% of our performance measures were on target or slightly under target compared to 71% in 2020/21. Fully achieved measures were less than last year, with more shifting to the slightly under target or not achieved. Overall, there was a shift of 4% from achieved (and slightly under) to not achieved.



Mandatory measures

We have 32 mandatory measures that are set by the Government. They target our three waters (Stormwater, Wastewater, Water Supply) Land, Rivers and Coastal, and the provision of our local roads and footpaths. These measures can be found across all local authorities, allowing the public to compare the level of service provided by different Councils. This year we achieved 24 (75%), 3 were slightly under target and 5 were not achieved.

Slightly under target:

- Condition of footpaths, slightly below the target of 90%. The adverse weather events meant that contractors had to reprioritise and focus on emergency roading reinstatement.
- Wastewater response to overflows took slightly longer (3% or 46 minutes more time) than the target.
- Water Supply compliance for bacteriological control was 1% under target. This relates to the Rural Zone. The result does not compromise the safety of their drinking water.

Not achieved:

The four exceptions related to delayed responses to roading service requests, road maintenance, wastewater faults, and complaints response times.

- Stormwater complaints or requests was 13 (per 1000 properties connected), being 1 over the 12 target. The majority of request occurred over the two declared civil defence emergency events.
- Wastewater fault response time of less than an hour, was not reached (3.13 hour). Response times during our Civil Defence emergency events took longer, as contractors and staff were diverted to whole of region emergency reinstatement response.
- Wastewater customer complaints or requests, was just over 21 over 1,000 property connections (target is less than 10).
- Roads and footpaths request for service response times were well below target. Work is underway to improve the response times this financial year, including more communications on our website and resources focused on individual responses.
- The percentage of sealed local road network that is resurfaced was 3.7%, lower than the 5% target. The adverse weather events in March and April impacted on the resurfacing programme, as typically contractors would be completing a significant part of the programme over these two months. 32.8kms of roads were resurfaced.

Resident satisfaction surveys

Responding to community views

We carry out independent resident satisfaction surveys to find out how satisfied residents are with our resources, facilities and services while always looking for opportunities for continuous improvement. The survey and reporting process has to date included collecting data on a quarterly basis through telephone-based surveys, providing quarterly reports, and producing an annual analysis which feeds into our Annual Report.

Just over 400 residents were surveyed across the Gisborne District area, with a range of participants based on age, ethnicity, area and gender. We acknowledge a lower degree of confidence in the survey as being indicative of our 50,243 residents, due to the sample size and the way the results are collected through land line phone calls. Other types of surveys are also used to check the pulse of our services.

For instance, a mystery shoppers survey was conducted by an independent review from Association of Local Government Information Management (ALIGM) recently, ranking against all Councils in New Zealand. The mystery shopper reviewed our communications, and engagement response of our Facebook and our website. Our score of 77% put us within the top 30% of the 80 Councils surveyed.

We are amending our current model to enhance the way in which we collect survey information so we can collect more feedback, with greater sample sizes. This will allow us to focus on targeted online surveys, to supplement by “point of service” user surveys, via QR codes and kiosks.

Overall, 2021/22 has been a challenging year for District Councils and territorial authorities.

Disappointedly but understandably, there was a decreased level of satisfaction recorded for some of the areas of our services and facilities over the past 12 months, as taken from the 400 respondents of the Resident Satisfaction Survey.

The Omicron outbreak has impacted Council’s services across the district. Staffing shortages (both Council staff and contractors) affected delivery across services such as requests for services, roading maintenance, resource consents, building consents, stormwater and rubbish collection.

Vaccine mandates and different alert level / traffic light systems limited resident’s capabilities to make use of Council’s services and facilities. This was especially evident with our theatres, library and pool.

Council also faced two declared civil defence emergency events and a prolonged adverse weather event after ex-tropical cyclone arrived from Fiji in April. Requests for service doubled over much of this period. Overall, response to requests took longer as staff and contractors were involved in emergency reinstatement.

Most Council’s across New Zealand who have completed Annual Residents’ Satisfaction surveys have decreases in overall satisfaction, perceptions of services and facilities as well as image and reputation measures.

For full details and results for all performance measures refer to the Our Activities section – page 55.



Performance highlights and areas for improvement

Here are some of the performance measure successes we have had this year, as well as some of the challenges we have faced.

Performance highlights	
	Noise control response service – we received a total of 1395 requests for noise control services in 2021/22 which were responded to by our team in a timely manner.
	Road safety – While there was a reduction compared to previous years, Council will continue to strive for zero deaths or serious injuries from crashes by 2050, through work with other agencies and continuing its educational and safety work through the Road to Zero Strategy.
	Customers continue to be very satisfied with the water supply system – This target is consistently being met, highlighting Council's successful approach to providing high quality water to our community.
	Increased hits on Council website and environmental data hosted on another website (LAWA) – a high level of interest due to proactive communication from Council, environmental news in the media and severe weather events.
	Percentage of coastal attributes monitored per the NZ Coastal Policy Statement 2010 – We are undertaking a review of our coastal monitoring to identify required work for Council for the New Zealand Coastal Policy Statement (2010) and the Tairāwhiti Resource Management Plan (TRMP).
Areas for improvement	
	Response to service requests relating to roads and footpaths – To improve this service, we have made changes to new maintenance contracts and staff training to better manage the timely response to requests for service.
	Users satisfied with cleanliness of the public facility – Council is developing a rationalisation process in 2022/23 to renew public conveniences and meet community expectations. This will ensure the cleanliness of facilities is improved.
	Number of farm properties where a farm environment plan (FEP) has been prepared – Council will assess its FEP process to investigate opportunities to improve the number of plans created in 2022/23.
	How Council engages in its decisions making process in the best interests of the community – Council has launched a new engagement platform for all future engagements and consultations and expect this measure to improve markedly.
	Customer's satisfaction with the helpfulness of staff through Council staff surveys – Introduction of real time survey kiosks will ensure that satisfaction is measured at the time of service.
	Total solid waste to landfill in kg per head of population is on the rise – The increase can be attributed to population and economic growth. Further education, workshops and initiatives will aim to reduce what is going to landfill.

COVID-19 response and recovery impacts on our year

On 17 August 2021 we moved into Alert Level 4 of the COVID-19 Protection Framework (traffic lights) then quickly transitioned to Level 3 and 2 (31 August and 7 September). All viruses change over time, and although alert levels had lowered, we were dealing with COVID-19 variants – Delta and Omicron.

Tairāwhiti had been reasonably insulated against the resulting previous spread of the COVID-19 outbreaks, but these variants posed very different challenges than earlier strains as they were easily transmissible. The nature of these variants created a significant challenge and required a response that had not been previously encountered through the pandemic.

There was a regional focus on preparation for the onset of Delta and Omicron and alongside our regional partners we swiftly enacted our resurgence plans and ensured there were financial remedies in place to help our community, who were in a difficult financial position as a result of the pandemic.

As of 10 March 2022, COVID-19 was now an epidemic and in full community transmission. The region was dealing with a surge in positive cases and the provision of welfare support to our communities. Council was involved with the facilitation and planning across all key stakeholders with a focus on supporting a coordinated welfare system in place that was integrated with the clinical response.

At the centre of our framework is our workforce; the importance of our people building and developing a resilient and confident workforce was critical to the success of our recovery. Our connection with regional leaders through Rau Tipu Rau Ora helped ensure essential services were delivered and Council could continue to operate safely for our community. These were the main factors to ensuring success in supporting our communities, moving our economy forward and managing and protecting our natural environment.

Changes to our services during Alert Levels

The pandemic has had a significant impact on the health and wellbeing of our people and economy. Council's work programme was also impacted by the pandemic.

Council had systems in place due to previous lockdowns and had adapted to working off-site and continued to work on improving capacity and capability to safely operate as many services as possible throughout the epidemic.

Council essential services we continue to operate at any Alert Level include:

- kerbside rubbish and recycling collections
- animal control
- road and safety repairs
- bus services (excluding rest homes and schools) to ensure essential workers can get to work and others who rely on them to access other essential service can continue to do so
- reticulated wastewater and drinking water

Due to the epidemic and Alert Levels 3 and 4 the increased risk to staff requires additional PPE and sometimes changes to the delivery mechanisms of these services which can increase the costs of delivering that service compared to the cost during business-as-usual periods.

Impacts on the 2021/22 Annual Report results

The pandemic impacted the capacity of our contractors and staff and caused significant delays to some projects. It affected our ability to obtain materials due to international and domestic delays. These disruptions and the resulting inflationary impact have placed pressure on the delivery of our capital works programme.

For the financial impacts of COVID-19, refer to page 41 – Finances at a glance.



Ngā āhuatanga pūtea

Finances at a glance

This section provides an overview of Council's financial results for 2021/22. 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 (PBE). 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 all are well within planned performance measures.

Financial position overview

Council holds long-term assets of \$2.8b, including operational and infrastructure assets. When investing in infrastructure, we borrow funds so repayments can be spread across the generations who benefit from these assets.

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

At year end our total debt was \$85.7m, lower than what was expected to be in the Annual Plan at \$109m. Most of this lower debt has been driven by the timing of capital projects and having more cash on hand due to grants being received in advance of the capital programme.

The majority of projects that had timing differences to the Annual Plan 2021/22 are expected to be completed within 2022/23, and within 2021–2031 LTP timelines.

Financial performance

Council has continued to perform well financially over the past year. But the year has not been without its challenges.

Our Annual Report 2021/22 is Year 1 of the 2021–2031 Long Term Plan. While we plan for what we expect to occur in each year, the first three years of the LTP are a rolling three year

programme. This is especially relevant with regards to the delivery of our capital programme.

We recorded a \$38.8m net surplus after taxation, against a \$50.4m the Year 1 of the LTP.

While this represents a \$11.6m net surplus less than we expected, most of the differences arose from the timing of receiving capital grants. The receiving of capital grants is dependent on when projects are completed. Initially projects were planned to be completed by 30 June 2022 but will now roll into the beginning of Year 2 of the LTP. COVID-19, extreme weather events, rising inflation and supply shortages have impacted on delivery of some of our projects.

The projects include the Provincial Growth Fund East Cape Road resilience project, Kiwa Pools and the 1000-Year Bridge. The grants for these projects will still occur, but will now fall into Year 2, when projects are completed.

The timing of capital grants doesn't affect the rolling three years programme as set out within the LTP, nor will it affect Council's bottom line, but it does create the variance of a lesser surplus than was expected within this Annual Report.

The overall 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 \$163.3m, \$2.7m more than what was in Year 1 of the LTP. This was due to receiving subsidies from Waka Kotahi for roading emergency works and also the accounting gain for fair value swaps. This increased income offsets the lower than expected capital grants as noted above.

Total expenditure was \$124.7m, \$14m more than what was in Year 1 of the LTP. The additional expenditure was mostly due to roading emergency work \$19.8m (LTP \$4m) and 100% funded PGF roading operational projects.

Key events include:

- A total capital investment programme of \$79m including:
 - \$21.7m of capital investment spent on our roading network
 - \$21.1m spent on the Kiwa Pools
 - \$15.7m spent on Wastewater Treatment Plant
 - \$4.4m spent on the Waipaoa flood control project
- A total of \$19.8m was spent on reinstatement of our roading network, arising after a number of adverse weather events.
- We received \$2.7m from Provincial Growth Fund and Waka Kotahi for roading operational projects (including tree

removal to improve visibility). This grant was received after the adoption of the LTP.

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:

Reduced income/increased expenditure

At midnight 17 August 2021 Tairāwhiti (and the rest of New Zealand) was put into lockdown as a result of moving to Alert Level 4. On 31 August 2021 Tairāwhiti moved to Alert Level 3 until 7 September 2021. Tairāwhiti (and the rest of New Zealand) then moved to the Traffic Light Framework on 2 December 2021.

- During this time the Theatres and Library were either closed or operating with limitations.
- Parking wardens were not operating during Level 4 and Council continued to make parking free from 3pm - 5pm Monday to Friday, which was an initiative implemented after the first lockdown in 2020.
- Revenue has been estimated to be down by \$950k. The activities most impacted were parking fees (\$770k) and, to a lesser extent, Theatres (\$140k) and the Library (\$40k).
- The Olympic Pool was also affected by COVID-19 with operating limitations and staffing shortages.

There was additional expenditure incurred just over \$210k for implementing additional health measures and for security contracted to monitor vaccine passes at the Library, Theatres, Pool and main Council building.

Capital investment programme

COVID-19 has impacted the delivery of our capital projects in terms of:

- delay in construction, due to Level 3 and 4 where nil or minimum work could progress
- availability of people, due to illness
- shortages or delays in supply of material - including international shipping delays
- higher costs of materials due to higher demand

Notably, for the Wastewater Treatment Plant upgrade and Kiwa Pools, there were delays under Levels 3 and 4. The Drainwise project also had delays due to access on private property and had to either be postponed or restricted.

Projects that were not completed by 30 June 2022, will now be completed in 2022/23.

Financial relief and remedies

Council suppressed interest penalties on end of year overdue rates, resulting in around \$600k lower income than was provided within the LTP. Also, Council initiated rates payment plans and deferment of rates payments of up to six months.

More detailed information is included under Note 1B: The effects of COVID-19 on the Council within the "Our Finances" section of the report.

Long Term Plan

	BUDGET 2021/22 \$000s	ACTUAL 2021/22 \$000s	VARIANCE FAVOURABLE/ (ADVERSE) \$000s
Revenue from Rates	69,147	69,387	240
Grants and Subsidies - Operational	14,699	28,459	13,760
Grants, Donations, Subsidies and Contributions - Capital	61,396	49,009	(12,387)
Revenue from Operating Activities	15,655	13,946	(1,708)
Other Gains/(Losses)	(474)	2,473	2,947
Total Operating Income	160,422	163,275	2,853
Employee Benefit Expenses	26,570	26,221	349
Depreciation and Amortisation	23,733	23,226	507
Operating Activities Finance Costs	56,477	73,182	(16,705)
	3,813	2,050	1,763
Total Operating Expenditure	110,593	124,679	(14,086)
Net surplus/(deficit) before taxation	49,829	38,596	(11,232)
Subvention Income	600	200	(400)
Income Tax Expense (Benefit)	0	0	0
Net Surplus/(Deficit) after Tax	50,429	38,796	(11,632)
Gains/(Losses) on Property Revaluation	35,747	335,384	299,637
TOTAL COMPREHENSIVE REVENUE AND EXPENSES	86,176	374,180	288,004

Significant changes 2021/22

	\$000s
Higher gains from infrastructure assets valuations	299,637
Higher revenue from grants and subsidies	1,374
Higher revenue from rates	240
Higher gains from movement in fair value	2,947
Lower employee benefit expenditure	349
Lower finance costs	1,763
Total Positive Variances	306,309
Less	
Lower revenue from operating activities	(2,108)
Higher operating expenditure and depreciation costs	(16,198)
Total Negative Variances	(18,306)
TOTAL FACTORS CONTRIBUTION TO THE UNDERLYING VARIANCE	288,003

Asset Revaluation

Full year gains relate to revaluations on property assets. All assets were revalued either as part of the triannual cycle (property and buildings, airport assets, four waters) or the annual cycle (roading). The majority of the \$336m revaluation relates to Roothing (51% or total of \$171m) and Property assets (35% or \$117m).

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 (e.g. Waka Kotahi share for replacing our roading assets).

Council's budget and actual net surplus for 2021/22 is shown below.

The net surplus for 2021/22 at \$38.8m, is above the 5 year average of \$30.3m. However, the overall net surplus is lower than last year, mainly due to the higher than expected costs arising from roading reinstatement emergency works (local share) that occurred in 2021/22.

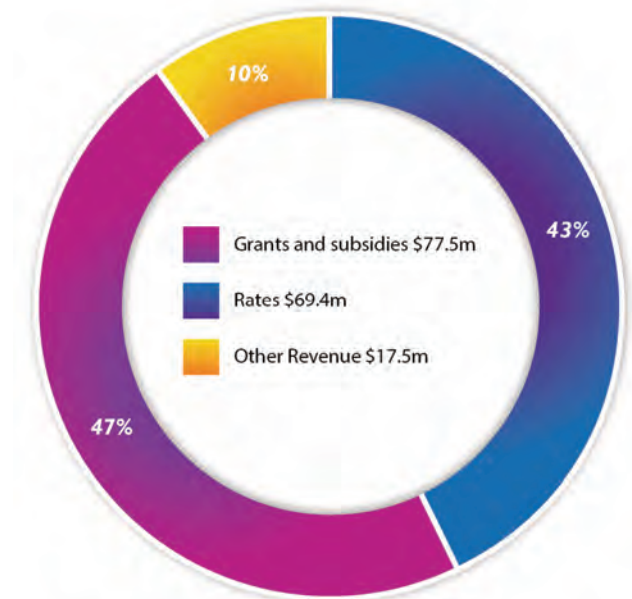
Total net surplus 2021/22



Council income

In 2021/22 the Council received income of \$163.3m compared to a budget of \$160.4m.

Council 2021/22 income \$163.3m



In 2021/22 rates income represents 43% of the total operating revenue. Grants and subsidies income accounts for 47% of total income.

The 2021–2031 LTP average rates income is 60% and grants income is 24%. By increasing the proportion of our revenue from external providers through grants and subsidies means that there is less reliance on rates. This years lower 43% rates proportion of income, means that external grants that were secured enables Council to do more, both in terms of capital investment and operationally.

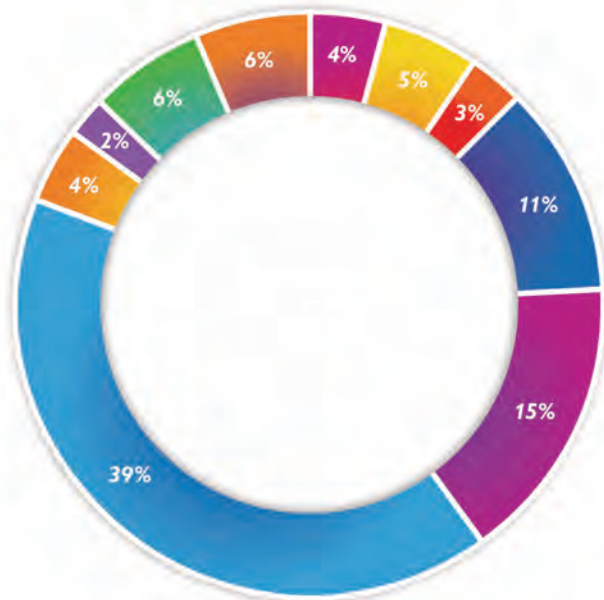
A key direction in Council's financial strategy is to increase income rather than rates.

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 below Roads and Footpaths, Solid Waste, Stormwater, Wastewater, and Water Supply made up 72% of total operating expenditure of the Council. The total cost of these services was \$90m.



- Environmental Services and Protection \$12.8m
- Land, Rivers and Coastal \$3.1m
- Liveable Communities \$19.2m
- Regional Leadership and Support \$13.1m
- Roads and Footpaths \$48.8m
- Solid Waste \$4.9m
- Stormwater \$3.0m
- Wastewater \$9.8m
- Water Supply \$7.4m
- Commercial Operations \$2.6m

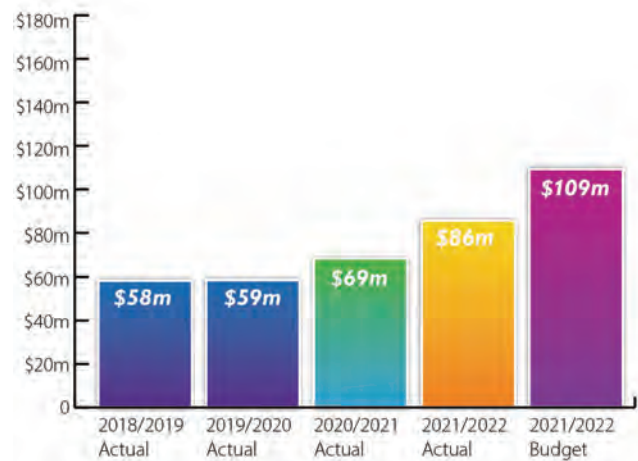
Council has over \$2.8b invested in assets. These are mainly used to provide essential services to our communities – roads, water, stormwater, wastewater, flood protection, parks, open spaces and community facilities. Council must ensure these assets are maintained and replaced if necessary, so that the services they provide can continue now and into the future.

The maintenance and depreciation on Council's assets are costly. In 2021/22 depreciation and amortisation charges totaled \$23.2m; this is 19% of our total costs. Repairs and maintenance costs - excluding roading emergency works reinstatement - were \$12.5m; this is 10% of our total costs.

Council debt

Council has debt of \$85.7m, \$23.3m lower than the LTP. Lower debt was driven by timing of capital projects and having more cash on hand due to grants being received in advance of the capital programme.

Forecast debt levels are expected to increase over the next few years as Council completes a number of major projects.



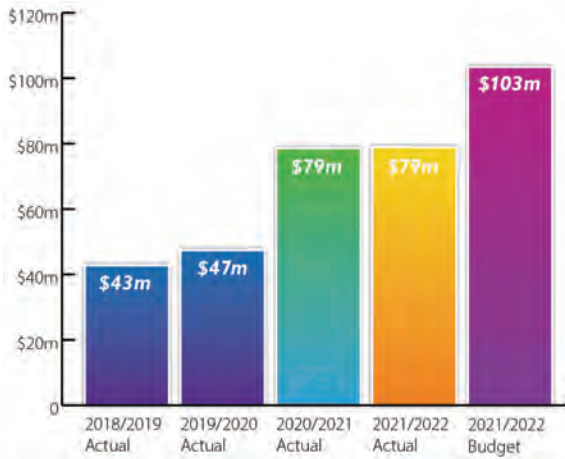
Council capital expenditure

Council's Five Year Financial Performance Summary

During the year we spent \$79m of capital investment on our existing and new assets against the LTP budget of \$103m

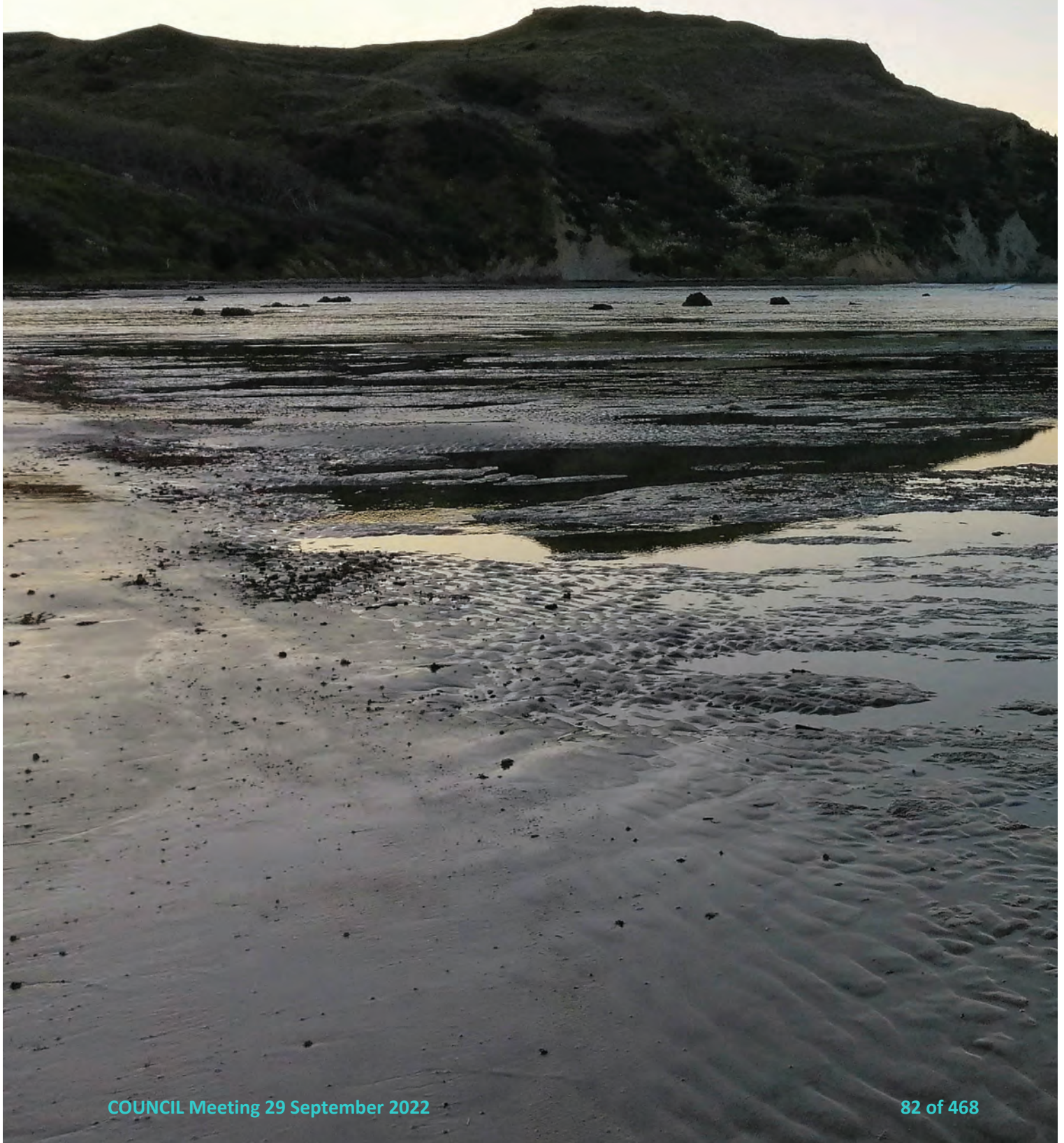
Key highlights included:

- \$21.7m of capital investment spent on our roading network
- \$21.1m spent on Kiwa Pools
- \$15.7m spent on Wastewater Treatment Plant
- \$4.4m spent on the Waipaoa flood control project



	2018	2019	2020	2021	2022
Public Debt (\$000)	43,880	58,280	58,600	68,600	85,700
Net Surplus/(Deficit)	5,131	18,280	19,464	44,621	38,796
Total Comprehensive Revenue and Expenses	78,291	78,814	156,377	118,097	374,180
Net debt as a % of equity <10%	2.16%	2.77%	2.59%	2.88%	3.11%
Net interest as a % of income <10%	2.09%	1.77%	1.47%	1.29%	1.30%
Total debt per capita <\$1700	\$1,005	\$1,335	\$1,342	\$1,365	\$1,664
Working Capital (excluding current portion of public debt)	(13,241)	1,093	(1,261)	(3,589)	(4,450)
TOTAL CAPITAL EXPENDITURE	\$30,555	\$42,830	\$47,427	\$78,603	\$79,010





A black dog is walking on a beach at sunset. The dog is in the foreground, facing left. The beach is wet, and the water is reflecting the sunset. The sky is a mix of orange, yellow, and blue. There are some rocks in the water. The overall scene is peaceful and scenic.

Tō tātau aronga
Our direction

Te oranga o te hapori Our community's wellbeing

In January 2020 Council set a 30-year vision known as Tairāwhiti 2050 (Spatial Plan). The plan looks to our future including outlining our shared aspirations for our region's future wellbeing. Our community's wellbeing aspirations are defined in the four areas below:



Social

- Our communities have a deep sense of place and belonging.
- We are socially connected, recognise the importance of whakapapa and are committed to improving the education, health and safety outcomes of our people.
- Our communities are more resilient.
- Our townships have access to a network of fit-for-purpose community facilities that reflect community needs.
- We support affordable housing options and the sustainable management of urban growth.



Cultural

- Communities and individuals experience vitality through kaitiakitanga, expressing their arts, heritage, history, identity and traditions.
- We work together to achieve common goals.
- Cultural activities are enabled by the activation of community spaces, our marae and place making.



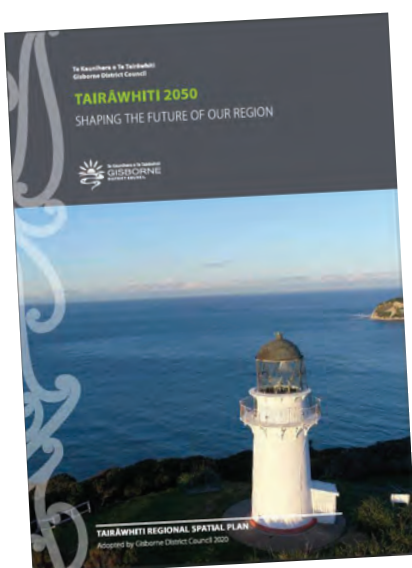
Environmental

- We maintain the health of our soils, air, fresh water and coastal environments.
- Our region's biodiversity is restored and protected.
- We improve land uses to ensure they are environmentally sustainable.



Economic

- Our communities are financially secure and contribute to a growing regional economy.
- Infrastructure is provided to enable businesses to establish, thrive and create new employment opportunities.
- Our rural townships benefit directly from ongoing economic investment.



Tairāwhiti 2050

For more information on Tairāwhiti 2050 please refer to our [website](#).

Tō tātau anga rautaki

Our strategic framework

To ensure we can deliver on our community's wellbeing, we created a new strategic framework. For more information on how this was developed, please refer to the 2021–2023 LTP on our [website](#).

Ō tātau putanga hapori / Our community outcomes



A driven and enabled community

Our whole community works together to achieve our dreams and aspirations.



Resilient communities

Our economy, infrastructure and communities spring back from difficult situations. We care for and plan for future generations and act in partnership with our community.



Vibrant city and townships

We live balanced and happy lives. Our city and townships are vibrant. We attract visitors from across Aotearoa and the world. Our rural townships have sustainable infrastructure and services and we all have bright futures.



Connected and safe communities

Our communities and businesses prosper. We've got a safe, efficient and integrated transport network. We invest in supplying safe walking, cycling and public transport, and we use new technologies to our advantage.



We take sustainability seriously

We change the way we live and work in response to climate change. We work to lower carbon emissions and to improve our ecological footprint. We're more resilient, we end waste and we use our natural resources wisely.



We celebrate our heritage

We're proud of and celebrate our Māori identity, culture, historic and natural heritage. We're all kaitiaki of our natural taonga which we protect for future generations.



A diverse economy

We've got world class facilities and services. Our people are in high value jobs and have a great standard of living. We've a strong economy which encourages entrepreneurship, innovation and we use emerging technologies.



Delivering for and with Māori

Iwi are significant partners in Council's decision-making. Māori communities and economies are booming, supported by affordable housing, quality infrastructure and fulfilling employment opportunities.

Ngā matua rautaki / Our strategic priorities



Te taiao

We will protect and enhance our environment and biodiversity.



Te hanganga

We will invest in existing and future core infrastructure needs, with a focus on adaptive, cost efficient and effective designs that enhance our sense of place and lifestyle.



Ngā tikanga āwhina tāngata

We will efficiently deliver quality services that enable our communities.

Tā tātāu rautaki ahumoni

Our financial strategy

The 2021/22 financial year was guided by the Financial Strategy set out as year 1 in the 2021–2031 LTP. An overarching aim of the Financial Strategy is to balance the need to protect our environment and our assets while planning for our future, in a financially sustainable way.

The Financial strategy supports the LTP by having the building blocks for sustainable development for Tairāwhiti by:

- Prioritising expenditure on our critical activities and infrastructure such as roads, wastewater treatment and flood protection.
- Developing our response to climate change
- Reviewing what our district will be like through the Tairāwhiti Resource Management Plan and planning for management of freshwater.

At a high level, in 2021/22 we:

Spent on critical activities and infrastructure:

- Roads – \$21.7m roading network renewals and \$19.8m in reinstatement work after extreme weather events
- Wastewater Treatment Plant Upgrade – \$15.7m, with final completion in 2022/23
- Waipaoa Flood Control Climate Change Resilience Project – \$4.4m with 9km of stopbanks upgrade completed
- Kiwa Pools – \$21.1m of the total \$44.5m funded by with final completion next year.

Worked on our building blocks by:

- Climate Change Response – developing the draft emissions reduction plan and road map for our future focus.
- Tairāwhiti Resource Management Plan – the review of the plan commenced 1 July 2021, with work beginning on a Future Development Strategy. This includes projections for housing and business growth in our region.

We're reporting on our Financial Strategy for 2021/22 through the six key directions:

Key direction 1. Key rates as affordable as practicable

"Keep rates as affordable as practicable while recognising the need to fund critical infrastructure and keep the region functioning well."

How are we doing?

The Financial Strategy sets a limit of a maximum of 6.5% (plus growth) in rates increases over the next three 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. This year overall rates increase was 5.95% (plus growth of 0.5%).

Key direction 2. Focus on critical activities and infrastructure

"Focus on critical activities and infrastructure which meet the community's needs and respond to climate change during the long term period and beyond."

How are we doing?

The LTP forecasts an average spend of \$49m per annum on capital works over the next ten years. However, in Years 1 and Years 2 of the 2021–2031 LTP, planned capital expenditure is much higher, averaging \$92m. The higher spend in these years relates to the Wastewater Treatment Plant (\$31.3m) and Kiwa Pools (\$44.5m).

In 2021/22 we invested a total of \$79m in capital works. This included a total of \$50.9m for critical infrastructure, mostly on roading \$21.7m and wastewater activity \$19.8m. Kiwa Pools capital spend was \$21.1m.

Last year in 2020/21 we spent a total of \$78.6m, with critical infrastructure spend being \$67.6m. Last year the roading capital programme was \$47m, boosted by funds by one off grants from Ministry of Business and Innovation (MBIE) provided COVID 19, for job stimulation and redeployment of workers.

Key direction 3. Increase alternative income streams

"Increase and optimise the use of alternative revenue streams through partnerships, targeted contributions and investment income."

How are we doing?

The 2021–2031 LTP average revenue was 60% from rates, grants 24% and 15% from other sources (such as dividends and fees and charges).

In this year 2021/22 our rates income as a proportion of total revenue was 43%, with grants increasing to 47%, with 10% from other sources. The increase of grants as proportion of our total revenue, enabled us to:

- build more resilience on our roads
- boost our own contributions to the Waipaoa Flood Control Climate Change Resilience Project
- contribute to some of the costs for the Wastewater Treatment Plant Upgrade
- construction of Kiwa pools.

These funds 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 (CCTO), 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.

Key direction 4. Manage debt prudently

"Increase maximum debt levels still within prudent levels, to smooth the costs of delivering key infrastructure projects over years one to three of the long term plan, in line with our financial policies."

How are we doing?

The 2021–2031 Long Term Plan debt limit is to be 130% of revenue. Our peak debt is forecast to be in year 5 (or 2025/26) coinciding with the funding of key projects such as wastewater treatment upgrade and flood protection.

At year end our total debt was \$85.7m, lower than what was expected to be in the Annual Plan at \$109m. Most of this lower debt has been driven by the timing of capital projects and having more cash on hand due to grants being received in advance of the capital program.

The majority of projects that had timing differences to the Annual Plan 2021/22 are expected to be completed within the next year and within the 2021–2031 LTP timelines.

Key direction 5. Ensure beneficiaries of services pay the costs

"Council aims to ensure that those who benefit from Council activities and infrastructure pay for them. This includes mechanisms such as user levies, targeted rates and development contributions."

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.

Key direction 6. Growing the rating base

"Council will look to grow our rating base by supporting economic activity without the need to trigger additional costly capital works projects or growing Council's infrastructure footprint without care."

How are we doing?

We have several initiatives that support this directive:

- Collaboration with Trust Tairāwhiti to develop He Huarahi hei Whai Oranga, the Tairāwhiti Economic Action Plan. Trust Tairāwhiti is working with businesses, 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.
- Tairāwhiti Resource Management Plan in progress which incorporates future projections of urban growth and development (Future Development Strategy)
- Delivering and progressing new community infrastructure – including Kiwa Pools project – to support and provide for growth.
- Partnering with iwi and others to create more nature based jobs, such as with the continuation of the Waingake native restoration programme.







A tātatau mahi
Our activities

Me pēhea te pānui i tēnei wāhanga

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 2021/22, how well we performed against our targets and what it cost.

Sections are structured as follows:

Activities

Sufficient detail is provided on each activity to provide a better understanding of the services that Council provides.

What we do

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.

Delivering value to the community

Key activity initiatives that contributed to improving the community's wellbeing.

Contribution to community outcomes

Community outcomes the activity contributes to and associated objectives. More information on each of our outcomes is provided on page 51.

What we said we would do

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

How we are going in 2021/22

Provides a list of the highlights and progress 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 2021/22 year as well as our actual results for the year. The levels of service, performance measures and targets were outlined in the 2021–2031 Long Term Plan. The previous results are taken from the 2019/20 and 2020/21 Annual Reports.

A colour coding system is used to highlight our performance results. Where the activity results have not achieved the desired "green" status, further explanations are provided in this report.

Key



Fully achieved



slightly under target (≤5%)



Not measured



Not achieved

Significant negative effects of delivering this activity

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 wellbeing of its community as identified in the 2018–2028 Long Term Plan.

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 2021–2031 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 Councils 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 2021–2031 Long Term Plan.



Ngā Ratonga Taiao me te Haumarū Environmental Services and Protection

The purpose of this activity group is to promote the sustainable management of the physical and natural resources of the district as well as contribute to the wellbeing of its people and the built environment.

The activities in this group include:

- Building Consents
- Enforcement and Compliance
- Resource Consents

Building Consents

What we do

Council's building related activities are governed by the Building Act 2004, Building Regulations, the Local Government Official Information and Meetings Act 1987 (LGOIMA), Resource Management Act 1991 (RMA), and the Local Government Act 2002 (LGA).

Our work in this area includes/provides:

- Building consents, code compliance certificates (CCCs) and Land Information Memoranda (LIMs).
- Researching and issuing Search of Council Records as part of the National Environmental Standard (NES) for Assessing and Managing Contaminants in Soil to Protect Human Health.
- Accurate and timely information on building consent processes.
- Monitoring compliance of building warrants of fitness for commercial buildings.
- Responding to requests for services.
- Assessments and follow-ups for the strengthening and repair of dangerous, insanitary, and earthquake-prone buildings.
- Swimming pool inspections to ensure pools are safely fenced.

Why we do it

Our building consents work is about ensuring buildings are safe and durable for people to live and work in, now and in the future. We also ensure that people wanting to build or buy a property have access to the information they need.

Delivering value to the community

Building consents and inspections.



Both the issuing of building consents and consequential inspections are not as timely as they have been in the past. These delays are a result in staff changes, COVID-19, and an extremely high activity rate in the building industry in Gisborne. Building services are working hard to rectify these time delays and are confident in getting back to the compliance and response levels that were previously met.

Consents

The consents teams have been very busy with the increase in housing and other developments, with things looking set to increase next financial year with lots of building and infrastructure developments set for 2022/23. Over 900 Building Consents were issued in 2021/22.


Contribution to community outcomes

Community outcomes	Contribution to community outcomes	Objectives
A vibrant city and townships.	By encouraging alternative uses of commercial buildings in the Central Business District (CBD) to help reinvigorate the town centre and to stimulate ideas for the future that will contribute to the economic health of the community. This includes development of upper floors into apartments.	Full use of CBD buildings to ensure ongoing use and prevent excessive dispersal of business to suburban centres.
Connected and safe communities.	By providing safe and resilient commercial buildings.	Commercial buildings are earthquake resilient, and all the required safety and warning systems operate as required by the Building Warrant of Fitness.

Our progress

What we said we would do	How we are going
Review the Request for Service (RfS) system for stormwater on private properties and link this review into the DrainWise process.	Staff changes and workloads have caused this to move more slowly than desirable. The major impediment is the gully trap height required by the Building Act and the height desired by Drainwise which is often incompatible.
Obtain a drone to remove the risk of at height building inspections.	Council has obtained a drone, improving the safety of our inspectors and others on building sites.
Review the internal process for Land Information Memorandums (LIMs) to improve efficiency.	The LIM process review is complete. Most tasks are performed by the LIM officer freeing up more technical staff.

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
We deliver customer-focused building consents and compliance monitoring services that meet statutory requirements.					
 The percentage of building consents issued within 20 business days.	95%	92%	87%	71%	<p>Staff changes, COVID-19, and increased demand in consent requests have significantly affected our ability to meet this target.</p> <p>In response, we have sourced contractors to speed up the delivery of our consent work, and have modified our training programme to get our new consent staff prepared earlier.</p> <p>We commit to reaching 90% compliance by second quarter 2022/23.</p>

Significant effects of delivering this activity

Significance negative effects	Mitigation	Changes since 2021 LTP
Earthquake strengthening legal requirements may lead to some older buildings being demolished to ensure a safer Central Business District (CBD). This could impact the heritage values of the CBD.	Demolition of heritage buildings listed in the District Plan requires a resource consent. Any application may need to be heard by a panel of commissioners with expertise in structural strengthening, heritage values and Building Act legislation. A balanced decision between removing the danger by demolition and preserving the building will be made through the resource consent application assessment.	There is very acceptable momentum in the earthquake strengthening of buildings in the Gisborne CBD. Most outstanding buildings have a definitive workplan and some have been granted timeframe extensions. Currently there is only one building with significant heritage fabric that remains unstrengthened with no communicated definitive work program from the owner.

Enforcement and Compliance

What we do

This activity consists of the overall monitoring and compliance of district and regional resource consents, animal control, parking and city watch, food, health and liquor, bylaws, harbour-related activities, and environmental risk services.

We maintain a consistent approach to ensuring compliance with a variety of acts, regulations, bylaws, and the Tairāwhiti Resource Management Plan (TRMP). We do this by using a range of enforcement options which are determined by a guideline toolkit and include examples of best practice. These guidelines are also intended to help the community and any other interested parties understand how enforcement and compliance is carried out. This activity monitors compliance and enforces a variety of acts, including:

- Resource Management Act
- District Plan
- Dog Control Act
- Impounding Act
- Land Transport Act
- Land Transport (Road User) Rule 2004
- Food Act 2014
- Sale and Supply of Alcohol Act 2012
- Health Act 1956
- Local Bylaws
- Maritime Safety Act.

Why we do it

- Council's Enforcement and Compliance services are intended to promote the sustainable management of natural and physical resources.
- We manage the way people use land and water and how those uses can affect the environment e.g., sediment discharge, noise, new subdivisions, historic building protection, water use, native vegetation etc.
- We help create an environment for our economy to develop and thrive, supporting ideas and opportunities, while providing supportive community infrastructure.
- We support and educate people and businesses in Tairāwhiti to meet and comply with the law and Council policies and consent conditions.
- Council also ensures maritime safety in the region, including marine oil spill response capability to meet our statutory obligations in those areas and protect our environment, safeguarding our community wellbeing.
- We promote traffic safety, help traffic to flow for businesses and retailers, and maintain a presence in the central business district by assisting Police and retailers. We engage in and support education for dog owners, maintain compliance with central government legislation and local bylaws on the control of dogs, and investigate and enforce non-compliance of the relevant Act and bylaws.
- We keep our community and environment healthy and safe by managing food premises, alcohol licensed premises and health licensed premises. We do this through processing applications, education, administration, monitoring and enforcement and inspection and verification of these premises, ensuring high quality of life for the current and future residents and visitors of Tairāwhiti.

Delivering value to the community



Improving the way we do things

We have improved our consenting process by:



Developing a time recording tool to improve our costings and timekeeping.



Providing educational support to the community through the development of compliance guidelines, and training.

Upskilling our staff to improve their ability to support the community through the consent process








Contribution to community outcomes



Community outcomes	Contribution to community outcomes	Objectives
Connected and safe communities.	By providing animal control services that protect the community's safety.	Our team continues to patrol the region, contributing to a safe community. Building and maintaining relationships with the community.
A vibrant city and townships.	Our food and beverage establishments are safe, healthy, and diverse.	All food premises are inspected and have the appropriate plans to manage food safety.
We take sustainability seriously.	Our district's resources are managed to ensure they continue for future generations.	Our resource consent monitoring is prioritised to highest risk and greatest magnitude of effect.

Our progress

What we said we would do	How we are going
Document a comprehensive Enforcement Management Policy to help guide Council staff on all enforcement matters.	The Enforcement Policy has been created and adopted by Council in August 2021.
Expand the capacity of the compliance monitoring and enforcement team to allow greater compliance monitoring and enforcement within the Gisborne district.	The compliance and monitoring capacity has increased to nine full-time Compliance and Monitoring Officers, with two positions vacant. We have employed a further full-time Bylaws & Authorised Officer to manage Freedom Camping activity.
Update the parking meters in the central business district.	All parking meters have been replaced in the CBD. New up to date technology allows people to pay using either card, coins or an app-based service.
Review of the Dog Control Bylaw.	Our community's Dog Control Policy and Bylaw 2010 is under review to consider whether the current model still fits our region. Council is committed to making sure this review ensures the best outcomes for animal and community wellbeing, as well as safety in our community.
Ensure that food operators across Tairāwhiti have understood and implemented the legal requirements under the new legislation and that alcohol licensed premises are regularly inspected in order to promote a responsible drinking culture.	Council has ensured that food operators across Tairāwhiti have understood and implemented the legal requirements under the new legislation and that alcohol licensed premises are regularly inspected in order to promote a responsible drinking culture.
Ensure GDC keep up to date with any changes to legislation in relation to environmental compliance.	The Environmental Health (EH) team experienced a noticeable fluctuation throughout the year with the resignation of four key staff. Overall in 2021/22 the EH Team has been at full capacity for less than a month. However, despite all the adversity, the team was able to deliver significant results and keep a positive performance trend.

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
We provide animal control services that protect our community from threats to their safety by monitoring and enforcing compliance with legislation and through dog registration.					
 The percentage of residents satisfied with Council's efforts in controlling dogs as found in the Resident Satisfaction Survey.	55%	55%	50%	60%	The animal control team are proactive in their approach to controlling dogs. Targeted patrols and good communication with the community has seen the team achieve higher success with this target.
 The percentage of routine requests for dog or stock control issues responded to within two days.	85%	87%	80%	83%	The animal control team have recently appointed two new animal control officers. It is expected that the new staff will allow the result to be on target for the upcoming 2022/23 year.
 The percentage of urgent requests for dog or stock control, responded to within 30 minutes.	92%	92%	90%	92%	We continually meet this target through ongoing training on the importance of timely response and accurate record keeping.
We monitor, respond, and enforce reports of noncompliance with respect to legislation intended to protect the environment.					
 Respond to Request for Services excluding noise within 1 hour.	85%	New measure		Not measured	Not measured. The reporting for capturing response times for this new measure is under development.
 Noise control response within 1 hour	70%	73%	77%	93%	We received a total of 1395 requests for noise control services in 2021/22.
We regulate commercial operations and respond to environmental health issues in the interest of protecting public and environmental health.					
 The percentage of applications for liquor licences processed within target time frames.	65%	64%	Liquor 50%	63%	Our licensing team has been facing resourcing challenges through the 2021/22 period, and has been successfully managing a backlog of renewal applications.
 The percentage of registered and licensed premises that undergo an environmental health compliance inspection annually.	65%	52%	79%	88%	Having a fully resourced team demonstrates a continued positive performance trend.

Measure	Target	2020	2021	2022	How did we perform?
We maintain the Port and Harbour Safety, Code Safety, Management System (SMS) and respond to maritime emergencies.					
 Our Port and Harbour Safety Code (SMS) has been self-assessed with the port within the last 12 months.	Compliant	New measure		Compliant	Our self-assessment was completed and submitted to Maritime New Zealand within the expected timeframe.
 We initiated our response to all pollution notifications within 30 minutes.	Less than 30 minutes	New measure		Not measured	Reporting for the new measure is under development for recording response time of all after hours notifications. However, all urgent notifications are responded to within the 30 minutes target.

Significant effects of delivering this activity

Significance negative effects	Mitigation
Significant weather events have impacted our ability to deliver our routine monitoring programme.	By using a risk-based approach to triage our inspection work, we will be able to manage our monitoring programme through future climate related disruptions.

Resource Consents

What we do

Council provides regulatory rigor and undertakes respective legislative duties as per the Resource Management Act 1991 (RMA), Building Act 2004 and the Local Government Official Information and Meeting Act 1987 (LGOIMA). Duties under the RMA, specific to the team, include: land use; subdivision; discharges to air, land and water; forestry, both harvesting and afforestation; water takes, land disturbance, coastal permits and other national planning instruments such as any relevant National Policy Statements and National Environmental Standards.

Why we do it

- To protect and enhance the quality of our district’s natural and physical environment, now and into the future.
- Support sustainable development and economic growth.
- Support the connection of Māori to their values and relationships with sites of significance and taonga.
- Provide regulatory certainty for economic development and community wellbeing. Ensure our legislative responsibilities are met for the built and natural environment and the community.
- We ensure the integrity and safety of the built form, now and into the future and protect our district’s heritage resource.



Consents

The consents teams have been very busy with the increase in housing and other developments, with things looking set to increase next financial year with lots of building and infrastructure developments set for 2022/23. Over 651 Resource Consents were issued in 2021/22.



Contribution to community outcomes


Community outcomes	Contribution to community outcomes	Objectives
A driven and enabled Tairāwhiti.	Our planning approach can be facilitative and proactive, applying a common sense, solutions-based focus to growth and development so that processing of consents occurs within statutory timeframes.	Reduce barriers to ensure appropriate and sustainable development is undertaken in our region.

Our progress

What we said we would do	How we are going
Continue to process resource consents and to meet and deliver statutory requirements for Council.	The beginning of the financial year progressed well in relation to meeting statutory timeframes. However, heading into the latter half of the financial year saw a fall-off in our timeframe compliance; this is mainly due to increased numbers of consents and staffing shortages; we are using consultants to assist with our capacity issues. We are also utilising statutory measures to extend timeframes in response to COVID-19.
Put in place simple and easy-to-use tools and processes to ensure a collaborative approach with our community can be supported.	Through the work being undertaken in the Timeframes Improvement Project, several process improvements have been identified. An example is short YouTube how-to-do videos explaining consent types to assist customers making applications and all the new subdivision content on the Council website explaining the many parts to the subdivision process.
Deliver Council’s legislative requirements consistently and to a high standard, both in terms of the quality of processing applications received, as well as decisions released under the statutory and regulatory framework.	The annual resource consent audit undertaken by Sage Planning reported a result of 98% compliance with best practice guidelines which relates to the quality of the resource consent decisions released.

<i>What we said we would do</i>	<i>How we are going</i>
Implement real-time charging in order to recoup our operational costs to ensure alignment of outputs (time) and inputs (income).	Real-time charging has been implemented.
Document and promote the pre-lodgement process to ensure the best understanding of the proposal prior to its submission – a no-surprises approach.	We actively promote our pre-lodgement process to our frequent customers; this is a free service. The Duty Planners actively promote the service in their day-to-day dealings with the public; we have received positive feedback from developers about this process on larger developments.
Implement a process for the management of water take renewals for the years when these numbers are particularly high.	Ensure charging is reflective of all time spent assessing, processing, and writing the consent decision inclusive of internal/external input. Plans are being made in advance of renewals; two large renewals are due in 2023.
Develop and disseminate communication and information material around resource consent requirements.	As part of the Resource Consent Improvement project, work will be undertaken with the Communications team to ensure accurate online information is available to the public on the website. Hard copy pamphlets are continually reviewed and available for the public upon request.
Provide input into the review of the TRMP process.	This is undertaken on an as-needed and ongoing basis in collaboration with the Strategic Planning Team.

Our levels of service and how we measure progress

<i>Measure</i>	<i>Target</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>How did we perform?</i>
We meet regulatory timeframes and apply best practice when processing applications.					
 The percentage of resources consents processed within 20 business days.	70%	59%	45%	74%	The performance target was met, however, during the latter part of the year timeframes decreased due to COVID-19 and staff shortages.

Significant effects of delivering this activity

There are no significant negative effects from this activity.

What it cost

<i>Operating revenue and expenditure</i>	<i>Actual 2022 \$000s</i>	<i>LTP 2022 \$000s</i>	<i>Variance Favourable /(Adverse)</i>	<i>Actual 2021 \$000s</i>
Revenue From Non-Exchange Transactions	473	1,138	(665)	1,144
Revenue From Exchange Transactions	4,669	4,250	419	5,812
Expenses	9,369	7,795	(1,574)	12,420
Net Cost of Service	4,227	2,407	(1,819)	5,463
Capital Expenditure				
Capital Projects	388	250	(138)	170
Funded by:				
Depreciation or Other Reserves (Renewals)	359	250	(109)	49
loan funding	29	0	(29)	121
	0	0	0	0

This activity was funded 52% from rates and 48% from fees and charges.

What was different from the budget

- 1 Revenue from non-exchange transactions was \$665k under LTP Plan. This relates to a decrease in court enforced fees and infringements.
- 2 Revenue from exchange transactions was \$419k ahead of the LTP. This is due to an increase in building consents and resource consents revenue, offsetting the lower than expected revenue from parking meter fees and monitoring income.
- 3 Expenditure is \$1.6m over LTP. Resulting from increased consultant costs to meet the demand for building and resource consents, there has also been an increase in prosecutions costs, combined with an increase in the provision for doubtful debts in relation to infringements.
- 4 Capital expenditure is \$138k over LTP. This is mostly due to the purchase of new smart consistently meters. They had been planned to be replaced in Year 2 of the LTP or 2022/23 but their replacement needed to be bought forward to this year.

For financial information on our Environmental Services and Protection Group, refer to Our Finances – page 141.



Te Whenua, ngā Awa me te Takutai Land, Rivers and Coastal

Land, rivers and coastal minimise and prevent damage to Tairāwhiti from floods and erosion. We do this by providing advice on preventative works, maintenance to open drains across the Poverty Bay Flats, monitoring changes to river/stream channels and the coast, providing essential river and stream maintenance, and maintaining foredunes and coastal protection structures in alignment with the Wainui Beach Erosion Management Strategy.

What we do

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

Rivers asset management

We are responsible for monitoring changes to the coast, rivers, and stream channels that could affect our community. We also advise stakeholders on preventative maintenance for rivers and streams, on issues such as flood control, coastal and land erosion protection, land drainage and foredune protection. River monitoring also provides timely flood warnings to the community for specified rivers.

Flood control schemes

To protect land, buildings, and infrastructure from flooding, Council administers and maintains two flood control schemes, one river improvement scheme and one river erosion protection scheme within our district:

- Waipaoa River Flood Control Climate Change Resilience project.
- Te Karaka Flood Control Scheme.
- Tūranganui-Tarūheru Rivers Scheme.
- Waiapu Erosion Protection Scheme.

Together these schemes include 47km of river channel, 68km of stopbanks, and 740 hectares of floodway land.

Land drainage schemes (including pump stations)

Council constructs, administers, and maintains a network of open drains across private farmland to provide land drainage. This allows the effective subsurface drainage of the Poverty Bay Flats within specific areas (generally land drainage schemes). A total network of 277km of drains are maintained, spanning 17 drainage districts. Council undertakes this work in response to landowner requests via legislation as required.

River channel maintenance

Council provides essential river channel maintenance and infrastructure works for 303km of identified rivers and streams to protect land, properties, and roads from erosion. Council also undertakes this work in response to landowner requests via legislation, as required.

Coastal property protection scheme

We maintain the existing foredune protection infrastructure in a defined area along Wainui Beach, in alignment with the Wainui Beach Erosion Management Strategy (adopted in 2014). Council owns and maintains about 2067m of erosion protection structures including rock and timber revetments, gabions, concrete walls, and groynes.

Why we do it

Council's flood protection schemes are intended to keep people and properties safe from flooding, river erosion and coastal erosion in identified areas. River monitoring also provides flood warnings to the community for specified rivers in a timely and effective manner.

Delivering value to the community



Protecting our taonga

Council has completed an assessment of the Rangatira Marae stopbank to help protect the marae from flooding events.

This is part of Council's commitment to protecting and supporting our community through the effects of climate change.

Contribution to community outcomes



Community outcomes	Contribution to community outcomes	Objectives
Resilient communities.	We take into account the forecasted impacts of climate change and changing community demands, as they relate to access to key services.	We use a risk-based approach to manage natural hazards and climate change adaptation.
A vibrant city centre and townships.	We plan and deliver an upgraded flood protection scheme along the Waipaoa River. This supports: <ul style="list-style-type: none"> • Quality urban infill development. • Protection of homes, property, and livelihoods. 	Our city and our rural townships are supported by sustainable infrastructure.
Connected and safe communities.	Explore and strengthen pathway connections between local reserves to enhance their use as well as the liveability of our communities.	Development and delivery of cycle trails to provide connections between schools, townships and community spaces following the Waipaoa stopbanks and/or on flood control owned land.
We take sustainability seriously.	Increasing the resilience of land, rivers and coastal to both short and long-term risks and events, particularly climate change and natural hazards.	Adopt sustainable land use practices that contribute to ecological diversity, healthy waterways and marine environments, and the health and well-being of local communities.
We celebrate our heritage.	In partnership with Iwi, we will continue to deliver our suite of collaborative projects.	Support mana whenua in the exercise of kaitiaki responsibilities over the environment.
A diverse economy.	We utilise and support local contractors and engineering professionals, where possible.	We have the required skills for our local industries to succeed.
Delivering for and with Māori.	Our interactions with Māori collectives are evolving constantly and we aim to move away from transactions into more relationship-based partnering with Māori.	The mana of the whenua and mauri of the waterways is restored in Te Tairāwhiti.

Our progress

What we said we would do	How we are going
Waipaoa Flood Control Scheme.	<p>Seven kilometres of stopbanks were successfully upgraded between the Matawhero (SH2) Bridge and Ferry Road, eastern side in February 2022.</p> <p>Construction works at Wi Pere Trust (western side, Lavenham Road) started in April 2022. Work has been suspended over winter but will restart in the spring once ground conditions improve. Construction work is expected to be fully completed by November 2022.</p> <p>An eight kilometre long gravel cycle-trail between the SH2 'Matawhero' Waipaoa Bridge, and the end of Centennial Marine Drive (eastern side of Waipaoa River) was completed in June 2022.</p> <p>Four kilometres of stopbanks were successfully upgraded between Kaitaratahi Hill and Caesar Road, eastern side near Ormond Township. However on 24 March 2022 a severe flood event suspended stopbank construction for the summer. Less than one kilometre of stopbanks is remaining to fully complete all the stopbank upgrades on the eastern side.</p> <p>Construction of the eight metre high Mahunga Floodgates in Ormond Township started in February 2022. Numerous wet weather delays have slowed progress. The structure and adjacent stopbanks are expected to be completed by December 2022.</p> <p>Stopbank upgrade contracts have been awarded for the 2022/23 construction season. Work on the western side, near Manutuke Township is expected to commence in October 2022.</p>

What we said we would do	How we are going
Coastal Management \$55,000 (Yr1).	The Wainui sand dune restoration project was completed in June 2022.
Mahunga Stream Improvements \$120,000 (Yr1).	The Contract has been awarded. Construction commenced in February 2022. Work has been stopped due to floods in March 2022 and is planned to continue in February 2023.
Pump Station Renewals \$200,000 (Yr1).	Electrical components have been purchased and cabinets are being built. The Manutuke East Pump replacement has been completed.

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
Ensuring the community is safe and prepared, we'll actively monitor and manage the drainage of rivers and streams to minimise flood risk and coastal erosion.					
 System and adequacy (Mandatory measure – DIA) Flood control stopbank length is inspected annually and maintained to a 1-in-100-year protection standard. (Total stopbank length 77km)	25%	85%	26%	25%	Inspection complete and Council's Asset Management System updated.
 Percentage of request for Service resolved within target time frames.	80%	84%	87%	72%	We had two major floods in November 2021 and March 2022 where Council received more than double the usual service requests immediately after the events. This forced Council to focus on recovery work which affected our ability to meet our target. We will be closely monitoring this service through 2022/23 to ensure we improve our service resolution times.

Significant effects of delivering this activity

Significance negative effects	Mitigation
There are design limits and at some point, they will be exceeded. An over-reliance on structural engineering solutions can lead to a shift from regular flood events to rare and catastrophic disasters. Increased development and intensification within protected areas by flood control schemes mean that when a scheme eventually fails, the consequences can be severe.	<ul style="list-style-type: none"> Increasing design limits e.g., designing for climate change. Reducing the amount of development and intensification in the area protected by a stopbank. Change land use to reduce peak catchment runoff rates e.g., from pastoral to forestry. The management of unsustainable hill country to reduce sediment loads and bed/berm aggradation.
The maintenance and installation of hard coastal erosion protection assets to protect coastal property can have the negative effects of locking up sand resources and lowering general beach level, reducing the amenity value and usability of the area.	Taking a different approach from hard structures to soft structures e.g., sand pushups and dune planting. Alternatively adopting a managed retreat approach e.g., requiring relocatable housing, planning provisions, and allowing natural erosion processes over hard structures.

What it cost

<i>Operating revenue and expenditure</i>	<i>Actual 2022 \$000s</i>	<i>LTP 2022 \$000s</i>	<i>Variance Favourable /(Adverse)</i>	<i>Actual 2021 \$000s</i>
Revenue From Non-Exchange Transactions	0	0	0	234
Revenue From Exchange Transactions	149	277	(128)	269
Expenses	2,530	2,384	(146)	2,391
Net Cost of Service	2,381	2,108	(274)	1,888
Capital Expenditure				
Capital Projects	4,996	5,495	499	4,862
Funded By:				
Grants and Subsidies	3,344	2,700	(644)	2,489
Other Capital Revenue	0	0	0	10
Depreciation or Other Reserves (Renewals)	(431)	610	1,041	(3,035)
Internal Loans	2,083	2,185	102	5,398
	0	0	0	0

This activity was funded 44% from rates, 53% grants and 2% from fees and charges.

What was different from the budget

- 1 Revenue from exchange transactions was \$128k under LTP. This is mostly due to reduced river licences being put on hold while construction work on the flood banks are carried out.
- 2 Expenditure is \$146k over LTP. This is due to increased maintenance costs.
- 3 Capital Expenditure is \$499k under LTP. The main project is the Waipaoa River Flood Control Scheme. The project is on track but there were some delays due to COVID impacting on the delivery of materials and severe weather events, both slowing construction. The Taruheru and Turanganui revetment project was also slightly under Annual Plan (ie \$126k), due to supply issues. The latter project will be completed in the beginning of 2022/23.

For financial information on our Land, Rivers and Coastal Group, refer to Our Finances – page 141.



Contribution to community outcomes




Community outcomes	Contribution to community outcomes	Objectives
Resilient communities.	Future planning will look to opportunities of changing climate and how it can be used to advance understanding of and planning for resilient infrastructure.	Our region's infrastructure will not be compromised by climate change and will provide the service expected by the community.
Connected and safe communities.	Transport infrastructure investment is targeted to improve access to safe and efficient transport options.	Our roads and pathways are safe to use by the community to access jobs, services, education, and leisure.
We take sustainability seriously.	Encourage and support businesses and communities to explore more efficient sustainable practices through innovative solutions like the re-use of waste for fuel.	Businesses and communities are supported to explore the potential for developing a circular economy.
A diverse economy.	Infrastructure supports innovative growth opportunities so Tairāwhiti can keep and grow local talent within the region.	Our regional economy has depth and variety, and we have the required skills to support it.






Our progress

What we said we would do	How we are going
Reduce the number of fatal and serious crashes occurring in the district.	<p>Our current focuses are on slowing traffic, reducing speed limits in strategic locations (e.g. schools and intersections), and using road safety promotion and education to raise driver awareness.</p> <p>We released our summer campaign 'It's our summer to Drive Sober', followed by the Back to school and work campaign with 'It's our road too, look out for us.'</p> <p>Council has approved amendments to the Speed Limits Bylaw 2013 to reduce speeds within 12% of our roading network.</p> <p>Raised Safety Platforms (RSPs) have been added to the Peel St/ Palmerstone Rd roundabout and on Grey Street, and speed reduction trials have been carried out around eight of the region's schools.</p> <p>This year the region has had a reduction in crashes with less deaths and serious crashes than last year.</p>
Maintain the reliability and resilience of the roading network.	<p>2021/22 has been a challenging year with COVID-19 restrictions, flu season, and multiple severe weather events that have affected our work programme.</p> <p>An abnormally wet winter has resulted in a very fragile roading network, with the March 2022 weather event resulting in 50 local roads being closed. This has caused a surge in customer complaints about the lack of maintenance and the delays to get flood repairs fixed.</p> <p>Many repairs require engineering designs and consents and could take 12-18 months until any permanent fixes can commence. Council is communicating the delivery timelines to the community to set expectations.</p> <p>The last project to be completed under the Provincial Growth Fund programme is East Cape Road. Rock is being carted to site with a physical construction date programmed for September 2022.</p>
Improved access for communities with a choice of transport mode.	<p>We are continuing to give our communities different opportunities to choose their mode of transport. Multiple projects have been progressed or have been completed. The Crawford Road separated cycleway is now complete, the Uawa Trails project has been procured, and the Passenger Transport review, and Titirangi Drive shared path are nearing completion.</p> <p>The Taruheru River shared path is in the business planning phase and Council is working with Central Government to investigate funding options to fast-track portions of this work.</p> <p>Walking, Cycling and Mode Shift Strategies have been tendered with a preferred supplier to be announced in September 2022. The 'Streets for People' stage 1 'funding the foundations' is complete and the proposal for stage 2 funding has been presented. A Memorandum of Understanding with Walking and Cycling Partners is in place.</p>

What we said we would do	How we are going
COVID-19 impact and recovery.	The Rau Tipu Rau Ora/Response and Recovery Plan which includes Council capital land transport programme is being implemented. Council tenders have a minimum of 15-20% weightings for social outcomes which includes local employment and training opportunities.
Implement the capital programme to support the local community.	A significant work programme was completed from heavy metalling, chip reseals, rehabilitations, walking and cycling, low cost, low risks and PGF programme. These are all highlighted in the Regional Land Transport Plan annual report.

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
We ensure the roading network is designed and managed for safe use with low crash and injury rates					
 Road safety (Mandatory measure - DIA) The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	Decrease	4 fatal 31 serious	9 fatal 47 serious	4 fatal 37 serious.	While there was a reduction compared to previous years, Council will continue to strive for zero deaths or serious injuries from crashes by 2050, through work with other agencies and continuing its educational and safety work, through the Road to Zero Strategy.
We operate and maintain a reliable roading network that is up to date, in good condition and fit for purpose.					
 Response to service requests (Mandatory measure – DIA) The percentage of customer service requests relating to roads and footpaths to which Council responds within the time frame specified.	80%	42.7%	36.2%	26.1%	Our response rate is still tracking down and is well below target. This can be partly explained by the major weather events (the district had four this season) where Council and contractor efforts were focused on reopening the network. To improve this service, we have made changes to new maintenance contracts and training of staff to better manage the timely response to requests for service. The majority of non-conformances were related to complaints being forwarded directly to contractors rather than Council, which affected clear communication of requests. The above issues will be mitigated through the new contract process and changes to the way our staff schedule requests for service.
 Road condition (Mandatory measure – DIA) The average quality of ride on a sealed local road network, measured by smooth travel exposure.	80% of the sealed road network has a roughness reading of less than 150 NAASRA*	90.3%	90.3%	81%	Even though the target was reached the main deterioration was in the urban area. Due to a very wet winter this saturated the underlying pavements causing more potholes. This reflected a 9% reduction from last year.

Measure	Target	2020	2021	2022	How did we perform?
 Road maintenance (Mandatory measure – DIA) The percentage of the sealed local road network that is resurfaced.	5%	4.6%	5.5%	3.7%	The contractor resurfaced 63 resealed sites between August 2021 and May 2022 for a total of 32.81 km's which equates to 3.7% of the total GDC Sealed Network. Civil Defence declared an emergency in March 2022, this extreme weather event was closely followed by an ex-tropical cyclone arriving from Fiji. These adverse weather events impacted on the resurfacing programme, as typically we would be completing a significant part of the programme within these months.
 Footpaths (Mandatory measure – DIA) The percentage of footpaths that fall within the service standard for the condition of footpaths that is set out in the Engineering Code of Practice.	90%	Not measured	86.4%	86.5%	Extreme weather events meant contractors and the ability to complete scheduled work meant that performance target was not met.
We provide and maintain affordable and accessible transportation services that balance the needs of all users.					
 Percentage of residents using the walking and cycling network as found in the Resident Satisfaction Survey.	Increase	64%	60%	59%	A walking and cycling review is under way to start linking the existing network. The community has indicated that they would like the existing network increased e.g., the Taruheru Path.
 Percentage of customers who rate the passenger transport system as excellent/good.	80%	Not measured	100%	Not measured	A full passenger transport review has been completed which includes stakeholder meetings completed in May 2022. This will be used to provide a list of improvements to the passenger transport services.
 The number of bus passengers per annum.	145,000	100,054	121,487(2)	116,431	The number of passengers using bus services was reduced, due to COVID 19 and the flu. This was especially evident with school bus services.

Significant effects of delivering this activity

Significance negative effects	Mitigation
The land transport function is road maintenance and construction; on occasion this may lead to high greenhouse gas emissions.	Ensuring an efficient maintenance schedule, promoting mode shift, and investigating the use of alternative materials to reduce carbon emissions.

What it cost

<i>Operating revenue and expenditure</i>	<i>Actual 2022 \$000s</i>	<i>LTP 2022 \$000s</i>	<i>Variance Favourable /(Adverse)</i>	<i>Actual 2021 \$000s</i>
Revenue From Non-Exchange Transactions	27,373	14,219	13,154	34,220
Revenue From Exchange Transactions	151	46	104	270
Expenses	45,713	32,848	(12,865)	51,472
Net Cost of Service	18,189	18,583	393	16,982
Capital Expenditure				
Capital Projects	21,691	27,670	5,979	47,095
Funded By:				
Grants and Subsidies	15,371	21,411	6,040	41,856
Other Capital Revenue	287	250	(37)	250
Depreciation or Other Reserves (Renewals)	5,427	4,365	(1,062)	3,178
Internal Loans	606	1,643	1,038	1,811
	0	0	0	0

Non-Subsidised Local Roads funded from 100% rates, Subsidised Local Roads, public transport and road safety is funded from 32% depreciation/loans/rates and 68% from subsidies from Waka Kotahi.

Flood Damage and Emergency Reinstatement is funded from 12% rates and 88% from subsidies.

PGF and PGF Emergency work is 100% funded jointly from Waka Kotahi and MBIE.

What was different from the budget

- 1 Revenue from non-exchange transactions is \$13m above LTP. This is due to receiving more in operational grants for roading emergency work and Provisional Growth Fund (PGF) for operational roading projects.
- 2 Revenue from exchange transactions is \$104k over LTP. This is due to increased Corridor Access Requests (CARs).
- 3 Expenditure is \$12.8m over LTP. This was due to higher than expected roading emergency works and PGF Operational costs. Total emergency works is \$19.8m, against \$4m provision in the LTP. The PGF grant funding was approved after the adoption of the LTP.
- 4 Capital Expenditure are \$5.9m under LTP. This mostly relates to the PGF East Cape programme which will now be completed in 2022/23. The adverse weather events in March and April 2022, caused delays. Even with the slightly delay, the programme of work is within the overall PGF timeframe.

For financial information on our Roads and Footpaths Group, refer to Our Finances – page 141.



Para Mārō Solid Waste

Solid waste manages waste and promotes effective and efficient waste management and minimisation services and activities within the district, to minimise the effects on our health and the environment.

What we do

Council is responsible for managing the region’s solid waste and promoting waste minimisation initiatives. We do this through:

- Rural and urban kerbside collections.
- Rural transfer operations.
- Recycling initiatives.
- Cleaning of public places.
- Landfill operations and aftercare.

Why we do it

Council has a statutory duty to not only ensure waste is managed effectively and efficiently, but also to minimise it. We also have a responsibility to promote the reduction, reuse, and recycling of waste to reduce the potential harmful effects of waste on people and the environment.

The provision of solid waste activities is a requirement for every district or city within New Zealand under the Local Government Activity and Public Health Act 1956. We’re using our adopted 2018–2024 Waste Management and Minimisation Plan to guide us in making sure we manage our waste as best we can for the benefit of our community’s health, our local economy, and our environment.

Delivering value to the community



Enviroschools.

The Enviroschools kaupapa is about creating a healthy, peaceful, sustainable world through learning and taking action together.



HB Williams Trust has approved three years of funding to continue to support this kaupapa. Additional schools have joined this year.



E-waste scheme.

A partnership initiative with Council and Tairāwhiti Environment Centre (TEC), in collaboration with Tech Collect NZ, a non-profit organisation started a national pilot programme to prevent e-waste being dumped into landfill. E-waste collected through this programme is recycled and repurposed within New Zealand.

TEC received more than ten tonnes of electronic waste as a part of an e-waste recycling scheme.

Contribution to community outcomes



Community outcomes	Contribution to community outcomes	Objectives
A driven and enabled Tairāwhiti.	It’s our vision that the community becomes part of and shares with Council the responsibility for the service provision.	The community becomes part of and shares with Council the responsibility for the service provision.
A vibrant city centre and townships.	Maintaining clean public places and amenities enhances the community’s and our visitors’ enjoyment of our city and townships. We’ll work to ensure that our activities are of the standard the community expects and in the locations required.	Solid waste activities are of the standard that the community expects and, in the locations, required by the community.
We take sustainability seriously.	We work with community groups to promote and advocate for increased waste minimisation and diversion from landfill.	Community groups and businesses promote sustainability by repairing or re-purposing. Waste minimisation efforts within the region are maximised and, through a collective community effort, greater waste diversion from landfill is achieved.





Our progress

What we said we would do	How we are going
Resource recovery network. Investigate and develop a region-wide resource recovery/social enterprise.	The Feasibility Study was completed at the end of July. Feedback will be presented to Council.
Review of our kerbside rubbish and recycling collection contract.	A proposal was presented to the August Operations Committee in a public excluded paper. The outcomes of this meeting will be presented to Council's Operations Committee in November 2022.
Continued support of Enviroschools.	Enviroschools continues to support other initiatives within Council and is involved with various planting activities in Tairāwhiti.
To actively engage the community and provide information, education, and resources to support community actions and community initiatives for waste minimisation.	Tairāwhiti pilot scheme for e-waste collection was extended beyond June 2022. We look to include a collection service to extend our e-waste collections across the East Coast communities.

Our levels of service and how we measure progress

Cultural facilities are accessible to Tairāwhiti residents and visitors.

Measure	Target	2020	2021	2022	How did we perform?
Solid waste facilities are adequate and accessible to the community, including regular kerbside collection services and transfer stations.					
 Resident satisfaction with kerbside collection as found in the Resident Satisfaction Survey.	90%	90%	87%	84%	This lower result could be attributed to the reduced services provided over the past financial year due to COVID-19 interruption and flooding events across Tairāwhiti. There were some reduced operating hours at transfer station facilities, programmes, minimisation initiatives and workshops were all stalled or put on hold due to either COVID-19 interruption or flood events.
 Total waste received as illegal dumping (tonnes).	Decrease on prior year result	43.82	202.71	297.72	Total Waste received as illegal dumping has increased this year by 95.01 tonne. Illegal dumping on Innes Street has increased and is being recorded. This has increased since the first COVID-19 lockdowns in 2020 and has become a daily occurrence. We will be working with our contractor to reduce this behaviour and monitor who is responsible.

Measure	Target	2020	2021	2022	How did we perform?
Public information and programmes promote waste minimisation.					
 Support information and education programmes or workshops that raise awareness and promote waste minimisation.	A minimum of 5 per year	New measure	New measure	6	<p>Education workshops were reduced on what we had planned to hold over Year 1 of the LTP. This is due to COVID-19 restrictions and positive cases of COVID-19 through the community.</p> <p>We will work with the Tairāwhiti Environment Centre to review the content and availability of workshops and training opportunities for the new financial year. The target measure of five will be reviewed as we are looking to expand on workshops, educational materials, and activities.</p>
Waste is diverted from landfill via waste minimisation method.					
 Total solid waste to landfill in kg per head of population.	285 kg	318 kg	250 kg	340.75kg	<p>The total kilograms per head of population has increased over Year 1 of the LTP. This volume includes the volume of waste taken to the transfer station on Innes Street and includes the volume of waste dropped off over the weighbridge. The increase can be attributed to population and economic growth. Further education, workshops and initiatives will aim to reduce what is going to landfill. We successfully investigated additional schemes such as a tetra pack recycle option via a drop off centre.</p>
 Ratio of recycling to landfill waste (tonnes).	30:70	26:74	31:68	23:77	<p>The ratio of recycling to landfill waste has not met the target this reporting period. For many reasons, the outlets for recycling were not operating at times due to restrictions or active cases in community or workplaces.</p> <p>During this period, a greater proportion of recycling was diverted to landfill when stockpiles could not be managed or retained.</p> <p>Tairāwhiti has seen an increase in contamination rates in recycling across the district. We will be looking at further education on our recycling requirements across Tairāwhiti in 2022/23.</p>
No adverse effects on the environment or human health from the Pāōkahu and Waiapu Landfills.					
 Number of resource consent breaches for Pāōkahu and Waiapu landfills.	Less than 5 active at year end	10	1	0	<p>There have been no breaches on either of the two sites. Monitoring remains in place. We will be looking into the management plans in the next year at both sites and a plan for the closure of the operating site at the Waiapu landfill.</p>

Significant effects of delivering this activity

Significance negative effects	Mitigation	Changes to 2021 LTP
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. Improve kerbside service and cleaning of public areas.	
Increased traffic movements to transport waste to landfill (increased carbon emissions from truck movements and landfill). Increasing volume of waste rotting in landfills.	Continue to work with the contractor and community groups to look at new ways to increase waste minimisation.	We continue to work with our contractors and community groups. This has been limited this past year due to COVID-19 interruption. Many hui, community events and engagements have not happened due to COVID-19; we look to increase our engagement and education with the easing of some restrictions.
Noise may be a factor for the city transfer station.	Continued management of the contract and ensuring the contractor meets the required resource consent conditions.	
Contamination of waterways. Waste deposited on beaches. Waste or leachate ingested by birds and fish.	Protection of old landfills from erosion. Capping of landfills to reduce saturation of materials within the landfill. Improvements to subsoil drainage to collect and treat leachate.	
High volumes of waste in landfills affects the environment.	Implementation and improvements to provide waste minimisation through Council's Wastewater Management Plan (WMP).	
Potential environmental damage. Potential high fines for significant breaches. Potential damage to Council reputation.	Matters that were brought to light as part of the 2018/19 noncompliance are still being rectified by staff and are counted as part of the 2019/20 report. The restrictions of movements around Levels 4 and 3 did result in technical non-compliance from the Council monitoring team.	

What it cost

<i>Operating revenue and expenditure</i>	<i>Actual 2022 \$000s</i>	<i>LTP 2022 \$000s</i>	<i>Variance Favourable /(Adverse)</i>	<i>Actual 2021 \$000s</i>
Revenue From Exchange Transactions	271	207	64	280
Expenses	4,609	4,275	(333)	4,016
Net Cost of Service	4,338	4,068	(269)	3,736

Capital Expenditure

Capital Projects	22	281	258	5
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Funded By:

Other Capital Revenue	450	450	0	450
Depreciation or Other Reserves (Renewals)	(432)	(324)	108	(445)
Internal Loans	4	155	151	0
	0	0	0	0

This activity was funded 95% from rates and 5% from fees and charges.

What was different from the budget

- 1 Revenue from exchange transactions is mostly on consistent with LTP.
- 2 Expenditure is \$333k over LTP. This is mostly due to higher costs arising from waste collection.
- 3 Capital Expenditure is \$258k under LTP. The Annual Plan includes provisions for asset renewals as and when required. Most of the provision was not needed. Paokahu Closed Landfill project is within the planning stage while maintenance and monitoring continues onsite. A total of \$105k for the Paokahu Closed Landfill has been carried forward to 2023.

For financial information on our Solid Waste Group, refer to Our Finances – page 141.



Waikino Wastewater

We're providing Tairāwhiti with reliable and sustainable wastewater services to protect both the health of our people and our waterways. We want to continue to provide a service to collect, treat, and dispose of wastewater in a safe, healthy and sustainable way.

What we do

Council collects, treats, and disposes of wastewater (sewage) from residential and industrial properties. This includes Gisborne city, the western industrial area, and Te Karaka. We own, operate and maintain a network of pipes and pump stations that carry wastewater for treatment to the treatment plants. We also own and administer the four septage disposal sites at Te Araroa, Tikitiki, Ruatōria (Waiapu) and Te Puia Springs.

The remaining communities in our district are served by non-Council administered private septic tank systems. The wastewater activity does not include the administration and monitoring of the on-site wastewater systems.

Within Gisborne city, certain industries are served by a separate industrial wastewater network. This network discharges to the Wastewater Treatment Plant (WTP) where it is screened and is then discharged to the marine outfall. The industrial wastewater does not go through the domestic treatment system. These industries are required to treat their own waste onsite.

Gisborne domestic sewage is collected at the WTP, screened, has the grit removed, is treated biologically, and is then discharged to the marine outfall.

Council regulates trade waste discharges to the Gisborne city wastewater systems by means of the Trade Waste Bylaw.

Council is in the process of upgrading the existing WTP to provide solids removal and UV disinfection. Construction will be completed by late December 2022.

Depending on where you live in Tairāwhiti, wastewater is treated in one of these ways:

- Gisborne City: biologically treated wastewater which discharges via a marine outfall into Tūranganui-a-Kiwa/ Poverty Bay.
- Council's large industrial users: have a dedicated industrial wastewater line which contains no human waste, and their waste is managed and treated on their sites to comply with their Trade Waste consent. This allows a discharge directly to the marine outfall after screening at the Wastewater Treatment Plant.
- Te Karaka township: wastewater is treated via an oxidation pond that discharges its treated wastewater to the Waipaoa River.
- Rural townships: onsite septic tanks with septic tank cleanouts (septage) disposed of at purpose-built sites at Te Araroa, Ruatōria, Tikitiki (to be closed), Te Puia (to be closed), as well as the Gisborne Wastewater Treatment Plant.

Planning is underway to provide a new septage disposal site near Tolaga Bay to replace Te Puia and Tikitiki sites.

Why we do it

Council considers wastewater infrastructure to be of high priority. Providing a well-managed wastewater reticulation and treatment system is a critical and essential service which protects the health of public as well as avoiding contamination of the physical environment.

Delivering value to the community



Improve the quality of wastewater discharge to marine environment.

Our wastewater treatment plant is being upgraded to allow UV disinfection and the ability to remove solid waste prior to discharge, significantly improving the quality of our waterways and bay.



Removal of mortuary waste from the wastewater network.

The Gisborne Trade Waste Bylaw was amended to prohibit the discharge of mortuary waste into our waterways, reducing the impact on our environment and realigning with our community's tikanga.



Contribution to community outcomes





Community outcomes	Contribution to community outcomes	Objectives
A driven and enabled Tairāwhiti.	Maintaining and increasing capacity in the urban wastewater network in line with Council's Tairāwhiti 2050 (Spatial Plan).	Work together (within Council business activities) to achieve collective aspirations for Tairāwhiti.
Resilient communities.	Maintain essential wastewater services during unforeseen and emergency situations.	We have taken the community with us on the journey to resilience and engaged in community-led adaptation planning.
We take sustainability seriously.	Increasing the resilience of Three Waters service provision to both short and long-term risks and events, particularly climate change and natural hazards.	Use green infrastructure to deliver greater resilience, long-term cost savings and quality environmental outcomes.

Our progress

What we said we would do	How we are going
Stage 2 Phase 1 Clarifier Pump Station.	Stage 2 phase 1 is 70% complete and cannot be fully completed until parts of Stage 2 phase 2 are completed. Programmed for completion in October 2022.
Stage 2 Phase 1 Ground Improvement.	This has been completed. This forms the foundations for Phase 2 construction.
Stage 2 Phase 2 Mechanical, electrical, civil.	Stage 2 phase 2 is 30% complete. Five critical plant items have been purchased directly by Council which has resulted in significant savings.
Wastewater Pipeline Renewals Year 1 Budget \$1.8M.	50% of the budget for wastewater pipeline renewals has been spent. This is due to COVID-19 issues, staff capacity and supply chain issues. Programmed for completion in year 2022/23.

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
We provide a well managed wastewater reticulation and treatment system which protects public health and the physical environment.					
 System and adequacy (Mandatory measure – DIA) The number of dry weather sewage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.	1	0	0	0.83	No dry weather overflows occurred discharging to any streams. Ten dry weather overflows occurred that discharged to land and were contained.
 Discharge compliance (Mandatory measure – DIA) Compliance with resource consents for discharge from the wastewater system: <ul style="list-style-type: none"> a) measured by the number of abatement notices; b) infringement notices; c) enforcement orders; and d) convictions. 	a) 0 b) 0 c) 0 d) 0	a) 0 b) 0 c) 0 d) 0	a) 0 b) 0 c) 0 d) 0	a) 0 b) 0 c) 0 d) 0	No notices were issued from Council.

Measure	Target	2020	2021	2022	How did we perform?
<p>Fault response times (Mandatory measure – DIA)</p> <p>Council responds to wastewater overflows resulting from a blockage or other fault in wastewater system:</p> <p> a) Median attendance time from the notification of the fault to the time that service personnel reach the site (hours).</p> <p> b) Median resolution measured from the notification of the fault to the time that service personnel confirm resolution (hours).</p>	<p>a) Less than 1 hr</p> <p>b) Less than 15 hrs</p>	<p>a) 0.43 hr</p> <p>b) 2.17 hr</p>	<p>a) 0.55 hr</p> <p>b) 2.41 hr</p>	<p>a) 3.13 hr</p> <p>b) 15.46 hr</p>	<p>Council experienced a large number of significant and prolonged wet weather events, including a Civil Defence emergency declaration, which contributed to delays in our response times to system faults.</p>
<p> Customer satisfaction (Mandatory measure – DIA)</p> <p>Complaints about odour, system faults, blockages and Council's response to issues with its wastewater system: The total number of complaints per 1000 connections received.</p>	<p>Less than 10</p>	<p>6.92</p>	<p>14.6</p>	<p>21.48</p>	<p>The wet weather events throughout the region resulted in an extended period of water overflows into our rivers and private property which increased the number of complaints received by our residents.</p>
<p> Discharge to rivers. 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).</p>	<p>4 or less</p>	<p>3</p>	<p>1</p>	<p>1</p>	<p>Two river discharges were carried out in 2021/22 as a result of extreme rainfall. One in November 2021 and another in March 2022.</p>

Significant effects of delivering this activity

Significance negative effects	Mitigation	Changes to 2021 LTP
<p>Health risks from overflows from gully traps onto private property.</p>	<p>A 10-year DrainWise Programme to reduce frequency of overflows.</p>	<p>Council has obtained a resource consent for the managed discharge for wet and dry weather overflows. This consent requires measures to reduce overflows over a ten-year period.</p>
<p>Contamination from controlled emergency discharge of wastewater into waterways.</p>	<p>A 10-year DrainWise programme to reduce the quantity and frequency of overflows.</p>	
<p>Treated discharges of wastewater to the ocean continue to be culturally offensive to Māori.</p>	<p>Oversight to improving and removing wastewater from the marine outfall is provided through the Wastewater Management Committee, KIWA Group and through other consultation channels.</p>	
<p>Odours, visual effects, and effects on groundwater from the septage disposal sites.</p>	<p>Closure of some septage sites and the development of a new site, including the upgrading of other sites.</p>	

What it cost

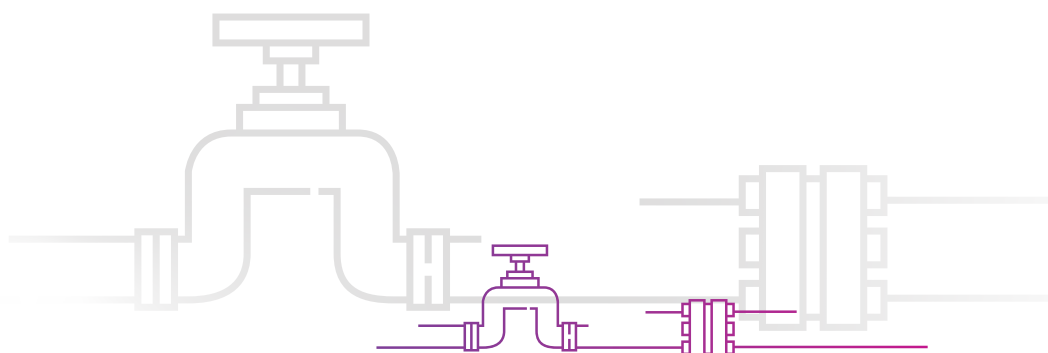
<i>Operating revenue and expenditure</i>	<i>Actual 2022 \$000s</i>	<i>LTP 2022 \$000s</i>	<i>Variance Favourable /(Adverse)</i>	<i>Actual 2021 \$000s</i>
Revenue From Exchange Transactions	482	453	29	418
Expenses	8,152	8,022	(131)	7,597
Net Cost of Service	7,670	7,569	(101)	7,180
Capital Expenditure				
Capital Projects	19,758	22,495	2,738	9,459
Funded By:				
Grants and Subsidies	7,500	7,505	5	25
Other Capital Revenue	30	0	(30)	373
Depreciation or Other Reserves (Renewals)	295	2,492	2,197	119
Internal Loans	11,933	12,499	566	8,941
	0	0	0	0

This activity was funded 52% from rates, 45% from grants and 3% from fees and charges.

What was different from the budget

- 1 Revenue from Exchange transactions is consistent with the LTP.
- 2 Expenditure is \$131k over LTP. This is due increased maintenance costs.
- 3 Capital expenditure is \$2.7m under LTP. Most of this variance relates to the timing of the Wastewater Treatment Plant upgrade, where by year end it was \$3.1m under the LTP. COVID caused delays in construction (under levels 3 and 4) and supply chain issues. The project is on track for completion in April 2023. The purchase of land for the new Wastewater Treatment Plant upgrade is included within the overall capital expenditure.

For financial information on our Wastewater Group, refer to Our Finances – page 141.



Whakaranea Wai Water Supply

We provide Gisborne City, Te Karaka and Whatatūtū residents and businesses with reliable, high quality and safe treated water supply. We want to continue to meet our legislative requirements to deliver water supply services that are safe, healthy and sustainable.

What we do

Council manages the supply of drinking water services to Gisborne city, Te Karaka, Whatatūtū, Mākaraka and Manutūkē. We are responsible for the Te Arai Bush Catchment and the Mangapoike dams which are the main source of water that supplies the Gisborne area; and the drinking water treatment plants located at Waingake, Bushmere (on the Waipaoa River), Te Karaka and Whatatūtū. Our public water supply provides:

- Safe water for domestic, commercial, and industrial purposes.
- Water for fire-fighting services for Gisborne city.
- Water for emergency management in the event of natural or system emergencies.
- Water to public service providers and community facilities such as schools, hospitals, public pools, sporting facilities and grounds.
- A tanker-filling point for carted water.

All other areas in Tairāwhiti not mentioned, use non-reticulated private water supply systems that are not administered by Council.

Why we do it

Council provides a continuous, sustainable supply of safe drinking water to Gisborne city households and businesses. We also provide supplementary (top-up) supply of drinking water to Te Karaka and Whatatūtū townships. A safe public water supply system contributes to community health and disease prevention, ensuring residents have access to clean water. This is essential for basic health and hygiene. A reliable water supply is also essential for business and industrial users.

Delivering value to the community



Using Three Waters Reform investment package to provide water to our Muriwai and Ruatoria communities



Construction has commenced for the Muriwai Township water supply with completion expected by December 2022.



Investigations for a suitable groundwater take for Ruatoria is under way. Completion is programmed for June 2023.





Contribution to community outcomes

Community outcomes	Contribution to community outcomes	Objectives
We take sustainability seriously.	Increasing the resilience of three waters service provision to both short- and long-term risks and events, particularly climate change and natural hazards.	Tūranga – Gisborne has a secure and sustainable supply of water for drinking, industry, primary production, and other uses.
Resilient communities.	Ensuring continuity and delivery of our drinking water.	To increase the resilience of our infrastructure, economy, and our communities.
A driven and enabled Tairāwhiti.	Maintaining the urban drinking water network in line with Council's Tairāwhiti 2050 (Spatial Plan).	Work together (within Council business activities) to achieve Council's collective aspirations for Tairāwhiti.



Our progress

What we said we would do	How we are going
Continue to renew critical components at the water treatment and distribution facilities. Year 1 2021/22 \$620k.	Renewal programmes are underway for treatment plants and pump stations. The design for renewing the Te Karaka reticulation is complete. The Makaraka Pump Station automation renewal is complete. The replacement of a culvert in Rabbit Road has been deferred to the 2023/24 budget year due to weather and COVID-19 delays. Budgeted work is largely completed.
Replacement of asbestos cement water mains Year 1 2021/22 \$950k.	Budgeted work has been completed in Pine Street, Grundy Street, Dalrymple Road, Kennedy Street, Adair Street, Karamu Road, and London Street.

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
We provide water supply infrastructure that meets the needs of our community now and into the future by delivering safe, clean water in a sustainable manner.					
 The percentage of residents satisfied with the water supply system as found in the Resident Satisfaction Survey.	75%	88%	86%	87%	This target is consistently being met, highlighting Council's successful approach to providing high quality water to our community.
 Customer satisfaction (Mandatory measure – DIA) The total number of complaints received about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply, and f) Council's response to any of these issues (expressed per 1000 connections to the local authority's networked reticulation system).	Less than 10	4.34	5.08	4.43	We are focused on ensuring our water treatment facilities are fit-for-purpose, and treated water quality is maintained to a high standard. Council's commitment to the ongoing replacement of old water pipes on our streets, and improvements to our treatment facility, allows us to provide high quality water to the community. Pro-active maintenance on the piped water supply network, including regular flushing of dead-end pipelines, helps to maintain water quality.

Measure	Target	2020	2021	2022	How did we perform?
 Demand management (Mandatory measure – DIA) The average consumption of drinking water per day per resident within the district.	≤ 308 Litres	217 Litres	219 Litres	204 litres	We have completed a water balance review and are focused on stemming leaks and improving water demand management. A wetter than normal summer meant less treated water was used by residents and industry.
 Fault response times (Mandatory measure – DIA) Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: a) attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and b) resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption c) attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site d) resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption	a) 4 hr b) 6 hr c) 4 hr d) 48 hr	a) 0.42 hr b) 1.28 hr c) 2.87 hr d) 21.29 hr	a) 0.24 hr b) 1.08 hr c) 2.79 hr d) 20.28 hr	a) 0.57 hr b) 1.82 hr c) 3.49 hr d) 19.12 hr	Through our work with quality contractors, and our focus on prompt responses to callouts, we limit the impact faced by those in the community when faults occur.
 Maintenance of the reticulation network (Mandatory measure – DIA) The percentage of real water loss from Council's networked reticulation system.	Less than 15%	Not measured	14.5%	14.7%	Funding for leak detection systems has been earmarked for installation in 2026, and residential metering will follow between 2028 and 2030. Both systems will allow for high level water loss measuring, that will significantly reduce the amount of water we lose through our network. Note: This is a modelled result, and was completed in June 2022.

Measure	Target	2020	2021	2022	How did we perform?
 Safety of drinking water (Mandatory measure – DIA)					
 The extent to which the drinking water supply complies with: <ul style="list-style-type: none"> a) part 4 of the drinking-water standards (bacteria compliance criteria) <ul style="list-style-type: none"> • Gisborne • Rural • Te Karaka • Whatatūtū b) part 5 of the drinking-water standards (protozoal compliance criteria) <ul style="list-style-type: none"> • Gisborne • Rural • Te Karaka • Whatatūtū 	a) 100% b) 100%	a) 100% b) 100%	a) 100% b) Non-compliant (Te Karaka and Whatatūtū)	a) 99% b) 100%	Rural Zone bacterial compliance was not fully met due to insufficient data from a single event during the 12 month reporting period. An event at the Waingake treatment plant in December 2021 released treated water which did not fully meet specification into a small part of the rural zone.

Significant effects of delivering this activity

Significance negative effects	Mitigation
Environmental Effects on the Waingake (Te Ārai) River ecosystem and Waipaoa River during low summer river flows.	Council mitigates these potential negative effects through asset operations, management, maintenance, and planning including: <ul style="list-style-type: none"> • appropriate water source management • reliable maintenance arrangements • experienced staff for catchment management • appropriate water treatment processes • meeting resource consent requirements • demand management initiatives including public education and water conservation programmes.
Social <ul style="list-style-type: none"> • Health and safety risks associated with the construction, maintenance, or operation of the water supply infrastructure. • Property damage resulting from occasional water mains failures. • Potential damage to household hot water valves caused by corrosion by-products where galvanised iron components remain. • Short-term impacts on households and industry from water restrictions. 	<ul style="list-style-type: none"> • Asset condition assessments and renewals • Appropriate project management practices public education and water conservation programmes.
Cultural <ul style="list-style-type: none"> • Loss of access to whenua for Iwi in the Mangapoike catchment area. • Impact of water supply water take on Waingake (Te Ārai) River flows and associated kaitiakitanga of Iwi. 	<ul style="list-style-type: none"> • We will continue to support opportunities for Iwi within the Mangapoike water catchment.

What it cost

<i>Operating revenue and expenditure</i>	<i>Actual 2022 \$000s</i>	<i>LTP 2022 \$000s</i>	<i>Variance Favourable /(Adverse)</i>	<i>Actual 2021 \$000s</i>
Revenue From Non-Exchange Transactions	6	0	6	6
Revenue From Exchange Transactions	3,485	3,476	9	3,682
Expenses	6,621	6,051	(570)	6,234
Net Cost of Service	3,130	2,575	(554)	2,547
Capital Expenditure				
Capital Projects	3,531	5,871	2,340	3,453
Funded By:				
Grants and Subsidies	967	3,269	2,302	24
Depreciation or Other Reserves (Renewals)	2,357	2,409	53	3,136
Internal Loans	207	192	(15)	293
	0	0	0	0

This activity was funded 12% grants, 45% from rates, and 43% from fees and charges.

What was different from the budget

- 1 Revenue from exchange transactions is consistent with LTP.
- 2 Expenditure is \$570k over LTP. This is largely due to higher repairs and maintenance, depreciation and other operating costs.
- 3 Capital expenditure is \$2.3m under LTP. Muriwai Pipeline \$1.9m under due to delays in obtaining access agreements with Kiwirail. Ruatoria Bulk Supply point \$400k under due to challenges in finding a site. Both projects will be completed in 2023.

For financial information on our Water Supply Group, refer to Our Finances – page 141.



Waiāwhā Taone Urban Stormwater

Urban stormwater is about providing our city with services that protect people and properties from flooding and manage the quality of our stormwater. We want to continue to maintain and develop stormwater services that improve, promote and protect public health and the mauri of the waters.

What we do

Stormwater is rain that runs off hard surfaces such as roofs, paved streets, driveways, and roads. Council owns and operates the public stormwater systems for Gisborne city including Mākaraka and Wainui/Okitū, and urban areas in 12 rural communities from Wharekahika/Hicks Bay to Matawai.

Our networks are a mix of open drains and hard infrastructure (pipes). Much of the network is provided through the roading system and has strong links with land use.

Stormwater systems carry away surface water overflow from heavy rains, protecting properties from flooding, the environment, and public health where possible by reducing pollutants discharged into natural waterways.

Our stormwater system is made up of:

- The primary stormwater system comprising of piped reticulation, open drains, swale drains, sumps, and channels.
- The secondary stormwater system which kicks in 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 such as rain gardens, sumps with sediment traps, gross pollutant traps.

We manage a network including 170km of stormwater pipes, most of which are reinforced concrete, around 32km of channels and swales, and assets across the city and townships. Most of the network was built 30-60 years ago and is in average condition based on the estimated remaining life of the pipes.

Why we do it

The aim of this activity is to protect people, dwellings, private property, and public areas from flooding and to minimise health and safety risks. We do this by managing the collection, treatment, and disposal of stormwater in such a way that it also reduces the impact on the environment.

This leads to the improvement of the mauri and water quality of Tūranganui-a-Kiwa/Poverty Bay coastal marine area, in partnership with tangata whenua.

Delivering value to the community



Parkinson Street Open Drain Upgrade, Tolaga Bay.



This very deep drain has been upgraded with a combination of piping and swale drain on top.

The upgrade has removed a major health and safety risk.




Contribution to community outcomes




Community outcomes	Contribution to community outcomes	Objectives
We take sustainability seriously.	A large part of the urban stormwater network is 'green infrastructure.' This means – rather than hard infrastructure like underground pipes, much of our urban stormwater is channelled into grassed swales. These are permeable, meaning the amount of stormwater entering the piped system is reduced. They also act as filters for heavy contaminants from road runoff.	We recognise the intrinsic value of ecosystems and biodiversity – and the link between this and stormwater management. To this end we will lend support to projects that rehabilitate urban waterways through landscaping, planting of native plants and water quality improvement.
A vibrant city centre and townships.	We plan and deliver new and upgraded stormwater infrastructure that supports: <ul style="list-style-type: none"> • Quality urban infill development. • Improved housing choices. • The creation of healthier homes. • Intensification and redevelopment of the city centre. 	Look to new technologies as well as new funding mechanisms to deliver the infrastructure necessary to support an urban intensification/compact city model of development in Tūranga.


Our progress

What we said we would do	How we are going
Public Drains on Private Property. 2021/22 Year 1 – \$705K (Project to reduce on property flooding to reduce wastewater overflows).	Council has spent 42% of the budget for this work. The under expenditure is a result of staff departures and delays in investigation and designs for private property – consequences of COVID-19 and prolonged wet weather. Work on Maki Street has been completed, with De Lautour/ Wainui, and Craig Road under construction. The contract has been awarded for Ida/ Coldstream roads.

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
We 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.					
 The percentage of residents satisfied with the district's urban stormwater services as found in the Resident Satisfaction Survey.	50%	54%	49%	47%	The number of severe rain events over the last year has put strain on residential and Council stormwater systems. This is likely to have contributed to poor resident satisfaction. Council will continue to monitor this performance measure to identify improvement opportunities.

Measure	Target	2020	2021	2022	How did we perform?
 <p>Customer satisfaction (Mandatory measure – DIA)</p> <p>The number of complaints received by a territorial authority about the performance of its stormwater system (Expressed per 1000 properties connected to the territorial authority's stormwater system).</p>	Less than 12	7.4	8.6	12.75	<p>Council received more complaints regarding the stormwater service than previous years.</p> <p>The majority of complaints related to the severe rain events over the last year. The effects of climate change will need to be factored into future strategies.</p>
 <p>System and adequacy (Mandatory measure – DIA)</p> <p>a) The number of flooding events that occur in a territorial authority district.</p> <p>b) For each flooding event, the number of habitable floors affected (Expressed per 1000 properties connected to the territorial authority's stormwater system).</p>	2 or less	0	0	0	<p>Urban areas were largely unaffected during heavy rain events, resulting in no house inundation.</p> <p>Tokomaru Bay had a large number of houses flooded but not as a result of the urban network system and therefore not included in the performance measure.</p>
 <p>Discharge compliance (Mandatory measure – DIA)</p> <p>Management of environmental impacts Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:</p> <p>a) abatement notices</p> <p>b) infringement notices</p> <p>c) enforcement orders</p> <p>d) successful prosecutions received by the territorial authority in relation to those resource consents.</p>	None received	<p>a) No abatement notices</p> <p>b) No infringement notices</p> <p>c) No enforcement notices</p> <p>d) No convictions</p>	<p>a) No abatement notices</p> <p>b) No infringement notices</p> <p>c) No enforcement notices</p> <p>d) No convictions</p>	<p>a) No abatement notices</p> <p>b) No infringement notices</p> <p>c) No enforcement notices</p> <p>d) No convictions</p>	<p>No environmental impacts from Councils stormwater system.</p>

Measure	Target	2020	2021	2022	How did we perform?
 <p>Response time (Mandatory measure – DIA)</p> <p>The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.</p>	30 minutes	0	0	0 minutes	No flooding events relating to stormwater incursion into buildings/ dwellings.

Significant effects of delivering this activity

Significance negative effects	Mitigation
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 rivers.	DrainWise Implementation Programme.
Insufficient control of secondary flowpaths will cause flooding on private property, inundating housing and buildings during heavy rains.	Stormwater upgrade projects have been a major Council commitment and will be an ongoing due to climate change and urban growth.

What it cost

	Actual 2022 \$000s	LTP 2022 \$000s	Variance Favourable /(Adverse)	Actual 2021 \$000s
Operating revenue and expenditure				
Revenue From Non-Exchange Transactions	0	0	0	4
Revenue From Exchange Transactions	(27)	0	(27)	17
Expenses	2,532	2,705	173	2,608
Net Cost of Service	2,559	2,705	146	2,587
Capital Expenditure				
Capital Projects	1,089	2,018	930	2,732
Funded By:				
Depreciation or Other Reserves (Renewals)	538	1,007	469	555
Internal Loans	551	1,012	461	2,177
	0	0	0	0

This activity was funded 99% from rates and 1% from fees and charges.

What was different from the budget

- Revenue from Exchange transactions was \$27k under LTP. This was due to an accounting recognition of a loss on disposal of stormwater assets.
- Expenditure is \$173k under LTP. This is due to lower operating costs and interest costs. Lower Interest costs are consistent with the delays in the capital works programme.
- Capital expenditure is \$930k under LTP. There were significant delays caused by availability of contractors, restricted access due to COVID and severe weather events. Work has been carried forward to 2023.

For financial information on our Urban Stormwater Group, refer to Our Finances – page 141.

Te Rōpū Nohoanga Hāpori Liveable Communities

We contribute to the ongoing transformation of Council into a customer-focused organisation. We provide the strategic direction for our essential Liveable Community assets to meet the future needs of our community. We are responsible for a wide portfolio which incorporates a number of important community and environmental functions including biodiversity, reserves, catchments and sustainable open spaces and the effective management and provision of all associated services. By providing professional and integrated activity planning, we ensure the effective delivery of our community facilities, while meeting the community's needs through managing safe, fun and engaging places and spaces.

Catchments and Biodiversity

What we do

The Integrated Catchments and Biodiversity activity is responsible for leading the biosecurity, biodiversity, land management and associated education and advocacy of Council's regional statutory functions.

The team implements the Regional Pest Management Plan (RPMP), Tairāwhiti Resource Management Plan (TRMP) and other legislation and statutory plans and supports both regulatory and non-regulatory projects.

The team also manages the soil conservation nursery, supports a range of farm environment plans (FEPs), develops wetland and biodiversity plans and engages and advocates with private landowners and tangata whenua throughout the district.

Integrated catchments work with Central Government, research institutes, Iwi, and landowners to enhance the environmental footprint of permanent forests, agriculture, plantation forestry and horticulture.

Advocacy services include providing environmental information and links to source expertise for landowners, Iwi, and the community. The Integrated catchments team also assists landowners, Iwi, and community groups in accessing funds for projects and develops and presents relevant educational information.

Why we do it

Council manages the use, development, and protection of our natural resources, now and into the future to support our community and environment to thrive.

The Integrated Catchments activity enables Council to give effect to statutory plans and responsibilities under the Biosecurity Act 1993, Resource Management Act 1991, Soil Conservation and Rivers Control Act 1941, Water and Soil Conservation Act 1967, Local Government Act 2002 (LGA), National Environmental Standards (NES), e.g., NES-Plantation Forestry and requirements of National Policy Statements (NPS), e.g., NPS-Freshwater Management.

Delivering value to the community



Educational resources for regional animal and plant pests now accessible to the public via the Council website



This initiative was designed to enable public access to Council's Regional Pest Management Plan (RPMP). The platform provides a visual descriptive of all RPMP pest species, their priority status, control tools, landowner obligations, and enforcement procedures for non-compliance.



Whakaorotia Project

Creating a full-time work force with a range of skills in environmental enhancement. Providing some real wellbeing and self-esteem in those employed.

Support to Tairāwhiti Whenua Collective

Progressing opportunities to develop Freshwater Farm Environment Plans (FWFPs) and wider Integrated planning approaches alongside Māori landowners.

Supporting native restoration projects

Biosecurity supported Rongowhakaata Trust's request to control pest animals destroying newly planted native plants at Te Wherowhero lagoon. Pest night shooting work accounted for 84 pest animals (hares, rabbits, possums, and feral cats).

Biosecurity

Full staff complement restored and increasing use of technology to improve reporting requirements.

Land Management

We continue to progress with our land management programme, while keeping informed on the national freshwater reforms and Farm Environmental Plans to ensure we are prepared to support our community.

Contribution to community outcomes



Community outcomes	Contribution to community outcomes	Objectives
Resilient communities.	Providing a diverse range of sustainable land uses with long-term economic opportunities for landowners, Iwi, and our district.	New and innovative ways to improve environmental quality.
We take sustainability seriously.	Our soils are a finite resource, therefore protecting our soils resource is paramount to long-term sustainability of the district.	Matching land uses to achieve long-term sustainability and protection of our land and water.




Our progress

What we said we would do	How we are going
Partnership projects with Ngāti Porou and Ministry for Primary Industries (MPI) to restore the Waiapu River as part of a 100-year project. Provide technical support to the Whakaoratia te Mana o te Waiapu project and other initiatives e.g., technical advice and support.	Progressing with the appointment of a project manager for restoring the Waiapu project, and support alongside MPI and Tronpnu in assisting the project manager and initiatives in the Waiapu Catchment. Technical assistance is being provided to the Whakaoratia project, targets for structures installed have been exceeded and new initiatives and technologies are being introduced.
Administer Phase 1 of the Waiapu River restoration community grant planting of poplar and willow poles alongside the Waiapu River.	Planting fell behind in numbers of trees established in 2021 due to wet weather and COVID-19 restrictions. Losses occurred with the 2020 plantings due to bank erosion, and dry conditions accentuated by intense winds in the Waiapu Valley. Planting continuing in 2022 dependent on pole material availability.
Support further realistic funding applications to the Erosion Control Funding Programme (ECFP) community grants and One Billion Trees initiatives, inclusive of indigenous plant establishment alongside the Waiapu River and its tributaries.	We continue to support landowners with existing ECFP grant approvals alongside MPI. Slow but positive progress as other funding streams being built into the final works implementation, providing improved outcomes. The One Billion Trees programme is now closed, there were few approvals in this initiative relating to the Waiapu.
Support Iwi in funding applications, e.g., the Freshwater Improvement Fund and other funding initiatives.	Staff continue to provide support to Iwi and hapū and are currently assisting the following Iwi groups: Karakatuwhero Catchment at Te Araroa, and Pohaturoa Station at Tiniroto. Staff are looking towards assisting with funding opportunities as they become available. Forming positive relationships with Tairāwhiti Whenua collective to progress Farm Environment Plan (FEP) initiatives.
Forming further relationships such as the Whakaoratia te Mana o te Waiapu project and Waingake Restoration programme, including exploring further land treatments with long-term benefits, establishment of indigenous species and improving water quality.	Work is continuing with Whakaoratia Trust and there has been an expansion of gully techniques used. Some damage was caused by recent rainfall events. Integrated catchments staff have regularly made technical contributions to the Waingake project relating to slope stability, pest management and ecological advice.
Ongoing participation with Iwi in environmental projects, such as the Whakaoratia te Mana o te Waiapu initiative.	Contact has recently been made with Māori landowners in response to the recent heavy rainfall events: Marotiri and Pourau Stations. There has been further participation with the Tairāwhiti Whenua collective.
Working with Iwi to enhance mahinga kai opportunities.	Progressing in association with local landowners, hapu and Iwi and staff employed by the Whakaoratia Trust. Installation of sediment control works focuses on enhancing mahinga kai opportunities by stabilising waterways and providing habitat.

What we said we would do	How we are going
Development of a plan for protection and enhancement of Protection Management Areas (PMAs).	A plan for protection and enhancement of PMAs has been drafted. The plan includes actions about re surveying of the patches and pest control efforts being conducted by the biosecurity team
Develop an integrated approach to FEPs through pilot case studies with a wide-ranging focus integrating soil health, freshwater health, indigenous biodiversity, soil conservation, biosecurity, and climate change resilience.	<p>An application has been made to MPI's Hill Country Erosion Fund (HCEF) to build capacity in land.</p> <p>Council is a supporting participant in application to Integrated Farm Planning (IFP) Accelerator Fund alongside AgFirst Gisborne.</p> <p>Council is participating in a Freshwater Farm Environment Plans (FWFP) pilot with the Ministry for the Environment to assess the FWFP templates and processes.</p> <p>Land Management staff are providing support to the New Zealand Association of Resource Management (NZARM) in building capability across rural practitioners involved in FWFPs and the wider IFPs.</p>
Provide advice and support to the Waimatā Catchment Group on the community-led restoration project.	<p>Integrated catchments management has participated in the range of workshops including the FEP workshop for Waimatā Catchment and the restoration planting workshop at Waikereru/Longbush.</p> <p>Consultation and pest control approvals sought from five farm owners in the upper Waimata catchment to implement an initial possum knock down at selected locations. This work is in support of the wider Waimata catchment restoration effort by various interest groups. Proposed works to commence over the 2022/23 period.</p>
Provide support to Māhora Wetland by taking a collaborative biodiversity approach towards the Kōpuaroa Catchment.	Progress has been limited to initial site inspection, and there has been further damage to streams due to recent events.

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
Biosecurity – Pest animals and pest plants are controlled to minimise their adverse effects on biodiversity, production, amenity, and cultural values.					
 Percentage of exclusion programme pests found established in the district for the first time visited and all pests controlled as defined in the RPMP	100%	100%	100%	100%	No exclusion programme pests found established in the district, despite three reports of pest species being reported and investigated.
Land and soil – We will work with Iwi, landowners, and the community to reduce soil erosion risk and remediate severe erosion within the district.					
 Total overlay 3A severely erodible land covered by a draft or final overlay 3A work plan or an overlay 3A resource consent.	45,500 ha	43,930 ha	44,400 ha	44,400 ha	Progress has slowed due to changes in funding opportunities such as the ETS and changing government policy through the Freshwater Reforms. Council and land owners are taking time to vary but significantly improve the final outcomes on LO3A and all land.

Measure	Target	2020	2021	2022	How did we perform?
 Number of work plans monitored.	50 work plans	New measure		54 work plans	Target achieved. Monitoring has included the on-farm inspections associated with varying works plans. (Plans associated with plantation forestry are not specific to the works plan and is not included in this measure)
 Number of farm properties where a farm environment plan (FEP) has been prepared per year.	40 plans	40 plans	68 plans	14 plans	The entire FEP process is being influenced by changing government policy. Council continues to work closely with landowners on FEPs and will be focussed on increasing the number of plans created in 2022/23
 Number of Protection Management Areas (PMAs) monitored to assess condition.	50 PMAs	New measure		20 PMAs	A range of PMAs were monitored with a particular focus on land managed by Ernslaw One and Tauwhareparae Farms Limited. The long-term impact of deer and goats was particularly evident in the more remote PMAs. The most notable find was a population of fernbird in the head of the Council water catchment dams. The target was not met due to COVID-19 and weather disruptions.

Significant effects of delivering this activity

There are no significant negative effects from this activity.



Cultural Activities

What we do

Theatres

The War Memorial Theatre and the Lawson Field Theatre provide facilities and services to support performing arts and events for the enjoyment of residents as well as visitors. These facilities are suited for productions, conferences, weddings, and other community activities. Patutahi Hall is mainly used by rural residents.

Museum and public art

Council owns and maintains some of the Tairāwhiti Museum buildings and contracts services to the Gisborne Museum of Art and History Trust, trading as the Tairāwhiti Museum. The museum is our public institution for collection and exhibition of arts, culture and heritage. Council supports provision of a range of public art.

HB Williams Memorial Library

The library serves Gisborne's urban and rural communities and visitors. The library provides access to space and resources including relevant collections of materials and programmes for adults, teens, children and other targeted special interest groups. Included are meeting rooms, digital learning programmes and e-library.

Navigate Tairāwhiti

Navigate Tairāwhiti is a programme of five projects delivered together with tāngata whenua and partner organisations to ensure its full benefits - economic, tourism, place-making and community wellbeing. They are realised through well connected and integrated design, landscaping and stories. The seven projects are:

- Restoration of Titirangi maunga (Co-managed with Ngāti Oneone through the Whāia Titirangi planting and conservation programme).
- Redevelopment of the summit on Titirangi – Te Panuku Tū (subject to external funding).
- Upgrade of the inner harbour area (completed).
- Tūpapa historical interpretations (completed).
- Installation of Hawaiki Tūranga (yet to be completed).
- Redeveloped Puhi Kai Iti/Cook Landing site (completed).
- Te Mārō sculpture (minor works to finalise project).

Why we do it

Theatres

Theatres provide a space for local, national and international events to enable residents to participate in a global arts and corporate environment. Venues provide a place to grow and celebrate our people's talents, special occasions and achievements and expose audiences to a broad range of performing arts.

Museum and public art

The Tairāwhiti Museum's facilities, services and collections represent, reflect and identify our region's history and current creators. Public art demonstrates a sense of pride and local distinctiveness that reflect our region's cultural diversity

HB Williams Memorial Library

The library contributes to our community's lifelong learning, literacy and education, as well as meeting intellectual, recreational, economic and cultural needs.

Navigate Tairāwhiti

This programme showcases our region to locals and visitors alike. It also delivers a range of benefits that 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.

Delivering value to the community



Removing overdue fees and wiping historical debt for library patrons



In 2022 Council approved the removal of library fines and debts. This is part of our commitment to ensuring equity of library services for everyone in our community.

Theatres used for health support purposes during COVID-19.

Takatu Hub based in War Memorial for 12 weeks (Dec–Feb). Vaccination centre at War Memorial five weekends (Jan–Feb).









Contribution to community outcomes

Community outcomes	Contribution to community outcomes	Objectives
Connected and safe communities	Our library, museum and theatres are neutral civic spaces with indoor and outdoor areas that provide places for people to meet and stories to be shared in a safe environment.	Theatres and library are regarded as the 'third space' after home and work for residents and visitors.
A driven and enabling Council	We provide a library, theatres, museum services and public art which enables participation in democracy through access to digital tools, spaces and materials to inform, educate and assist residents and visitors alike.	To enable the community to become part of and share with Council the responsibility for service provision through a range of partnerships and funding models.
A vibrant city centre and townships	Library, theatres, museum are centralised and have flexibility to reach out with services in satellite townships. Art installations are present in the city and townships, particularly with the rise in popularity of murals.	To create community places focussed upon cultural activities that recognise and include tāngata whenua, that support social cohesion and are available to everyone.

Our progress

What we said we would do	How we are going
Consult with community and/or Iwi before accepting gifted public art.	The Uawa Endeavour model installation and wharf entrance renewal programme plan is being formulated alongside Iwi.
Review leases and service contract with Gisborne Museum of Art and History Trust.	Lease of buildings and contract for Museum services has been reviewed.
Continue to grow relationships with mana whenua where facilities are located.	Our relationships with mana whenua are growing through our work at the library and public art projects.
Continue to further embed bicultural capacity in all areas of library services.	This is under way and will continue to be implemented by library staff.
Exponentially grow visitors to use digital library resources.	This is under way and will continue to be implemented by library staff.
Strengthen existing and develop new partnerships, inclusive of outreach services where communities need it most, support for users to upskill their digital toolkit, find jobs and make connections.	Stepping up computer and digital skills courses, and Skinny Jump subsidised data programme delivered at library.
Expand and strengthen library e-tools such as Radio Frequency Identification functionality (RFID), website and access to e-library to encourage independent user engagement.	New Library website www.gpl.govt.nz has resulted in increased e-book access.
Develop and deliver operation plans for both library and theatre services.	Operation Plan delivery highlight was that Council made the decision to abolish fines on overdue library materials.
Ensure a range of activities in theatres that encourage audience development including non-users.	Delivery has been seriously impinged with over 100 booking cancellations due to COVID-19 restrictions.
Complete design and consent for the Titirangi maunga summit project, Te Panuku Tū, with Ngāti Oneone.	The design has been released to the community.
Complete design and delivery of viewing platform to Te Mārō in partnership with Ngāti Oneone.	The design has been completed and a resource consent application has been lodged. Pending external funding.
Support installation of Endeavour model in Ūawa alongside community.	Design for site installation is part of Uawa wharf surrounds renewal.

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
Cultural facilities are accessible to Tairāwhiti residents and visitors.					
 a) online  b) onsite.	a) 100,000 b) 150,000	a) 42,546 b) 109,820	a) 195,385 b) 107,821	a) 235,912 b) 63,489	Near 100% increase over target due to strong online promotions during lockdown and restricted access to facility. Onsite visitors were restricted as services were withdrawn and access to building was closed.
Regular and varied programmes, events and exhibitions to support community wellbeing are provided at cultural facilities.					
 Number of visitors to Tairāwhiti Museum per annum.	45,000	39,503	44,716	33,024	Visitation during summer months, education, events and café numbers impacted by COVID-19.
 Number of booking days per annum: a) Lawson Field Theatre b) War Memorial Theatre.	a) 100 b) 100	a) 123 b) 180	a) 144 b) 98	a) 143 b) 126	Whilst booking was high, occupation was by health providers rather than public events. 171 theatre bookings were cancelled this year, more than any period since start of COVID-19.
Maintain cultural facilities at a fit-for purpose, clean and safe standard.					
  Percentage of residents satisfied with the cultural facilities and services as found in the Resident Satisfaction Survey.					While close to our five targets, these were not met. For a portion of the year, COVID-19 mandates resulted in facilities and public programmes not being available.
a) Lawson Field Theatre b) War Memorial Theatre c) Art in public places d) Tairāwhiti Museum e) HB Williams Memorial Library.	a) 90% b) 90% c) 80% d) 90% e) 90%	a) 87% b) 96% c) 81% d) 91% e) 93%	a) 92% b) 94% c) 80% d) 94% e) 96%	a) 86% b) 89% c) 74% d) 85% e) 89%	

Significant effects of delivering this activity

There are no significant negative effects from this activity.



Recreation and Amenity

What we do

Open space and amenity

Council manages a variety of multi-use open spaces and facilities. These are maintained in partnership with external contractors including community-based kaitiaki, while our internal amenity and horticulture team maintains Gisborne's amenity gardens and flowerbeds.

This activity includes parks, reserves, play grounds, sports grounds, walkways, coastal foreshore areas, amenity gardens and street trees as well as a range of assets such as picnic tables, water fountains, and other amenities.

About two thirds of these assets are in the Gisborne area, with the balance spread across Tairāwhiti, roughly in proportion with our population distribution.

Community property

We manage lease and licence agreements for our assets and open spaces, and provide facility management for community buildings (including public conveniences) and monuments.

Cemeteries

Council manages and maintains eleven cemeteries; one cemetery within the city, the remainders located across Tairāwhiti. This activity is responsible for burials and meeting regulations within these cemeteries. We also provide a recordkeeping service to fulfil Council's legislative requirements and in response to community interest.

Public conveniences

Council provides a number of public convenience facilities. These are distributed across the region and located in destination/visitor areas including sports parks, coastal/regional destination areas, suburban shopping precincts and townships.

Aquatic facilities

The redevelopment of Council's pool complex is currently under way and expected to be completed in 2023. The upgraded facility will include indoor and outdoor pools, play areas and whānau picnic zones. The pool will remain open during the construction phases to enable continued community use.

Why we do it

Open space and amenity

Open space and amenity areas provide cultural, sporting and recreational activities to support community wellbeing and provide a sense of place. We're responding to the impacts of climate change through further enhancement of natural buffers (including riparian and coastal margins and native restoration projects).

Community property

We ensure leases and licences meet the requirements under relevant legislation, and that community buildings and associated services meet community needs and aspirations for their areas of interest.

Cemeteries

Our cemeteries provide a final resting place, and a place of remembrance. We maintain cemeteries out of respect to people who are buried there, and we provide accurate records so whānau and friends can locate their loved ones and tipuna/ancestors.

Public conveniences

Public conveniences provide a critical level of service for our community and visitors. Providing public toilets also encourages the use of other facilities and open spaces across the district, such as sports parks.

Aquatic facilities

The pool complex provides a safe aquatic destination for our community. The facility provides a fun, family friendly space for sports and recreation, including gatherings and play.

Delivering value to the community



Dune care programme and street tree planting project



Two thousand native dune grasses have been planted along Wainui beach dunes system to support the coastal environment, in partnership with community planting groups.

750 street trees have been planted with 269 planted this year in Gisborne city. The planting supports placemaking and environmental outcomes consistent with Council Street Tree and Garden Plan.

Tokomaru Bay public convenience.

A new public convenience for the Tokomaru Bay Wharf has been delivered consistent with the Tokomaru Bay Township Plan and the Council Public Convenience Plan to provide amenities at this regional visitor destination.

Community Facilities Strategy Early wins projects.

Council supported community group Tairāwhiti Adventure Trust to provide land leases and process support for the Skate Park redevelopment project and the new pump track at Alfred Cox Park.

Establishing new partnerships

Council has formalised a number of flagship project partnerships within the region, including the Waingake and Titirangi restoration projects.

Olympic Pool Complex redevelopment project

Construction and operational planning for the Kiwa Pools is progressing well and on time, opening in March 2023.

Contribution to community outcomes






Community outcomes	Contribution to community outcomes	Objectives
A driven and enabled Tairāwhiti.	We engage community contractors directly to maintain levels of service across Tairāwhiti. We take a partnership approach with Iwi, hapū and stakeholders to provide, maintain and care for our special places.	Work with Iwi, hapū and stakeholders, in partnership, to promote and enable change in the region.
A vibrant city centre and townships.	We work with our community to ensure our city and townships look vibrant, reflect our culture, have the amenities necessary for visitors, and are well cared for.	Our city and townships have vibrant centres and are destinations for business, employment and tourism. We know we are in Tairāwhiti as our spaces and places reflect our identity.
We take sustainability seriously.	We support wide-scale planting and natural habitat areas to enable greater resilience, long-term cost savings through reduced maintenance (e.g., mowing of riparian and coastal margins) to achieve quality environmental outcomes.	Support wide-scale planting and natural habitat areas to enable greater resilience and long term cost savings through reduced maintenance to achieve quality environmental outcomes.



Our progress

What we said we would do	How we are going
Complete the redevelopment of the pool complex to meet the recreational, health and fitness needs of our community.	Kiwa Pools project is being delivered as expected and is on track for opening in March 2023.
Complete the redevelopment of Titirangi Summit in partnership with Iwi, recognising our co-management relationship with Ngāti Oneone.	This project has progressed from preliminary to developed design and the consenting process is under way. Further stakeholder engagement, completion of the resource consent process and final design is required to complete preconstruction phase.
Deliver support and provide access to Council's open spaces/reserves for coast care/dune care and riparian restoration in partnership with others including Iwi, community and Central Government agencies.	A dune care programme was initiated with over 2000 native plants planted along the Wainui and Okitu dunes in partnership with the community.
Investigate partnership opportunities to deliver mobile pop-up play modules across Tairāwhiti.	Planning for play opportunities is progressing in collaboration with Sport Gisborne Tairāwhiti and community groups.
Support delivery of the Community Facilities Strategy Implementation Plan through providing reserves land, where possible, to align with business case and funder expectations.	The Community Facilities Strategy 'early wins' projects were initiated with the completion of the new pump track at Alfred Cox Park and the redevelopment of the Skate Park.
Deliver the Street Tree Planting Programme, including new tree planting and replacement planting.	This project is in year three of delivery with 269 street trees planted this year (including a mixture of native and exotic species). In support of improving biodiversity and freshwater improvements, areas of Waiteata and Nelson Parks have been identified for native planting to get under way in the next few months.
Deliver improvements at Waihīrere Domain in partnership with marae/hapū, and consistent with expectations of a regional visitor area.	Initiated working with mana whenua in an Iwi-led restoration project. Minor capital works occurred in early 2022, with more significant upgrades expected in summer 2022/23.
Support the Whāia Titirangi programme and the restoration of Titirangi maunga in partnership with Ngāti Oneone.	Further scencio plant pest removal was undertaken and new native planting on the Rakaiatane and valley site has been completed. The Whaia team also removed exotic trees along Kaiti Beach side of Titirangi.

What we said we would do	How we are going
Reduce reserve turf management at key locations as part of a riparian and coastal margin reversion programme to support restoration of natural buffers and to enable stronger responses to the impact of climate change.	This project has begun, with 2050 native plantings initiated at Waiteata and Nelson Parks.
Provide replacement public convenience facility at Tokomaru Bay wharf and consider new facility for Tolaga Bay wharf to meet user needs and likely visitor number increases.	A new public convenience facility was installed at Tokomaru Bay wharf to complement the area as a regional visitor destination.
Continue to support implementation of Regional Plan Pest Management Plan (RPPMP).	This programme was delivered as expected, targeting plant pests at key public reserves consistent with the RPPMP.

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
Open space, recreation and amenity areas are accessible, valued and enjoyed by Tairāwhiti residents and visitors.					
 Percentage of users satisfied with the quality of  a) parks b) sports parks c) Council playgrounds d) pool. as found in the Resident Satisfaction Survey.	a) 85% b) 80% c) 85% d) 80%	a) 86% b) 79% c) 87% d) 75%	a) 87% b) 85% c) 79% d) 74%	a) 89% b) 80% c) 90% d) 66%	Council achieved high results, with the exception of the pool. The low satisfaction scores for the pool mostly related to the continual heating issues around the aging Olympic pool infrastructure. The new Kiwa Pool complex is on target to open in 2023.
We provide and maintain cemeteries for whānau, friends and visitors.					
 Percentage of residents that have visited a Council cemetery in the last 12 months, as found in the Resident Satisfaction Survey.	50%	New measure		50%	Cemeteries are some of Council's most frequently visited facilities, in particular Gisborne's Taruheru cemetery. Council strives to ensure these special places are welcoming and well cared for to support families.
 Percentage of visitors satisfied with cemeteries, as found in the Resident Satisfaction Survey	80%	New measure		88%	Council delivered additional services this year to respond to an accident impacting numerous families' headstones for a positive outcome as well as providing additional information on Anzac Day weekend.
Our public conveniences are accessible and well maintained.					
 Percentage of users satisfied with cleanliness of the public facility, as found in the Resident Satisfaction Survey.	50%	50%		35%	Council is developing a rationalisation process in 2022/23 to renew public conveniences and meet community expectation. This will ensure the cleanliness of facilities is improved.

Measure	Target	2020	2021	2022	How did we perform?
Our aquatic facilities are well maintained, safe and meet community demand.					
 Council aquatic facilities are safe and operate in accordance with PoolSafe NZS guidelines.	100%	100%		100%	Council is assessed each year to moderate the delivery of public aquatic facility services, with the intent to limit potential harm to Tairāwhiti community.
 Percentage of time Council aquatic facilities pool water quality meets NZS 5826:2010.	95%	95%		95%	Pool water quality is measured frequently, and adjustments made to meet this criteria.

Significant effects of delivering this activity

There are no significant negative effects from this activity.

What it cost

	Actual 2022 \$000s	LTP 2022 \$000s	Variance Favourable /(Adverse)	Actual 2021 \$000s
Operating revenue and expenditure				
Revenue From Non-Exchange Transactions	324	276	48	1,356
Revenue From Exchange Transactions	908	1,723	(815)	806
Expenses	15,099	14,515	(584)	12,959
Net Cost of Service	13,868	12,517	(1,351)	10,797
Capital Expenditure				
Capital Projects	24,671	33,003	8,332	7,876
Funded By:				
Grants and Subsidies	21,657	26,446	4,789	2,585
Other Capital Revenue	20	0	(20)	0
Depreciation or Other Reserves (Renewals)	951	2,249	1,297	827
Internal Loans	2,042	4,309	2,266	4,463
	0	0	0	0

This group of activities was funded 56% grants, 41% rates, and 2% fees and charges

What was different from the budget

- 1 Revenue from non-exchange transactions is mostly consistent with the LTP.
- 2 Revenue from exchange transactions is \$815k under LTP. Covid related disruptions have continued to result in reduced revenue at the Library and Theatres. The Olympic pool revenue is under what was expected.
- 3 Expenditure is \$584k over LTP. An increase in parks and open spaces contract costs as well as Whaia Titirangi and Regional pest management.
- 4 Capital expenditure is \$8.3m under LTP. This is largely due to the Kiwa Pools project under budget by \$5.6m. COVID caused delays in construction (under Levels 3 and 4) and supply chain issues. However, the project is still on track to be completed by March 2023, within the original timelines. The other main variance is the 1000 Year Bridge, which is now expected to be completed in 2023.

For financial information on our Liveable Communities Group, refer to Our Finances – page 141.

Te Aratakina me ngā Ratonga Tauawhi ā-rohe Regional Leadership and Support Services

This group activity drives the positive culture of Council and contributes to the ongoing emphasis of a customer-focused organisation that supports its unique community. These teams focus on building individual and organisational capability and knowledge to meet current and strategic requirements and promoting a learning culture to embed high performance across the organisation.

Emergency Management

What we do

Tairāwhiti's Civil Defence Emergency Management (CDEM) plays a key role in planning and preparing for emergencies and the response and recovery during the event of an emergency.

The team manages this through reduction of hazards, ensuring our readiness, and providing overall leadership for the response and recovery to all emergencies.

We're also responsible for protecting the marine environment, particularly sensitive cultural and environmental sites, from marine oil spills.

Why we do it

Council undertakes this activity to increase our community's awareness and understanding and to ensure the communities are able to prepare for, manage and recover from emergencies.

The relevant statutory requirements guiding CDEM activities are the Civil Defence Emergency Management Act 2002 and the Maritime Transportation Act 1994.

Delivering value to the community



Our annual earthquake drill and tsunami hiko.



Tairāwhiti tops the leaderboard with the number of registrations for ShakeOut.



Tairāwhiti Marae Resilience and Emergency Preparedness project

We facilitated the funding from Te Puni Kōkiri and Toitū Tairāwhiti, these funds will prepare some of our isolated marae for climate resilience and emergencies.

Contribution to community outcomes





Community outcomes	Contribution to community outcomes	Objectives
Resilient communities.	Preparing the community for the next emergency.	Plans are current, effective and follow best practice.

Our progress

What we said we would do	How we are going
Review and refocus the CDEM Group Plan for 2021–2026.	The revised CDEM Group Plan project plan will be developed in conjunction with the National Emergency Agency (NEMA) Regulatory Framework Review ('Trifecta') reforms, given the relationship to the CDEM Act 2002.
Review by the NEMA Technical Advisory Group.	NEMA has yet to reinstate the Technical Advisory Group. No timeframe has been indicated or communicated to CDEM groups.
Build a fit-for-purpose Emergency Coordination Centre (ECC).	The ECC location is confirmed as Lytton West Reserve. The building design has been finalised and site testing undertaken to confirm engineering requirements. The building consent is now under way. A third-party provider will be initiating the resource consent process. ECC budget has been confirmed and project management is in place to lead the implementation of the new build. Public consultation and resource consent commenced in 2022.
Undertake controller and key staff training as part of national training programmes and local training exercises.	Physical attendance at training activities (national and regional) have been impacted by bouts of COVID-19 resurgence. The activation of the ECC for natural hazard events across the region in the past 12 months has been a regular occurrence given the frequency and severity of weather events. CDEM has also contributed to regional planning and coordination for COVID-19 resurgence and welfare activities.

<i>What we said we would do</i>	<i>How we are going</i>
Establish partnerships that enable Iwi/hapū to actively participate in the decision-making and execution of our CDEM Group Plan.	The CDEM sector strategy (currently under review) has a key focus on iwi participation with emergency management. There has been extensive work conducted with iwi and hapū as part of regional emergency planning and community outreach.
Invite our Iwi partners to our training exercises in the physical ECC.	Iwi partners form part of the integrated response framework within the ECC. As a result of COVID-19, the hybrid operating model for the ECC accommodates virtual and physical presence.
Take part in local and national marine oil spill exercises.	Oil spill training activities and response are managed by the Regional On-Scene Commander (ROSC). CDEM staff participate where required to supplement the Coordinated Incident Management System (CIMS) structure if requested by the Harbourmaster.
Build capacity to send suitably qualified and experienced support to other regions for their emergency responses.	CDEM staff will contribute to out of regional requests to neighbouring CDEM groups as required.
Continue to maintain and build new partnerships with Iwi and communities.	Iwi/hapū engagement and partnerships are a key aspect of the CDEM operations. Integration and partnerships with Toitu Tairāwhiti for response activities and community resilience planning has seen extensive engagement across Tairāwhiti. The Marae Emergency Preparedness and Resilience Project that is being co-partnered with Council, Toitu Tairāwhiti and Te Puni Kokiri provides a good platform for the focus on community resilience planning.
Further develop a CDEM Communications Plan, including greater use of social media and other modes of communication.	CDEM communications strategy is being developed in conjunction with the Council communications team. A dedicated CDEM communications social media channel has been reinstated.
Concentrate on building ECC capacity.	ECC staffing structures are maintained to provide initial response and the ability to maintain operations when activated. The protocols have been adopted to enable staff to respond to a natural hazard or man-made events.
Rebuild the Welfare Group and establish a full-time Welfare Manager.	The Tairāwhiti Welfare Co-ordination Group has been expanded and is built around the key welfare agencies and providers (including iwi). The Group Welfare Manager role has transitioned to an in-house role as part of the CDEM team.

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
We help to build a more resilient district where communities understand and manage their hazards and risks.					
 National Emergency Management Agency (NEMA) assessment rating (five-yearly assessment).	70%	78% (2016/17)		Not measured	The National Emergency Management Agency (NEMA) ceased external assessment for CDEM Groups in 2020/21. This measure will be removed in the 2023/24 Annual Plan
 Community's survivability (in days) in the event of a natural disaster as found in the Residents Satisfaction Survey.	7 days or more	New measure		74%	Tairāwhiti community has enough emergency food and supplies to survive for more than 7 days.
 At least six public education activities occur annually.	6	New measure		40	An education campaign, including natural hazard, took place in the region to ensure Tairāwhiti's emergency preparedness.
 The community is made aware of Civil Defence Emergencies within 60 minutes of declaration.	60 minutes	New measure	100%	100%	Target met. Operational responses via emergency text alerts and media channels (print, web, social media) were used during the regions Civil Defence Emergencies.

Significant effects of delivering this activity

There are no significant negative effects from this activity.



Engagement and Māori Responsiveness

What we do

Engagement

Areas of responsibility include internal and external communications via mainstream and social media as well as Council's website. We promote community consultations through our website, newspaper and social media and provide support for consultation and communication campaigns. The team coordinates the development and implementation of communication plans and township plans. We further provide customer services, manage events and facilitate Council's funding applications. Additionally, another focus for our team is to build a high performing and positive internal culture where staff feel supported and valued and processes are streamlined to help us do our jobs as best as we can.

Māori Responsiveness

We have developed a Māori responsiveness plan and programme to deliver on our obligation to be a responsive and confident Te Tiriti partner. This plan and approach changes what we do and how we do it as a team and influences the lens Council applies to how we think about the future. It also positions the organisation well to be able to implement national directives that require meaningful working relationships with mana whenua e.g., freshwater, urban growth and development, wider resource management planning and other relevant reforms.

Why we do it

Engagement

We communicate and engage with our community in various ways to keep them informed of issues that may affect them. Through targeted communication and engagement, we also increase the visibility and understanding of issues and empower residents to have their say and get involved in decisions that may impact them.

Māori Responsiveness

Our population is 53% Māori, compared to 16.5% for the rest of Aotearoa. Our responsibilities under Te Tiriti of Waitangi, Local Government and Resource Management Acts form the basis of our partnership with Māori. Meeting the expectations and obligations set out in these documents, together with achieving community outcomes, is why we do it.

Delivering value to the community



Te Tiriti Partnership Wānanga with elected members.



Our councillors came together to form a collective understanding of Te Tiriti Partnership in practice and form their aspirations as Council. Done over three wānanga, this was the first of its kind for Council.

Zuy (online hui) during Representation Review.

Council held Zuy to enable the younger community members to engage on the Representation Review.

Street Flag Competition.

We held a public street flag design competition and received significant reach and engagement online prior to the winning flags being installed on the main street.

Quality Improvement Circle.

A Quality Improvement Circle (QIC) has been initiated. The QIC is committed to ensuring there is an integrated approach to delivering our Customer Service Promise. A number of customer focused initiatives have already been implemented as a result.

Township upgrades

Works are under way on township upgrades in Te Araroa and Tikitiki, which will be completed by October 2022. Ruatoria is currently in the planning phase.

The upgrade to the playground behind the Tiniroto Community Hall will be completed by the end of September 2022.

Growing our relationships with tangata whenua

Council has continued to build strong and authentic relationships with our tangata whenua, with endorsement from local iwi to enter into co-governance discussions.

Working with Councillors on co-governance

We have been working with our councillors to develop and endorse strategies and partnerships to progress towards co-governance.

Contribution to community outcomes

Community outcomes	Contribution to community outcomes	Objectives
A driven and enabled Tairāwhiti.	The ongoing emphasis of a customer-focused organisation that supports its unique community.	We focus on building individual and organisational capability and knowledge to meet current and strategic requirements and promote a learning culture to embed high performance across the organisation.
Delivering for and with Māori.	Manage and facilitate engagement with hapū and Iwi on behalf of the organisation.	To build and deliver on a plan that will serve as a baseline for growing a partnership model that meets the aspirations of mana whenua and tangata whenua now, and into the future.

Our progress**Engagement**




What we said we would do	How we are going
Embed the Customer Services Promise (CSP) through the organisation.	<p>This work is progressing well with the roll out of internal communication to embed the CSP throughout the organisation. We have developed and launched our Quality Improvement Circle (QIC) which is helping to identify and implement changes as a result of customer information.</p> <p>The QIC have already delivered a number of customer centric initiatives. This includes the removal of incorrect payment methods from 86 template letters and changes to our OZONE system. These changes have resulted in more accurate information to customers and better visibility of our customers' records for our staff. The focus of the QIC will cover our systems, processes and culture.</p>


Māori Responsiveness

What we said we would do	How we are going
Develop and implement our Māori Responsiveness Programme.	<p>This work has progressed well over the last quarter, with a new work programme developed that reflects the ever-changing landscape we find ourselves in as local government.</p> <p>There has been a considerable lift in the visibility of tangata whenua partnership in this quarter, responding to sudden and emerging mahi. Investing in and enhancing relationships so we can transition to Te Tiriti partnership has been the focus.</p> <p>This has resulted in the development of a firm basis for building relationships with tangata whenua leadership, to build their trust in our team and, by extension, Council.</p>
Develop and monitor an appropriate Level of Service and associated performance measure in collaboration with Iwi/hapū stakeholders to ensure we are effectively engaging with Māori.	While we have not put a measure in place, Māori Responsiveness has driven organisational progress on the state of desired partnerships, where tika, enduring measures can be jointly designed and decided at both operational and governance levels. These will be mutually useful tools. Māori Responsiveness has defined a baseline measure of Māori/Treaty responsiveness for the organisation.


Our levels of service and how we measure progress

Engagement

Measure	Target	2020	2021	2022	How did we perform?
We support the organisation to provide good quality information to the public to enable communities to participate in the decision-making process.					
 Percentage of residents satisfied with Council's provision of information on its website, social media pages, newsletters, brochures, and consultation documents, as found in the Resident Satisfaction Survey.	80%	80%	61%	60%	<p>This measure is at odds with the engagement on all our information platforms. Online engagement has seen continuous growth and improvement on previous years.</p> <p>Our Engagement and Communication teams will however be undertaking surveys relevant to those users of our services to determine satisfaction and ways to improve.</p> <p>There is also a programme to continue improving the user experience of our website. Our social media platforms continue to drive improved engagement and communications.</p>
 Percentage of residents satisfied with how Council engages the community in its decision-making processes, as found in the Resident Satisfaction Survey	60%	53%	40%	36%	<p>Engagement levels are at odds with the results of this survey as demonstrated through increased engagement on initiatives such as the representation review, recycling, speed limits and other initiatives.</p> <p>We continue to make improvements launching a new engagement platform for all future consultations to enhance the user participation in Council decisions.</p>
We support the organisation to deliver quality, cost effective services to our community and encourage the community to fearlessly provide feedback on our performance and direction.					
 Percentage of customers satisfied with the helpfulness of staff through Council staff surveys as found in the Resident Satisfaction Survey.	85%	85%	82%	70%	<p>A new survey methodology is being developed that will allow results at point of service. This will give Council better data and feedback on how services can be improved.</p> <p>Recent mystery shopping data collected by All of Local Government Information Management indicates that nationally Tairāwhiti is in the top 24 out of 80 councils in terms of its customer experience survey. This data is at odds with the ARSS data that we have.</p> <p>We are however continuing to implement initiatives to improve customer satisfaction going forward.</p>

Measure	Target	2020	2021	2022	How did we perform?
<p> Percentage of residents who are satisfied with Council customer service at first point of contact by:</p> <p>a) Email</p> <p>b) Phone</p> <p>c) In Person</p> <p>d) Online</p> <p>as found in the Resident Satisfaction Survey.</p>	85%	80%	<p>a) Not measured</p> <p>b) 81%</p> <p>c) 84%</p> <p>d) Not measured</p>	59%	<p>A new survey methodology is being developed that will allow results at point of service. This will give Council better data and feedback on how services can be improved.</p> <p>Recent mystery shopping data collected by All of Local Government Information Management indicates that nationally Tairāwhiti is in the top 24 out of 80 councils in terms of its customer experience survey. This data is at odds with the ARSS data that we have.</p> <p>We are however continuing to implement initiatives to improve customer satisfaction going forward.</p>

Māori Responsiveness

Measure	Target	2020	2021	2022	How did we perform?
We continue to develop effective and meaningful collaboration with mana whenua, ensuring a long-term role in future planning and decision-making for the region.					
<p> The percentage of priority Iwi projects and relationships including Deeds of Settlement and all MOU assessed for quality of engagement by mana whenua.</p>	90%	New measure		Not measured	A baseline of data was not available for Council to measure this first year. We may look to refine or change this measure in the upcoming 2023/24 Annual Plan to reflect our growing and enhanced relationships with tangata whenua.

Significant effects of delivering this activity

There are no significant negative effects from this activity.



Governance and Democracy

What we do

Governance

This activity provides 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 (LGNZ) and participation in its sector groups.
- Protection of Council assets including those invested in Council Controlled Organisations.
- Supporting the relationship with Trust Tairāwhiti and meeting Council's obligations under the Trust Deed.
- Meeting Council's obligations to be a good employer.

Democracy

This activity supports the elected members in their roles and ensures the purposes of the Local Government Act 2002 (LGA) are met and principles in the LGA are applied. As a Council we are required to ensure that:

- Governance arrangements are effective, open and transparent.
- Decision making for regulatory and non-regulatory matters are kept separate.
- The relationship between elected members and management is effective.
- We provide a fair and active triennial election process for Council that is compliant with the Local Electoral Act 2001 (LEA).
- We comply with the LEA, which also controls representation reviews.
- Resources are provided to the Office of the Mayor, including administrative support, expert advice and the delivery of civic functions and events.
- Obligations of the Mayor and councillors under the LGA are met.
- Elected members' remuneration, allowances and expenditure processes are in line with Remuneration Authority determinations.
- Local Government Official Information and Meetings Act (LGOIMA) requirements and processes to service Council and its committees are complied with.
- Official information requests are responded to within legislative timeframes and conform to best practice and legislative requirements.

Why we do it

Governance

- Provide democratically accountable community representation and decision-making.
- Provide stewardship of Council's assets and implement the laws that enable physical and natural resources to be allocated.
- Work across Council to enable meaningful partnerships with Māori.

Democracy

- Support elected members and staff to provide transparent local decision-making on behalf of the Tairāwhiti community.

Delivering value to the community



Representation Review

Changes to our election process, including the addition of a Māori ward and the change to the Single Transferable Vote system will ensure better representation for Māori, women, rural communities, and minority groups.



Elections 2022 Engagement Plan.

By drawing on a key aspect of Māori culture, the Pōwhiri, we want the audience to instantly recognise the relationship between key elements of the Pōwhiri – namely Wero, Karanga, Whaikōrero and Waiata – with the three stages of the electoral process for the 2022 local elections (Stand, Educate and Vote). The 'Stand' part of the campaign commenced in June 2022.

Contribution to community outcomes

Community outcomes	Contribution to community outcomes	Objectives
A driven and enabled Tairāwhiti.	Our meeting and reporting processes ensure our community is informed and enabled to participate in Council decision-making.	Our community is more engaged in Council's decision-making processes, enabling better representation of community views in Council's decisions.
Resilient communities.	Our Council and committee reporting templates take into account climate change and the changing needs of our communities.	Council and committee decisions take into account climate change. Elected members are better informed as to the impacts of climate change and our organisation is more able to respond appropriately to its effects.
Delivering for and with Māori.	Council and committee decisions are reflective of our hapū and iwi aspirations and include mātauranga Māori and a te ao Māori lens.	Council and committee decisions incorporate te ao Māori, mātauranga Māori and te reo Māori.

Our progress**Governance**




What we said we would do	How we are going
Continue to grow our strategic relationships with partner organisations.	Work to grow relationships with partners is ongoing.
Co-governance with tangata whenua (previously named 'Local Leadership Body').	Between Council and iwi leadership, a Steering Group has been confirmed to progress the co-governance discussions. The group consists of four Council staff and four iwi representatives. A co-governance model post Resource Management reform will be a primary focus of this group.
Build on the existing Joint Management Agreement work between Council and Te Rūnanganui o Ngāti Porou.	Work on the Waiapu Catchment Plan continues in partnership with Ngāti Porou. The catchment planning process has been bolstered through the engagement of a Ngāti Porou planner. Ngāti Porou have also secured funding of \$518,887 through Te Mana o Te Wai Fund by Ministry for the Environment. The purpose of the Te Mana o te Wai Fund is to increase the capacity and capability of Māori to participate in and make decisions for freshwater management.
Continue delivering and identifying opportunities for improving governance across the organisation.	To review, together with the Strategy team, the professional development requirements for a co-governance approach with the Tairāwhiti Resource Management Plan review and include elected members in this training.

Governance

What we said we would do	How we are going
The Local Government election will be held in October 2022. We will manage and deliver a fair election process and increase voter participation including actively encouraging the young Māori demographic to vote.	A comprehensive community engagement plan for the triennial local government elections has been developed. Council created a Tairāwhiti Gisborne specific way to visually encourage people from Tairāwhiti (in particular Māori and rangatahi) to firstly stand for election and secondly vote in that election. Council customised the national Local Government New Zealand (LGNZ) "Vote 22" campaign assets with our own design concept, creating metaphors for elements of the Pōwhiri and relating them to the election stages in clear, timely, consistent visuals and transparent Te Reo and English communications, for all Tairāwhiti. The campaign name "Karangatia rā 2022" (call to action) is jointly branded with the LGNZ's "Vote 22" campaign and Council logos, to build on the national campaign and give it a local flavour.

What we said we would do	How we are going
Support our elected members to become effective community leaders for the people of Tairāwhiti by introducing professional development opportunities, including training relating to te ao Māori.	Elected members endorsed the need to develop a Treaty partnership strategy which will be inclusive of the training and development needs required to increase capacity as enduring Treaty partners. The first workshop with elected members on the Treaty was held 24 February 2022. Three Te Tiriti Wananga have been held with elected members, including a joint Iwi and Council hui in November of 2021 and May of 2022. These are working towards establishing joint decision making through partnership, to establish true Te Tiriti Partnership in Tairāwhiti. This was facilitated by Paul Beverley from Buddle Finlay.
Work with other teams to ensure effective Māori participation in Council decision making.	Guidance in the Council and Committee report template with the Māori Responsiveness team is now scheduled for the first quarter of the 2022/23 financial year.
Improve Council technology to allow offsite Council and committee meetings to be live streamed especially on marae.	Alternate Council meetings will take place on marae around the region commencing with the Inaugural Council meeting and the swearing in of a new Council on 27 October 2021. Work has commenced on developing the technology and capability.
Continue to create a welcoming and accessible environment for the public so that it is easy for them to understand local government decision making.	Work is under way to add agendas and reports from 2015 to Council's website enabling the public easy access to this information. This will be completed by the end of the 2022/23 financial year. Council and Committee returned to meeting in person in late March 2022. Attendance via AV link continues to be utilised due to isolation requirements or travel. These meetings will continue to be livestreamed.
Monitor and improve the quality of reports and their effect on good decision making.	NZIER Policy benchmarking report has been received for 2021/22 with an improved score on the previous year.
Improve and strengthen the LGOIMA request process.	The recruitment of a new Customer Experience Performance Advisor is already improving the LGOIMA process. This is a priority for 2022/23.
Conduct a Representation Review for the 2022 and 2025 Local Government elections including Māori Wards following Council's decision in 2020. There is also the opportunity to explore rural township representation through communities of interest.	The representative review was carried out according to the statutory timeframes. 132 appeals and objections were received. The Local Government Commission has determined that the representation arrangements for Council for the 2022 and 2025 elections is two district wide wards Tairāwhiti Māori Ward (with five elected members) and Tairāwhiti General Ward (with eight elected members), plus the Mayor elected at-large.

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
We provide for the representation of the community in an open and democratic way.					
 Percentage of the community who agree that decisions made by Council represent the best interests of the community as found in the Resident Satisfaction Survey	60%	34%	37%	29%	We have launched a new engagement platform for all future engagements and consultations and expect this measure to improve markedly.
We manage the LGOIMA requirements for meetings, agendas and official information requests and complaints to the Ombudsman.					
 Agendas for meetings (other than extraordinary meetings) of Council and committees are publicly available at least two working days before advertised meetings.	100%	100%	100%	100%	Our community has access to agendas for meetings and is notified of all scheduled council and committee meetings.
 Number of complaints upheld by the Ombudsman.	0	0	0	0	Council takes a proactive approach to its LGOIMA responsibilities and practices.

Significant effects of delivering this activity

There are no significant negative effects from this activity.

Science

What we do

This activity is made up of Environmental Science, Environmental Monitoring, and support services. The teams carry out regulatory and non-regulatory science-based services to ensure that Council's statutory environmental requirements are met. They do this through monitoring Tairāwhiti's environment and identifying what action is needed to maintain and improve the health of our environments.

Why we do it

We aim to sustainably manage our district's land, air, coastal and freshwater resources (using a range of regulatory and non-regulatory measures) in order to protect and, where possible, enhance the district's natural environment.

Delivering value to the community



Restoring the mauri and ora of the Tūranganui Estuary System Freshwater Improvement fund.

In December 2021 we were successful in securing \$2.25m funding from Ministry for the Environment towards a \$4.95m programme of environmental improvements to streams, rivers, and estuaries in Gisborne city.



The project includes 32 sub-projects of riparian planting, wetland restoration, enhancing habitats for fish and reducing erosion in Gisborne's waterways.



The programme will continue until June 2026 and will involve local contractors, tangata whenua and opportunities for schools and the community to be actively involved.



Development of Poverty Bay Flats Groundwater model.

We worked with tangata whenua and stakeholders to develop a sophisticated groundwater model for the Poverty Bay Flats. This will be used to further understand the pressures on our groundwater, including climate change. The model will be used as one of the tools to help Council manage our groundwater sustainably and within the principles of Te Mana o te Wai.

Livestream video of the Hikuwai River at Willowflat and Waipaoa River at Kanakanaia Bridge, Te Karaka.

We installed webcams on the Hikuwai and Waipaoa rivers to provide real-time measurements of the rivers' flow. This enables Council staff and the public to be able to monitor the river levels continuously and remotely. This means staff do not need to travel during storm events. The webcams were a valuable tool used by Civil Defence Emergency Management (CDEM) during the storm events of November 2021 and March 2022. The webcams website is <https://www.gdc.govt.nz/environment/river-webcam>

Climate change programme

Our climate change programme is in development, with an ambitious target of Gisborne District Council to reach net zero carbon by 2030.

Tairāwhiti Resource Management Plan

Our first review of the TRMP since its rollout in 2017 will see significant changes in the way we make decisions about how we manage our natural and built environments.

We have established a project team and programme plan, with work under way in three key areas (freshwater, urban growth and development, and the regional policy statement).

Contribution to community outcomes

Community outcomes	Contribution to community outcomes	Objectives
We take sustainability seriously.	Providing robust evidence and analysis for the review and updating of our resource management plans allowing Council to effectively regulate and use activities and advocate good practice so we can maintain the health of our soils, air, freshwater, urban and coastal environments.	Land uses across the region are optimised to suit their physical and cultural setting and have adapted to changing climate patterns.





Our progress


What we said we would do	How we are going
Implement the projects, described in detail (and updated six-monthly) within the Science Programme, to ensure delivery of Council's statutory environmental objectives.	<p>We are progressing the Science Programme as planned. Some examples include:</p> <ul style="list-style-type: none"> • Building a model for Poverty Bay flats' groundwater and the installation of devices in bores to monitor groundwater and salinity levels. • Undertaking a strategic soil quality survey of land use and collaborating with regional councils to review land use classifications. Both projects will improve the protection of our valuable soils. • Mapping of the Motu catchment wetland. This pilot project proved to be successful and the method for this will be rolled out across the rest of the region in 2022/23.
Undertake a comprehensive, strategic, and cost-effective environmental monitoring programme and ensure these results are communicated to Council and the community.	<p>COVID-19 restrictions at some of the laboratories used for sample analysis meant some scheduled monthly samples we not completed. This was a problem faced by many councils across New Zealand.</p> <p>We commissioned an independent review of our Freshwater Monitoring programme to ensure we meet National Policy Statement for Freshwater Management 2020 requirements. This review will be finalised in the first quarter of 2022/23.</p>
Partner with Iwi, the community, industry, and other organisations to monitor and improve Tairāwhiti's environment.	<p>Mana whenua were involved in the scientific exploratory groundwater bore drilling project in Uawa. This included identifying groundwater springs (puna) and analysis of geology samples. Mātauranga Māori principles were incorporated into the final project report.</p> <p>Collaborative work with National Institute of Water & Atmospheric Science and Geological & Nuclear Sciences to understand groundwater surface water interaction in the Taruheru catchment, the knowledge will contribute to a national hydrological model.</p> <p>Ministry for the Environment funded work undertaken by Environmental Science & Research to sample Rere Rockslide as part of national microbial risk assessment study.</p>
Work with Iwi and hapū to monitor and evaluate the mātauranga Māori of our environment.	<p>During the development of the Poverty Bay Flats groundwater model, we incorporated areas of cultural importance, including puna identified by mana whenua representatives.</p>
Deliver the scientific evidence for the freshwater plans required by December 2024 as part of the National Policy Statement for Freshwater Management (NPSFM).	<p>We are working closely with the Strategic Planning team and other regional councils to ensure we are being efficient in obtaining and delivering the required scientific evidence. This includes regular state of the environment monitoring and also specific investigations.</p> <p>We commissioned an independent review of our Freshwater Monitoring programme to help ensure our monitoring programme meets the NPSFM requirements in an effective and strategic monitoring programme. This review should be finalised in the first quarter of 2022/23.</p>
Work with Iwi and hapū to ensure we understand and protect the value of Te mana o te Wai (under the NPSFM).	<p>We are working with iwi and hapū on understanding what Te mana o te Wai means to them and how we can together collect and monitor this.</p> <p>As part of the implementation of the Waipaoa Catchment Plan the Science team undertook waterway condition assessments of the Taruheru River. These assessments included representatives of tangata whenua to provide a Te Ao Māori perspective. The assessments will identify opportunities for environmental improvements.</p>
Partner with Council's Resource Consents team to provide robust technical advice for the assessment of resource consents and provide training to carry out assessment of 'low-risk' environmental resource consent applications.	<p>We are working with the Resource Consents team to ensure effective delivery of technical advice. This includes providing training to staff.</p> <p>We have created a technical advice panel of consultants to ensure we can provide advice in good time during periods of high workload.</p>

What we said we would do	How we are going
Provide strategic scientific advice to internal and external stakeholders e.g. during pre-application stage of resource consents.	<p>We provide scientific advice when required to both internal and external stakeholders.</p> <p>In the first quarter of 2022 we undertook a survey using Light Detection and Ranging (LiDAR) mapping to map targeted rivers in the Waipapu catchment. This will provide evidence to mana whenua and Council to help sustainably manage gravel extraction.</p> <p>We have created a technical advice panel of consultants to ensure we can provide advice in good time during periods of high workload.</p>
Provide annual performance updates to Council on health of region's land, air, and fresh and coastal water quality.	<p>Our environmental data is communicated through the Council website and the national environmental platform Land, Air, Water Aotearoa (LAWA).</p> <p>We bring reports to Council on key environmental issues when appropriate.</p> <p>In 2022/23 we will seek feedback from our community and stakeholders to understand more about how they want to receive information on Tairāwhiti's environment.</p>
Implement communications plan to help communicate science to our community and enable improved engagement and collaboration.	<p>Through various projects undertaken by the Science and Environmental Monitoring teams we have created and implemented engagement plans to ensure effective communication and collaboration. We continue to evolve these plans as we learn lessons.</p> <p>Our Environmental Monitoring team share river flow data on the Council website to enable the community to access data more easily.</p> <p>This includes the compliance flows tool to help provide clarity for water take consent holders as to when they are able to take water (https://www.gdc.govt.nz/environment/maps-and-data/river-flows) and the live river webcams at Hikuwai and Waipaoa to help the community and the Council understand if those rivers are approaching flood event levels. (https://www.gdc.govt.nz/environment/river-webcam).</p> <p>In 2022/23 we will seek feedback from our community and stakeholders to understand more about how they want to receive information on Tairāwhiti's environment.</p>
Provide a robust evidence base for the Tairāwhiti Resource Management Plan (TRMP) review.	<p>We are working with the Strategy team to ensure effective work planning and delivery. Some key projects delivered during 2021/22 include:</p> <ul style="list-style-type: none"> • We have developed a groundwater model for the Poverty Bay Flats • We have undertaken Light Detection and Ranging (LiDAR) mapping to produce evidence to help sustainably manage our gravel-based rivers of the Waipapu. • We undertake our state of the environment monitoring programme to deliver a robust set of environmental data. • We have commenced a programme of surveys to monitor Tairāwhiti's soil health. • We undertook wetland mapping for the Motu catchment. This pilot project proved to be successful and the method for this will be rolled out across the rest of the region in 2022/23.
Ensure sufficient information on Tairāwhiti's groundwater is available for our statutory requirements, inclusive of the development of groundwater models and the renewal and potential drilling of groundwater monitoring bores	<p>Groundwater bore drilling in Uawa was completed in October 2021 with the installation of four permanent scientific monitoring bores. Results of the drilling programme were shared with the Uawa community in July 2022.</p> <p>We have developed a groundwater model for the Poverty Bay Flats. Iwi, councillors, and stakeholders were involved in the model build.</p>



Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
We will collect and manage environmental data to support good resource management decisions and enable a clear understanding of the state of our environment.					
 The number of hits received on environmental data pages on the Council and Tairāwhiti section of Land, Air, Water Aotearoa (LAWA) websites.	30,000	40,959	25,924	72,895	Our website and environmental data hosted on another website (LAWA) had a high level of interest. This is likely to be due to a result of proactive communication from Council, environmental news in the media and severe weather events.
 Undertake and report weekly monitoring of freshwater and coastal bathing water sites throughout the bathing water season.	95%	New measure		100%	Environmental Monitoring team successfully sampled every bathing water included in the monitoring programme throughout the bathing season. These results were published online within 36 hours of being sampled.
We will collect, analyse, and report environmental information under the requirements of the RMA (1991).					
 For highly productive land, undertake soil surveys for the five land use types in Tairāwhiti. To ensure the scientific evidence is robust, thirty surveys per land use type will be required (150 in total).	Yr1 25 Yr2 50 Yr3 75	New measure		12	This was the first year for undertaking these soil surveys. Therefore developing the survey method and sample analysis process meant fewer surveys were undertaken than targeted. COVID-19 also affected the laboratory which processes the samples, which reduced their capacity. We have plans in place to increase the number of samples carried out in 2022/23.
 The percentage of freshwater attributes monitored as required by the National Policy Statement for Freshwater Management (2020) in locations determined by Council and the community.	Yr1 80% Yr2 90% Yr3 100%	New measure		73%	Slightly under target, excluding lakes. The updated National Policy Statement for Freshwater Management (2020) (NPSFM) requires new attributes to be measured and different methods for some existing attributes. The interpretation of what attributes need to be measured through the NPSFM and the methods for this continues to be defined by Central Government and technical advisory groups. Council is currently not meeting the lake monitoring requirements. Through the catchment plan process we will identify whether a lake is identified as important to a community and whether resources should be allocated to monitor it. We commissioned an independent review of our Freshwater Monitoring programme to help ensure our monitoring programme meets the NPSFM requirements in an effective and strategic monitoring programme. This review should be finalised in the first quarter of 2022/23.

Measure	Target	2020	2021	2022	How did we perform?
 The percentage of attributes monitored as required by the New Zealand Coastal Policy Statement (2010).	Yr1 10% Yr2 15% Yr3 20%		New measure	17%	We are undertaking a review of our coastal monitoring to identify required work for Council for the New Zealand Coastal Policy Statement (2010) and the Tairāwhiti Resource Management Plan (TRMP). This process will also identify opportunities for Council to work with tangata whenua and the community.

Significant effects of delivering this activity

There are no significant negative effects from this activity.



Strategic Policy and Planning

What we do

This activity develops and reviews strategies, policies, plans and bylaws. These documents provide:

- Strategic direction across the organisation to ensure its activities are working together to achieve the aspirations of our communities.
- The policy framework for managing the use, development and protection of our natural and physical resources, now and into the future.
- A strategic approach to investment in infrastructure, facilities and services.

This activity is responsible for:

- Ensuring that Council's strategies, policies and bylaws are consistent with statutory obligations and underpinned by a robust evidence base and community, Iwi/hapū and stakeholder engagement
- Providing guidance and advice to the wider organisation on the implementation of strategies, policies, plans and bylaws.

A major focus for this LTP is the review of the Tairāwhiti Resource Management Plan (TRMP). The TRMP review (including our freshwater planning obligations) is a large programme of work that will take place over much of the next decade and will require significant investment of resources and time from Council, Iwi, key stakeholders, and the community.

We ensure the organisation anticipates and adapts to major shifts in Government legislation. Changes to resource management law and new legislative requirements for the provision of water infrastructure will affect many activities across Council. Strategic Planning has a role in assessing the implications of these changes and helping other teams adapt to them.

Why we do it

Overall, everything we do links back to the purpose of local government, which is to:

- Enable democratic local decision-making and action by, and on behalf of, communities
- Promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Our work ensures that Council's decision-making, priorities and investments are transparent, evidence based and consistent with our vision, community outcomes, strategic priorities, the Local Government Act (LGA) and other relevant legislation.

Council's strategic documents link Council's goals with its operations – they are the direction and guidance that make action possible and achieve the long-term aspirations of our communities.

Our activity needs to respond to and anticipate significant legislation changes in the next 10 years due to reform programmes in a number of key policy areas for Council, such as resource management, three waters, and climate change.

Delivering value to the community



Sourcing funding to support the construction of infrastructure needed to support the growth of our urban area.



Funding was confirmed and announced by the Minister on 21 July 2022. Our community will receive approximately \$4.2m to support growth infrastructure in the Taruheru block and the surrounding area. This area includes a papakāinga development with a wellness centre.



Development of a water security programme to look at our water needs now and into the future.

We have developed a draft Water Security and Resilience Programme for Tairāwhiti. This complements the work being undertaken under the TRMP. The priority project being scoped is updating the Regional Water Availability Assessment.

Contribution to community outcomes




Community outcomes	Contribution to community outcomes	Objectives
A vibrant city centre and townships.	Plan for the management of community facilities and spaces to ensure they are fit-for-purpose, meet the region's changing age demographic and provide diversity across the region.	Update the TRMP to enable the best use of available land including infill development, intensification and redevelopment of the city centre to support mixed use with open space and high-quality medium density residential housing.
Connected and safe communities.	Transport planning that responds to our unique regional challenges and opportunities so we can invest wisely in keeping our communities connected, safe, sustainable and healthy.	Improve access and safety of cyclists and pedestrians, including through the use of dedicated pathways in the city centre, and a connected and effective public transport system.
We take sustainability seriously.	Update our resource management plans to allow Council to regulate land use activities so we can maintain the health of our soils, air, fresh water, urban and coastal environments.	Land uses across the region are optimised to suit their physical and cultural setting, and have adapted to changing climate patterns.
We celebrate our heritage.	Ensure our historic and natural heritage values are recognised and given adequate protection.	We research and understand heritage values of our region.
A diverse economy.	Update our resource management plans to ensure development and recovery planning contributes to a thriving economy in a sustainable way.	Council supports the strategic development and investment by providing clearer direction and more certainty through the rules and guidance in the TRMP.
Delivering for and with Māori.	Support and enable new and existing partnership forums with Māori – including the Joint Governance Group, Joint Management Agreement Forum, Local Leadership Body, project steering and advisory input opportunities, various co-management arrangements and co-governance forums.	Incorporate the values, culture and beliefs of Tairāwhiti Māori into Council and Government policy, including mātauranga Māori and te ao Māori

Our progress

What we said we would do	How we are going
<p>Resource management planning.</p> <p>Commence and progress the review of the TRMP including our freshwater planning obligations. This includes reviewing and updating the Regional Policy Statement, regional plans, and the District Plan, including policies and provisions for growth management.</p>	<p>The TRMP review has commenced and is tracking well across work streams. The procurement of external support has been key to progress delivery of this programme of work this year.</p> <p>Six consultancies have been selected for the consultant supplier panel to support the TRMP review. Work on a Future Development Strategy has progressed – this will set out our plan for the next 30 years of housing and business growth in the region. It will be guided by Tairāwhiti 2050 (spatial plan) but contain more detail on where and how our urban areas and townships can grow. We are engaging with tangata whenua on this kaupapa and there has been public engagement on growth sites.</p> <p>Freshwater catchment planning for the Mōtū, Waiapū (in partnership with Ngāti Porou) and Waimatā-Pakarae catchments is under way. We are also preparing to start a review of the Waipaoa Catchment Plan and the Regional Freshwater Plan. Several technical studies have been commissioned to support the update of the Regional Policy Statement and staff have progressed preliminary work on the significant resource management issues facing Tairāwhiti.</p>

What we said we would do	How we are going
<p>Transport planning.</p> <p>Prepare the 2024–2034 Regional Land Transport Plan as well as the 2024–2034 Regional Public Transport Plan, in consultation with Council’s Roads and Footpaths team. Undertake supporting policy work, research and monitoring.</p>	<p>Development of the 2024–2034 Regional Land Transport Plan is set to commence in Year 2 of the LTP.</p> <p>A review of our network efficiency and public transport is under way.</p> <p>Quarterly monitoring of 2021–2031 Regional Land Transport Plan began in December 2021.</p> <p>A review of Council’s Speed Limit Bylaw has commenced and will be complete in August 2022.</p> <p>We have scoped the walking and cycling plan and a mode shift strategy.</p>
<p>Climate change planning. Continue to develop Council’s response to climate change through adaptation and mitigation planning for the organisation and the region. This includes completion of a Council Climate Change Plan and support for the development of a regional climate change risk assessment.</p>	<p>Procurement has been completed for consultant support to deliver a regional climate change risk assessment.</p> <p>The updated Procurement Policy will consider climate change implications.</p> <p>Progressed work to develop a regional emissions reduction roadmap for transition planning. This piece of work will define the touchpoints, key milestones, and timeframes for how Tairāwhiti transitions to a low carbon future in a balanced manner.</p> <p>We introduced an emissions calculator in the staff training travel request system to improve our data for future emissions inventories.</p>
<p>Review existing strategies, policies and bylaws, when required, to ensure compliance with statutory requirements.</p>	<p>Please see the TRMP section for information on progress.</p> <p>The 18-month work programme (excluding TRMP and catchment plans) has been updated. We are progressing with statutory dates associated with planned reviews.</p> <p>This year we have made changes to and adopted the following:</p> <ul style="list-style-type: none"> • Freedom Camping Bylaw • Traffic and Parking Bylaw • Gambling Venues Policy • Procurement Policy <p>We have revoked the Food Hygiene Bylaw to align with the changes to the Food Act 2014.</p>
<p>Strategic leadership.</p> <p>Support the organisation with leadership in strategic thinking on critical issues and opportunities for our region.</p>	<p>There is a lot of Central Government reform and business as usual legislative review work for the team to consider. Balancing responding to Government consultation against work programme resourcing requirements remains a challenge. Council gave staff direction in March on priority Government work on which to prepare submissions and this has focused our approach in the second half of this year.</p> <p>A number of submissions have been prepared. Climate change, reform programmes, freedom camping, and resource management direction have been the main topics we have submitted on during this year.</p>

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
Council has a clear, rigorous and current suite of strategies, plans and policies across the range of Council activities including resource management, infrastructure and social and economic development.					
 All plans under development and review meet national directions and statutory timeframes for notification (where applicable).	Achieved	New measure		Achieved	The three workstreams for phase 1 of the TRMP review are under way. Timeframes for phase 1 have been amended slightly to ensure appropriate engagement is undertaken. Bylaws and policies under review have met statutory timeframes.
We support communities to engage in Council decision-making through appropriately planned, designed and delivered engagement processes.					
 Percentage of externally facing projects that have a communications and engagement plan in place (commensurate to the significance of the project).	100%	New measure		100%	All externally facing projects had a communications and engagement plan in place.
Our decision-makers are provided with credible and robust advice on which to make decisions.					
 Percentage of Strategic Planning sample reports meet a threshold of good to high quality (e.g. marked between 7-10 out of 10) when independently assessed annually.	80%	100%	100%	67%	Four of six strategic planning reports scored either good or high quality. The two that did not meet the threshold scored 6.5 (7 being the cutoff). Council has sourced reporting masterclass training for key staff which will occur in 2022/23.

Significant effects of delivering this activity

There are no significant negative effects from this activity.

Support Services

What we do

Finance and Performance

Areas of responsibility for finance and performance include financial services, revenue, internal audit, risk management, management accounting, and the development and implementation of Council's organisational performance management and reporting framework.

Health and Safety

This team works to create and support a positive health, safety, and wellbeing culture at Council, ensuring compliance under health and safety legislation, including the management of contractors.

Information Services

The team is responsible for providing information and technology services, ongoing support, advice, and business solutions to Council – developing, implementing, and maintaining systems, data, information, knowledge, and business process initiatives in support of efficient and effective governance, policy development, and service delivery.

Legal Services

The team provides legal advice and support across Council in order to achieve Council goals and community outcomes.

People and Capability

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

Why we do it

Finance and Performance

Financial Services are required and mandated by statute including the Local Government Act (LGA) and LGA (Rating) Act 2002. Finance supports the effective and efficient running of day-to-day transactional accounting for Council operations, delivers monthly reporting of financial results, asset accounting, treasury management, rates and revenue, and debt collection and looks at how we can make financial business improvements across Council. Our Internal Audit and Risk Management team provides independent assurance that Council's risk management, governance, and internal control processes are operating effectively. The Performance team supports the organisation to plan effectively and contribute to organisational accountability, from implementing performance frameworks within the LTP to reporting how we are tracking within Annual Reports.

Health and Safety

This activity aims to provide a safe working environment for our staff, contractors and community while undertaking Council duties or while working on, or visiting, Council facilities and worksites. We help embed safe business-as-usual practices and simple constructive solution-based behaviours. Staff are empowered to actively manage their health, safety and wellbeing risks while ensuring compliance under health and safety legislation.

Information Services

Information Services work to use their expertise, understand customers' needs and enable all of Council to manage information responsibly and effectively for current and future generations, as well as fulfil our legislative obligations to keep information.

Legal Services

The Legal Services team aims to ensure Council maintains a high standard of statutory compliance and that our interests are protected. The legal advice informs prudent decision making throughout the organisation at all levels.

People and Capability

People and Capability functions align to Council's strategic priorities by ensuring recruitment, retention, and development of teams to make sure staff are equipped to connect with customers and deliver outcomes that make our people proud – Piritahi Tairāwhiti.

Delivering value to the community



Upgrading core Information Services systems to support more efficient and robust services to the community.



Initial release milestone expected to be concluded in the first quarter of 2023.

Contribution to community outcomes

Community outcomes	Contribution to community outcomes	Objectives
A driven and enabled Tairāwhiti.	The ongoing emphasis of a customer-focused organisation that supports its unique community.	We focus on building individual and organisational capability and knowledge to meet current and strategic requirements and promote a learning culture to embed high performance across the organisation.
Delivering for and with Māori.	Manage and facilitate engagement with hapū and Iwi on behalf of the organisation.	To build and deliver on a plan that will serve as a baseline for growing a partnership model that meets the aspirations of mana whenua and tangata whenua now, and into the future. Improve the cultural capacity of the organisation through the development of tools and support initiatives.

Our progress

What we said we would do	How we are going
Ensure all support services continue to perform business-as-usual activities and, where possible, streamline business processes to improve practices, advice, and services.	<p>Finance:</p> <p>Continuing the review of the next steps and implications of the Local Government (Rating of Whenua Māori) Amendment Act. This includes a review of Māori Freehold Land debt which would be now considered uncollectable and detailed modelling of areas' forecast rates impacts for the 2022/23 Annual Plan.</p> <p>People & capability:</p> <p>Recruitment and retention in a very tight labour market continues to be a focus. A project to optimise and update recruitment branding and recruitment strategy has been completed.</p> <p>A remuneration policy move to 100% of Local Government median has been completed, allowing Council to be more competitive in the labour market.</p>
Continue to develop a health and safety culture while ensuring compliance under health and safety legislation.	<p>COVID-19 had a significant impact on staff. Policies were developed to help us adapt to increased risk assessment requirements.</p> <p>Homesafe continues to support teams through a business partner model which includes hui, support, and 'boots on the ground' activities.</p> <p>Regular site meetings are held with contractors working on projects. Overlapping duties have been identified as a key risk.</p> <p>Contractor reporting is being reviewed with increased visibility on near-miss events.</p> <p>Familiarisation training for managers in Council's health and safety system has been implemented.</p> <p>28 outstanding critical risks identified have now all been successfully closed off.</p>

What we said we would do	How we are going
Take further advantage of technological advancements to enable us to deliver effective and efficient support services to our internal and external customers.	<p>The Land Information team continues to use and evaluate a range of geographic information system (GIS) products for existing and new spatial view use cases.</p> <p>The district wide capture of LiDAR is enabling many new initiatives involving elevation data.</p> <p>An update of our imagery data has enabled analysis of areas where changes in land use and form are occurring. Our flying programme will continue through to the end of 2022 and will enable even greater coverage and use.</p> <p>A key focus is on implementing the new Enterprise Solution System, which will provide staff with modern software support tools.</p> <p>Changes in work practices have increased reliance and expectation on the ability to work remotely and digitally. This has changed our practices in terms of the systems we have and how we provide services.</p>
Complete the replacement of the core Enterprise Resource Planning system.	The project to deliver Council's replacement enterprise systems has commenced, with TechnologyOne being the Council new solution provider. The project is phased into two releases over the next two years, with the first release focusing on People and Capability (HR), Payroll, and Finance.
Review, assess and decide to obtain a credit rating assessment based on Council's external debt.	This process is pending the Three Water Reforms mandatory roll out. Details of the expected debt that would be transferred to either Central Government or the "new entity C" will have an impact of the timing of credit rating.

Our levels of service and how we measure progress

Not applicable for this group of Internal Activities.

Significant effects of delivering this activity

There are no significant negative effects from this activity.

What it cost

	Actual	LTP	Variance	Actual
Operating revenue and expenditure	2022	2022	Favourable	2021
	\$000s	\$000s	/(Adverse)	\$000s
Revenue From Non-Exchange Transactions	1,149	1,204	(55)	418
Revenue From Exchange Transactions	6,699	2,303	4,396	4,529
Expenses	27,734	30,540	2,805	15,981
Net Cost of Service	19,886	27,032	7,146	11,035
Capital Expenditure				
Capital Projects	2,613	6,117	3,503	2,697
Funded By:				
Grants and Subsidies	151	65	(85)	393
Depreciation or Other Reserves (Renewals)	1,287	3,587	2,300	1,331
Internal Loans	1,055	2,464	1,409	849
Asset Sales	120	0	(120)	123
	0	0	0	0

This group of activities is funded from 5% grants, 50% rates, 15% Dividends and 30% fees and charges.

What was different from the budget

- 1 Revenue from non-exchange transactions is \$55k under LTP. This is mostly due to lower penalties collected and suppressed during the year (\$598k). Council as a response to COVID-19 did not apply penalties for outstanding rates at the end of the financial year. The lower than expected revenue from penalties was mostly offset, by higher grants received (\$543k). Additional grants included central government grants for community relief for those affected by the severe weather events that occurred in March/April 2022.
- 2 Revenue from exchange transactions is \$4.4m ahead of the LTP. This is mostly due to accounting recognitions - including a gain from the movement in fair value of interest swaps (\$3.6m) and an upwards movement on provisions for rates debt or rates collectability. We also received \$150k for the Mayors Taskforce for Jobs.
- 3 Expenditure is \$2.8m under LTP. This mostly relates to the timing of special projects for Tairāwhiti Resource Management Plan (TRMP) and Freshwater Management Plan. The 2021 LTP assumed a higher provision within Year 1 of the LTP. The unspent costs have been rephased and incorporated into next years LTP. These lower than expected costs have been offset by increased expenditure in Enterprise Solutions project where the expenditure was reclassified under accounting standards from capital to operational.
- 4 Capital expenditure is \$3.5m under LTP. Largely the result of the Enterprise Solutions project being reclassified as operational expenditure \$2.4m. Recent changes to the Financial Reporting Standards in relation to software as a service have meant that this type of expenditure is now deemed operational. There were also delays in the Emergency co-ordination centre resulting in an underspend of \$870k which has been carried forward to 2023.

For financial information on our Regional Leadership and Support Services Group, refer to Our Finances – page 141.

Ngā Mahinga Arumoni Commercial Operations

Council's main investment vehicle is its Council Controlled Trading Organisation (CCTO), Gisborne Holdings Limited (GHL). GHL is 100%-owned by Council. GHL manages Council's commercial operations and distributions flow directly to Council to help provide for capital works and minimise demands on ratepayers.

What we do

Council's commercial operations are made up of commercial and semi-commercial investments. Some are run on a commercial basis for the benefit of Council's operations, while others supplement Council's income.

Council's semi-commercial operations include:

- Community housing – 120 rental units within the Gisborne City and Te Karaka for tenants who are 55 years and over.
- Gisborne Airport.
- Small holdings of property.

Council also maintains a number of investments, the largest being GHL, made up of a number of business units, including:

- Property Holdings, which manages a large and diverse portfolio of property including commercial, tenant occupied rentals, and farm land. It also takes project management responsibility for GHL developments.
- Waikanae Beach TOP 10 Holiday Park, which is the region's largest accommodation provider, covering the spectrum from tent sites to 4 1/2 star Qualmark apartments.
- Tauwharepārae Farms Ltd, which runs the Puketawa, Tamatea, and Tauwharepārae stations as a single unit, covering 11,500 hectares of land inland from Tolaga Bay.

Why we do it

The primary focus of commercial operations are to operate profitably and to provide a non rates income stream to Council.

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 LTP 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 to exceed 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.




Contribution to community outcomes

Community outcomes	Contribution to community outcomes	Objectives
A driven and enabled Tairāwhiti.	Promoting an open and collaborative relationship with Council and supporting them to enact positive change through the provision of information or resources.	To meet the requirements of Local Government Act 2002, Section 59 and the Statement of Intent.
We take sustainability Seriously.	Continuing to incorporate energy efficient practices into our developments, upgrades, and businesses where commercially viable.	
A diverse economy.	Continuing to grow the business will enable GHL to work towards being a living wage employer, create and promote new training opportunities, grow returns to Council.	

Our progress

What we said we would do	How we are going
Review Council's group investments and alignment for a best-for-region approach.	The first stage has been completed where review of past performance of some commercial activities have been undertaken. The next stages include confirming enduring expectations and principles of what the Group invests in and how they align with outcomes and strategic direction, included within Tairāwhiti 2050 long term view.
Formulate climate change adaptation Plan for Council.	Currently Council's activities and climate change adaptation plan are being developed. Review of Council's policy and integration of plans within overall Council Group is under way (including Council Group Policy for both Council and its CCTO).
Review harvesting of forestry.	Total area harvested in 2021/22 was 176 hectares, and revenue of \$769k. The revenue we received goes partially towards offsetting the planting costs (or ETS liability and obligations).

Our levels of service and how we measure progress

Measure	Target	2020	2021	2022	How did we perform?
Council's main investment vehicle is its Council Controlled Trading Organisation (CCTO), Gisborne Holdings Limited (GHL). GHL is 100%-owned by Council. GHL manages Council's commercial operations and distributions flow directly to Council to help provide for capital works and minimise demands on ratepayers.					
 Improve the investment return level in order to grow the return from 2% of Council revenue to 4%	2%-4%	2%	5.2%	1.8%	Lower than expected due to accounting reduction in the fair value of the forestry blocks.
 Percentage of customers satisfied with the standard of accommodation and services as found in our annual inspection survey.	95%	96.5%	98.2%	96.2%	We continue to achieve high satisfaction scores for this measure.
 Rent as a percentage of market-rate (lower quartile) not to exceed 90%.	Achieved	Achieved	Achieved	Achieved	90% of market rates.

Significant effects of delivering this activity

There are no significant negative effects from this activity.

What it cost

<i>Operating revenue and expenditure</i>	<i>Actual 2022 \$000s</i>	<i>LTP 2022 \$000s</i>	<i>Variance Favourable /(Adverse)</i>	<i>Actual 2021 \$000s</i>
Revenue From Exchange Transactions	1,049	2,087	(1,037)	3,080
Expenses	2,319	1,458	(861)	1,847
Net Cost of Service	1,270	(629)	(1,899)	(1,234)
Capital Expenditure				
Capital Projects	252	267	15	254
Funded by:				
Depreciation or Other Reserves (Renewals)	252	267	15	254
	0	0	0	0

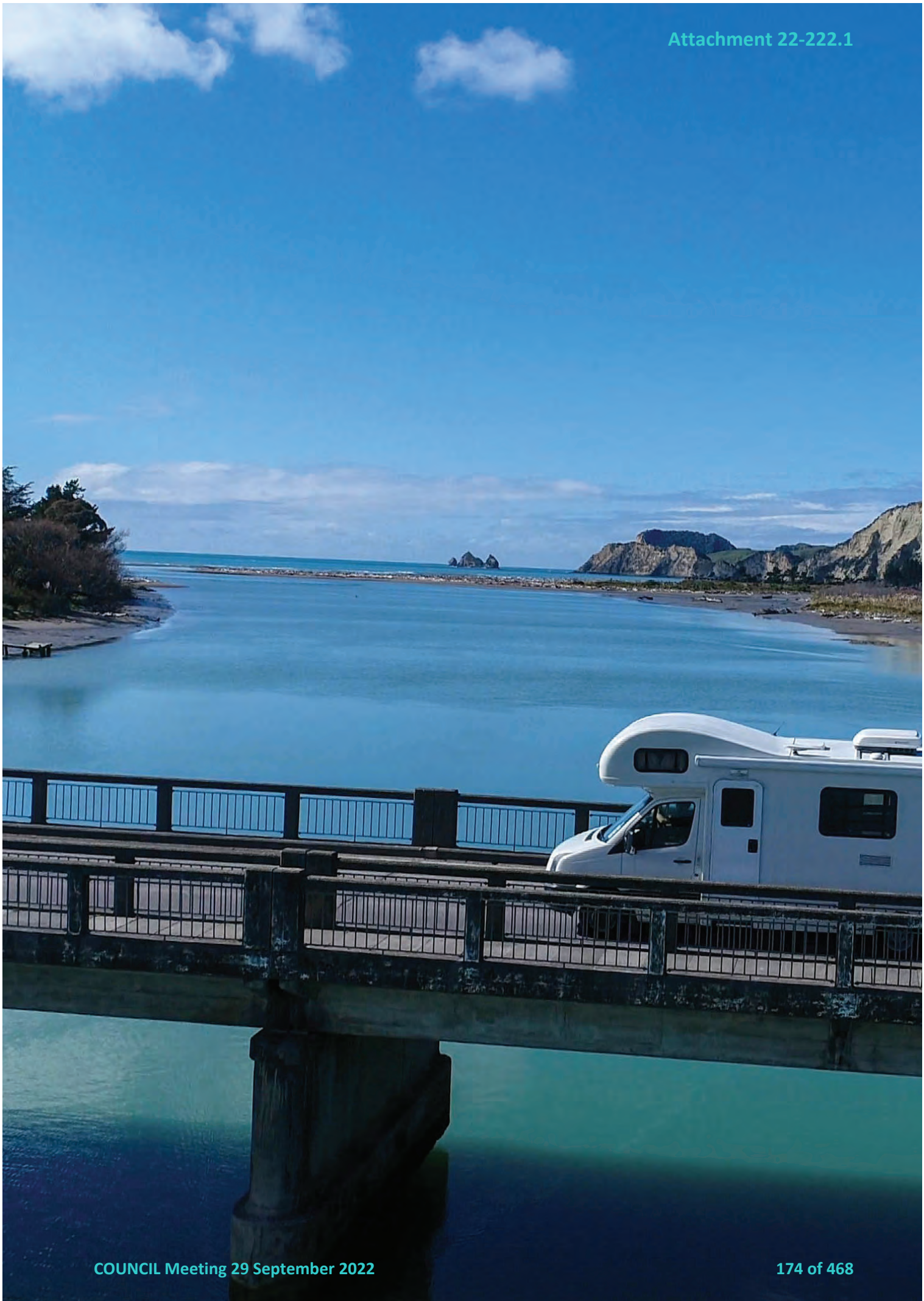
This activity was funded -3% from rates and 103% from fees and charges

What was different from the budget

- 1 Revenue from exchange transactions is \$1m under LTP. Most of the variance relates to accounting reduction in the fair value of the forestry blocks. This valuation is based on the current lower market returns per hectare and the remaining forest after harvesting. Partially offsetting some of the accounting valuation movements is \$769k received from our share of stumpage (or harvest proceeds).
- 2 Expenditure is \$861k over LTP. This is mostly due to Council's share of its joint venture forestry costs and higher operational costs.
- 3 Capital Expenditure is mostly consistent with budget.

For financial information on our Commercial Operations Group, refer to Our Finances – page 141.





A tātatau pūtea
Our finances

Tauākī tautukunga me te kawenga **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 2022 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

Tauākī o ngā Moni Whiwhi me ngā Whakapaunga Whānui

Statement of comprehensive revenue and expenses

for the year ended 30 June 2022

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Note	Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
36,670	36,691	Grants and Subsidies - Operational	4	14,699	28,459	28,459
47,511	47,511	Grants, Donations, Subsidies and Contributions - Capital	4	61,396	49,009	49,009
866	866	Other Non-Exchange Revenue	5	2,138	867	867
20,110	19,844	General Rates And Uniform Annual General Charge	3	22,493	22,547	22,281
42,036	42,036	Targeted Rates (other than a targeted rate for water supply)	3	43,288	43,607	43,607
REVENUE FROM EXCHANGE TRANSACTIONS						
960	960	Development and Financial Contributions	5	1,587	914	914
11,359	22,861	Other Revenue	5	10,429	10,360	20,253
3,449	3,449	Targeted Water Rates	3	3,366	3,233	3,233
1,283	33	Dividends	5	1,500	1,662	3
95	95	Interest Received	5	0	144	144
3,164	3,673	Other Gains/(Losses)	6	(474)	2,473	3,752
167,504	178,020	Total Revenue		160,422	163,275	172,522
EXPENSES						
23,652	27,196	Employee Benefit Expenses	7	26,570	26,221	29,240
74,938	77,364	Expenditure on Operating Activities	9	56,477	73,182	76,631
22,972	23,990	Depreciation and Amortisation	8	23,733	23,226	24,404
1,721	1,952	Financing Costs	10	3,813	2,050	2,430
123,283	130,501	Total Expenses		110,593	124,679	132,705
44,221	47,519	Net Surplus/(Deficit) before Taxation and Subvention Income		49,829	38,596	39,817
400	0	Subvention Payment from GHL		600	200	0
0	1,107	Income Tax Expense	11	0	0	1,294
44,621	46,412	Net Surplus/(Deficit) after Taxation		50,429	38,796	38,523
OTHER COMPREHENSIVE INCOME						
73,475	73,475	Gains/(Losses) on Revaluations		35,747	335,384	390,796
0	0	Deferred Tax on Revaluations	11	0	0	(1,087)
73,475	73,475	Total Other Comprehensive Income		35,747	335,384	389,709
118,097	119,887	Total Comprehensive Revenue and Expenses		86,176	374,180	428,232

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

Tauāki hāngai ki te tahua taurite Statement concerning balanced budget

for the year ended 30 June 2022

Council 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s
167,504	Operating Income	160,422	163,275
(123,283)	Operating Expenditure	(110,593)	(124,679)
400	Subvention Payment	600	200
0	Income Tax Expense/(Benefit)	0	0
44,621	Net Operating Surplus/(Deficit) After Taxation	50,429	38,796
	LESS		
1,183	Capital Rates Income	804	804
47,407	Capital Grants and Subsidies	61,396	48,989
1,064	Other Capital Grants, Donations and Contributions	1,587	971
4,131	Operations funded by Reserve funds	(2,491)	(179)
	PLUS		
9,297	Depreciation not Funded	10,187	9,262
(133)	(Decrease)/increase in Council deficit	680	2,527
0	Balanced Budget - Operating Income Agrees to Operating Expenditure	0	0

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

Explanation of Councils balanced budget requirement

Council is required under the provisions of the LGA 2002 (s.101) to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of its community. The LGA 2002 (s.100) requires that local authorities "balance the books". This means Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (break even). This is to ensure that there's 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.

Tauākī o te Tūnga Pūtea

Statement of financial position

as at 30 June 2022

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Note	Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
CURRENT ASSETS						
19,575	19,577	Cash and Cash Equivalents	13	9,967	7,798	10,249
8,647	8,647	Non-Exchange and Other Receivables	14	11,486	11,373	11,373
9,029	8,887	Exchange Trade and Other Receivables	14	11,933	20,304	20,313
38	234	Inventories	15	101	120	341
80	80	Non-current Assets Held for Sale	18	0	80	80
0	0	Derivative Financial Instruments	17 & 29A	0	37	37
37,370	37,425	Total Current Assets		33,487	39,711	42,393
CURRENT LIABILITIES						
498	498	Deposits Held	19	431	535	535
36,265	37,393	Trade and Other Payables	20	30,604	40,310	39,170
2,803	3,111	Employee Benefit Liabilities	21	2,625	3,231	3,524
7,100	7,202	Borrowings	22	5,000	15,500	30,506
279	279	Provision for Other Liabilities	23	94	85	85
1,116	1,116	Derivative Financial Instruments	17 & 29A	1,219	0	0
0	332	Taxation		0	0	662
48,060	49,930	Total Current Liabilities		39,973	59,661	74,483
(10,689)	(12,506)	Net Working Capital		(6,486)	(19,950)	(32,090)
NON-CURRENT ASSETS						
2,414,273	2,509,294	Property Plant and Equipment	24	2,491,959	2,804,552	2,945,097
6,869	10,065	Intangible Assets	25	6,427	7,447	24,341
3,546	25,706	Biological Assets	26	3,309	2,101	24,601
33,893	1,937	Investments	16	33,595	34,387	2,430
0	0	Derivative Financial Instruments	17 & 29A	0	861	861
2,458,582	2,547,003	Total Non-Current Assets		2,535,290	2,849,348	2,997,331
NON-CURRENT LIABILITIES						
61,500	77,400	Borrowings	22	104,288	70,200	70,200
179	218	Employee Benefit Liabilities	21	176	122	158
2,452	2,452	Provision for Other Liabilities	23	2,892	2,132	2,132
1,950	2,855	Emissions Trading Scheme Liabilities	25	1,950	2,570	13,506
0	4,350	Deferred Tax Liability	11	0	0	5,407
1,618	1,618	Derivative Financial Instruments	17 & 29A	4,029	0	0
67,698	88,893	Total Non-Current Liabilities		113,335	75,025	91,403
2,380,194	2,445,603	Net Funds Employed		2,415,469	2,754,374	2,873,836
EQUITY						
475,681	481,892	Accumulated Surplus	27	551,341	514,910	520,848
52,192	52,191	Special Funds	27	33,481	52,250	52,250
1,852,321	1,911,520	Revaluation Reserves	27	1,830,647	2,187,214	2,300,738
2,380,194	2,445,603	Total Equity		2,415,469	2,754,374	2,873,836

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

Authorised for and on behalf of Gisborne District Council on 29 September 2022.



Rehette Stoltz
Mayor



Nedine Thatcher Swann
Chief Executive

Tauākī o ngā panoni tūnga pūtea Statement of changes in equity

for the year ended 30 June 2022

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Note	Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
EQUITY OPENING BALANCES						
439,305	443,724	Accumulated Funds and Retained Earnings		492,764	475,681	481,892
43,776	43,775	Special Funds and Reserves		41,629	52,192	52,191
1,779,017	1,838,217	Revaluation Reserves		1,794,900	1,852,321	1,911,520
2,262,097	2,325,716	Total Equity Opening Balance		2,329,293	2,380,194	2,445,604
CHANGES IN EQUITY						
Accumulated Surplus (Retained Earnings)						
(8,416)	(8,416)	Transfer (to)/from Special Funds and Reserves		8,148	(58)	(58)
118,097	119,887	Total Comprehensive Income		86,176	374,180	428,232
0	0	Transfer to/(from) Restricted Funds Liability Movement		0	0	0
Special Funds and Reserves						
8,416	8,416	Transfer (to)/from Retained Earnings		(8,148)	58	58
118,097	119,887	Total Changes in Equity		86,176	374,180	428,232
EQUITY CLOSING BALANCES						
475,681	481,892	Accumulated Funds and Retained Earnings	27	551,341	514,910	520,848
52,192	52,191	Special Funds and Reserves	27	33,481	52,250	52,250
1,852,321	1,911,520	Revaluation Reserves	27	1,830,647	2,187,214	2,300,738
2,380,194	2,445,603	Total Equity Closing Balance		2,415,469	2,754,374	2,873,836
Attributable to:						
2,380,194	2,445,603	Gisborne District Council		2,415,469	2,754,374	2,873,836

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

Tauākī o ngā rerenga moni

Statement of cash flow

for the year ended 30 June 2022

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s	Note	Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
CASH FLOW FROM OPERATING ACTIVITIES					
61,772	61,505	Receipts from Rates	64,082	64,565	64,299
16,563	28,909	Receipts from Activities	18,243	8,493	18,427
86,661	86,682	Receipts from government Grants and Subsidies	76,296	68,966	68,966
95	95	Interest received	0	144	144
1,283	33	Dividends received	1,500	1,662	3
550	0	Subvention payment received	600	400	0
(95,471)	(101,936)	Payments to Suppliers and Employees	(82,172)	(88,209)	(94,802)
(927)	(927)	Grants paid	(995)	(920)	(920)
1,010	1,010	Net GST paid	0	(1,926)	(1,926)
(2,091)	(2,322)	Interest paid	(3,826)	(2,274)	(2,653)
0	(951)	Income Tax paid	0	0	(992)
69,445	72,098	Net Cash Flows Operating Activities	73,728	50,901	50,546
CASH FLOW FROM INVESTING ACTIVITIES					
982	1,004	Sale of Property Plant and Equipment	50	128	4,043
1,516	1,516	Forestry harvesting	523	769	769
0	0	Sale of Carbon Credits	0	0	0
(70,826)	(73,032)	Purchase of Property Plant and Equipment	(103,467)	(79,542)	(79,656)
(1,216)	(1,216)	Purchase of Intangible Assets	0	(643)	(643)
(294)	(294)	Purchase of Investments	0	(491)	(491)
(69,838)	(72,022)	Net Cash from Investing Activities	(102,894)	(79,779)	(75,978)
CASH FLOW FROM FINANCING ACTIVITIES					
10,000	9,531	Increase/(Decrease)in Borrowings	29,166	17,100	16,103
10,000	9,531	Net Cash Flow from Financing Activities	29,166	17,100	16,103
9,608	9,607	Net Increase/(Decrease) in Cash	0	(11,777)	(9,328)
9,967	9,970	Cash at beginning of the year	9,967	19,575	19,577
19,575	19,577	Cash and Cash Equivalents at Year End	9,967	7,797	10,249

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

Tauāki hāngai ki te whai wāhi i te taha o ngā CCTO's me ētahi atu kamupene

Statement of involvement in CCTOs 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.

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

	Dividends 2021 \$000s	Dividends 2022 \$000s	Subvention 2021 \$000s	Subvention 2022 \$000s
Gisborne Holdings Ltd	1,250	1,659	400	200

Total costs

The provision of financial assistance by the Gisborne District Council to this organisation is by way of share capital. Council holds a \$14m internal loan to finance its investment in GHL. Council incurred a \$427k (2021: \$520k) interest cost on this loan balance.

Performance targets

The Councils objective in establishing Gisborne Holdings Ltd 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 Councils 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 \$200k (2021: \$400k) to the Council, Gisborne Holdings Ltd reported a net profit after tax of \$2.6m (2021: \$16.9m) for the year. Net assets increased \$31.5m from \$123.0m to \$154.5m.

He pito kōrero mō ngā tauākī pūtea

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 2022. The financial statements were authorised for issue by Council on 29 September 2022.

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 an 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 2022, 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.

For the first time the Group applied amendments to standards, which are effective for annual periods beginning on 1 July 2021.

2018 Omnibus Amendments to PBE Standards - PBE IPSAS 2 Cash Flow Statement.

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. No requirement

exists to provide comparative information for preceding reporting periods for the first time adoption.

The application of all other amendments 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 resources 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 - targeted water rates, 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 Councils 2021–2031 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 recognised 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 only recognised once the Council has satisfied these conditions.

Council receives government grants from Waka Kotahi NZ 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 is recognised on an accrual basis when the service is completed.

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 recognised 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 substantially transfer 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 to 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 lesser 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 are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments.

Derecognition of financial assets

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

The Group presently has the following categories of financial assets:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Councils 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 and losses in fair value of instruments used to manage cashflow and interest rate risk are recognised as part of Other Gains/(Losses) on the Statement of Comprehensive Revenue and Expenses.

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 lesser 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 to Juken New Zealand Limited in respect to land. The transfer relates to one harvest cycle. Under the agreement Council has contributed the land and is entitled to a percentage of stumpage. 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 and software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

For any Software as a Service (SaaS) arrangements, for an intangible asset to be recognised, the Group must either have a software lease contract with the vendor or obtain control of the 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 8 years.

Emissions trading scheme

The Group's forestry holdings incorporate forestry assets held by the Council.

Gisborne Holdings Limited (GHL) has voluntarily entered the New Zealand Emissions Trading Scheme (ETS) in respect of 1224 hectares of forest land located in the Tauwharepārae area. This entitles GHL 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, consist 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:

(i) Operational assets

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

(ii) Infrastructural assets

Infrastructural assets are the fixed utility systems owned by Council and comprise the sewer, water, storm water, 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 reliably measured.

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.

There are a number of building assets not revalued due to the short-term, lower nature and uncertain future of these assets therefore they are held at cost less accumulated depreciation. 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. Buildings not revalued as stated above are carried at cost less accumulated depreciation.

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 buildings are measured using the revaluation model. The fair value of operational buildings 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 updated to reflect market movements in intervening years.

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:

Infrastructure 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 the Group can be found in Note 27A: Asset Revaluation Reserve on page XXX.

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 underestimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income. To minimise this risk, Councils 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 Councils 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

Councils 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 prudently manage its revenues, expenses, assets, liabilities, investments and general financial dealings 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 Councils assets and not expecting them to meet the full cost of long-term assets that will benefit rate payers 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 Councils 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 preparing its 30 June 2023 financial statements. The Council has not yet assessed the effects of the new standards.

Service performance reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022.

This Standard was issued in November 2017 and establishes requirements for PBEs to select and present service performance information.

PBEs within the scope of this Standard will need to provide users with:

- sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this and
- information about what the entity has done during the reporting period in working towards its broader aims and objectives.

The Council does not expect the application of PBE FRS 48 to affect its Statement of Service Performance.

Note 1B: The effects of COVID-19 on the Council

Gisborne District Council has continued to consider the impact of COVID-19 on both the Council and the New Zealand economy.

The effect on our operations is reflected in these financial statements, and is based on the information available to the date these financial statements are signed. At this time, uncertainties remain and it is difficult to determine the full ongoing 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.

At midnight 17 August 2021 Tairāwhiti (and the rest of New Zealand) was put into lockdown as a result of moving to Alert Level 4. On 31 August 2021 Tairāwhiti moved to Alert Level 3 until 7 September 2021. Tairāwhiti (and the rest of New Zealand) then moved to the Traffic Light Framework on 2 December 2021. During this time the Theatres and Library were either closed or operating with limitations. Parking wardens were not operating during Level 4 and Council continued to make parking free from 3pm–5pm Monday to Friday for the financial year, which was an initiative implemented after the first lockdown in 2020.

As a result of these interruptions, Council income was estimated to be down \$950k in the 2021/22 financial year. The activities affected and able to be quantified were parking (\$770k), Theatres (\$140k) and Library (\$40k).

The Olympic Pool was also affected by COVID-19 with operating limitations and staffing shortages, however the amount is not quantifiable as there were also multiple breakdown events which caused the pool to close. There was additional expenditure

incurred of \$212k for implementing additional health measures and for security contracted to monitor vaccine passes at the Library, Theatres, Pool and main Council building.

Some of the capital projects, including the Waste Water Treatment Plant Upgrade, Drainwise and Kiwa Pools have been delayed due to COVID-19 with construction delays from additional operational restrictions having to be undertaken by contractors and delays with deliveries of materials. In these cases the unspent budget has been carried forward to 2022/23.

Council suppressed interest penalties on end of year overdue rates, resulting in around \$600k lower income than was provided within the Annual Plan. Also, Council initiated rates payment plans and deferment of rates payments of up to six months.

Note 1C: Three waters reform programme

In July 2020, the Central Government launched the Three waters Reform Programme with the goal of reforming Local Government three waters service delivery arrangements.

Currently 67 different Councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The Central Government proposes reforming Local Government's Three waters services into four multi-regional entities, with effect from 1 July 2024. The exact size, shape and design of these entities is still being worked through, including details of revenues, expenses, assets and liabilities that may transfer to the new entities. If the reforms progress, and Council participates, there is likely to be a material impact on our financial statements from 1 July 2024. No allowance has been made in the 30 June 2022 financial statements for this possibility.

As at 30 June 2022, Council has \$50.7m of internal debt related to three waters activities, the carrying value of Council's Three Waters Assets was \$315m. Three Waters Asset capital additions during the year was \$3.1m (\$5.7m including transfers from WIP) and (\$29m of capital costs remain in WIP and relate to the Wastewater Treatment Plant) annual operating expenditure in relation to Three Waters Assets was \$20m.

Note 2 : Summary cost of services by activity for the year ended 30 June 2022

Council 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s
	REVENUE FROM EXCHANGE TRANSACTIONS		
3,080	Commercial Ops	2,087	1,049
5,222	Environmental Services and Protection	4,250	4,669
269	Land Rivers Coastal	277	149
1,226	Livable Communities	1,723	908
4,886	Regional Leadership and Support Services	2,303	6,699
270	Roads and Footpaths	46	151
280	Solid Waste	207	271
17	Urban Stormwater	0	(27)
418	Wastewater	453	482
3,682	Water Supply	3,476	3,485
19,350	Total Revenue From Exchange Transactions	14,821	17,835
	REVENUE FROM NON-EXCHANGE TRANSACTIONS		
0	Commercial Ops	0	0
535	Environmental Services and Protection	1,138	473
234	Land Rivers Coastal	0	0
1,668	Livable Communities	276	324
870	Regional Leadership and Support Services	1,204	1,149
34,220	Roads and Footpaths	14,219	27,373
0	Solid Waste	0	0
4	Urban Stormwater	0	0
0	Wastewater	0	0
6	Water Supply	0	6
37,537	Total Revenue From Non-Exchange Transactions	16,837	29,326
	EXPENSES		
2,222	Commercial Ops	1,708	2,556
10,994	Environmental Services and Protection	11,116	12,765
3,215	Land Rivers Coastal	3,037	3,179
18,603	Livable Communities	18,453	19,236
10,636	Regional Leadership and Support Services	16,241	13,037
54,350	Roads and Footpaths	35,834	48,813
4,372	Solid Waste	4,616	4,956
3,104	Urban Stormwater	3,078	3,008
8,672	Wastewater	9,534	9,775
7,115	Water Supply	6,976	7,354
123,283	Total Expenses	110,593	124,679
66,396	Net Cost of Service	78,935	77,518

Certain comparative figures have been reclassified to align with current year disclosures.

Expenses include internal charges, this is why the COS expense amounts differ with each activity, but the total will be the same.

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

Note 3: Rates revenue

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
65,595	65,329	Gross Rates Revenue	69,147	69,387	69,121
		Gross Rates Revenue Consists of :			
4,704	4,438	General Rates	6,011	6,079	5,813
15,406	15,406	Uniform Annual General Charge	16,482	16,468	16,468
42,036	42,036	Targeted Rates	43,288	43,607	43,607
3,449	3,449	Metered Water Rates	3,366	3,233	3,233
65,595	65,329	Gross Rates Revenue	69,147	69,387	69,121
645	645	Less Remissions ¹	600	557	557
64,950	64,684	Net Rates Revenue	68,547	68,830	68,564

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

For the years ended 30 June 2022 and 2021, 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 Inline with Deed 16.9(c).

Rating base information as at 30 June 2021

2021/22	Rating Units	Total Capital Value \$000s	Total Land Value \$000s
Rateable Units	22,333	16,502,281	9,689,772
Non Rateable Units	1,303	334,398	206,095

Note 4: Revenue from grants and subsidies

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
		REVENUE FROM GRANTS AND SUBSIDIES			
55,792	55,792	Central Government Grants	40,625	38,348	38,348
28,389	28,389	Waka Kotahi (NZTA) Roothing Subsidies	35,470	39,120	39,120
84,181	84,202	Total Revenue from Grants and Subsidies	76,095	77,468	77,468

Revenue relating to capital work from grants and subsidies (i.e. operating income) for Council total \$49.0m (2021: \$45.3m).

Expenditure relating to these projects will be recognised (primarily as depreciation) over the life of the assets. Council received capital grants from various providers during the year, such as: Trust Tairāwhiti, Ministry for Primary Industries, One Tree Planted, Department of Conservation, Department of Internal Affairs, Ministry of Business Innovation and Employment, War Memorial Theatre Trust Gisborne, Waka Kotahi, NZ Lottery Grants, and Crown Infrastructure Partners.

Our main contributors for capital grants during the year were Waka Kotahi \$12.7m (2021 \$11.0m) and the Provincial Growth Fund \$2.8m (2021 \$30.9m) for roading related work and Crown Infrastructure partners of \$20.3m for the Kiwa Pool project.

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.

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

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.

Certain comparative figures have been reclassified to align with current year disclosures.

Note 5: Revenue from operating activities

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
REVENUE FROM OPERATING ACTIVITIES					
935	935	Development Contributions	1,587	884	884
25	25	Capital Contributions	0	30	30
378	378	Rates Penalties	1,000	409	409
11,463	22,965	Activity Revenue	11,203	10,466	20,359
95	95	Interest	0	144	144
1,283	33	Dividends	1,500	1,662	3
384	384	Petroleum Tax	365	352	352
14,564	24,816	Total Revenue from Operating Activities	15,655	13,946	22,180

Note 6: Revenue from other gains

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
REVENUE FROM OTHER GAINS (LOSSES)					
1,229	2,845	Gain/(Loss) on Changes in Fair Value of Forestry Assets	0	(677)	(2,170)
0	(977)	Gain/(Loss) on Changes in Fair Value of Livestock	0	0	1,830
(536)	(666)	Gain/(Loss) on Disposal of Property, Plant and Equipment	50	(486)	456
(46)	(46)	Gain/(Loss) on Disposal of Intangible Assets	0	0	0
0	0	Net Emission Trading income	0	0	0
2,514	2,514	Gain on Derivatives (Interest Rate Swaps)	(524)	3,632	3,632
3	3	Gain/(Loss) on Changes in Fair Value of Non-Current Receivables/Investment	0	3	3
3,164	3,673	Total Revenue from Other Gains (Losses)	(474)	2,473	3,752

Note 7: Employee benefit expenses

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
EMPLOYEE BENEFIT EXPENSE					
25,143	28,608	Salary and Wages	28,221	27,674	30,625
662	754	Defined Contribution Plans Expense	743	728	809
5	(8)	Increase / (Decrease) in Leave Liabilities	0	192	178
(2,158)	(2,158)	Less Recharged to Other Expense Categories ¹	(2,393)	(2,373)	(2,373)
23,652	27,196	Total Employee Benefit Expenses	26,570	26,221	29,240

¹ Wages and salaries can be recharged to other expense categories and capitalised project costs.

Note 8: Depreciation and amortisation expenses

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
DEPRECIATION AND AMORTISATION EXPENSES					
644	1,662	Commercial Operations	645	677	1,855
19	19	Environmental Services & Protection	26	34	34
167	167	Land, Rivers & Coastal	176	171	171
1,928	1,928	Liveable Communities	2,052	2,085	2,085
1,919	1,919	Regional Leadership & Support Services	1,494	1,563	1,563
11,857	11,857	Roading	13,300	11,954	11,954
350	350	Solid Waste	298	364	364
1,074	1,074	Urban Stormwater	1,042	1,138	1,138
2,466	2,466	Wastewater	2,212	2,544	2,544
2,548	2,548	Water Supply	2,488	2,697	2,697
22,972	23,990	Total Depreciation and Amortisation Expense	23,733	23,226	24,404
21,884	22,902	Total Depreciation	23,733	22,541	23,720
1,088	1,088	Total Amortisation	0	685	685
22,972	23,990		23,733	23,226	24,404

Certain comparative figures have been reclassified to align with current year disclosures.

¹ Wages and salaries can be recharged to other expense categories and capitalised project costs.

Note 9: Expenditure on operating activities

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
OPERATING EXPENDITURE					
2,443	3,352	Administration Expenses	2,387	2,471	2,471
225	272	Audit Fees Financial Reporting (incl. Trustee reporting)	280	209	303
111	111	Audit Fees Long Term Plan	0	0	0
3	3	Audit of Registry	0	0	0
3,119	3,290	Consultants and Professional Services	1,677	3,473	3,879
767	964	Councillors and Director's Fees	826	786	1,023
258	281	Indirect Employment Costs	196	219	282
887	895	Grants and Donations	995	892	896
1,179	1,362	Insurance Costs	1,287	1,271	1,363
1,939	230	Rental and Operating Leases	1,933	1,920	100
13,075	13,416	Repairs and Maintenance	12,775	12,471	13,436
1,631	1,631	Bad Debts Written Off-Rates	855	1,249	1,249
30	30	Bad Debts Written Off-Other	89	338	338
181	181	IRD Compliance Costs	164	174	174
2,599	2,676	Litter bins and city cleaning	1,923	2,281	2,360
9,043	9,043	Emergency Works	3,982	19,836	19,836
37,449	39,627	Other Operating Expenditure ¹	27,110	25,593	28,924
74,938	77,364	Total Operating Expenditure	56,477	73,182	76,631

Note 10 : Finance costs

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
FINANCE COSTS					
566	566	Interest on Debentures and Interest Rate Swaps	2,680	1,352	1,352
1,464	1,695	Interest on Bank Borrowings and Commercial Paper	1,073	913	1,293
60	60	Line Fee	60	60	60
0	0	Losses on Derivatives (Interest Rate Swaps)	0	0	0
(370)	(370)	Discount Unwind on Provisions	0	(275)	(275)
1,721	1,952	Total Finance Costs	3,813	2,050	2,430

Note 11 : Income tax

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
44,221	47,519	Surplus Before Tax	49,829	38,596	39,817
400	0	Subvention Payment	600	200	0
12,494	13,305	Tax @ 28%	14,120	10,863	11,149
Plus/(Less) Tax Effect of:					
(12,494)	(12,194)	Net Non Taxable and Non Deductible Items	(14,120)	(10,863)	(9,870)
0	0	Imputation credits Utilised	0	0	0
0	(4)	Deferred Tax Adjustment	0	0	15
0	1,107	Tax Expense	0	0	1,294
Made up of -					
0	847	Current Tax Expense	0	0	1,288
0	260	Deferred Tax Expense	0	0	6
0	1,107		0	0	1,294

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 2020	(186)	(3,344)	72	9	(642)	(4,090)
Charged to surplus or deficit	(28)	(240)	(1)	8	0	(260)
Charged to Equity	0	0	0	0	0	0
Balance as at 30 June 2021	(214)	(3,584)	71	18	(642)	(4,350)
Charged to surplus or deficit	(38)	24	(6)	0	0	(20)
Charged to Equity	(10)	0	0	0	(1,027)	(1,037)
Balance as at 30 June 2022	(262)	(3,560)	66	18	(1,669)	(5,407)

Deferred tax has been calculated at 28%. Council (the parent) has recognised a deferred tax asset of \$Nil (2021: \$18k) in relation to unused tax losses of \$Nil (2021: \$64k). 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 12 : Reconciliation of funding impact statement with statement of comprehensive revenue and expenses

	AP 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
RECONCILIATION OF REVENUE				
Sources of operating funding				
Total operating funding (A) as per Funding Impact Statement	94,775	119,549	97,389	113,800
Add Sources of capital funding				
Subsidies and grants for capital expenditure	50,410	47,511	61,396	49,046
Development and financial contributions	699	960	1,587	914
Profit / (Loss) on Sale of Assets	50	(516)	50	(486)
	145,934	167,504	160,422	163,275
As per Statement of Comprehensive Income - Total Operating Income	145,934	167,504	160,422	163,275
RECONCILIATION OF EXPENDITURE				
Applications of operating funding				
Total applications of operating funding (B) as per Funding Impact Statement	81,079	100,311	86,860	101,453
Add depreciation and amortisation expense	22,782	22,972	23,733	23,226
	103,862	123,283	110,593	124,679
As per Statement of Comprehensive Income - Total Operating Expenditure	103,862	123,283	110,593	124,679
RECONCILIATION OF TOTAL COMPREHENSIVE INCOME				
Surplus/(deficit) of operating funding (A-B)	13,696	19,238	10,529	12,347
Add Subvention Payment	0	400	600	200
Add Subsidies and grants for capital expenditure	50,410	47,511	61,396	49,046
Add Development and financial contributions	699	960	1,587	914
Add Profit / (Loss) on Sale of Assets	50	(516)	50	(486)
Less Depreciation and amortisation expense	(22,782)	(22,972)	(23,733)	(23,226)
Add Gains/(Loss) on Property Revaluation	15,882	73,475	35,747	335,384
	57,955	118,097	86,176	374,180
As per Statement of Comprehensive Income - Total Comprehensive Income	57,955	118,097	86,176	374,180

Note 13 : Cash and cash equivalents

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

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
CASH AND CASH EQUIVALENTS					
19,575	19,577	Cash at the Bank and in Hand	9,967	7,798	10,249
19,575	19,577	Total Cash and Cash Equivalents	9,967	7,798	10,249

Note 14 : Trade and other receivables

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
7,953	7,953	Rates Receivable	9,797	7,977	7,977
5,817	5,817	Roading Subsidy Due	8,104	8,449	8,449
13	13	Community Loans	58	11	11
8,828	8,686	Other Receivables	10,058	19,712	19,721
597	597	Prepayments	2,330	1,050	1,050
23,209	23,067		30,347	37,199	37,208
(5,532)	(5,532)	Provision for Impairment of Receivables	(6,929)	(5,523)	(5,523)
17,677	17,535	Total Trade and Other Receivables	23,418	31,676	31,685
Trade and Other Receivables Classified as:					
17,677	17,535	Current Receivables	23,418	31,676	31,685
17,677	17,535		23,418	31,676	31,685
8,647	8,647	Non-Exchange Trade and Other Receivables	11,486	11,373	11,373
9,029	8,887	Exchange Trade and Other Receivables	11,933	20,304	20,313

Fair value

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

Impairment

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

Below we have included tables to reflect financial assets that are past due as at the end of the reporting period but not impaired. Roothing 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 2022 and 2021, 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 Councils losses in previous periods, and review of specific debtors. Movements in the provision for impairment of receivables are as follows:

Note 14A : Impairment

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
6,295	6,295	Beginning Balance	5,532	5,532
(763)	(763)	Charge for Year	(9)	(9)
5,532	5,532	Ending Balance	5,523	5,523

The status of Receivables as at 30 June 2022 and 2021 are detailed below:

Note I4B: Receivables

COUNCIL 2021			COUNCIL 2022		
Gross \$000s	Impaired \$000s	Net \$000s	Gross \$000s	Impaired \$000s	Net \$000s
SUNDRY INVOICE RECEIVABLES					
1,761	0	1,761	3,822	0	3,822
75	0	75	23	0	23
66	0	66	122	0	122
1,095	19	1,076	120	15	105
2,997	19	2,978	4,087	15	4,072
SUNDRY INVOICE RECEIVABLES					
2,021	0	2,021	3,828	0	3,828
79	0	79	26	0	26
67	0	67	122	0	122
1,096	19	1,077	120	15	105
3,263	19	3,244	4,096	15	4,081

Note I4C : Rates receivable

Council 2021		Council 2022	
No. Of Properties	Outstanding \$000s	No. Of Properties	Outstanding \$000s
GENERAL LAND RATES			
848	1,375	830	1,499
149	625	123	569
51	270	70	414
101	412	109	453
1,149	2,683	1,132	2,935
MĀORI LAND RATES			
194	992	211	947
52	1,029	69	784
70	999	41	916
423	2,258	432	2,390
739	5,278	753	5,038
METERED WATER SUPPLY			
660	398	684	449
0	0	0	0
13	4	25	4

Council 2021			Council 2022		
No. Of Properties	Outstanding \$000s		No. Of Properties	Outstanding \$000s	
11	6	Past Due 3 months	30	15	
684	408	Total Outstanding	739	469	

Note 15 : Inventories

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
INVENTORIES					
2	2	Te Puia/Bushmere Road	0	0	0
16	16	Olympic Pool	20	14	14
17	17	Drainage	8	11	11
3	3	Soil Conservation	61	80	80
0	0	Bee Cards	11	15	15
0	5	Waikanae Holiday Park	0	0	4
0	7	Gisborne Vehicle Testing	0	0	0
0	0	Car Wash	0	0	11
0	183	Farming	0	0	207
38	234	Total Inventories	101	120	341

No inventories have been pledged as security for liabilities.

Note 16 : Investments

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
0	0	Term Deposits < 12 Months	0	0	0
ORDINARY SHARES					
32,455	0	Gisborne Holdings Ltd	32,455	32,455	0
95	95	Civic Financial Services Ltd	100	98	98
9	9	BOPLASS Ltd	9	9	9
0	497	Share held in unlisted Company	0	0	497
100	100	LGFA Shares	100	100	100
1,233	1,233	LGFA Notes	931	1,724	1,724
0	2	Top 10 Shares	0	0	2
33,893	1,937	Total Investments	33,595	34,387	2,430
Investments Classified as:					
0	0	Current Investments	0	0	0
33,893	1,937	Non-Current Investments	33,595	34,387	2,430
33,893	1,937		33,595	34,387	2,430

Civic Financial Services Ltd

The carrying amount of this investment is recorded at fair value. Movements in fair value are recognised as part of the Other Gains/(Losses) on the Statement of Comprehensive Revenue and Expenses.

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 \$32.4m (2021: \$32.4m). 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 asset of \$0.9m (2021: Liability of \$2.7m). These swaps are exposed to fair value movements as interest rates change.

The weighted average effective interest rate of the interest rate swaps was 3.38% (2021: 3.36%). Fair value of the Group's interest rate swaps is determined by bank valuations as at balance date.

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

For further information on the interest rate swaps, please refer to Note 29: Financial Instruments on page 185.

Note 18 : Assets held for sale

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
0	0	Land	0	0	0
80	80	Buildings	0	80	80
80	80	Total Non Current Assets Held for Sale	0	80	80

The current assets held for sale are two cabins from Churchill Park that will be sold once the new pool building has been completed.

Note 19 : Deposits held

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
22	22	General and Other Deposits	19	9	9
44	44	Resource Consent Bonds	40	28	28
418	418	Footpath Deposits	358	484	484
13	13	Gisborne Rural Volunteer Fire	13	13	13
498	498	Total Deposits Held	431	535	535

Note 20 : Trade and other payables

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
ACCOUNTS PAYABLE					
10,600	10,754	Income in Advance	1,659	5,708	5,856
1,683	1,683	Rates in Advance	1,882	2,061	2,061
73	73	Gisborne District Council Disaster Relief Fund	73	124	124
1,085	1,085	Contract Retentions	914	2,017	2,017
0	0	Accruals - Loan Interest	0	0	0
155	201	Accruals - Audit Fees	153	151	151
818	818	Accruals - Other	2,994	5,405	5,405

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
21,850	22,777	Trade and other Payables	22,930	24,843	23,556
36,265	37,393	Total Trade and Other Payables	30,604	40,310	39,170

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.

Income in advance is significant in 2021/22 due to additional Grant funding arrangements. Please refer to Note 4: Revenue from Grants and Subsidies on page 162.

Council has received funding for the Three Water Reform 2021/22, \$4.04m in funding and recognised \$8.67m in revenue (2020/21 \$5.45m in funding and recognised \$69.9k in revenue).

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						
2021						
Balance at 1 July 2020	690	2,061	25	304	115	3,195
Additional leave accrued	809	2,063	0	0	62	2,934
Amounts Paid	(643)	(2,117)	(4)	(36)	0	(2,800)
Balance at 30 June 2021	855	2,007	21	268	177	3,329
2022						
Balance at 1 July 2021	855	2,007	21	268	177	3,329
Additional leave accrued	955	2,396	2	12	6	3,372
Amounts Paid	(775)	(2,206)	(4)	(34)	0	(3,019)
Balance at 30 June 2022	1,035	2,197	19	246	183	3,682
Current Portion	1,035	2,190	19	124	155	3,524
Non Current Portion	0	7	0	122	29	158
Total Provisions	1,035	2,197	19	246	183	3,682
COUNCIL						
2021						
Balance at 1 July 2020	643	1,796	25	304	84	2,852
Additional leave accrued	775	2,162	0	0	(7)	2,930
Amounts Paid	(643)	(2,117)	(4)	(36)	0	(2,800)
Balance at 30 June 2021	775	1,841	21	268	77	2,982
2022						
Balance at 1 July 2021	775	1,841	21	268	77	2,982
Additional leave accrued	936	2,423	2	12	17	3,390
Amounts Paid	(775)	(2,206)	(4)	(34)	0	(3,019)
Balance at 30 June 2022	936	2,058	19	246	94	3,353
Current Portion	936	2,058	19	124	94	3,231
Non Current Portion	0	0	0	122	0	122
Total Provisions	936	2,058	19	246	94	3,353

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 3.68% (2021: 1.12%) and assumed salary inflation of 2.0% (2021: 1.7%). (Treasury discount rates: 1 year 3.32%, 2 years 3.48%, 5 years 3.68%).

Note 22 : Borrowings

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
0	102	Bank Loans	0	0	15,006
0	0	Commercial Paper	0	0	0
7,100	7,100	Debenture	5,000	15,500	15,500
7,100	7,202	Total Current	5,000	15,500	30,506
0	15,900	Bank Loans	50,688	0	0
61,500	61,500	Debenture and FRN Debt Securities	53,600	70,200	70,200
61,500	77,400	Total Non Current	104,288	70,200	70,200
68,600	84,602	Total Borrowings	109,288	85,700	100,706

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 \$85.7m (2021: \$68.6m) of debentures and floating rate notes with maturities from April 2023 to May 2031. Interest is paid quarterly in arrears. The interest rates range as at 30 June 2022 varies from 1.08% to 2.89% (2021: 0.94% to 1.99%) and are subject to quarterly reset dates.

Bank facilities

Council has \$25m (2021: \$25m) worth of committed funding facilities available. At reporting date the draw down under these facilities was nil (2021: Nil). Interest is payable at wholesale market rates.

GHL has a working capital facility with a limit of \$3.5m. The facilities are secured by way of a general security agreement. The balance at 30 June 2022 was \$Nil (2021: \$0.1m). GHL also has a term facility of \$15m which is fully drawn at at 30 June 2022. This facility is secured by way of a mortgage and a general security agreement which terminates on 28 February 2023.

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 and mortgage.

Note 23 : Provision for other liabilities

COUNCIL and GROUP	Paokahu Landfill Aftercare \$000s	Waiaapu Landfill Aftercare \$000s	Other Provisions \$000s	Total \$000s
2021				
Balance at 1 July 2020	1,587	1,241	160	2,987
Additional Provisions Made/(Reversed)	0	0	186	186
Amounts Used	(73)	0	0	(73)
Discount unwind	(210)	(160)	0	(370)
Balance at 30 June 2021	1,304	1,081	346	2,730
2022				
Balance at 1 July 2021	1,304	1,081	346	2,730

COUNCIL and GROUP	Paokahu Landfill Aftercare \$000s	Waiaapu Landfill Aftercare \$000s	Other Provisions \$000s	Total \$000s
Additional Provisions Made/(Reversed)	0	0	(186)	(186)
Amounts Used	(51)	0	0	(51)
Discount unwind	(168)	(107)	0	(275)
Balance at 30 June 2022	1,084	974	160	2,218
Current Portion	85	0	0	85
Non Current Portion	998	974	160	2,132
Total Provisions	1,084	974	160	2,218

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 Waiapu 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 2022 provision:

- Future cash flows were indexed 1.97% each year before a discount rate of 3.85% was applied.

In 2021, a discount rate of 2.21% was applied, with future costs indexed each year at 1.88%.

Waiapu 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 2022 provision:

- Future cash flows were indexed 1.90% each year before a discount rate of 3.55% was applied.

In 2021, a discount rate of 2.58% was applied, with future costs indexed each year at 1.91%.

Other provisions

Other provisions includes the Risk Pool liability. Please refer to Note 32: Contingent Liabilities on page 191. One case is still pending where the Group has a present obligation and a reasonable estimate can be made of the amount of the obligation.

Note 24 : Property plant and equipment

COUNCIL 2022	Cost/Revaluation 1 July 2021	Accumulated Depreciation and Impairment 1 July 2021	Carrying Amount 1 July 2021	Current Year Transfers	Current Year Additions	Current Year Disposals & other movements	Revaluation Current Year	Revaluation (accumulated depreciation reversed)	Current Year Depreciation	Recovered Depreciation	Other Adjustments	Cost/Revaluation 30 June 2022	Accumulated Depreciation	Carrying Amount 30 June 2022
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
OPERATIONAL ASSETS														
Land	216,520	-	216,520	-	2435	-	96630	-	-	-	-	315,585	-	315,585
Buildings/Land Improvements	89,012	(8,033)	80,979	2,162	3,120	(306)	15,604	4,534	(2,303)	56	-	109,591	(5,747)	103,845
Plant /Motor Vehicles	8,330	(4,466)	3,864	181	1,602	(375)	-	-	(827)	290	-	9,739	(5,003)	4,736
Office Equipment	7,123	(5,043)	2,080	-	95	(12)	-	-	(136)	9	-	7,206	(5,171)	2,036
Other Equipment	4,423	(2,808)	1,616	-	813	(170)	-	-	(425)	167	-	5,067	(3,066)	2,001
Wharves	3,424	(804)	2,621	-	-	-	-	-	(68)	-	-	3,424	(872)	2,552
Library Books - General	1,513	(1,033)	480	-	182	(277)	-	-	(118)	288	-	1,418	(862)	556
Library Books - Permanent	336	(6)	330	-	-	-	-	-	-	-	-	336	(6)	330
Assets Under Construction	6,950	-	6,950	(227)	2,917	(3)	-	-	-	-	-	26,648	-	26,648
Total Operational Assets	337,632	(22,193)	315,439	126	30,164	(1,143)	112,234	4,534	(3,877)	809	0	479,014	(20,726)	458,288
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	60,782	(147)	60,635	1,277	535	(40)	7,186	1,540	(1,531)	1	-	69,740	(137)	69,603
Sewer and Wastewater Treatment Plant & Facilities	34,939	(83)	34,856	-	251	-	870	991	(996)	-	-	36,060	(89)	35,971
Stormwater	63,937	(90)	63,847	1,117	549	(31)	11,255	1,112	(1,138)	1	-	76,827	(115)	76,713
Water Supply Reticulation Systems	52,570	(110)	52,460	76	1,460	(29)	14,447	1,375	(1,408)	5	-	68,523	(138)	68,385
Water Supply Treatment Plant & Facilities	60,927	(105)	60,822	76	309	(31)	2,182	1,236	(1,249)	2	-	63,462	(117)	63,346
Solid Waste	2,482	(24)	2,458	-	18	(14)	(22)	284	(303)	3	(161)	2,303	(40)	2,263
Flood Control	75,310	(13)	75,297	746	4,473	(37)	4,713	165	(167)	1	-	85,206	(15)	85,191
Waiapu Aftercare Provision Deferred Expense Asset	575	(363)	212	-	-	-	-	-	(53)	-	-	575	(416)	159
Roading	1,731,286	0	1,731,286	2,355	16,618	-	15,515	11,818	(11,818)	-	-	1,909,674	0	1,909,674
Assets under Construction	16,961	-	16,961	(574)	2,371	-	-	-	-	-	-	34,958	-	34,958
Total Infrastructural Assets	2,099,769	(935)	2,098,834	(126)	47,883	(183)	20,148	18,521	(18,664)	13	(161)	2,347,329	(1,065)	2,346,264
Total Property Plant and Equipment	2,437,401	(23,127)	2,414,273	(0)	78,048	(1,326)	312,382	23,056	(22,541)	822	(161)	2,826,343	(21,791)	2,804,552

The Council and Group have re-classified the comparative year note disclosure for Property, Plant and Equipment for the year ended 30 June 2021. This was to correct immaterial variances between asset classes in Operational Assets and to achieve alignment between the general ledger and Note 24 for each separate asset class. These adjustments do not have an impact on the overall carrying amount of Property, Plant and Equipment as at 30 June 2021, and therefore there is no impact on the reported balances in the Statement of Financial Position at 30 June 2021 or the Statement of Comprehensive Revenue and Expenses for the year ended 30 June 2021.

COUNCIL 2021	Cost/Revaluation 1 July 2020	Accumulated Depreciation and Impairment 1 July 2020	Carrying Amount 1 July 2020	Current Year Transfers	Current Year Additions	Current Year Disposals & other movements	Revaluation Current Year	Revaluation (accumulated depreciation reversed)	Current Year Depreciation	Recovered Depreciation	Other Adjustments	Cost/Revaluation 30 June 2021	Accumulated Depreciation	Carrying Amount 30 June 2021
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
OPERATIONAL ASSETS														
Land	216,443	-	216,443	(60)	138	(66)	65	-	-	-	-	216,520	-	216,520
Buildings / Land Improvements	87,693	(5,991)	81,702	424	2,943	-	-	105	(2,147)	-	(2,048)	89,012	(8,033)	80,979
Plant / Motor Vehicles	8,263	(4,282)	3,980	291	774	(477)	-	-	(738)	554	(520)	8,330	(4,466)	3,864
Office Equipment	7,074	(4,951)	2,123	-	85	(35)	-	-	(127)	35	-	7,123	(5,043)	2,080
Other Equipment	4,271	(2,669)	1,602	-	484	(332)	-	-	(458)	319	-	4,423	(2,808)	1,616
Wharves	3,424	(735)	2,689	-	-	-	-	-	(68)	-	-	3,424	(804)	2,621
Library books - General	1,688	(1,275)	413	-	149	(324)	-	-	(127)	370	-	1,513	(1,033)	480
Library books - Permanent	336	(6)	330	-	-	-	-	-	-	-	-	336	(6)	330
Assets Under Construction	2,543	-	2,543	(794)	5,414	(213)	-	-	-	-	-	6,950	-	6,950
Total Operational Assets	331,735	(1,991)	311,825	(140)	9,987	(1,446)	65	105	(3,665)	1,278	(2,568)	337,632	(22,193)	315,439
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	58,849	(1,255)	57,594	374	1,942	(200)	(183)	2,590	(1,487)	7	-	60,782	(147)	60,635
Sewer and Wastewater Treatment Plant & Facilities	34,937	(953)	33,984	123	396	-	(517)	1,830	(960)	-	-	34,939	(83)	34,856
Stormwater	59,887	(1,018)	58,869	686	1,495	(48)	1,917	2,000	(1,074)	2	-	63,937	(90)	63,847
Water Supply Reticulation Systems	48,349	(1,277)	47,072	190	2,061	(83)	2,052	2,468	(1,316)	16	-	52,570	(110)	52,460
Water Supply Treatment Plant & Facilities	60,334	(1,160)	59,174	-	700	-	(107)	2,248	(1,193)	-	-	60,927	(105)	60,822
Solid Waste	2,651	(294)	2,356	92	5	(1)	(265)	559	(290)	1	-	2,482	(24)	2,458
Flood Control	68,872	(141)	68,731	507	3,527	(36)	2,440	285	(158)	1	-	75,310	(13)	75,297
Waiapu Aftercare Provision Deferred Expense Asset	575	(310)	265	-	-	-	-	-	(53)	-	-	575	(363)	212
Roading	1,637,333	-	1,637,333	3,165	4,557	-	4,622	11,686	(1,688)	-	-	1,731,286	0	1,731,286
Assets under Construction	9,591	-	9,591	(507)	1,453	(6)	-	-	-	-	-	16,961	-	16,961
Total Infrastructural Assets	1,981,377	(6,408)	1,974,969	60	67,148	(374)	51,558	23,667	(18,218)	27	0	2,099,769	(935)	2,098,834
Total Property Plant and Equipment	2,313,112	(2,631)	2,286,794	(80)	77,134	(1,820)	51,623	23,771	(21,884)	1,305	(2,568)	2,437,401	(23,127)	2,414,273

GROUP 2022	Cost/Revaluation 1 July 2021	Accumulated Depreciation and Impairment 1 July 2021	Carrying Amount 1 July 2021	Current Year Transfers	Current Year Additions	Current Year Disposals & other movements	Revaluation Current Year	Revaluation (accumulated depreciation reversed)	Current Year Depreciation	Recovered Depreciation	Other Adjustments	Cost/Revaluation 30 June 2022	Accumulated Depreciation	Carrying Amount 30 June 2022
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
OPERATIONAL ASSETS														
Land	282,071	(2,443)	279,629	-	848	(319)	14,003	-	(181)	-	-	420,184	(2,623)	417,560
Buildings/Land Improvements	121,119	(9,992)	111,127	2,162	3,592	(700)	22,227	5,400	(2,971)	56	-	148,400	(7,508)	140,892
Plant /Motor Vehicles	10,917	(5,678)	5,239	181	1,818	(450)	-	-	(944)	290	-	12,466	(6,332)	6,135
Office Equipment	7,616	(5,254)	2,362	-	169	(31)	-	-	(349)	9	-	7,754	(5,594)	2,160
Other Equipment	4,423	(2,808)	1,616	-	813	(170)	-	-	(425)	167	-	5,067	(3,066)	2,001
Wharves	3,424	(804)	2,621	-	-	-	-	-	(68)	-	-	3,424	(872)	2,552
Library Books - General	1,513	(1,033)	480	-	182	(277)	-	-	(118)	288	-	1,418	(862)	556
Library Books - Permanent	336	(6)	330	-	-	-	-	-	-	-	-	336	(6)	330
Assets Under Construction	7,059	-	7,059	(227)	2,917	(112)	-	-	-	-	-	26,648	-	26,648
Total Operational Assets	438,480	(28,017)	410,462	126	2,338	(487)	16,631	5,400	(5,055)	809	0	625,697	(26,863)	598,833
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	60,782	(147)	60,635	1,277	535	(40)	7,186	1,540	(1,531)	1	-	69,740	(137)	69,603
Sewer and Wastewater Treatment Plant & Facilities	34,939	(83)	34,856	-	251	-	870	991	(996)	-	-	36,060	(89)	35,971
Stormwater	63,937	(90)	63,847	1,117	549	(31)	11,255	1,112	(1,138)	1	-	76,827	(115)	76,713
Water Supply Reticulation Systems	52,570	(110)	52,460	76	1,460	(29)	14,447	1,375	(1,408)	5	-	68,523	(138)	68,385
Water Supply Treatment Plant & Facilities	60,927	(105)	60,822	76	309	(31)	2,182	1,236	(1,249)	2	-	63,462	(117)	63,346
Solid Waste	2,482	(24)	2,458	-	18	(14)	(22)	284	(303)	3	(161)	2,303	(40)	2,263
Flood Control	75,310	(13)	75,297	746	4,473	(37)	4,713	165	(167)	1	-	85,206	(15)	85,191
Waiapu Aftercare Provision Deferred Expense Asset	575	(363)	212	-	-	-	-	-	(53)	-	-	575	(416)	159
Roading	1,731,286	0	1,731,286	2,355	16,518	-	15,515	11,818	(11,818)	-	-	1,909,674	0	1,909,674
Assets under Construction	16,961	-	16,961	(574)	2,371	-	-	-	-	-	-	34,958	-	34,958
Total Infrastructural Assets	2,099,769	(935)	2,098,834	(126)	47,883	(183)	20,148	18,521	(18,664)	13	(161)	2,347,329	(1,065)	2,346,264
Total Property Plant and Equipment	2,538,248	(28,952)	2,509,297	(0)	7,721	(506)	36,779	23,921	(23,720)	822	(161)	2,973,025	(27,928)	2,945,097

GROUP 2021	Cost/Revaluation 1 July 2020	Accumulated Depreciation and Impairment 1 July 2020	Carrying Amount 1 July 2020	Current Year Transfers	Current Year Additions	Current Year Disposals & other movements	Revaluation Current Year	Revaluation (accumulated depreciation reversed)	Current Year Depreciation	Recovered Depreciation	Other Adjustments	Cost/Revaluation 30 June 2021	Accumulated Depreciation	Carrying Amount 30 June 2021
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
OPERATIONAL ASSETS														
Land	282,117	(2,264)	279,854	(60)	138	(66)	65	-	(182)	-	-	282,194	(2,446)	279,748
Buildings/Land Improvements	119,920	(8,984)	110,937	424	4318	(64)	-	105	(2,667)	-	(2,048)	122,550	(11,546)	111,004
Plant /Motor Vehicles	9,496	(5,183)	4,313	291	876	(498)	-	-	(873)	554	(520)	9,646	(5,504)	4,143
Office Equipment	8,776	(5,751)	3,024	-	748	(39)	-	-	(307)	35	-	9,484	(6,024)	3,460
Other Equipment	4,271	(2,669)	1,602	-	484	(332)	-	-	(458)	319	-	4,423	(2,808)	1,616
Wharves	3,424	(735)	2,689	-	-	-	-	-	(68)	-	-	3,424	(804)	2,621
Library Books - General	1,688	(1,275)	413	-	149	(324)	-	-	(127)	370	-	1,513	(1,033)	480
Library Books - Permanent	336	(6)	330	-	-	-	-	-	-	-	-	336	(6)	330
Assets Under Construction	2,651	-	2,651	(794)	5,508	(305)	-	-	-	-	-	7,059	-	7,059
Total Operational Assets	432,680	(26,867)	405,812	(140)	12,221	(1,627)	65	105	(4,683)	1,278	(2,568)	440,630	(30,170)	410,460
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	58,849	(1,255)	57,594	374	1,942	(200)	(183)	2,590	(1,487)	7	-	60,782	(145)	60,635
Sewer and Wastewater Treatment Plant & Facilities	34,937	(953)	33,984	123	396	-	(517)	1,830	(960)	-	-	34,939	(83)	34,856
Stormwater	59,887	(1,018)	58,869	686	1,495	(48)	1,917	2,000	(1,074)	2	-	63,937	(90)	63,847
Water Supply Reticulation Systems	48,349	(1,277)	47,072	190	2,061	(83)	2,052	2,468	(1,316)	16	-	52,570	(110)	52,460
Water Supply Treatment Plant & Facilities	60,334	(1,160)	59,174	-	700	-	(107)	2,248	(1,193)	-	-	60,927	(105)	60,822
Solid Waste	2,651	(294)	2,356	92	5	(1)	(265)	559	(290)	1	-	2,482	(24)	2,458
Flood Control	68,872	(141)	68,731	507	3,527	(36)	2,440	285	(158)	1	-	75,310	(13)	75,297
Waiapu Aftercare Provision Deferred Expense Asset	575	(310)	265	-	-	-	-	-	(53)	-	-	575	(363)	212
Roading	1,637,333	-	1,637,333	3,165	4,457	-	4,622	11,686	(1,688)	-	-	1,731,286	0	1,731,286
Assets under Construction	9,591	-	9,591	(507)	1,243	(6)	-	-	-	-	-	16,961	-	16,961
Total Infrastructural Assets	1,981,377	(6,408)	1,974,969	60	67,148	(374)	51,558	23,667	(18,218)	27	0	2,099,769	(933)	2,098,834
Total Property Plant and Equipment	2,414,056	(33,275)	2,380,781	(80)	79,369	(2,001)	51,623	23,771	(22,901)	1,305	(2,568)	2,540,399	(31,102)	2,509,294

Properties held for resale are recorded at net cost as at 30 June 2022. Refer to Note 18: Assets Held for Sale on page 170.

Roading assets

The roading asset valuation was undertaken at 30 June 2022 by Pauline True, Kerry Whitehead and Brian Smith independent valuers of Stantec Limited. The depreciated replacement cost of roading assets as at 30 June 2022 is \$1.9b (2021: \$1.7b).

Land and buildings

Land and Buildings were revalued to fair value as at 30 June 2022 by Bruce Cowper and Ben Inder independent valuers of Lewis and Wright Valuation and Consultancy Ltd. Airport land and buildings were also revalued by Brian Sharman of IAM Consulting.

Infrastructural assets

All infrastructure assets, exclusive of roading were revalued as at 30 June 2022, the valuation was supported by Kerry Mayes, Rachel Wells 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 \$322,399,784. The following summarises our different insurance contracts for these assets:

- Material Damage and combined Business Interruption Excluding Fire. This covers all risk including earthquake but excluding fire. Councils limit of liability varies as per Council Material Damage site schedule.
- Material Damage including Fire caused by natural disaster. This covers for fire caused by natural disaster. Councils limit of liability varies as per Council
- Material Damage site schedule. 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 \$1,304,000. Our insurance cover for this covers loss or damage to trees principally by fire and reinstatement costs. Councils limit of liability is \$1,229,412.

Motor vehicles

The total value of our fleet is \$2,812,365 insurance 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 \$531,352,602. 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	
	2021 \$000s	2022 \$000s	2021 \$000s	2022 \$000s
Building/Land Improvements	5	207	114	207
Community Property Management	0	22,452	0	22,452
Conveniences	24	166	24	166
Information Management	323	2	323	2
Land	0	0	0	0
Library	0	0	0	0
Parks and Open Spaces	6,856	3,934	6,856	3,934
Plant	178	0	178	0
Rivers and Flood Control	1,300	622	1,300	622
Roading	2,318	4,706	2,318	4,706
Sewer and Wastewater	10,922	26,151	10,922	26,151
Solid Waste	0	4	0	4
Stormwater	1,595	1,050	1,595	1,050
Theatres	0	2	0	2
Water Supply	711	2,311	711	2,311
Total Assets Under Construction	24,232	61,605	24,341	61,605

Note 25 : Intangible assets

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
		OTHER INTANGIBLE ASSETS			
11,168	11,168	Balance at 1 July - Cost	10,953	11,325	11,325
360	360	Balance at 1 July - WIP	0	321	321
(6,801)	(6,801)	Less Accumulated Amortisation and Impairment	(6,587)	(6,837)	(6,837)
4,727	4,727	Opening Carrying Amount	4,366	4,809	4,809
(39)	(39)	Additions/Disposals to WIP	0	(321)	(321)
1,114	1,114	Additions	0	963	963
(1,099)	(1,099)	Disposals	0	0	0
141	141	Transfers from WIP	0	0	0
0	0	Change in Fair Value	0	0	0
(1,088)	(1,088)	Less Amortisation Charge	0	(685)	(685)
1,053	1,053	Amortisation Recovered	0	0	0
4,809	4,809	Closing Carrying Amount	4,366	4,766	4,766
		Balance at 30 June			
11,646	11,646	Cost	10,953	12,287	12,287
(6,837)	(6,837)	Less Accumulated Amortisation and Impairment/Change in Fair Value	(6,587)	(7,521)	(7,521)
4,809	4,809	Closing Carrying Amount	4,366	4,766	4,766
		EMISSIONS TRADING SCHEME ASSETS			
2,061	5,257	Balance at 1 July - Cost	2,061	2,061	5,257
0	0	Less Impairment	0	0	0
2,061	5,257	Opening Carrying Amount	2,061	2,061	5,257
0	0	Additions	0	620	14,318
0	0	Disposals	0	0	0
0	0	Impairment	0	0	0
2,061	5,257	Closing Carrying Amount	2,061	2,681	19,575
		Balance at 30 June			
2,061	5,257	Cost	2,061	2,681	19,575
0	0	Less Impairment	0	0	0
2,061	5,257	Closing Carrying Amount	2,061	2,681	19,575
6,869	10,065	Total Intangibles	6,427	7,447	24,341
		EMISSIONS TRADING SCHEME LIABILITIES			
1,950	2,855	Balance at 1 July - Cost	1,950	1,950	2,855
0	0	Additions	0	620	14,318
0	0	Disposals	0	0	0
0	0	Impairment	0	0	(3,668)
1,950	2,855	Closing Carrying Amount	1,950	2,570	13,506
111	2,401	Net Emissions Trading Scheme Assets	111	111	6,069

At balance date Council recognised 2,681,059 (2021: 2,060,593) of Emission Trading Scheme carbon units.

Note 26 : Biological assets – livestock**Biological assets**

Council biological assets consist of forest only (\$2.1m). Group biological assets consist of sheep and cattle (livestock - \$11.9m) and forestry (\$12.7m). The Group farms livestock for the sale of sheep, lambs, cattle and calves. As at 30 June 2022 the Group had 32,553 sheep, 4,676 cattle (2021: 31,116 sheep, 4,651 cattle). During the year the Group sold 27,846 sheep, 1,896 cattle (2021: 33,656 sheep, 2,907 cattle).

Reconciliation of Opening Balance to Closing Balance - 2022

GROUP	SHEEP		CATTLE		Total \$000s
	Quantity	\$000s	Quantity	\$000s	
Opening Balance as at 1 July 2021	31,116	6,262	4,651	3,841	10,103
Natural Increase	32,328	4,043	2,047	1,706	5,749
Purchases	77	79	31	158	237
Changes in Fair Value	0	1,015	0	1,647	2,662
Sales	(27,846)	(4,044)	(1,896)	(1,974)	(6,018)
Death and Killed	(3,122)	(602)	(157)	(196)	(799)
Closing Balance as at 30 June 2022	32,553	6,752	4,676	5,181	11,934

Reconciliation of Opening Balance to Closing Balance - 2021

GROUP	SHEEP		CATTLE		Total \$000s
	Quantity	\$000s	Quantity	\$000s	
Opening Balance as at 1 July 2020	33,625	5,631	5,524	5,450	11,081
Natural Increase	33,905	4,687	2,463	1,491	6,178
Purchases	57	55	39	271	325
Changes in Fair Value	0	536	0	(178)	359
Sales	(33,656)	(4,133)	(2,907)	(2,765)	(6,899)
Death and Killed	(2,815)	(514)	(468)	(428)	(942)
Closing Balance as at 30 June 2021	31,116	6,262	4,651	3,841	10,103

Note 26A : Biological assets – livestock

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

2020/21			2021/22		
Quantity	\$000s		Quantity	\$000s	
SHEEP					
24,948	5,173	Mature	25,648	5,710	
6,168	1,089	Immature	6,905	1,042	
31,116	6,262	Total Sheep	32,553	6,752	
CATTLE					
2,646	2,700	Mature	2,735	3,632	
2,005	1,141	Immature	1,941	1,550	
4,651	3,841	Total Cattle	4,676	5,181	

Note 26B : Biological assets – livestock

2020/21			2021/22			
Quantity	Average Price \$	2021 \$000s	Quantity	Average Price \$	2022 \$000s	
SHEEP						
33,656	123	4,133	Sales	27,846	145	4,045
Less Cost of Sales						
33,625	167	5,631	Opening Stock	31,116	201	6,262
57	965	55	Add Purchases	77	1,026	79
31,116	201	6,263	Less Closing Stock	32,553	207	6,752
		(577)	Total Cost of Sales			(411)
		4,710	Gross Profit from Sheep			4,455
CATTLE						

Note 26C : Forestry

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
3,833	14,275	Balance at 1 July	3,833	3,546	15,603
0	0	Increases due to Purchases	0	0	0
1,229	2,845	Gains/(Losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	(524)	(677)	(2,168)
(1,516)	(1,516)	Harvest	0	(769)	(769)
3,546	15,603	Balance at 30 June	3,309	2,101	12,667

Harvesting was undertaken during the year; income received from log sales was \$0.8m (2021: \$1.5m).

Councils forestry holdings have been valued by PF Olsen and Company Limited. A post-tax discount rate of 6.0% (2021: 6.0%) has been used in discounting the present value of expected cash flows. The valuations are compliant with PBE IPSAS27.

The valuation of the Pamoā forestry assets as at 30 June 2022 is \$1.6m. (2021: \$3.1m).

The valuation of the Council's forestry assets as at 30 June 2022 is \$0.5m. (2021: \$0.5m).

Tauwharepārae forests

The fair value of the forest tree crop is determined by independent valuation. Independent forestry valuation as at 30 June 2022 was performed by PF Olsen and Company Limited, independent providers of professional forestry services. The fair value is assessed as follows:

2020/21			2021/22			
Quantity	Average Price \$	2021 \$000s	Quantity	Average Price \$	2022 \$000s	
2,907	951	2,765	Sales	1,896	1,974	
Less Cost of Sales						
5,524	987	5,450	Opening Stock	4,651	826	3,841
39	6,949	271	Add Purchases	31	678	21
4,651	826	3,841	Less Closing Stock	4,676	1,108	5,181
		1,880	Total Cost of Sales			(1,319)
		885	Gross Profit from Cattle			3,293

The fair value of livestock is determined by independent valuation as at 30 June 2022. 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, minus 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 sale. 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.

- The maturity value of the existing tree crop and the future costs of realising that revenue are determined.
- Future costs and revenue are discounted

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% (2021: 6%)
- Rate of Inflation - 1% (2021: 1%)
- Rate of Tax - 28% (2021: 28%)

During the year there was no forestry development expenditure capitalised to the forest asset (2021: \$0).

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 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
ACCUMULATED SURPLUS (RETAINED EARNINGS)					
439,305	443,724	Balance at 1 July	492,764	475,681	481,892
(8,416)	(8,416)	Transfers (to)/from Special Funds	8,148	(58)	(58)
172	172	Transfers from Asset Revaluation Reserve on Disposal of Property, Plant and Equipment	0	491	491
44,621	46,412	Surplus/(Deficit) for the year	50,429	38,796	38,523
475,681	481,892	Balance at 30 June	551,341	514,910	520,848
SPECIAL FUNDS AND RESERVES					
43,776	43,775	Balance at 1 July	41,629	52,192	52,191
8,416	8,416	Transfer (to)/from Retained Earnings	(8,148)	58	58
52,192	52,191	Balance at 30 June	33,481	52,250	52,250
ASSET REVALUATION RESERVES					
1,779,017	1,838,217	Balance at 1 July	1,794,900	1,852,321	1,911,520
73,475	73,475	Revaluations	35,747	335,384	390,796
(172)	(172)	Transfers to Retained Earnings on Disposal of Property, Plant and Equipment	0	(491)	(491)
0	0	Deferred Tax on building revaluations	0	0	(1,087)
1,852,321	1,911,520	Balance at 30 June	1,830,647	2,187,214	2,300,738

Note 27A : Asset revaluation reserve

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s	ASSET CLASSES	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
90	90	Investments	90	90
0	0	Carbon Credits	0	3,668
OPERATIONAL ASSETS				
195,126	248,458	Land	291,816	389,402
35,770	42,036	Buildings/Land Improvements	55,599	69,354
INFRASTRUCTURAL ASSETS				
34,925	34,925	Sewer and Wastewater	45,494	45,494
33,161	33,161	Stormwater	45,494	45,494
67,646	67,646	Water Supply	86,775	86,775
1,548	1,548	Solid Waste	1,746	1,746
1,429,803	1,429,803	Roading	1,601,185	1,601,185
54,379	54,379	Flood Control	59,142	59,142
(126)	(523)	Deferred Tax Asset Revaluation	(126)	(1,610)
1,852,321	1,911,522		2,187,214	2,300,738

Note 27B : Internal borrowings

	Opening Balance 1 July 2021 \$000s	New Borrowings \$000s	Interest \$000s	Repayments Principal \$000s	Closing Balance 30 June 2022 \$000s
Commercial Operations	386	0	11	42	345
Environmental Services & Protection	173	29	6	16	186
Land, Rivers & Coastal	12,985	2,083	405	641	14,427
Liveable Communities	18,749	2,042	616	1,342	19,449
Regional Leadership & Support Services	20,818	2,497	655	712	22,603
Roading	13,062	1,519	392	913	13,668
Solid Waste	3,338	4	92	465	2,877
Urban Stormwater	8,887	551	266	643	8,795
Wastewater	29,648	11,933	950	2,019	39,562
Water Supply	2,134	207	67	160	2,182
	110,181	20,865	3,459	6,954	124,092

Note 27C: Special funds and other reserves

	Opening Balance 1 July 2021 \$000s	Transfers to Reserves \$000s	Transfers from Reserves \$000s	Closing Balance 30 June 2022 \$000s	Description / Use
Waipaoa River Flood Control Scheme	762	9	0	772	Reserve is a funding source for minor and major capital work in relation to the Waipaoa River Flood Control Scheme
Wastewater Treatment Plant Reserve	350	0	0	350	Reserve holds prefunded rates for the WWTP
Civil Defence Disaster Relief	550	7	75	482	Reserve is to provide for civil defence emergency costs not covered by Government subsidies and for discretionary contributions to other district Civil Defence Disaster Relief activities
Capital Development Fund	3,125	38	112	3,052	Reserve is to hold proceeds of selected asset sales which are to be utilised for capital developments as determined by Council
Quarry Rehab	1,192	15	0	1,207	Reserve is to provide for the restoration and rehabilitation of the Patutahi Quarry
Olympic Pool Development	30	0	0	31	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
Reserves Contributions	120	1	0	121	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	(276)	259	330	(347)	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	(219)	118	4	(104)	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	1,012	341	180	1,173	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	(964)	132	31	(864)	Reserve holds development contributions received in relation to Stormwater. Funding is utilised for capital expenditure on Stormwater infrastructure resulting from growth due to developments within the district
Reserves - District Development Contributions	304	32	0	336	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
Pamoa Restoration Reserve	2,234	798	316	2,715	Funds from Pamoa harvest for the restoration around the Waingake water supply.

	Opening Balance 1 July 2021 \$000s	Transfers to Reserves \$000s	Transfers from Reserves \$000s	Closing Balance 30 June 2022 \$000s	Description / Use
Roading FAR Reserve	2,815	33	1,178	1,670	Funds from increased subsidy from NZTA to be used on roading projects subject to approval by Council.
Land Subdivision	376	5	0	380	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	3,281	1,496	826	3,951	Operational Surplus to be used to fund organisational development
Depreciation	37,493	24,382	24,556	37,319	Reserve holds funds utilised on projects that replace the district's assets
Total Special Funds and Other Reserves	52,192	27,667	27,609	52,250	

Note 28 : Reconciliation of net surplus to operating cash flows

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
44,621	46,412	Reported Net Surplus after tax	38,796	38,523
		ADD/(DEDUCT) NON CASH ITEMS		
22,972	23,990	Depreciation & Amortisation	23,226	24,404
(2,514)	(2,514)	Unrealised (Gain)/Loss on Derivative Financial Instruments	(3,632)	(3,632)
(3)	(3)	Other Fixed and Investment Asset Changes/(Credits)	(3)	(3)
0	978	Livestock Holding (Gain)/ Loss	0	(1,830)
582	712	(Profit)/ Loss on Disposal of Assets	485	(457)
(1,229)	(2,845)	Forestry Value (Gain) / Loss	677	2,170
0	0	Loss on timber stock	0	0
(257)	(257)	Other provisions and deferred expense asset	(512)	(512)
0	258	Increase in Deferred Taxation	0	(28)
0	0	Carbon Credit Allocation	0	0
1,652	1,652	Bad Debts Written Off	1,587	1,587
0	0	Vested Assets	0	0
21,203	21,971		21,828	21,700
		ADD ITEMS CLASSIFIED AS INVESTING ACTIVITIES		
(6,319)	(6,319)	Movement of Plant, Property and Equipment included in Trade Payables	1,491	3,673
(6,319)	(6,319)		1,491	3,673
		INCREASE/(DECREASE) IN WORKING CAPITAL		
3,733	4,336	Trade & Other Receivables	(15,786)	(17,925)
62	(5)	Inventories	(81)	(106)
66	66	Deposits Held	37	37
5,799	5,621	Trade & Other Payables	4,045	3,963
0	0	Provision for Other Liabilities	0	0
130	119	Employee Benefit Liabilities	371	353
150	0	Subvention Payment Due	200	0
0	(102)	Taxation Payable	0	328
9,940	10,035		(11,214)	(13,350)
69,445	72,098	Net Cash Inflow from Operating Activities	50,901	50,546

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, derivative financial instruments and the following financial liabilities. Accounts payable and borrowings from bank funding and secured debentures, and derivative financial instruments.

Note 29A : Financial instruments

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 LTP \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
		FINANCIAL ASSETS			
		Non Current Assets			
1,437	1,936	Investments - Non Current	1,140	1,932	2,431
1,437	1,936	Available for Sale Financial Assets	1,140	1,932	2,431
0	0	Derivative Financial Instruments	0	861	861
0	0	Financial Assets at Fair Value Through Surplus or Deficit	0	861	861
		Current Assets			
0	0	Investments - Current	0	0	0
0	0	Available for Sale Financial Assets	0	0	0
0	0	Derivative Financial Instruments	0	37	37
19,575	19,577	Cash and Cash Equivalents	9,967	7,798	10,249
17,677	17,535	Trade and Other Receivables	23,418	31,676	31,685
37,252	37,112	Loans and Receivables at Amortised Cost	33,386	39,512	41,972
		FINANCIAL LIABILITIES			
		Non Current Liabilities			
0	15,900	Bank Loan	50,688	0	0
61,500	61,500	Secured Debentures	53,600	70,200	70,200
179	218	Trade Payables and Accruals	176	122	158
61,679	77,618	Financial Liabilities Measured at Amortised Cost	104,464	70,322	70,358
1,618	1,618	Derivative Financial Instruments	4,029	0	0
1,618	1,618	Financial Liabilities at Fair Value Through Surplus or Deficit	4,029	0	0
		Current Liabilities			
1,116	1,116	Derivative Financial Instruments	1,219	0	0
7,100	7,100	Secured Debentures	5,000	15,500	15,500
0	0	Commercial Paper	0	0	0
0	102	Bank Loan	0	0	15,006
39,068	40,504	Trade Payables and Accruals	33,230	43,541	42,694
47,284	48,822	Financial Liabilities at Amortised Cost	39,448	59,041	73,200

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:

Council

Year Ended 30 June 2021				Year Ended 30 June 2022			
Valuation Technique				Valuation Technique			
Quoted Market Price (Level 1) \$000s	Observable Inputs (Level 2) \$000s	Non Observable Inputs (Level 3) \$000s	Total \$000s	Quoted Market Price (Level 1) \$000s	Observable Inputs (Level 2) \$000s	Non Observable Inputs (Level 3) \$000s	Total \$000s
FINANCIAL ASSETS							
0	1,437	0	1,437	0	1,932	0	1,932
0	0	0	0	0	898	0	898
0	1,437	0	1,437	0	2,830	0	2,830
FINANCIAL LIABILITIES							
0	(2,734)	0	(2,734)	0	0	0	0
0	(2,734)	0	(2,734)	0	0	0	0

Group

Year Ended 30 June 2021				Year Ended 30 June 2022			
Valuation Technique				Valuation Technique			
Quoted Market Price (Level 1) \$000s	Observable Inputs (Level 2) \$000s	Non Observable Inputs (Level 3) \$000s	Total \$000s	Quoted Market Price (Level 1) \$000s	Observable Inputs (Level 2) \$000s	Non Observable Inputs (Level 3) \$000s	Total \$000s
FINANCIAL ASSETS							
0	1,937	0	1,937	0	2,431	0	2,431
0	0	0	0	0	898	0	898
0	1,937	0	1,937	0	3,329	0	3,329
FINANCIAL LIABILITIES							
0	(2,734)	0	(2,734)	0	0	0	0
0	(2,734)	0	(2,734)	0	0	0	0

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 counterparty default rates.

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
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COUNTER PARTIES WITH CREDIT RATINGS

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
		Cash at Bank and Term Deposits		
19,575	19,577	AA-	7,798	10,249
19,575	19,577	Total cash at bank and term deposits	7,798	10,249

COUNTER PARTIES WITHOUT CREDIT RATINGS

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s		Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
13	13	Existing counter party with no defaults in the past	11	11
13	13	Total Rates postponement and Community loans	11	11

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
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FINANCIAL ASSETS

19,575	19,577	Cash and Cash Equivalents	7,798	10,249
17,677	17,535	Trade and Other Receivables	31,676	31,685
0	0	Current Investments	0	0
37,252	37,112	Total Financial Assets	39,474	41,934

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

Council 2021			Council 2022	
Gross \$000s	Impaired \$000s		Gross \$000s	Impaired \$000s
Trade and Other Receivables				
12,201	0	Current	26,865	0
179	0	Past Due 0 - 3 Months	149	0
254	0	Past Due 3 - 6 Months	195	0
10,575	5,532	Past Due More Than 6 Months	9,990	5,523
23,209	5,532	Total Trade and Other Receivables	37,199	5,523

Group 2021			Group 2022	
Gross \$000s	Impaired \$000s		Gross \$000s	Impaired \$000s
Trade and Other Receivables				
12,059	0	Current	26,874	0
179	0	Past Due 0 - 3 Months	149	0
254	0	Past Due 3 - 6 Months	195	0
10,575	5,532	Past Due More Than 6 Months	9,990	5,523
23,067	5,532	Total Trade and Other Receivables	37,208	5,523

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), page XXX.

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:

COUNCIL 2022	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
Cash and Cash Equivalents	7,798	7,798	7,798	0	0	0
Derivative Financial Instruments	898	1,046	213	303	591	(61)
Trade and Other Receivables	37,199	37,199	37,188	0	0	11
Current Investments	0	0	0	0	0	0
Total Financial Assets	45,895	46,043	45,199	303	591	(50)

COUNCIL 2021	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
Cash and Cash Equivalents	19,575	19,575	19,575	0	0	0
Derivative Financial Instruments	0	0	0	0	0	0
Trade and Other Receivables	23,209	23,209	23,195	0	0	13
Current Investments	0	0	0	0	0	0
Total Financial Assets	42,783	42,783	42,770	0	0	13

GROUP 2022	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
Cash and Cash Equivalents	10,249	10,249	10,249	0	0	0
Derivative Financial Instruments	898	1,046	213	303	591	(61)
Trade and Other Receivables	37,208	37,208	37,197	0	0	11
Current Investments	0	0	0	0	0	0
Total Financial Assets	48,355	48,503	47,659	303	591	(50)

GROUP 2021	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
Cash and Cash Equivalents	19,577	19,577	19,577	0	0	0
Derivative Financial Instruments	0	0	0	0	0	0
Trade and Other Receivables	23,067	23,067	23,053	0	0	13
Current Investments	0	0	0	0	0	0
Total Financial Assets	42,644	42,644	42,631	0	0	13

COUNCIL 2022	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
Trade and Other Payables	43,663	43,663	43,663	0	0	0
Derivative Financial Instruments	0	0	0	0	0	0
Bank Loans	0	0	0	0	0	0
Commercial Paper	0	0	0	0	0	0
Debentures	85,700	101,760	18,823	7,742	37,030	38,165
Total Financial Liabilities	129,363	145,423	62,486	7,742	37,030	38,165

COUNCIL 2021	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
Trade and Other Payables	39,068	39,068	39,068	0	0	0
Derivative Financial Instruments	2,734	46,696	4,280	9,636	22,423	10,357
Bank Loans	0	0	0	0	0	0
Commercial Paper	0	0	0	0	0	0
Debentures	68,600	71,332	7,666	16,022	26,153	21,491
Total Financial Liabilities	110,402	157,096	51,014	25,658	48,576	31,848

GROUP 2022	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
Trade and Other Payables	42,852	42,852	42,852	0	0	0
Derivative Financial Instruments	0	0	0	0	0	0
Bank Loans	15,006	15,006	15,006	0	0	0
Commercial Paper	0	0	0	0	0	0
Debentures	85,700	101,760	18,823	7,742	37,030	38,165
Total Financial Liabilities	143,558	159,618	76,681	7,742	37,030	38,165

GROUP 2021	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
Trade and Other Payables	40,504	40,504	40,504	0	0	0
Derivative Financial Instruments	2,734	46,696	4,280	9,636	22,423	10,357
Bank Loans	16,002	16,002	102	15,900	0	0
Commercial Paper	0	0	0	0	0	0
Debentures	68,600	71,332	7,666	16,022	26,153	21,491
Total Financial Liabilities	127,840	174,534	52,552	41,558	48,576	31,848

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 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 2020/21 Actual \$000s	Group 2020/21 Actual \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
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WEIGHTED EFFECTIVE INTEREST RATES

n/a	1.67%	Bank Loan	n/a	2.28%
1.21%	1.21%	Debentures	2.56%	2.56%
3.36%	3.36%	Derivative Financial Instruments	3.38%	3.38%

Interest rate sensitivity

At balance date, the group had \$65.7m of variable rate borrowings and \$44.5m of interest rate swaps. The interest rate impact for fixed rate borrowing is zero, as a change in market interest rates will not change interest cash flow amounts. If interest rates at that date had been 100 basis points higher/lower with all other variables held constant, net surplus for the year would have adjusted by the amounts in the table below:

Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s	Council 2021/22 Actual \$000s	Group 2021/22 Actual \$000s
--	--------------------------------------	--	--------------------------------------

NET SURPLUS HIGHER/(LOWER)

984	984	+ 100 Basis Points	663	663
(1,061)	(1,061)	- 100 Basis Points	(734)	(734)

Note 30 : Commitments

COUNCIL 2022	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
Capital Commitments - Approved and Contracted	48,968	48,342	626
Total Commitments	48,968	48,342	626

COUNCIL 2021	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
Capital Commitments - Approved and Contracted	62,202	21,602	40,600
Total Commitments	62,202	21,602	40,600

GROUP 2022	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
Capital Commitments - Approved and Contracted	48,968	48,342	626
Total Commitments	48,968	48,342	626

GROUP 2021	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
Capital Commitments - Approved and Contracted	62,275	21,675	40,600
Total Commitments	62,275	21,675	40,600

Note 31A : Leases

	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s	5+ Years \$000s
GROUP 2022				
Operating Lease Payments	2,178	242	540	1,397
Total Non Cancellable Operating	2,178	242	540	1,397
GROUP 2021				
Operating Lease Payments	745	129	246	370
Total Non Cancellable Operating	745	129	246	370
COUNCIL 2022				
Operating Lease Payments	26,354	2,013	7,625	16,716
Total Non Cancellable Operating	26,354	2,013	7,625	16,716
COUNCIL 2021				
Operating Lease Payments	27,749	1,917	7,402	18,430
Total Non Cancellable Operating	27,749	1,917	7,402	18,430

Gisborne District Council leases buildings from Gisborne Holdings Ltd. This arrangement began 1 December 2015. In 2022, the annual lease amount was \$1.88m. Non-cancellable lease terms range between 5 and 18 years from start date.

The Council leases photocopiers for which there is no monthly lease obligation. The term of the lease is for five years from 1 January 2016 with a 16 month extension effective 1 October 2021. The Council incurs charges for the number of copies made each period. Included within the lease agreement is a termination clause which imposes a penalty for early termination of the lease agreement. The penalty is calculated based on the number of months outstanding in the agreement multiplied with a target number of copies. As at 30 June this penalty is calculated to be \$42,513 (2021: \$66,628).

The Council leases three motor vehicles for the specific purpose of one project which is scheduled to cease after three years. The lease terms commenced January 2022, February 2022 and April 2022.

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 28 days applies or, if cancelled by Council, 90 days' notice is required.

The future aggregate minimum lease payments to be received under operating leases are as follows:

	Total \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s
COUNCIL 2022				
Operating Lease Commitments	103	103	0	0
Total Operating Lease Commitments	103	103	0	0
COUNCIL 2021				
Operating Lease Commitments	75	75	0	0
Total Operating Lease Commitments	75	75	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 after care and post closure remediation.

Risk pool liability

Gisborne District Council was a member of the NZ Mutual Liability Risk pool 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 Risk pool member. Should there be adverse claims developments, the Risk pool 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 \$69.9m determined at 30 June 2022 (2021: \$40.0m).

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 \$17.1m determined at 30 June 2022 (2021: \$9.9m). 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.

Valuation of SunGold kiwifruit land

The Council is the defendant in judicial review proceedings brought in the High Court by New Zealand Kiwifruit Growers Incorporated (NZKGI). NZKGI's claim challenges the inclusion of SunGold licences in the capital valuation of SunGold kiwifruit land (SunGold Land) in the district's 2020 general revaluation. The High Court has stayed the proceeding pending the determination of a related valuation objection brought by a representative grower, the Bushmere Trust.

Bushmere Trust claims that the Council's inclusion of its SunGold licences in the capital value of its property (Bushmere Property) was unlawful. The Council's position is that the property has been correctly valued in accordance with the Rating Valuations Act 1998.

The Land Valuation Tribunal (LVT) held that the value of the SunGold licence must be deducted from the capital valuation of the property. Council filed an appeal against the LVT decision in the High Court in February 2022. The Valuer-General joined the appeal and funded the Council's costs on appeal, considering it to be in the national public interest for the matter to be heard on appeal.

The High Court heard the appeal on 7 June 2022 and released its judgment on 22 August 2022. The High Court's decision confirmed that the capital value of SunGold Land must include the value of the SunGold licence. This decision upheld the valuation approach that the Council took in its 2020 general revaluation, and overturned the decision of the LVT.

The Bushmere Trust may seek leave to appeal the High Court decision.

It is not possible to quantify the potential financial impact to Council, if the High Court decision is later overturned.

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 AAA.

Gisborne District Council is one of 30 local authority shareholders and 69 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 2022, NZLGFA had borrowings totalling \$15,789m (2021: \$13,609m).

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).

All subsidiaries have a 30 June balance date.

Transactions with GHL	2021 \$000s	2022 \$000s
Services Provided to Council	240	210
Services Provided by Council	315	373
Others	0	2,424
Lease Provided by GHL	1,882	1,873

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

	2021 \$000s	2022 \$000s
Salaries and Other Short Term Employees Benefits		
Governance	812	819
Chief Executive and Senior Leadership Team	1,756	2,035

Key management personnel include the Mayor, councillors, Chief Executive and a seven person leadership team. The total number of councillors of the governing body during the financial year comprised of 15 full time equivalent councillors including the Mayor.

Note 35: Council remuneration and severance payments

During the year to 30 June 2022, the total remuneration received by or payable to the Mayor, other councillors and Chief Executive of the Council were as follows:

	2021	2022
R Stoltz, Mayor	\$163,666	\$161,352
J Wharehinga, Deputy Mayor	\$65,833	\$66,870
WS Burdett	\$60,562	\$54,576
P Seymour	\$59,609	\$59,626
A Cranston	\$53,131	\$51,340
M. Akuhata-Brown	\$43,889	\$44,313
L Foster	\$52,666	\$51,441
A Dunn	\$8,826	\$0
S Dowsing	\$43,889	\$44,313
S Faulkner	\$47,480	\$47,309
D Gregory	\$43,889	\$44,466
A Robinson	\$43,889	\$44,313
T Sheldrake	\$46,409	\$52,079
K Worsnop	\$50,832	\$48,336
I Hughes	\$25,079	\$44,313
L Pardoe	\$2,387	\$4,090
N Thatcher-Swann, Chief Executive	\$322,374	\$369,107

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.

Total Annual Remuneration by band for employees as at 30 June 2022

Salary Bands	Number of Employees	
	2021	2022
\$160,000 - \$380,000 ¹	8	8
\$140,000 - \$160,000	5	5
\$120,000 - \$140,000	16	20
\$100,000 - \$120,000	36	32
\$ 80,000 - \$100,000	56	64
\$ 60,000 - \$ 80,000	104	115
Less than \$ 60,000	163	128
	388⁴	372
	2021	2022
Full Time Employees ²	278	279
Full Time Equivalent Employees ³	50	49

Two severance payments were made during the 2022 financial year. The value of these severance payments were \$16,000 and \$30,016. One severance payment was during the 2021 financial year for \$8,000.

Note 36: Events after balance sheet

Emissions trading scheme transaction

On 22 July 2022 Council transferred 17,200 NZUs to PF Olsen to enable PF Olsen to on-sell these Emission Trading Scheme units on behalf of Council. These units were on sold at \$72.80 per unit for a total of \$1.25m. This transaction enabled Council to take advantage of a Fixed Price Option (FPO) for emissions incurred prior to the 2021 calendar year. The proceeds of this sale were used to settle the related emissions obligations of \$1.23m. In addition, the council had to surrender 20,455 NZU's to settle 2021 calendar year emission obligations. These emissions arose due to harvest of council forest assets.

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

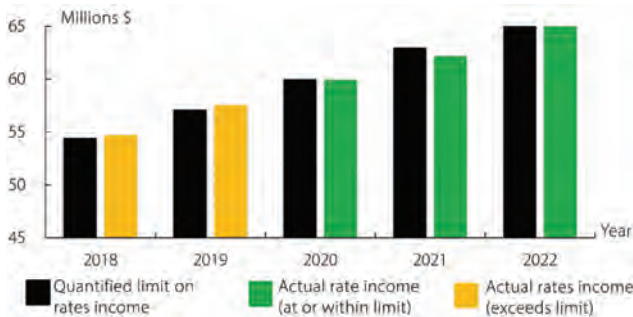
The quantified limit is for actual rates to be no more than 6.5% plus growth* than what was adopted for the preceding year of the LTP in the first 3 years, thereafter 5% plus growth* for the following years of the LTP.

*growth is assumed at 0.5% each 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

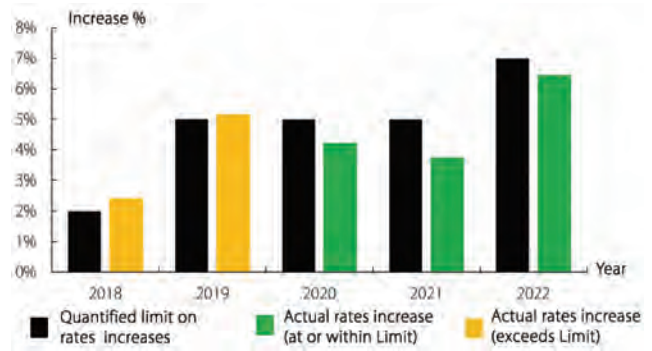


Quantified limit on rates increases

2021/2031 Long Term Plan aims for a maximum rates increase of 6.5% plus growth* for the first three years, thereafter 5% plus growth* in the rating base over the ten year period.

*growth is assumed at 0.5% each year.

Rates increases benchmark



Debt affordability benchmark

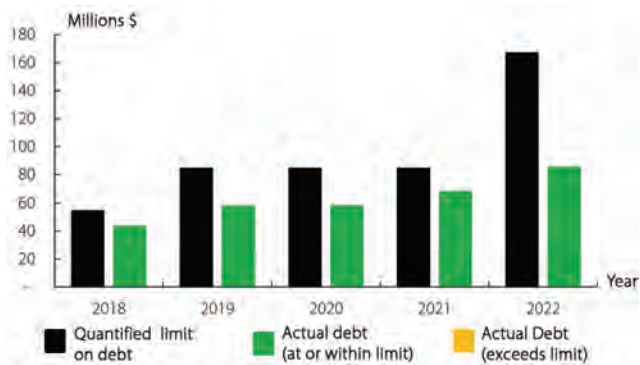
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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 based on the ability to borrow, and is set at 130% of debt to revenue. This limit follows the financial strategy as set in the LTP, but actual ability to borrow is 175% of debt to income.

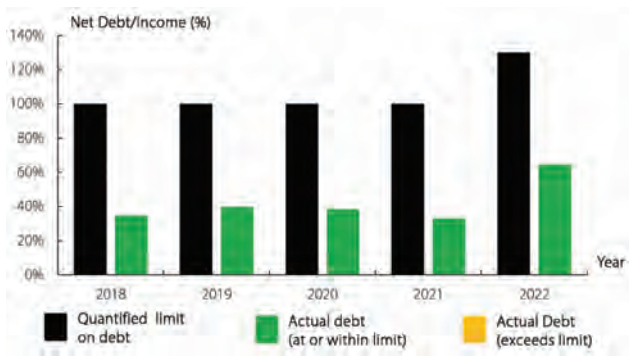
Debt affordability benchmark



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 to or less than 130% of income.

Debt affordability benchmark

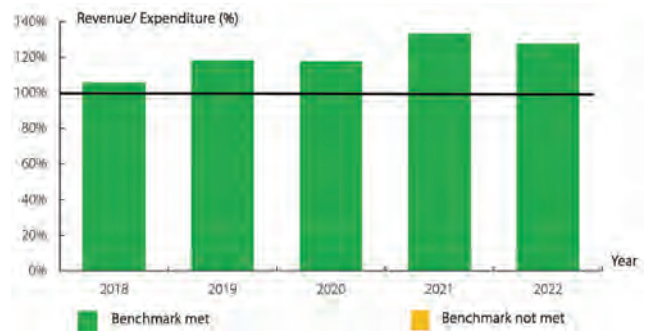


Balanced budget benchmark

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



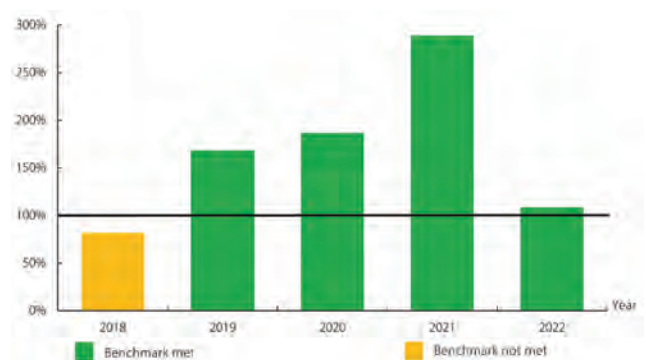
Essential services benchmark

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.

From 2019 to 2021, Council has received additional funding mostly from the Provincial Growth Fund for capital investment in roads. In 2021, additional funds as a result of COVID-19 were given as a one off injection for economic stimulus package and investment into the region's roads.

Essential services benchmark

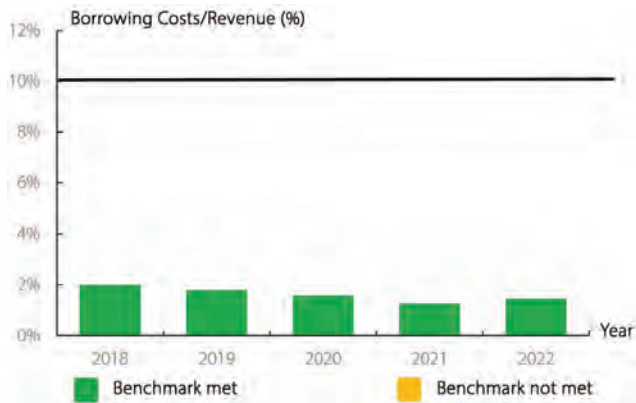


Debt servicing benchmark

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

It meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

Debt servicing benchmark

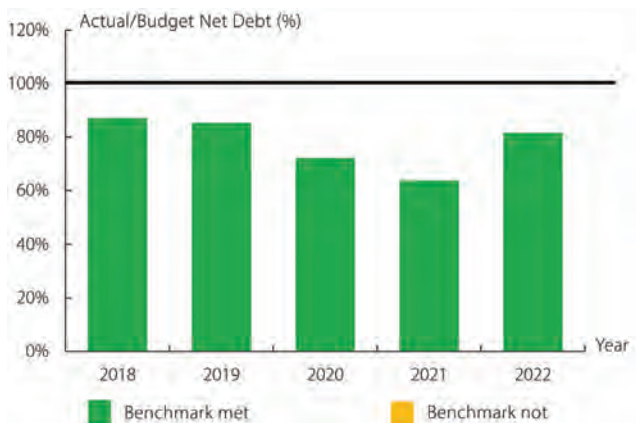


Debt control benchmark

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

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

Debt control benchmark

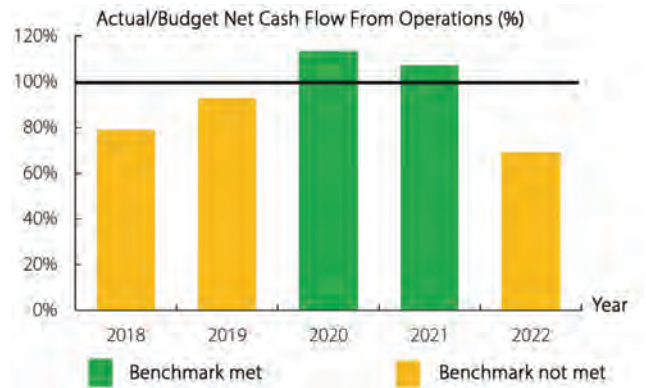


Operations control benchmark

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

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

Operations control benchmark



Tauākī Huanga Pūtea Moni

Funding impact statements

Council

Funding Impact Statement for the Year ended 30 June (whole of Council)	AP 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	20,987	20,715	23,493	23,274
Targeted Rates	44,806	45,258	46,654	46,521
Subsidies and grants for operating purposes	15,953	36,670	14,699	28,459
Fees and Charges	8,817	10,946	9,530	8,783
Interest and dividends from investments	1,800	1,378	1,500	1,806
Local authorities fuel tax, Infringement Fees and other receipts	2,413	4,581	1,513	4,956
Total operating funding (A)	94,775	119,549	97,389	113,800
Applications of operating funding				
Payments to staff and suppliers	76,866	98,602	83,065	99,409
Finance costs	4,213	1,709	3,795	2,044
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	81,079	100,311	86,860	101,453
Surplus (deficit) of operating funding (A-B)	13,696	19,238	10,529	12,347
Sources of capital funding				
Subsidies and grants for capital expenditure	50,410	47,511	61,396	49,046
Development and financial contributions	699	960	1,587	914
Increase/(decrease) in debt	22,727	18,062	17,673	12,470
Gross proceeds from sale of assets	50	466	50	(363)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	73,885	67,000	80,706	62,068
Applications of capital funding				
Capital expenditure				
- to meet additional demand	2,013	1,523	1,642	1,837
- to improve the level of service	50,809	39,148	53,075	36,451
- to replace existing assets	43,404	37,932	48,749	40,722
Increase/ (decrease) in reserves	(8,644)	7,634	(12,232)	(4,595)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	87,581	86,238	91,235	74,415
Surplus (deficit) of capital funding	(13,696)	(19,238)	(10,529)	(12,347)
Funding balance ((A-B)+(C-D))	0	0	0	0

Commercial operations

Funding Impact Statement for the Year ended 30 June	AP 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	44	44	(34)	(34)
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	1,665	1,360	2,536	1,459
Internal charges and overheads recovered	(8)	(5)	7	53
Local authorities fuel tax, fines, infringement fees and other receipts	125	1,474	(450)	(410)
Total operating funding (A)	1,826	2,873	2,059	1,068
Applications of operating funding				
Payments to staff and suppliers	965	1,187	800	1,631
Finance costs	20	15	12	11
Internal charges and overheads applied	321	371	257	290
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,306	1,573	1,069	1,932
Surplus (deficit) of operating funding (A-B)	520	1,300	990	(864)
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)	(42)	(42)	(42)
Gross proceeds from sale of assets	0	1,105	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(22)	1,063	(42)	(42)
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	200	254	267	252
Increase/ (decrease) in reserves	298	2,108	681	(1,158)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	498	2,363	948	(906)
Surplus (deficit) of capital funding	(520)	(1,300)	(990)	864
Funding balance ((A-B)+(C-D))	0	0	0	0

Environmental services and protection

Funding Impact Statement for the Year ended 30 June	AP 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	4,169	4,169	5,014	5,014
Targeted Rates	417	417	572	572
Subsidies and grants for operating purposes	330	46	0	16
Fees and Charges	4,180	5,024	4,165	4,440
Internal charges and overheads recovered	2,135	2,135	1,624	1,624
Local authorities fuel tax, fines, infringement fees and other receipts	1,306	687	1,223	686
Total operating funding (A)	12,538	12,479	12,598	12,352
Applications of operating funding				
Payments to staff and suppliers	7,099	7,637	7,769	9,329
Finance costs	1	5	1	6
Internal charges and overheads applied	5,384	5,468	4,945	5,020
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	12,484	13,110	12,715	14,355
Surplus (deficit) of operating funding (A-B)	54	(631)	(116)	(2,003)
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)	112	(16)	13
Gross proceeds from sale of assets	0	0	0	1
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(1)	112	(16)	13
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	122	0	0
- to replace existing assets	10	49	250	388
Increase/ (decrease) in reserves	43	(690)	(382)	(2,378)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	53	(519)	(132)	(1,990)
Surplus (deficit) of capital funding	(54)	631	116	2,003
Funding balance ((A-B)+(C-D))	0	0	0	0

Land, rivers and coastal

Funding Impact Statement for the Year ended 30 June	AP 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,891	1,891	1,682	1,682
Targeted Rates	1,221	1,221	1,083	1,083
Subsidies and grants for operating purposes	0	234	0	0
Fees and Charges	265	274	265	163
Internal charges and overheads recovered	404	273	167	58
Local authorities fuel tax, fines, infringement fees and other receipts	12	30	12	22
Total operating funding (A)	3,793	3,922	3,208	3,007
Applications of operating funding				
Payments to staff and suppliers	1,931	1,915	1,869	1,955
Finance costs	430	310	340	405
Internal charges and overheads applied	1,268	1,097	820	706
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	3,629	3,321	3,028	3,066
Surplus (deficit) of operating funding (A-B)	164	601	179	(59)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	2,489	2,700	3,344
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	1,331	5,179	1,711	1,442
Gross proceeds from sale of assets	0	(35)	0	(36)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	1,331	7,632	4,411	4,749
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	1,303	3,420	4,685	4,176
- to replace existing assets	1,387	1,441	810	820
Increase/ (decrease) in reserves	(1,196)	3,372	(904)	(306)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1,495	8,233	4,591	4,690
Surplus (deficit) of capital funding	(164)	(601)	(179)	59
Funding balance ((A-B)+(C-D))	0	0	0	0

Liveable communities

Funding Impact Statement for the Year ended 30 June	AP 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	6,917	6,917	7,440	7,440
Targeted Rates	8,215	8,215	8,630	8,630
Subsidies and grants for operating purposes	518	1,668	276	324
Fees and Charges	1,761	1,589	1,614	1,053
Internal charges and overheads recovered	4,655	4,695	4,081	4,111
Local authorities fuel tax, fines, infringement fees and other receipts	127	116	109	97
Total operating funding (A)	22,193	23,201	22,151	21,656
Applications of operating funding				
Payments to staff and suppliers	12,016	12,763	11,708	12,398
Finance costs	1,055	597	755	616
Internal charges and overheads applied	7,949	8,009	8,020	8,247
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	21,020	21,370	20,482	21,261
Surplus (deficit) of operating funding (A-B)	1,173	1,831	1,669	394
Sources of capital funding				
Subsidies and grants for capital expenditure	851	2,748	26,446	21,677
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	7,054	3,320	2,922	700
Gross proceeds from sale of assets	0	(480)	0	(242)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	7,905	5,588	29,368	22,134
Applications of capital funding				
Capital expenditure				
- to meet additional demand	10	0	0	0
- to improve the level of service	7,478	2,368	12,106	8,410
- to replace existing assets	3,205	5,508	20,897	16,260
Increase/ (decrease) in reserves	(1,616)	(457)	(1,967)	(2,142)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	9,078	7,419	31,036	22,529
Surplus (deficit) of capital funding	(1,173)	(1,831)	(1,669)	(394)
Funding balance ((A-B)+(C-D))	0	0	0	0

Regional leadership and support services

Funding Impact Statement for the Year ended 30 June	AP 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	4,956	4,679	6,598	6,373
Targeted Rates	3,183	3,183	3,055	3,055
Subsidies and grants for operating purposes	146	498	204	746
Fees and Charges	249	1,362	198	521
Internal charges and overheads recovered	26,812	27,338	25,473	26,483
Interest and Dividends from Investments	1,800	1,378	1,500	1,806
Local authorities fuel tax, fines, infringement fees and other receipts	780	2,085	556	4,337
Total operating funding (A)	37,926	40,524	37,584	43,323
Applications of operating funding				
Payments to staff and suppliers	23,751	22,899	28,648	26,656
Finance costs	(135)	(649)	398	(485)
Internal charges and overheads applied	13,426	13,806	11,174	11,786
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	37,042	36,055	40,220	37,957
Surplus (deficit) of operating funding (A-B)	885	4,468	(2,636)	5,365
Sources of capital funding				
Subsidies and grants for capital expenditure	0	393	65	151
Development and financial contributions	699	935	1,587	884
Increase/(decrease) in debt	249	73	1,739	343
Gross proceeds from sale of assets	50	183	50	157
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	998	1,584	3,441	1,535
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	1,490	1,354	2,948	1,316
- to replace existing assets	1,933	1,343	3,168	1,297
Increase/ (decrease) in reserves	(1,541)	3,356	(5,311)	4,287
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1,883	6,053	805	6,900
Surplus (deficit) of capital funding	(885)	(4,468)	2,636	(5,365)
Funding balance ((A-B)+(C-D))	0	0	0	0

Roads and footpaths

Funding Impact Statement for the Year ended 30 June	AP 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	250	250	250	250
Targeted Rates	11,976	11,976	12,350	12,350
Subsidies and grants for operating purposes	14,958	34,220	14,219	27,373
Fees and Charges	0	135	0	1
Internal charges and overheads recovered	1,948	1,951	1,927	1,922
Local authorities fuel tax, fines, infringement fees and other receipts	46	135	46	149
Total operating funding (A)	29,179	48,667	28,793	42,046
Applications of operating funding				
Payments to staff and suppliers	19,192	39,167	19,094	33,367
Finance costs	643	448	454	392
Internal charges and overheads applied	4,836	4,830	4,913	5,022
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	24,672	44,444	24,461	38,781
Surplus (deficit) of operating funding (A-B)	4,507	4,223	4,332	3,265
Sources of capital funding				
Subsidies and grants for capital expenditure	49,559	41,856	21,411	15,408
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	984	1,008	825	606
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	50,543	42,864	22,236	16,014
Applications of capital funding				
Capital expenditure				
- to meet additional demand	952	626	0	356
- to improve the level of service	26,592	21,645	11,037	4,176
- to replace existing assets	28,953	24,824	16,632	17,159
Increase/ (decrease) in reserves	(1,446)	(9)	(1,102)	(2,412)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	55,050	47,087	26,568	19,279
Surplus (deficit) of capital funding	(4,507)	(4,223)	(4,332)	(3,265)
Funding balance ((A-B)+(C-D))	0	0	0	0

Solid waste

Funding Impact Statement for the Year ended 30 June	AP 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	2,386	2,386	2,543	2,543
Targeted Rates	1,983	1,983	2,315	2,315
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	210	274	197	384
Internal charges and overheads recovered	121	341	154	369
Local authorities fuel tax, fines, infringement fees and other receipts	10	6	10	6
Total operating funding (A)	4,711	4,991	5,220	5,617
Applications of operating funding				
Payments to staff and suppliers	3,424	3,908	3,858	4,428
Finance costs	190	(242)	119	(183)
Internal charges and overheads applied	445	697	495	716
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	4,059	4,363	4,473	4,961
Surplus (deficit) of operating funding (A-B)	651	628	748	656
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	(128)	(465)	(323)	(460)
Gross proceeds from sale of assets	0	(0)	0	(119)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(128)	(465)	(323)	(579)
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	390	5	281	22
Increase/ (decrease) in reserves	133	159	144	55
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	523	163	425	77
Surplus (deficit) of capital funding	(651)	(628)	(748)	(656)
Funding balance ((A-B)+(C-D))	0	0	0	0

Urban stormwater

Funding Impact Statement for the Year ended 30 June	AP 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates	3,251	3,251	3,078	3,078
Subsidies and grants for operating purposes	0	4	0	0
Fees and Charges	0	32	0	0
Internal charges and overheads recovered	188	192	190	204
Local authorities fuel tax, fines, infringement fees and other receipts	0	30	0	3
Total operating funding (A)	3,439	3,510	3,268	3,285
Applications of operating funding				
Payments to staff and suppliers	1,323	1,242	1,335	1,128
Finance costs	423	292	328	266
Internal charges and overheads applied	643	687	563	681
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,389	2,221	2,226	2,075
Surplus (deficit) of operating funding (A-B)	1,050	1,289	1,042	1,211
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	2,211	1,622	357	(92)
Gross proceeds from sale of assets	0	(46)	0	(31)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	2,211	1,576	357	(123)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	30	319	75	45
- to improve the level of service	2,351	1,879	989	425
- to replace existing assets	1,205	534	954	619
Increase/ (decrease) in reserves	(325)	133	(620)	(1)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	3,261	2,865	1,398	1,088
Surplus (deficit) of capital funding	(1,050)	(1,289)	(1,042)	(1,211)
Funding balance ((A-B)+(C-D))	0	0	0	0

Wastewater

Funding Impact Statement for the Year ended 30 June	AP 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	373	373	0	0
Targeted Rates	7,921	7,921	8,554	8,554
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	405	608	445	503
Internal charges and overheads recovered	1,168	1,166	503	499
Local authorities fuel tax, fines, infringement fees and other receipts	8	3	8	19
Total operating funding (A)	9,875	10,071	9,510	9,574
Applications of operating funding				
Payments to staff and suppliers	3,952	4,274	4,495	4,659
Finance costs	1,483	857	1,314	950
Internal charges and overheads applied	2,205	2,240	2,016	2,122
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	7,640	7,372	7,825	7,730
Surplus (deficit) of operating funding (A-B)	2,235	2,699	1,684	1,844
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	7,505	7,500
Development and financial contributions	0	25	0	30
Increase/(decrease) in debt	10,874	7,103	10,456	9,914
Gross proceeds from sale of assets	0	(193)	0	(40)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	10,874	6,935	17,961	17,404
Applications of capital funding				
Capital expenditure				
- to meet additional demand	987	510	1,533	1,432
- to improve the level of service	11,458	5,998	17,933	16,861
- to replace existing assets	2,985	2,951	3,030	1,464
Increase/ (decrease) in reserves	(2,321)	176	(2,850)	(509)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	13,110	9,635	19,645	19,248
Surplus (deficit) of capital funding	(2,235)	(2,699)	(1,684)	(1,844)
Funding balance ((A-B)+(C-D))	0	0	0	0

Water supply

Funding Impact Statement for the Year ended 30 June	AP 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	6	0	6
Targeted Rates	6,639	7,090	7,016	6,884
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	80	286	110	258
Internal charges and overheads recovered	796	878	760	1,069
Local authorities fuel tax, fines, infringement fees and other receipts	0	14	0	48
Total operating funding (A)	7,515	8,275	7,886	8,265
Applications of operating funding				
Payments to staff and suppliers	3,212	3,611	3,489	3,858
Finance costs	103	76	74	67
Internal charges and overheads applied	1,743	1,759	1,685	1,802
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	5,058	5,445	5,248	5,727
Surplus (deficit) of operating funding (A-B)	2,457	2,829	2,638	2,538
Sources of capital funding				
Subsidies and grants for capital expenditure	0	24	3,269	967
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	173	153	43	48
Gross proceeds from sale of assets	0	(67)	0	(54)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	173	110	3,312	961
Applications of capital funding				
Capital expenditure				
- to meet additional demand	33	68	34	4
- to improve the level of service	136	169	3,376	1,088
- to replace existing assets	3,134	3,217	2,461	2,439
Increase/ (decrease) in reserves	(674)	(514)	79	(32)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	2,630	2,939	5,950	3,499
Surplus (deficit) of capital funding	(2,457)	(2,829)	(2,638)	(2,538)
Funding balance ((A-B)+(C-D))	0	0	0	0





Ngā āpitihanga Appendices

Tō tātau kaunihera Our council



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

Ngā māngai o te kaunihera Council leadership



Rehette Stoltz

**Mayor
Gisborne**

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Josh Wharehinga

**Deputy Mayor
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**Sandra Faulkner
Taruhuru-Patutahi**

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Organisation structure

Council has one elected employee, the Chief Executive, Nedine Thatcher Swann, who is responsible for implementing and managing Council's policies and objectives within the budgetary constraints established by the Council.

Council's leadership team is referred to as the Central Organising Rōpū (COR). As a unitary authority, both territorial and regional Council, we have around 300 staff who provide advice to the Council to make decisions and carry out the day-to-day operations of the activities.

Our management team



Chief Executive
Nedine Thatcher Swann

Contact details

P: DDI (06) 869 2414

E: ceo@gdc.govt.nz

The Chief Executive is supported by six directors and a Chief Financial Officer, whose hubs reflect the range of activities that Council undertakes in order to contribute to the social, cultural, environmental and economic outcomes of our communities. The hubs are:

- Community Lifelines
- Internal Partnerships
- Strategy and Science
- Liveable Communities
- Environmental Services and Protection
- Finance and Affordability
- Engagement and Māori Responsiveness



Chief Financial Officer
Finance and Affordability
Pauline Foreman

Contact details

P: DDI (06) 869 2899

E: Pauline.Foreman@gdc.govt.nz

Finance and Affordability deliver a range of integrated support services to the organisation.

- Finance
- Revenue
- Planning and Performance
- Internal Audit
- Risk Support
- Risk and Assurance

The hub supports the social, cultural, economic and environmental development of our communities – Mōtātou te Tairāwhiti.



Director Community
Lifelines
David Wilson

Contact details

P: DDI (06) 869 2356

E: David.Wilson@gdc.govt.nz

Community Lifelines manages Council's capital and infrastructure assets.

- Roads and footpaths
- 4 Waters – Drinking Water, Wastewater, Stormwater, Land, Rivers and Coastal
- Solid Waste
- Civil Defence Emergency Management

The hub provides strategic direction for the future needs of our community in these essential lifelines. Providing professional and integrated activity planning to ensure the capital works and maintenance programmes meet the infrastructural and service level needs of the community as determined by Council.



Director Environmental
Services and Protection
Helen Montgomery

Contact details

P: DDI (06) 869 2862

E: Helen.Montgomery@gdc.govt.nz

Environmental Services and Protection promotes the sustainable management of the physical and natural resources of the district as well as contributing to the wellbeing of people and the built environment.

- Consents – Building and Resource Consents
- Compliance – Environmental Health, Animal and Stock Control, Parking
- Compliance – Monitoring and Enforcement
- Harbourmaster



Director Internal Partnerships

James Baty

Contact details

P: DDI (06) 869 2881

E: James.Baty@gdc.govt.nz

Internal Partnerships delivers a range of support services to the organisation:

- People and Capability – HR, Health and Safety
- Democracy and Support Services
- Cultural Activities (Library and Theatres)
- Legal Services
- Information Services – Information Technology, Information Management, Land Information, Business Solutions and Business Analytics

The hub provides professional and customer-focused support services based on specialised knowledge, best practices and technology to serve our internal and external customers.



Director Engagement and Māori Responsiveness

Anita Reedy-Holthausen

Contact details

P: DDI (06) 869 2647

E: Anita.Reedy-Holthausen@gdc.govt.nz

Engagement and Māori Responsiveness is about being a committed and responsible Treaty partner and delivering exceptional customer services, communication and engagement practices to our community.

- Te Kai Arataki Tuia Whakapakari
- Customer Service
- Communication and Engagement
- Culture and Development
- Funding

We work on developing a culture to deliver services that support us to achieve the vision and values that make Tairāwhiti a great place for our whānau to live, work and play.

We actively seek funding from stakeholders to lessen the burden on our ratepayers.



Director Liveable Communities

Michele Frey

Contact details

P: (06) 867 2049

E: michele.frey@gdc.govt.nz

Liveable Communities contributes to Council as a customer-focused organisation that supports its unique community.

- Liveable Spaces (Aquatic Services, Amenity and Horticulture, Cemeteries)
- Community Assets and Resources
- Community Projects
- Catchments and Biodiversity

The hub ensures the effective delivery of community facilities to meet the community's needs at the strategic level through managing safe, fun and engaging places and spaces.



Chief of Strategy and Science

Jo Noble

Contact details

P: DDI (06) 869 2720

E: Joanna.Noble@gdc.govt.nz

Strategy and Science are responsible for:

- Strategic Planning
- Environmental Monitoring and Science

The hub provides specialist skills in strategy and policy, science, monitoring and research, and multifunction project management.

Abbreviations

AP	Annual Plan	LLB	Local Leadership Body
AR	Annual Report	LoS	Level of Service
AUD	Alternate Use Disposal	LTP	2021–2031 Long Term Plan
BAU	Business as Usual	MBIE	Ministry of Business, Innovation and Employment
BoPLASS	Ltd is a company owned by the Bay of Plenty Regional Council, Rotorua District Council, Western Bay of Plenty District Council, Kawerau District Council, Tauranga City Council, Opotiki District Council, Whakatane District Council, Taupo District Council and Gisborne District Council.	MCI	Macroinvertebrate Community Index
GDC	Gisborne District Council	MFE	Ministry for the Environment
CCC	Code Compliance Certificate	MPI	Ministry for Primary Industries
CBD	Central Business District	MOU	Memorandum of Understanding
CDEM	Civil Defence and Emergency Management	NAASRA	National Association of Australian State Road Authorities
CLS	Cook Landing Site	NES	National Environmental Standards
CME	Compliance Monitoring and Enforcement	NPS	National Planning Standards
CCTO	Council-Controlled Trading Organisations	NES-PF	National Environmental Standard for Plantation Forestry
COR	Central Organising Rōpū (Leadership Team/Directors)	NPS – FW	National Policy Statement for Freshwater
DIA	Department of Internal Affairs	NZIER	New Zealand Institute for Economic Research
ECC	Emergency Coordination Centre	NZLPP	New Zealand Libraries Partnership Programme
ECFP	Erosion Control Funding Programme	NZTA	New Zealand Transport Agency
ETS	Emissions Trading Scheme	OPC	Olympic Pool Complex
FEP	Farm Environmental Plans	PBE	Public Benefit Entity
GDP	Gross Domestic Product	PGF	Provincial Growth Fund
GHL	Gisborne Holdings Limited	QMS	Quality Management System
GIS	Geographic Information System	RfS	Request for Service
IFRS	International Financial Reporting Standard	RLTP	Regional Land Transport Plan
IPAS	Inflation Protected Annuity	RMA	Resource Management Act
IPSAS	International Public Sector Accounting Standards	RPMP	Regional Pest Management Plan
JAS-ANZ	Joint Accreditation System of Australia and New Zealand	RSS	Resident Satisfaction Survey
JMA	Joint Management Agreement	SOE	State of Environment
KPI	Key Performance Indicators	SOI	Statement of Intent
L2	Level 2 COVID-19 restrictions	TEMO	Tairāwhiti Emergency Management Office
L3	Level 3 COVID-19 restrictions	TRMP	Tairāwhiti Resource Management Plan
L4	Level 4 COVID-19 restrictions	TRONPnui	Te Rūnanganui o Ngāti Porou
LAWA	Land, Air, Water Aotearoa	UCP	Urban Cycleways Programme
LGA	Local Government Act	VE2	Valued Engineering 2
LGFA	Local Government Funding Agency	WMC	Wastewater Management Committee
LGNZ	Local Government New Zealand	WMMP	Waste Management and Minimisation Plan
LIM	Land Information Memorandum	WWTP	Wastewater Treatment Plant





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 **@GisborneDC**

 **15 Fitzherbert Street,
Gisborne 4010, New Zealand**

2021/22 Annual Report
Content correct as of 29 September 2022



**Tō Tātau Tairāwhiti 2021/22
Whakarāpopototanga
Pūrongo ā-Tau**

**Our Tairāwhiti 2021/22
Annual Report Summary**

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

Adopted by Council on

ISSN 1178-1084 (Print)

ISSN 1178-1106 (Online)

Tō tātau tirohanga whakamua
Our vision

**Tairāwhiti maranga ake! E tīmata
ana i konei.**

Tairāwhiti rise up! It all starts here.

**Me whiri ngātahi tātau i ngā
āheinga me ngā tauwhāinga kia
whakahī ai te Iwi.**

*Let's navigate our opportunities and challenges
together to make our community proud.*

Ngā kaupapa

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Mo te pūrongo nei About this report

This Annual Report tells the story of our performance over the last financial year from 1 July 2021 to 30 June 2022. 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 Council's activities, their performance and how much we spent on the activities
- our finances – this section provides you with all the financial statements and accompanying notes that give more detail.

Being accountable to our community

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

Long Term Plan

In line with the Local Government Act 2002 (LGA), all councils need to outline the activities and services they plan to provide over ten years. Every three years Gisborne District Council (Council) has to review and prepare a new LTP by engaging with our community. This ensures that our community contributes to setting our future direction. The Long Term Plan (LTP) explains what we're planning to do, how we'll pay for it and what it means for rates and debt. It also sets out measures to monitor and evaluate our progress to ensure we remain transparent and accountable to our community.

This LTP is also an opportunity for Council to explain how we'll:

- carry out major capital projects that will deliver long-lasting benefits by providing, upgrading and enhancing our community spaces
- maintain our assets and invest sustainably in our future to keep our people safe, healthy and thriving
- plan, develop and implement economically sustainable solutions for Tairāwhiti by putting the needs of our community first, both now and over the next ten years.

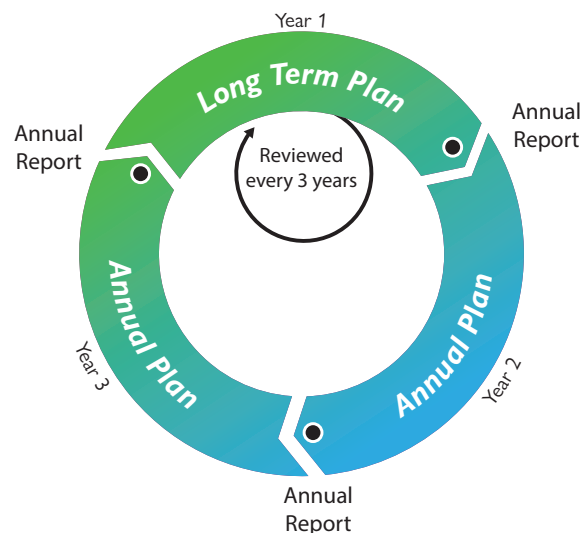
However the LTP is not just a planning document, it is also a blueprint for our shared vision of Tairāwhiti. Under the LGA, the purpose of Local Government includes the promotion of the four aspects of community wellbeing; social, economic, environmental and cultural. This enables us to work together as a community to consider how the activities and services Council plans to undertake affect the wellbeing of our community and achieve community outcomes. The LTP is our primary means for achieving this.

Annual Plan

We prepare an Annual Plan in the second and third year of the LTP. The Annual Plan outlines what we are planning to achieve, including major projects, activities, services and financial information for the specific year. Crucially the Annual Plan shows how much these cost, how we plan on funding them, and the effect on rates and Council's finances. When there are significant changes or variation from the LTP we consult with you on them and include these variations in the Annual Plan.

Annual Report

The Annual Report is our key accountability document that we are required to produce every year, which reports against our Annual Plan and current LTP. It tells the financial story of our performance over the past financial year and also serves as an important way of informing our communities about how we spent rates. It also highlights the areas we performed well in, the areas where we need to improve and provides context for where we need to head in the future.



Resident satisfaction surveys

Responding to community views

We carry out independent resident satisfaction surveys to find out how satisfied residents are with our resources, facilities and services while always looking for opportunities for continuous improvement. The survey and reporting process has to date included collecting data on a quarterly basis through telephone-based surveys, providing quarterly reports, and producing an annual analysis which feeds into our Annual Report.

Resident satisfaction surveys are an important pulse-check on how we are doing in the delivery of our services and to ensure we are accountable to our community. As such, these surveys need to be relevant, interactive and user-friendly so we can ensure genuine community input.

Online and service-user surveys

We are amending our current model to enhance the way in which we collect survey information, by focussing on targeted online surveys, supplemented by "point of service" user

surveys, via QR codes and kiosks. The new process will be 'live' for beginning of Year 2 of the LTP of the 2021–2031 LTP. This will be followed by a full review of our performance measures (to inform the next 2024–2034 LTP) to ensure that both the questions we are asking our community and the methodology we are using to capture their feedback is fit for purpose.

Quarterly reporting

Council publishes quarterly reports to give our community a summary of how we are progressing compared to our LTP/ Annual Plans. We do this three times a year while the fourth quarterly report becomes our Annual Report.



Pūrongo arotake pūtea
Audit report



From left: Nedine Thatcher Swann (Chief Executive), Rehette Stoltz (Mayor).

He kupu whakataki nā te Kahurangi me te Manahautū **A message from our Mayor and Chief Executive**

Mihi i te reo,

Firstly, we would like to acknowledge how difficult the last year has been for our community and our country. COVID-19 and climate change related weather events significantly impacted on our community and the way we went about our lives.

Despite these challenges, we have together navigated unprecedented circumstances and we thank you for the part that you have played in keeping our community safe. We are both proud to outline in this Annual Report, that we have continued to deliver on an ambitious programme of work progressing the key priorities you identified in our Long Term Plan.

On 17 August 2021 New Zealand entered into lock down and this was proceeded by vaccination mandates, isolation requirements, limits on gatherings, masks and the like. Consequentially, this contributed to staff and contractor shortages and supply chain issues.

It impacted on our ability to effectively engage with our community on issues that mattered and to deliver our intended levels of service and projects. The alert levels under the traffic light system also limited our community's ability to interact with Council and to use and enjoy all our services.

Notwithstanding COVID-19, four major weather events hit our region over the past 12 months with our communities and our infrastructure majorly impacted. Two local state of

emergencies were declared and we sustained significant damage to our roads and bridges resulting in approximately \$26m worth of unbudgeted emergency works.

The extent of flood damage has meant some isolated communities and individuals have had to deal with ongoing road work delays. While our response was strong and fast, we remain in recovery mode and continue ongoing recovery efforts in partnership with local and central government agencies.

These uncontrollable issues combined with local government reforms and the decision to remove Three Waters from local authorities have made for a challenging year. However our major projects remain on track and where there are delays, projects are expected to be completed within 2022/23 as highlighted through our 2021–2031 LTP budgets.

We have made significant progress on the redevelopment of the much-loved but seriously run-down Olympic Pool facility. Kiwa Pools will be a modern, world class facility, with a moveable floor, night-time theatre facilities, café and function centre. Our new facility is on track to open in the first quarter of 2023.

We're also on target to complete work on our Wastewater Treatment Plant by the end of 2022. This will double the size of our existing plant and will enable us to treat our wastewater with state-of-the-art technology to make it even cleaner before it's released into our bay.



We remain in a financially strong position, both in terms of debt and our overall financial performance. This year our rates revenue was 43% of the total operating revenue. This means that the bulk of our income has been from grants and other services making your money go further. Our debt position is \$85.7m, well within the 2021–2031 LTP limit.

In March 2022 Council adopted an ambitious 2030 net-zero emissions target. We've created a roadmap to our 2030 target. We will be matching actions with words and prioritising resources as we continue our climate change journey.

We secured \$2.2m in funding from the Ministry for the Environment to support the restoration of the mauri (life force) and ora (health) of the Tūrangānui Estuary System. Comprising over thirty projects over the next four years this is an amazing programme that will have huge benefits for the health of our rivers

We are also incredibly proud of the progress we are making on our Treaty obligations and our work towards becoming a good Treaty partner. We've started the development of a decision framework for councillors and established a co-governance group with iwi with a focus on the Tairāwhiti Resource Management Plan.

We've also done a lot of work responding to central Government's proposals for change. Work on the Three Waters Reform continues to progress. Our approach to the Reforms has been to ensure that the new entity is able to provide

better outcomes for Tairāwhiti. We will continue to engage with central government on their changes and other reforms underway which include the Resource Management Reform and the Future for Local Government.

As we look to the future, there are exciting changes ahead for our region. Our new representation arrangements for this year's local body election sees the establishment of five Māori Ward seats, eight General Ward seats and Mayor.

Finally, although our year has not been easy, we have continued to focus and deliver on what you told us matters in our Long Term Plan. We have responded to external and uncontrollable events keeping our community safe while at the same time applying your rates wisely while planning for our future.

We invite you to read our Annual Report, acknowledge the challenges and celebrate the good work we've done.

Nga mihi

Rehette Stoltz
Mayor

Nedine Thatcher Swann
Chief Executive



Tō tātou tau
Our year

Tairāwhiti āianeī Tairāwhiti today

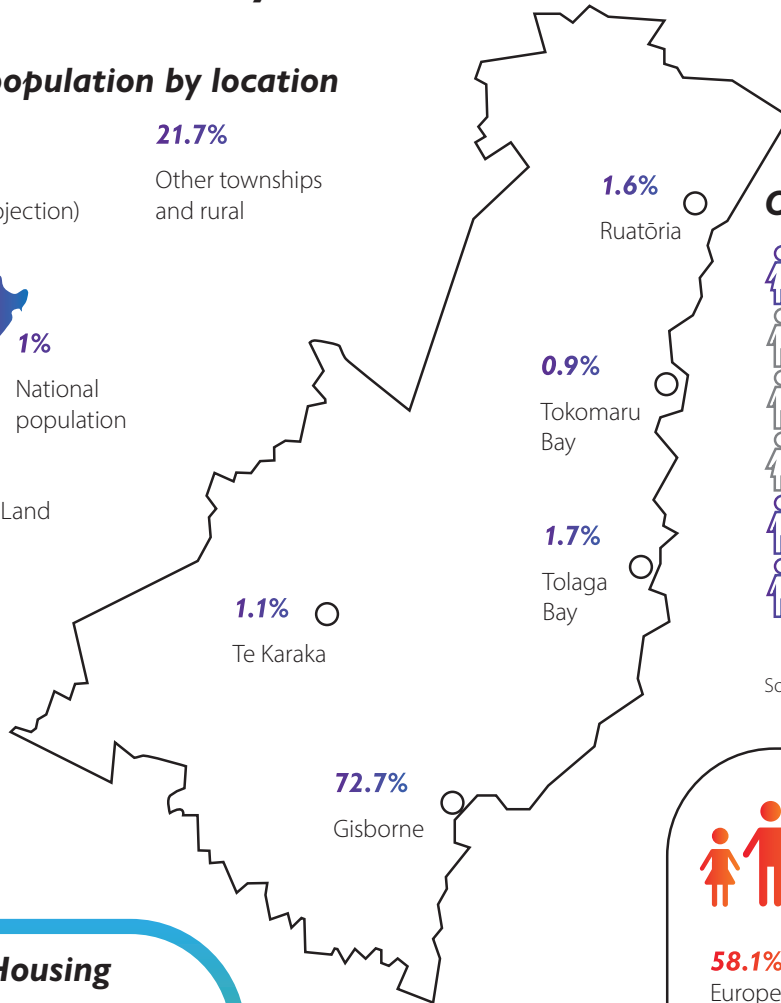
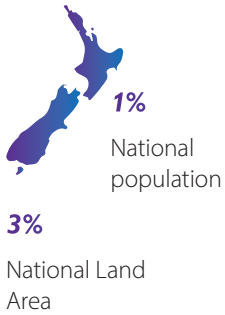
Our population by location

50,243

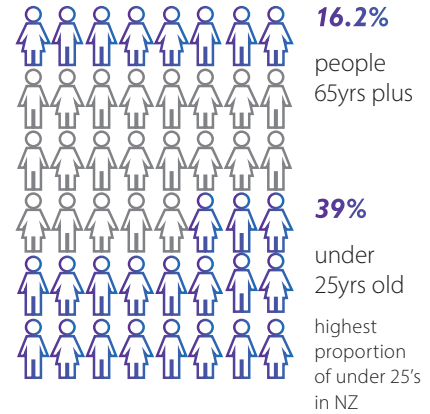
People
(2021 projection)

21.7%

Other townships
and rural



Our population age



Source: Stats NZ – www.stats.govt.nz

Our Housing



\$840,000

National Median

\$665,000

Tairāwhiti Median

7.3%

Tairāwhiti House Price Rise

2.4%

National Median House Price Rise

(As of year on year May 2022)

Tairāwhiti is NZ's fastest rising house market

Source: REINZ – www.reinz.co.nz

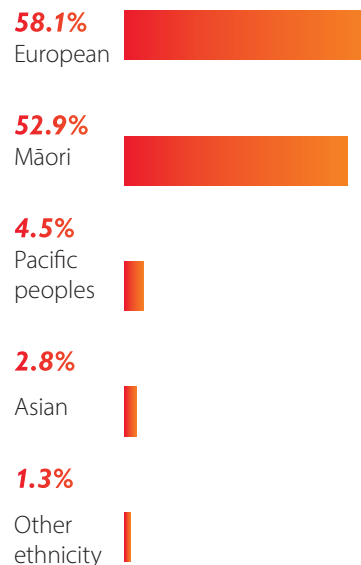


Our tangata whenua

- 4** Regional Iwi
- 70** Operational Marae
- 16%** Te Reo Māori Speakers
- 4x** National percentage of Te Reo Māori speakers



Our Ethnicity



Multiple ethnicities possible so totals more than 100%

Council Services



10,718
registered dogs

43
playgrounds
30
sports parks



1,889km of roads of which almost
87% are rural roads

77

public conveniences



38,300m³ of water capacity stored in
7 reservoirs

236km
of footpaths



76km
of stopbanks



Household Income

\$103,000

National Median

\$83,000

Tarāwhiti Median

18.6%

Less than National Annual Median income

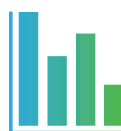


Employment

68% Working-age Employed

4.9% Unemployment Rate

65% Living in Decile 8-10



GDP

\$2.3b

\$45,531 per capita

0.7% National Contribution



Gisborne Airport

134,236

Passenger movements

16,782

Take-offs and landings

Source: Eastland Group
www.eastland.nz –
Annual Report 2022

Gisborne Port

2,672,000 tonnes of cargo left our port



103 logging ships and
3 kiwifruit ships berthed

Source: Eastland Group
www.eastland.nz –
Annual Report 2022

Ngā mahi whakahirahira o te rohe Our district highlights

Our community's aspirations for our region's future are enhanced by a combination of social, cultural, environmental, and economic factors. For more on Our Community's Wellbeings see page 50 of the main Annual Report.

During 2021/22 Council carried out and supported many initiatives around the region that contributed to improving the community's wellbeing. Some of our achievements are highlighted here.



Enabling and supporting community led projects



Council's procurement and contract policies have been updated to better support local businesses in tendering roading contracts.



This will expand our local workforce and create positive outcomes and better service for our community.



Improving our roading updates

We have expanded our website to include more information on our roading works programme. This will give more information on scheduled road works, improving transparency and giving the community a greater understanding of Council's plans.



Stopbank cycleway



Waipaoa Stopbank cycle trail (between Waipaoa River end of Centennial Marine Drive, up to Matawhero SH2 Bridge) was opened to the public.



Removal of mortuary waste from the wastewater network.

The Gisborne Trade Waste Bylaw was amended to prohibit the discharge of mortuary waste into our waterways, realigning our processes with the expectations of our community and tikanga.



Using Three Waters Reform investment package to provide water to our Muriwai and Ruatoria communities



Construction has commenced for the Muriwai Township water supply with completion expected by December 2022.



Investigations for a suitable groundwater take for Ruatoria is under way. Completion is programmed for June 2023.



Tairāwhiti Marae Resilience and Emergency Preparedness project



We facilitated the funding from Te Puni Kōkiri and Toitū Tairāwhiti, these funds will prepare some of our isolated marae for climate resilience and emergencies.



Township upgrades



Works are under way on township upgrades in Te Araroa and Tikitiki, which will be completed by October 2022. Ruatoria is currently in the planning phase.



The upgrade to the playground behind the Tiniroto Community Hall will be completed by the end of September 2022.



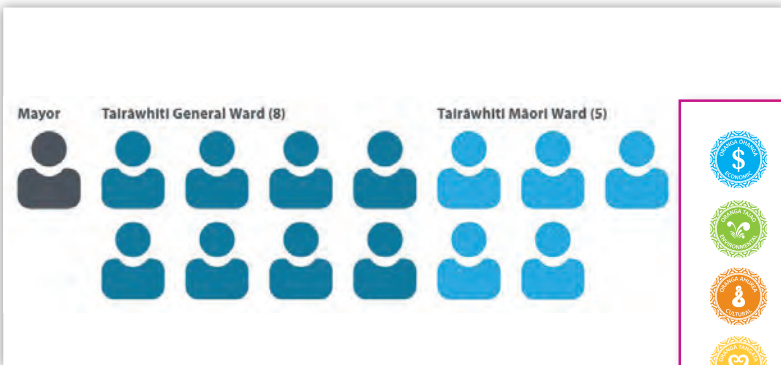
Growing our relationships with tangata whenua

Council has continued to build strong and authentic relationships with our tangata whenua, with endorsement from local iwi to enter into co-governance discussions.



Working with Councillors on co-governance

We have been working with our councillors to develop and endorse strategies and partnerships to progress towards co-governance with mana whenua.



Representation Review

Changes to our election process, including the addition of a Māori ward and the change to the Single Transferable Vote system will ensure better representation for Māori, women, rural communities, and minority groups.



Land Management

We continue to progress with our land management programme, while keeping informed on the national freshwater reforms and Farm Environmental Plans to ensure we are prepared to support our community.



Removing overdue fees and wiping historical debt for library patrons



In 2022 Council approved the removal of library fines and debts. This is part of our commitment to ensuring equity of library services for everyone in our community.



Dune care programme and street tree planting project



Two thousand native dune grasses have been planted along Wainui beach dunes system to support the coastal environment, in partnership with community planting groups.

750 street trees have been planted with 269 planted this year in Gisborne city. The planting supports placemaking and environmental outcomes consistent with Council's Street Tree and Garden Plan.



Establishing new partnerships



Council has formalised a number of flagship project partnerships within the region, including the Waingake and Titirangi restoration projects.



Olympic Pool Complex redevelopment project



Construction and operational planning for the Kiwa Pools is progressing well and on time, opening in March 2023.

Ngā mahi matua Our major projects

Projects with major capital investment or community impact are known as major projects. They are programmes of work delivered to further our vision and community outcomes. They have significant benefits for our communities and involve significant investment. For more information on our major projects please refer to our [website](#).



DrainWise

The DrainWise programme is about working with our community to prevent wastewater overflows onto private property and into our rivers during heavy rain. We work with property owners to inspect, assist homeowners and educate residents about fixing issues with gully traps, downpipes and underground pipes in their homes.

For more information see our website <https://www.gdc.govt.nz/council/major-projects/drainwise>

Dollars and Cents

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$32.3m Capital budget	\$3.1m Capital spend	\$1.7m Capital spend
\$3.8m Operational budget	\$337k Operational spend	\$349k Operational spend

The project is 100% Council funded to address stormwater issues on private properties through public network extensions.

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- ① **A driven and enabled community**
- ② **Resilient communities**
- ④ **Connected and safe communities**

Council Activity

To see how this major project contributes to Council’s activities refer to:

Wastewater Group on page 84 of the main Annual Report.

Urban Stormwater Group on page 94 of the main Annual Report.

Project highlights 2021/22

Council’s wastewater network

- Improved the performance of our public wastewater network through increased cleaning and surveillance.
- Spent \$2.5m replacing leaking earthenware pipes and \$186k reducing the risk of overflows from sewer pump stations.

Council’s stormwater network

- Completed the stormwater models for Whataupoko/ Mangapapa and Elgin/Central Business District (CBD) to identify future upgrades.
- Spent \$1.3m on major stormwater upgrades on Rutene Road and \$512k on reducing flooding by extending Council pipes into private property.

Private property

- Completed major stormwater upgrades on Maki Street and Rutene Road.
- Repaired 599 leaking gully traps.
- Undertook 1953 rapid inflow assessments.
- Fixed 57 downpipes.

Project status



Start date: July 2015

This programme is ongoing.

COVID-19 impacts were felt through, delays due to access on private property which had to either be postponed or restricted.



Navigate Tairāwhiti

Navigate Tairāwhiti is a programme of five projects delivered together with tangata whenua and partner organisations.

The programme weaves together significant sites through storytelling and is designed to highlight our region's unique culture and heritage of first arrivals and great navigators.

For more information see our website www.gdc.govt.nz/council/major-projects/navigate-tairawhiti

Dollars and Cents

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$1.8m	\$1.4m	\$430k

Te Panuku/Titirangi Summit redevelopment is pending external funding to complete. \$1.1m has been grant funded to date.

The 1000-year Walkway Bridge has received \$2.7m of grant funding (\$1.8m included in the LTP and an additional \$900k in 2022) from the Lottery Significant Projects Fund for construction of the Bridge. Additional funding is being sought to pay for the artistic elements of the bridge.

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- 1 A driven and enabled community
- 3 Vibrant city and townships
- 4 Connected and safe communities

Council Activities

To see how this major project contributes to Council's activities refer to:

Liveable Communities Group on page 98 of the main Annual Report.

Project highlights 2021/22

Te Panuku Tū/Titirangi Summit redevelopment

- Ngāti Oneone gifted the name Te Panuku Tū to the Titirangi Summit redevelopment.

Titirangi maunga restoration

- Pest traps built by local tamariki alongside Whāia Titirangi were set on the maunga.
- The Whāia Titirangi programme planted approximately 500 natives, eco-sourced and propagated by Women's Native Tree Project.

1000-year Walkway Bridge

- The design of the 1000-year Walk Bridge was completed.

Project status

Te Panuku Tū/Titirangi Summit redevelopment

Requires further external funding to build.

On hold

Puhi Kai Iti/ Cook Landing Site

Pending the completion of the 1000-year Walkway Bridge and the Te Maro Sculpture.

On track

Titirangi maunga restoration

Completed and business-as-usual now led by Ngāti Oneone

Completed

Tūpapa: Our Stand. Our Story

Completed

Inner harbour upgrade

Completed



Kiwa Pools

We're building a pool that is fit-for-purpose for our community, now and for the future. The completed facility will be a modern, year-round, temperature-controlled aquatic centre the whole community can enjoy. Ngāi Tāwhiri hapū have partnered with Apollo and Council to co-design the facility. They are also providing cultural guidance, paying careful attention to the relationship of the building, the land and the people of Tairāwhiti.

For more information see our website <https://www.gdc.govt.nz/council/major-projects/kiwa-pools>

Dollars and Cents

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$44.5m	\$26.7m	\$21.1m

Central Government funded \$40m as part of the nationwide COVID-19 shovel-ready stimulus package, while Council committed the remaining funds towards the project.

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- 2 Resilient communities
- 3 Vibrant city and townships
- 4 Connected and safe communities
- 6 We celebrate our heritage

Council Activity

To see how this major project contributes to Council's activities refer to:

Liveable Communities Group on page 98 of the main Annual Report.

Project highlights 2021/22

- Progress was slowed by COVID-19; requirements around isolation caused staff shortages and supply change issues. Significant weather events in April also delayed works.
- Mihi Whakatau/blessing of the site.
- Additional features include a more generous pool deck, a moveable floor covering one quarter of the 50-metre pool, a café area and a birthday/multi-purpose room.
- The facility will also include a two-metre deep 50m x 20m multi-use pool, leisure and toddler's pool, learn-to-swim/hydrotherapy pool, indoor change rooms, administration and office facilities, pool plant, service areas, car park and associated landscaping .
- Construction and operations are on track with our March 2023 opening date.

Project status

Start date: August 2017

Kiwa Pools

To be completed by March 2023

On track



Waingake Transformation Programme

The Waingake Transformation Programme is our ambitious plan to restore the vital ecosystem of Waingake to its natural state. We will restore 1200ha of clear-fell pine back to indigenous forest, in partnership with mana whenua Maraetaha Incorporation.

For more information see our website <https://www.gdc.govt.nz/council/major-projects/waingake-restoration>

Dollars and Cents

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$17.9m	\$1.4m	\$1.3m

We expect to receive a significant level of external funding for the programme over this LTP cycle.

Secured \$5m in external funding from Department of Conservation, Ministry for Primary Industries and One Tree Planted

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- 2 Resilient communities
- 5 We take sustainability seriously
- 6 We celebrate our heritage

Council Activity

To see how this major project contributes to Council's activities refer to:

Liveable Communities Group on page 98 of the main Annual Report.

Project highlights 2021/22

- Our partnership to manage the project with Maraetaha Incorporation was formalised through a Memorandum of Understanding (MoU) and a Joint Steering Group was established.
- Completed procurement for plant supply, planting and pest control contractors for the next three years.
- Completed a possum toxin operation and began installation of new traplines and additional traps.
- Completed control of 150ha of wilding pines and other invasive weed species.
- The presence of threatened Long Tailed Bats and at risk NZ Fernbird/Mātātā within a wetland at Waingake was confirmed.
- Ungulate pest numbers have significantly reduced with the number of goat kills per hunter hour decreasing.
- The Ngāi Tāmanuhiri kaitieki hunting roopu have been working alongside our contractor advancing commercial culling techniques and biodiversity awareness.

Project status



Start date: October 2019

This project is ongoing.



Waipaoa Flood Control Climate Change Resilience Project

The project will increase the level of flood protection of the Waipaoa River, accounting for climate change impact (sea level rise and larger rain events) out to the year 2090.

For more information see our website <https://www.gdc.govt.nz/council/major-projects/waipaoa-river-flood-control-scheme>

Dollars and Cents

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$33.6m	\$4.7m	\$4.4m

The total project estimate is \$32m-\$35m of which Council was awarded \$7.5m of Government funding to accelerate the delivery phase of the project up until 2023.

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- ② **Resilient communities**
- ③ **Vibrant city and townships**
- ④ **Connected and safe communities**

Community Activity

To see how this major project contributes to Council’s activities refer to:

Land, Rivers and Coastal Group on page 68 of the main Annual Report.

Project highlights 2021/22

- Awarded two-year stopbank upgrade contract for an added 17km of upgrades.
- Continued work on eastern side stopbanks.
- Started flood mitigation measures work at Tangihanga Station (western side), Mahunga Stream floodgate construction (eastern side) in Ormond Township.
- Successfully completed around 9km of stopbank upgrade work, all on eastern side.

Project status

Start date: 2015

Mahunga Stream Floodgates and Eastern side stopbanks upgrade

To be completed by 2023.



Western side stopbanks upgrade

To be completed by 2031.





Walking and cycling projects

The programme brings together several strategies, projects and initiatives between Council and Waka Kotahi (New Zealand Transport Agency) with a focus on cycling safety.

Walking and cycling networks support and encourage our community to get outside and enjoy being able to move around the city easily and safely and therefore improve health, economic and social outcomes.

For more information see our website www.gdc.govt.nz/council/major-projects/walking-and-cycling-projects

Dollars and Cents

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$7.8m	\$655k	\$689k

\$2.5m – the local share (loan funding) for the Taruheru River Walkway and Cycling project (subject to external funding).

\$100k per annum additional expenditure for the 2021–2023 LTP for the Tairāwhiti Walking and Cycling Network Plan (subject to approval from Waka Kotahi).

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- 2 Resilient communities
- 3 Vibrant city and townships
- 4 Connected and safe communities
- 5 We take sustainability seriously

Council Activity

To see how this major project contributes to Council's activities refer to:

Roads and footpaths on page 72 of the main Annual Report.

Project highlights 2021/22

- Queens Drive completed a one-way system with separated walking/cycling lane from Te-Poho-o-Rawiri marae up to Titirangi Maunga summit.
- New footpath at Wainui, Hamanatua Stream reserve, to connect the network up with Okitu via the SH35 bridge underpass.
- Crawford Road separated cycleway completing the connection from Wainui through Kaiti and the Inner Harbour to the Oneroa (city beach) and Riverside shared Walkway/Cycleways.
- Waipaoa Stopbank cycle trail (between Waipaoa River end of Centennial Marine Drive, up to Matawhero SH2 Bridge) was opened in June 2022.
- Resource consents for Ūawa Cycleway have been lodged and are due to be issued at the end of August 2022.

Project status



Start date: July 2021

This project is ongoing.



Wastewater Treatment Plant upgrade

We're upgrading the infrastructure of our treatment plant to improve water quality. We're exploring alternative use and disposal with wetlands in partnership with key stakeholders and Iwi representatives from the Wastewater Management Committee (WMC) and KIWA Group to progress the use of treated water.

For more information see our website www.gdc.govt.nz/council/major-projects/wastewater-management-options

Dollars and Cents (Stormwater & Wastewater)

LTP Budget 2021–2031	2021/22 Budget	FY 2021/22 Actual
\$31.3m	\$18.8m	\$15.7m

A further \$2.6m is budgeted to start the process of building a city wastewater wetland – to act as the final stage of wastewater disposal, rather than marine outfall – in 2029 to 2031. There is also additional expenditure identified beyond the LTP to allow for completion of the wetland.

Community Wellbeings

This major project contributes to the following Community Wellbeings:



Community Outcomes

This major project contributes to the following Community Outcomes:

- ① **A driven and enabled community**
- ② **Resilient communities**
- ⑤ **We take sustainability seriously**
- ⑥ **We celebrate our heritage**

Council Activity

To see how this major project contributes to Council's activities refer to:

Wastewater Group on page 84 of the main Annual Report.

Project highlights 2021/22

- Progress was slowed by COVID-19; requirements around isolation caused staff shortages and supply change issues. Significant weather events in April also delayed works.
- Construction consents granted, principal contractor awarded for treatment plant upgrade.
- Earthworks to prepare the base of the new clarifier pump station completed.
- Principal supplied equipment received onsite.

Project Status

Start date: December 2015

Wastewater Treatment Plan upgrade

Works on target to complete construction in January 2023. Commissioning will take a further two to three months.

On track





Ngā hononga tiriti

Treaty relationships and partnerships

Over the last 12 months Te Kaunihera o Te Tairāwhiti (Council) has undertaken a journey of improved understanding of the Te Tiriti o Waitangi (Te Tiriti) context in Tairāwhiti. This has included:

- Seeking an improved understanding of tangata whenua aspirations, and a desire to enhance our relationships together through wānanga with iwi
- Clarifying our intent and role as a Te Tiriti partner and improving our understanding of Te Tiriti o Waitangi through internal workshops
- Making an in-principle decision to pursue the establishment of a joint decision-making body with tangata whenua.

These actions have created positive forward momentum toward Tiriti Partnership. We will continue developing effective and meaningful collaboration with mana whenua to ensure Iwi and hapū roles in the future decision-making for the region.



Key initiative – Giving effect to Te Tiriti

Background

Te Tiriti o Waitangi governs the relationship between Māori and the Crown and ensures the rights of Māori as tangata whenua are protected. Local Government also have responsibilities to Māori under Te Tiriti and across varying legislation, including the Local Government Act 2002.

Council recognise that while legal and statutory obligations to Māori exist, these form only part of the foundation, and are not the ceiling for future Te Tiriti based decisions and partnerships.

Our journey so far

There has been a considerable lift in the visibility of tangata whenua partnership, responding to sudden and emerging mahi. Investing in and enhancing relationships so we can transition to Te Tiriti partnership has been the focus.

This has resulted in the development of a firm basis for building relationships with tangata whenua leadership, to build their trust in Council.

Facing the future together

Implement our Māori Responsiveness Programme.

Key initiative – Treaty Partnership

Background

We are on a journey to establish meaningful Treaty Partnerships with ngā iwi o Tairāwhiti. This begins with building relationships bound in respect, trust and openness and will continue on to enabling joint decision making at the highest level, alongside enduring respect and acknowledgment of each other's mana and responsibilities across our region.

Council have many arrangements and forums in place where co-management, co-governance and joint decision making occur. However these are usually limited in scope and resource. We are now asking ourselves, and working with iwi to define, what next?

While Council is at the start of our Te Tiriti voyage and still have much to do internally and with iwi, our commitment to being a good Treaty partner and embodying and giving effect to Te Tiriti in Tairāwhiti remains firm.

Our journey so far

Māori responsiveness has defined a baseline measure of Māori and Treaty responsiveness which will be incorporated into the next Annual Plan.

Facing the future together

Develop and monitor an appropriate level of service and associated performance measure in collaboration with Iwi/hapū stakeholders to ensure we are effectively engaging with Māori.

Key initiative – Tairāwhiti Piritahi

Background

Our internal framework of 'Tairāwhiti Piritahi' policy is underpinned by the following principles:

- **Tika** – a shared commitment to “do the right thing” – morally and ethically – by making certain that everyone is treated with equal respect and fairness.
- **Pono** – a shared commitment to ensure informed decision-making is underpinned by, and made with, honesty, integrity and good faith.
- **Manaakitanga** – the mutual elevation of mana in encounters and when engaged in discourse as a means of seeking shared understanding based on the spirit of respect and dignity.
- **Kete mātauranga** – Council recognises that tangata whenua have an embodied set of expertise and skills in providing a Māori world view in decision-making processes.

See the full document on Our 'Tairāwhiti Piritahi' Policy on our [website](#).

Our journey so far

This policy promotes and facilitates Māori participation in Council's decision-making processes, including a framework for building organisational capability and additional opportunities for Māori to contribute to Council's decision-making processes.

Facing the future together

Continue to provide guidance to staff on our organisational expectations for building effective relationships with Māori at every level.

Te anga piritahi ki mua – ngā tauwhāinga me nga whakautu **Facing the future together – our challenges and responses**

Council is operating in a period of significant change and uncertainty in the local government sector. Our focus will be to continue to navigate the challenges identified in the LTP, ranging from the ongoing impacts of the COVID-19 pandemic, changes to the legislative environment within which we operate, to the increasing adverse weather events we are facing due to climate change.

Below are the significant challenges we are currently facing and how we are responding to them. For more information on the challenges identified in the LTP, refer to our [website](#).

COVID-19

Our challenge

The COVID-19 pandemic has had a significant impact on the health and wellbeing of our people and economy. Council's work programme has also been impacted.

Our journey so far

The pandemic has impacted on the capacity of both contractors and staff, causing significant delays to some projects. In addition, it has affected Council's ability to obtain materials in a timely manner due to international and domestic shipping delays. It is expected that our supply chains may continue to be disrupted for the foreseeable future.

These disruptions and the resulting inflationary impact have placed pressure on the delivery of our capital works programme.

- the development of a 30-year national Infrastructure Strategy
- the Three Waters Reform which will determine how our critical water infrastructure will be managed.

These changes will have a big impact on the work we do and the legislative framework we operate under.

Our journey so far

While we don't fully know the direction or outcome of the reviews and reforms, we are working as closely as possible with Government to ensure the needs of our people will continue to be met.

We are also focussed on ensuring we are not reaching limits for our ability to borrow. This means we have a buffer, if necessary, to cover increased costs that may be incurred from having to enact new legislation or if unforeseen events arise.

Future plans

In order to manage these impacts, we are focussing on:

- delivering more streamlined procurement processes;
- utilising existing contractors on major local projects;
- shifting towards managing capital works on a three-year cycle.

This last point is of particular importance as looking at our capital investment programme over a three-year period allows us to better absorb and prioritise around the big external challenges like COVID-19 and increasing adverse weather events.

Future plans

Over the next few years, we'll receive guidance and decisions from central Government on each of these reviews and reforms and we'll work with our community to decide on the best response for Tairāwhiti.

For more information on this project go to page 36.

Climate change and increasing weather events

Our challenge

Climate change is the most significant long-term issue facing our region. In 2020, Government declared a climate emergency, recognising the need for all of us to prepare for the impacts of a warming climate – with erosion, flash floods, wildfires, and more pressure on the productivity of the land we depend on. We're expecting:

- temperature rises and increased fire risk
- severe and more frequent storms (with major impacts on our steep hill country and coasts)
- damage to infrastructure such as roads and pipes because of erosion
- risks to water supply (drinking, stock water irrigation) through droughts
- sea level rise, coastal erosion, and floods, affecting homes and recreation
- new diseases and pest species.

Changing legislation environment

Our challenge

Successfully providing resilient infrastructure to support community wellbeing and enable economic growth, whilst acting as effective kaitiaki, is an increasing challenge for all councils.

¹ Central Government has acknowledged this by undertaking a series of major reviews and reforms including:

- a review into the future of local government
- the upcoming repeal and replacement of the Resource Management Act
- direction on responding to climate change impacts and how to move towards a low emissions future

Government has recently finalised the National Emissions Reduction Plan (May 2022) and the National Adaptation Plan (August 2022). We will closely follow these initiatives to understand the regional impacts of Government's plans and to determine Council's response.

Our journey so far

Our region has experienced severe weather events over the past 12 months, resulting in two declared states of local emergency, causing significant damage to our communities, and delaying Council's capital projects due to our need to focus on emergency response and recovery.

Council is responding to the changing climate through the development of an organisational emissions reduction plan, with the goal of Council reaching net zero emissions by 2030.

In July 2022, a climate change roadmap was adopted – its focus was wider than decarbonisation (its adaptation and mitigation, including decarbonisation). The draft 2050 Climate Change roadmap sets out our climate change journey, milestones, and timeframes and how we will work with others to support regional climate change goals. We are working with Trust Tairāwhiti on a regional decarbonisation approach.

For more information view report 22-143 on our [website](#).

Future plans

We'll work with our community to achieve several planned projects:

- Natural hazards mapping and a climate change risk assessment to inform our adaptation planning.
- Adaptation planning to prepare for the regional impacts of climate change, in particular along our coastlines.
- Walking and cycling projects, to provide infrastructure in the move towards a low-emissions future.
- Increased protection against floods through the Waipaoa Flood Control Climate Change Resilience Project.
- Waingake transformation programme which will protect the city's water supply and improve the region's biodiversity.
- Review of the Tairāwhiti Resource Management Plan to manage the use of our natural resources and look at where growth and development should occur in the future.
- Reduction of waste emissions through implementing the waste management and minimisation plan.
- Working with our regional partners on a regional decarbonisation roadmap to map out our emissions reduction journey in a way that minimises the socio-economic impacts of climate action on our people.

Tairāwhiti Resource Management Plan Review

Our challenge

ⁱⁱ A review of the Tairāwhiti Resource Management Plan (TRMP) is overdue as our current plan is outdated and doesn't reflect our community's aspirations or expectations.

Our region has changed due to development, population growth, and changing demands on our natural resources. National direction and community expectations about environmental outcomes and how we manage natural resources have also changed, and we expect more direction as part of the resource management reforms. The new TRMP will be the framework we use to make future decisions about how we manage the natural and built environment.

Our journey so far

The TRMP review commenced on 1 July 2021 and is tracking well across the three main workstreams. The procurement of external support has been key to progress delivery of this programme of work this year.

Work on a Future Development Strategy has progressed – this will set out our plan for the next 30 years of housing and business growth in the region. It will be guided by Tairāwhiti 2050 (Spatial Plan) but contain more detail on where and how our urban areas and townships can grow. We are engaging with tangata whenua on this kaupapa and there has been public engagement on potential growth sites.

Freshwater catchment planning for the Mōtū, Waiapū (in partnership with Ngāti Porou) and Waimatā-Pakarae catchments is under way. We are also preparing to start a review of the Waipaoa Catchment Plan and the Regional Freshwater Plan.

Several technical studies have been commissioned to support the update of the Regional Policy Statement and staff have made progress on identifying significant resource management issues facing Tairāwhiti.

Future plans

Phase one of the review, covering the first four year is currently under way, with public notification planned for 2024, and includes three workstreams running concurrently:

- Te Kaupapa Tauāki ā-Rohe / Developing a new Regional Policy Statement.
- Te Whakamahere Wai Māori/Freshwater Planning, inclusive of catchment planning.
- Te Whakawhanake me te Whakarahi Taone / Urban Growth and Development Planning.

For more information on this project go to page 36.

Resources available for further information:

i Future for Local Government

An independent Ministerial review into the future of local government is under way and should be completed by April 2023.

Its overall purpose is to consider how New Zealand's system of local governance will need to evolve over the next 30 years in order to improve the wellbeing of New Zealanders and actively embody the Treaty partnership.

Since the last reorganisation of the system in 2002, local government has become more complex and demanding, having been dealt more responsibilities with little increase in funding or capability. More information is available on the Future for Local Government [website](#).

Three Waters Reform

The Government has initiated a major reform of Three Waters services. This will see the management and delivery of drinking water, wastewater, and stormwater services transferred from 67 councils (nationwide) to four entities by June 2024.

The foundations of these new entities will be co-governance arrangements between tangata whenua and councils and their scale means they would be able to borrow enough to fund the investment needed in water services and infrastructure.

Central government released the first of two Bills for consultation in June 2022 with a second Bill due out before the end of 2022. This legislation will set up the structures and functions of the new three waters system and allow Council to plan for how it will continue to deliver the services that will remain with council after the reforms.

More information is available on the Department of Internal Affairs [website](#).

Resource Management reforms

The Government is repealing the Resource Management Act 1991 (RMA) and replacing it with three new pieces of legislation. These are:

- the Natural and Built Environments Act (NBA), which will be the main replacement for the RMA
- the Spatial Planning Act (SPA), which will require councils, iwi/Māori, and central government agencies to develop 30-year regional spatial plans
- the Climate Change Adaptation Act (CCAA), which deals with the legal and technical matters associated with climate change adaptation and managed retreat.

The intention behind these reforms is to bring about transformative and systemic change in the 'resource planning' space. The Natural and Built Environments Act and the Spatial Planning Act will be introduced to Parliament toward the end of 2022. The Climate Change Adaptation Act is expected to follow in 2023. More information is available on the Ministry for the Environment [website](#).

ii Tairāwhiti Resource Management Plan

The LTP included a significant investment of \$25.8m (including \$7m for freshwater) to support a review of the TRMP and deliver Council's freshwater planning programme. The TRMP will have a significant impact on Tairāwhiti, and can help address:

- housing supply issues and removing barriers to develop affordable housing for Māori (including papakainga);
- water allocation and giving effect to Te Mana o te Wai;
- sustainable land use, including enabling productive use of whenua Māori;
- protecting what we value – ecosystems, freshwater, air quality, biodiversity, the coastal environment, and our historic heritage;
- building resilience, by addressing impacts of climate change and natural hazards.

For more information, please refer to our [website](#).



Te āhua a ngā mahi Our performance

How did Council do this year?

Council measures and monitors the quality and effectiveness of our services to help ensure we are delivering what we said we would and that we are always finding opportunities to improve our services. These are captured as performance measures, which are confirmed with the adoption of our 2021–2031 Long Term Plan. Changes to performance measures are notified through the Annual Plan process.

Complete details on Council performance measures are available in Our Activities section on page 55.

Key

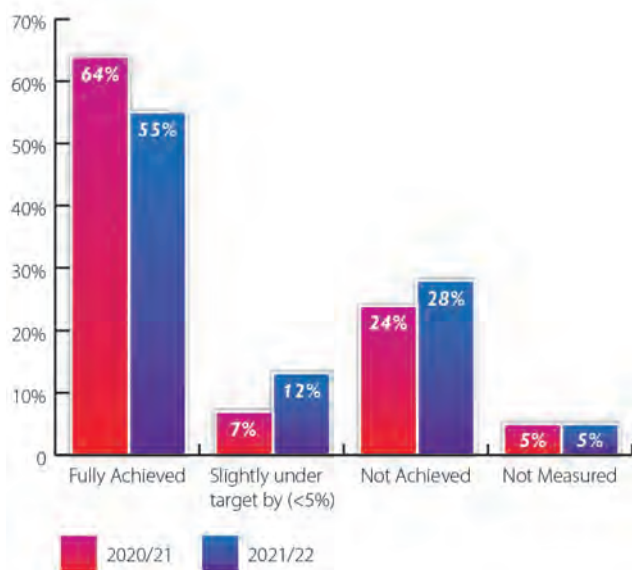


Overall performance

The graphs below show how well Council met the performance targets we set for ourselves in 2021/22. Five percent of performance measures were not measured. This was mostly due to new data measures, impacted by some data source limitations.

We have a total of 102 measures, including 32 mandatory measures and 22 measures sourced directly from our Residential Satisfaction Survey.

Overall, 67% of our performance measures were on target or slightly under target compared to 71% in 2020/21. Fully achieved measures were less than last year, with more shifting to the slightly under target or not achieved. Overall, there was a shift of 4% from achieved (and slightly under) to not achieved.



Mandatory measures

We have 32 mandatory measures that are set by the Government. They target our three waters (Stormwater, Wastewater, Water Supply) Land, Rivers and Coastal, and the provision of our local roads and footpaths. These measures can be found across all local authorities, allowing the public to compare the level of service provided by different Councils. This year we achieved 24 (75%), 3 were slightly under target and 5 were not achieved.

Slightly under target:

- Condition of footpaths, slightly below the target of 90%. The adverse weather events meant that contractors had to reprioritise and focus on emergency roading reinstatement.
- Wastewater response to overflows took slightly longer (3% or 46 minutes more time) than the target.
- Water Supply compliance for bacteriological control was 1% under target. This relates to the Rural Zone. The result does not compromise the safety of their drinking water.

Not achieved:

The four exceptions related to delayed responses to roading service requests, road maintenance, wastewater faults, and complaints response times.

- Stormwater complaints or requests was 13 (per 1000 properties connected), being 1 over the 12 target. The majority of request occurred over the two declared civil defence emergency events.
- Wastewater fault response time of less than an hour, was not reached (3.13 hour). Response times during our Civil Defence emergency events took longer, as contractors and staff were diverted to whole of region emergency reinstatement response.
- Wastewater customer complaints or requests, was just over 21 over 1,000 property connections (target is less than 10).
- Roads and footpaths request for service response times were well below target. Work is underway to improve the response times this financial year, including more communications on our website and resources focused on individual responses.
- The percentage of sealed local road network that is resurfaced was 3.7%, lower than the 5% target. The adverse weather events in March and April impacted on the resurfacing programme, as typically contractors would be completing a significant part of the programme over these two months. 32.8kms of roads were resurfaced.

Resident satisfaction surveys

Responding to community views

We carry out independent resident satisfaction surveys to find out how satisfied residents are with our resources, facilities and services while always looking for opportunities for continuous improvement. The survey and reporting process has to date included collecting data on a quarterly basis through telephone-based surveys, providing quarterly reports, and producing an annual analysis which feeds into our Annual Report.

Just over 400 residents were surveyed across the Gisborne District area, with a range of participants based on age, ethnicity, area and gender. We acknowledge a lower degree of confidence in the survey as being indicative of our 50,243 residents, due to the sample size and the way the results are collected through land line phone calls. Other types of surveys are also used to check the pulse of our services.

For instance, a mystery shoppers survey was conducted by an independent review from Association of Local Government Information Management (ALIGM) recently, ranking against all Councils in New Zealand. The mystery shopper reviewed our communications, and engagement response of our Facebook and our website. Our score of 77% put us within the top 30% of the 80 Councils surveyed.

We are amending our current model to enhance the way in which we collect survey information so we can collect more feedback, with greater sample sizes. This will allow us to focus on targeted online surveys, to supplement by “point of service” user surveys, via QR codes and kiosks.

Overall, 2021/22 has been a challenging year for District Councils and territorial authorities.

Disappointedly but understandably, there was a decreased level of satisfaction recorded for some of the areas of our services and facilities over the past 12 months, as taken from the 400 respondents of the Resident Satisfaction Survey.

The Omicron outbreak has impacted Council’s services across the district. Staffing shortages (both Council staff and contractors) affected delivery across services such as requests for services, roading maintenance, resource consents, building consents, stormwater and rubbish collection.

Vaccine mandates and different alert level / traffic light systems limited resident’s capabilities to make use of Council’s services and facilities. This was especially evident with our theatres, library and pool.

Council also faced two declared civil defence emergency events and a prolonged adverse weather event after ex-tropical cyclone arrived from Fiji in April. Requests for service doubled over much of this period. Overall, response to requests took longer as staff and contractors were involved in emergency reinstatement.

Most Council’s across New Zealand who have completed Annual Residents’ Satisfaction surveys have decreases in overall satisfaction, perceptions of services and facilities as well as image and reputation measures.

For full details and results for all performance measures refer to the Our Activities section – page 55.



Performance highlights and areas for improvement

Here are some of the performance measure successes we have had this year, as well as some of the challenges we have faced.

Performance highlights	
	Noise control response service – we received a total of 1395 requests for noise control services in 2021/22 which were responded to by our team in a timely manner.
	Road safety – While there was a reduction compared to previous years, Council will continue to strive for zero deaths or serious injuries from crashes by 2050, through work with other agencies and continuing its educational and safety work through the Road to Zero Strategy.
	Customers continue to be very satisfied with the water supply system – This target is consistently being met, highlighting Council's successful approach to providing high quality water to our community.
	Increased hits on Council website and environmental data hosted on another website (LAWA) – a high level of interest due to proactive communication from Council, environmental news in the media and severe weather events.
	Percentage of coastal attributes monitored per the NZ Coastal Policy Statement 2010 – We are undertaking a review of our coastal monitoring to identify required work for Council for the New Zealand Coastal Policy Statement (2010) and the Tairāwhiti Resource Management Plan (TRMP).
Areas for improvement	
	Response to service requests relating to roads and footpaths – To improve this service, we have made changes to new maintenance contracts and staff training to better manage the timely response to requests for service.
	Users satisfied with cleanliness of the public facility – Council is developing a rationalisation process in 2022/23 to renew public conveniences and meet community expectations. This will ensure the cleanliness of facilities is improved.
	Number of farm properties where a farm environment plan (FEP) has been prepared – Council will assess its FEP process to investigate opportunities to improve the number of plans created in 2022/23.
	How Council engages in its decisions making process in the best interests of the community – Council has launched a new engagement platform for all future engagements and consultations and expect this measure to improve markedly.
	Customer's satisfaction with the helpfulness of staff through Council staff surveys – Introduction of real time survey kiosks will ensure that satisfaction is measured at the time of service.
	Total solid waste to landfill in kg per head of population is on the rise – The increase can be attributed to population and economic growth. Further education, workshops and initiatives will aim to reduce what is going to landfill.

COVID-19 response and recovery impacts on our year

On 17 August 2021 we moved into Alert Level 4 of the COVID-19 Protection Framework (traffic lights) then quickly transitioned to Level 3 and 2 (31 August and 7 September). All viruses change over time, and although alert levels had lowered, we were dealing with COVID-19 variants – Delta and Omicron.

Tairāwhiti had been reasonably insulated against the resulting previous spread of the COVID-19 outbreaks, but these variants posed very different challenges than earlier strains as they were easily transmissible. The nature of these variants created a significant challenge and required a response that had not been previously encountered through the pandemic.

There was a regional focus on preparation for the onset of Delta and Omicron and alongside our regional partners we swiftly enacted our resurgence plans and ensured there were financial remedies in place to help our community, who were in a difficult financial position as a result of the pandemic.

As of 10 March 2022, COVID-19 was now an epidemic and in full community transmission. The region was dealing with a surge in positive cases and the provision of welfare support to our communities. Council was involved with the facilitation and planning across all key stakeholders with a focus on supporting a coordinated welfare system in place that was integrated with the clinical response.

At the centre of our framework is our workforce; the importance of our people building and developing a resilient and confident workforce was critical to the success of our recovery. Our connection with regional leaders through Rau Tipu Rau Ora helped ensure essential services were delivered and Council could continue to operate safely for our community. These were the main factors to ensuring success in supporting our communities, moving our economy forward and managing and protecting our natural environment.

Changes to our services during Alert Levels

The pandemic has had a significant impact on the health and wellbeing of our people and economy. Council's work programme was also impacted by the pandemic.

Council had systems in place due to previous lockdowns and had adapted to working off-site and continued to work on improving capacity and capability to safely operate as many services as possible throughout the epidemic.

Council essential services we continue to operate at any Alert Level include:

- kerbside rubbish and recycling collections
- animal control
- road and safety repairs
- bus services (excluding rest homes and schools) to ensure essential workers can get to work and others who rely on them to access other essential service can continue to do so
- reticulated wastewater and drinking water

Due to the epidemic and Alert Levels 3 and 4 the increased risk to staff requires additional PPE and sometimes changes to the delivery mechanisms of these services which can increase the costs of delivering that service compared to the cost during business-as-usual periods.

Impacts on the 2021/22 Annual Report results

The pandemic impacted the capacity of our contractors and staff and caused significant delays to some projects. It affected our ability to obtain materials due to international and domestic delays. These disruptions and the resulting inflationary impact have placed pressure on the delivery of our capital works programme.

For the financial impacts of COVID-19, refer to page 41 – Finances at a glance.



Ngā āhuatanga pūtea

Finances at a glance

This section provides an overview of Council's financial results for 2021/22. 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 (PBE). 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 all are well within planned performance measures.

Financial position overview

Council holds long-term assets of \$2.8b, including operational and infrastructure assets. When investing in infrastructure, we borrow funds so repayments can be spread across the generations who benefit from these assets.

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

At year end our total debt was \$85.7m, lower than what was expected to be in the Annual Plan at \$109m. Most of this lower debt has been driven by the timing of capital projects and having more cash on hand due to grants being received in advance of the capital programme.

The majority of projects that had timing differences to the Annual Plan 2021/22 are expected to be completed within 2022/23, and within 2021–2031 LTP timelines.

Financial performance

Council has continued to perform well financially over the past year. But the year has not been without its challenges.

Our Annual Report 2021/22 is Year 1 of the 2021–2031 Long Term Plan. While we plan for what we expect to occur in each year, the first three years of the LTP are a rolling three year

programme. This is especially relevant with regards to the delivery of our capital programme.

We recorded a \$38.8m net surplus after taxation, against a \$50.4m the Year 1 of the LTP.

While this represents a \$11.6m net surplus less than we expected, most of the differences arose from the timing of receiving capital grants. The receiving of capital grants is dependent on when projects are completed. Initially projects were planned to be completed by 30 June 2022 but will now roll into the beginning of Year 2 of the LTP. COVID-19, extreme weather events, rising inflation and supply shortages have impacted on delivery of some of our projects.

The projects include the Provincial Growth Fund East Cape Road resilience project, Kiwa Pools and the 1000-Year Bridge. The grants for these projects will still occur, but will now fall into Year 2, when projects are completed.

The timing of capital grants doesn't affect the rolling three years programme as set out within the LTP, nor will it affect Council's bottom line, but it does create the variance of a lesser surplus than was expected within this Annual Report.

The overall 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 \$163.3m, \$2.7m more than what was in Year 1 of the LTP. This was due to receiving subsidies from Waka Kotahi for roading emergency works and also the accounting gain for fair value swaps. This increased income offsets the lower than expected capital grants as noted above.

Total expenditure was \$124.7m, \$14m more than what was in Year 1 of the LTP. The additional expenditure was mostly due to roading emergency work \$19.8m (LTP \$4m) and 100% funded PGF roading operational projects.

Key events include:

- A total capital investment programme of \$79m including:
 - \$21.7m of capital investment spent on our roading network
 - \$21.1m spent on the Kiwa Pools
 - \$15.7m spent on Wastewater Treatment Plant
 - \$4.4m spent on the Waipaoa flood control project
- A total of \$19.8m was spent on reinstatement of our roading network, arising after a number of adverse weather events.
- We received \$2.7m from Provincial Growth Fund and Waka Kotahi for roading operational projects (including tree

removal to improve visibility). This grant was received after the adoption of the LTP.

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:

Reduced income/increased expenditure

At midnight 17 August 2021 Tairāwhiti (and the rest of New Zealand) was put into lockdown as a result of moving to Alert Level 4. On 31 August 2021 Tairāwhiti moved to Alert Level 3 until 7 September 2021. Tairāwhiti (and the rest of New Zealand) then moved to the Traffic Light Framework on 2 December 2021.

- During this time the Theatres and Library were either closed or operating with limitations.
- Parking wardens were not operating during Level 4 and Council continued to make parking free from 3pm - 5pm Monday to Friday, which was an initiative implemented after the first lockdown in 2020.
- Revenue has been estimated to be down by \$950k. The activities most impacted were parking fees (\$770k) and, to a lesser extent, Theatres (\$140k) and the Library (\$40k).
- The Olympic Pool was also affected by COVID-19 with operating limitations and staffing shortages.

There was additional expenditure incurred just over \$210k for implementing additional health measures and for security contracted to monitor vaccine passes at the Library, Theatres, Pool and main Council building.

Capital investment programme

COVID-19 has impacted the delivery of our capital projects in terms of:

- delay in construction, due to Level 3 and 4 where nil or minimum work could progress
- availability of people, due to illness
- shortages or delays in supply of material - including international shipping delays
- higher costs of materials due to higher demand

Notably, for the Wastewater Treatment Plant upgrade and Kiwa Pools, there were delays under Levels 3 and 4. The Drainwise project also had delays due to access on private property and had to either be postponed or restricted.

Projects that were not completed by 30 June 2022, will now be completed in 2022/23.

Financial relief and remedies

Council suppressed interest penalties on end of year overdue rates, resulting in around \$600k lower income than was provided within the LTP. Also, Council initiated rates payment plans and deferment of rates payments of up to six months.

More detailed information is included under Note 1B: The effects of COVID-19 on the Council within the "Our Finances" section of the report.

Long Term Plan

	BUDGET 2021/22 \$000s	ACTUAL 2021/22 \$000s	VARIANCE FAVOURABLE/ (ADVERSE) \$000s
Revenue from Rates	69,147	69,387	240
Grants and Subsidies - Operational	14,699	28,459	13,760
Grants, Donations, Subsidies and Contributions - Capital	61,396	49,009	(12,387)
Revenue from Operating Activities	15,655	13,946	(1,708)
Other Gains/(Losses)	(474)	2,473	2,947
Total Operating Income	160,422	163,275	2,853
Employee Benefit Expenses	26,570	26,221	349
Depreciation and Amortisation	23,733	23,226	507
Operating Activities Finance Costs	56,477	73,182	(16,705)
	3,813	2,050	1,763
Total Operating Expenditure	110,593	124,679	(14,086)
Net surplus/(deficit) before taxation	49,829	38,596	(11,232)
Subvention Income	600	200	(400)
Income Tax Expense (Benefit)	0	0	0
Net Surplus/(Deficit) after Tax	50,429	38,796	(11,632)
Gains/(Losses) on Property Revaluation	35,747	335,384	299,637
TOTAL COMPREHENSIVE REVENUE AND EXPENSES	86,176	374,180	288,004

Significant changes 2021/22

	\$000s
Higher gains from infrastructure assets valuations	299,637
Higher revenue from grants and subsidies	1,374
Higher revenue from rates	240
Higher gains from movement in fair value	2,947
Lower employee benefit expenditure	349
Lower finance costs	1,763
Total Positive Variances	306,309
Less	
Lower revenue from operating activities	(2,108)
Higher operating expenditure and depreciation costs	(16,198)
Total Negative Variances	(18,306)
TOTAL FACTORS CONTRIBUTION TO THE UNDERLYING VARIANCE	288,003

Asset Revaluation

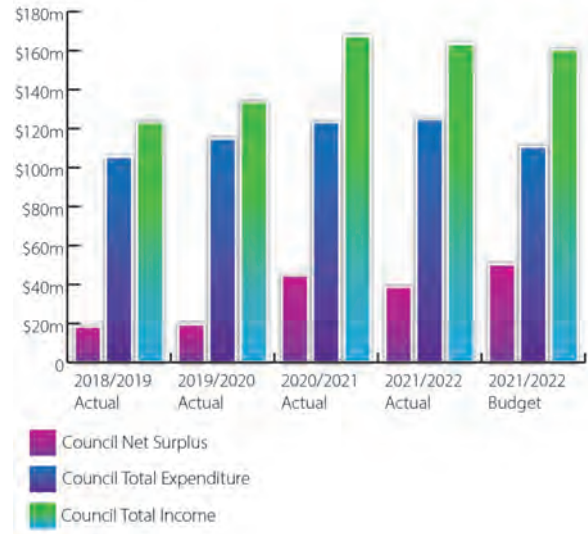
Full year gains relate to revaluations on property assets. All assets were revalued either as part of the triannual cycle (property and buildings, airport assets, four waters) or the annual cycle (roading). The majority of the \$336m revaluation relates to Roothing (51% or total of \$171m) and Property assets (35% or \$117m).

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 (e.g. Waka Kotahi share for replacing our roading assets).

Council's budget and actual net surplus for 2021/22 is shown below.

The net surplus for 2021/22 at \$38.8m, is above the 5 year average of \$30.3m. However, the overall net surplus is lower than last year, mainly due to the higher than expected costs arising from roading reinstatement emergency works (local share) that occurred in 2021/22.

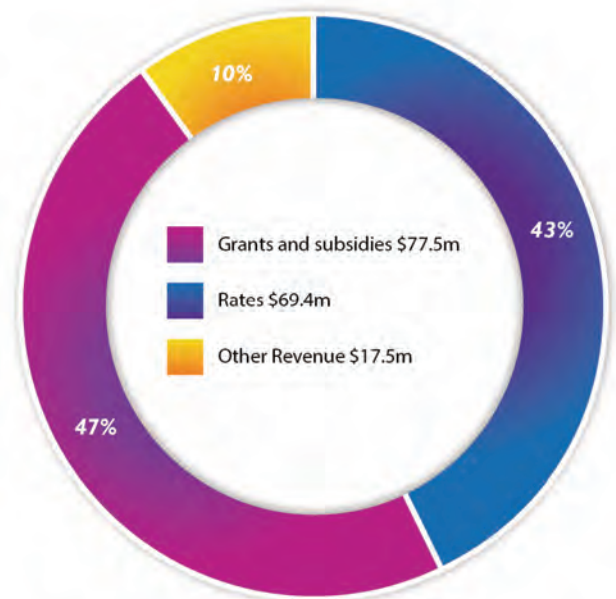
Total net surplus 2021/22



Council income

In 2021/22 the Council received income of \$163.3m compared to a budget of \$160.4m.

Council 2021/22 income \$163.3m



In 2021/22 rates income represents 43% of the total operating revenue. Grants and subsidies income accounts for 47% of total income.

The 2021–2031 LTP average rates income is 60% and grants income is 24%. By increasing the proportion of our revenue from external providers through grants and subsidies means that there is less reliance on rates. This years lower 43% rates proportion of income, means that external grants that were secured enables Council to do more, both in terms of capital investment and operationally.

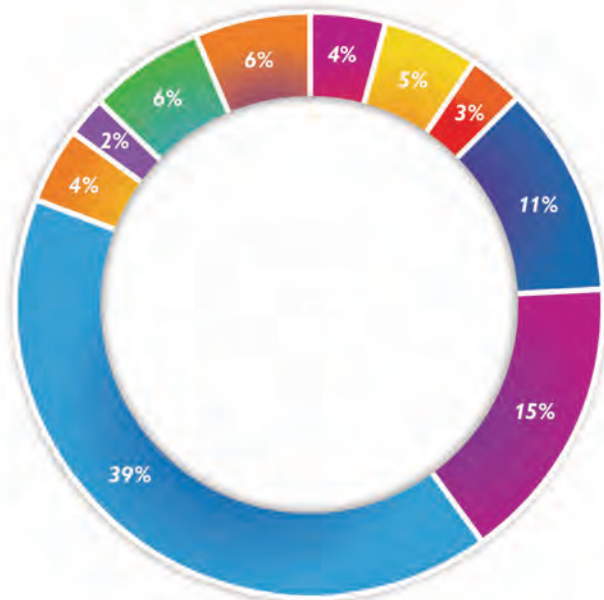
A key direction in Council's financial strategy is to increase income rather than rates.

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 below Roads and Footpaths, Solid Waste, Stormwater, Wastewater, and Water Supply made up 72% of total operating expenditure of the Council. The total cost of these services was \$90m.



- Environmental Services and Protection \$12.8m
- Land, Rivers and Coastal \$3.1m
- Liveable Communities \$19.2m
- Regional Leadership and Support \$13.1m
- Roads and Footpaths \$48.8m
- Solid Waste \$4.9m
- Stormwater \$3.0m
- Wastewater \$9.8m
- Water Supply \$7.4m
- Commercial Operations \$2.6m

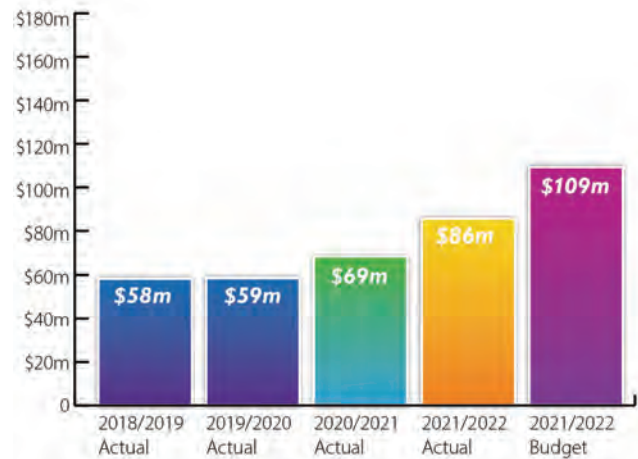
Council has over \$2.8b invested in assets. These are mainly used to provide essential services to our communities – roads, water, stormwater, wastewater, flood protection, parks, open spaces and community facilities. Council must ensure these assets are maintained and replaced if necessary, so that the services they provide can continue now and into the future.

The maintenance and depreciation on Council's assets are costly. In 2021/22 depreciation and amortisation charges totaled \$23.2m; this is 19% of our total costs. Repairs and maintenance costs - excluding roading emergency works reinstatement - were \$12.5m; this is 10% of our total costs.

Council debt

Council has debt of \$85.7m, \$23.3m lower than the LTP. Lower debt was driven by timing of capital projects and having more cash on hand due to grants being received in advance of the capital programme.

Forecast debt levels are expected to increase over the next few years as Council completes a number of major projects.



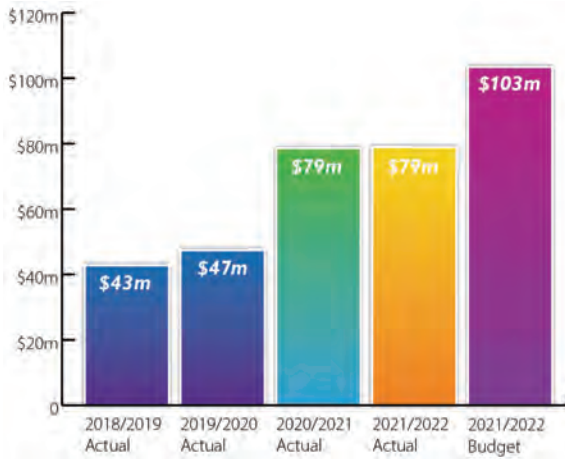
Council capital expenditure

Council's Five Year Financial Performance Summary

During the year we spent \$79m of capital investment on our existing and new assets against the LTP budget of \$103m

Key highlights included:

- \$21.7m of capital investment spent on our roading network
- \$21.1m spent on Kiwa Pools
- \$15.7m spent on Wastewater Treatment Plant
- \$4.4m spent on the Waipaoa flood control project



	2018	2019	2020	2021	2022
Public Debt (\$000)	43,880	58,280	58,600	68,600	85,700
Net Surplus/(Deficit)	5,131	18,280	19,464	44,621	38,796
Total Comprehensive Revenue and Expenses	78,291	78,814	156,377	118,097	374,180
Net debt as a % of equity <10%	2.16%	2.77%	2.59%	2.88%	3.11%
Net interest as a % of income <10%	2.09%	1.77%	1.47%	1.29%	1.30%
Total debt per capita <\$1700	\$1,005	\$1,335	\$1,342	\$1,365	\$1,664
Working Capital (excluding current portion of public debt)	(13,241)	1,093	(1,261)	(3,589)	(4,450)
TOTAL CAPITAL EXPENDITURE	\$30,555	\$42,830	\$47,427	\$78,603	\$79,010

Statement of comprehensive income

	Council			Group	
	Actual 2021/22	Budget 2021/22	Actual 2020/21	Actual 2021/22	Actual 2020/21
	\$000s	\$000s	\$000s	\$000s	\$000s
Revenue					
Rates (Including Metered Water Rates)	69,387	69,147	65,595	69,121	65,329
Grants & Subsidies	77,468	76,095	84,181	77,468	84,202
Development Contributions	914	1,587	960	914	960
Dividends & Interest	1,806	1,500	1,378	147	128
Other Revenue	11,227	12,568	12,225	21,120	23,727
Other Gains/(Losses)	2,473	(474)	3,164	3,752	3,673
Total Revenue	163,275	160,422	167,504	172,522	178,020
Expenses					
Employee Benefit Expenses	26,221	26,570	23,652	29,240	27,196
Depreciation and Amortisation	23,226	23,733	22,972	24,404	23,990
Expenditure on Operating Activities	73,182	56,477	74,938	76,631	77,364
Finance Costs	2,050	3,813	1,721	2,430	1,952
Total Expenditure	124,679	110,593	123,283	132,705	130,501
Net surplus/(Deficit) before Tax	38,596	49,829	44,221	39,817	47,519
Subvention Payment GHL	200	600	400	-	-
Income Tax Expense (Benefit)	-	-	-	1,294	1,107
Net Surplus/(Deficit) after Tax	38,796	50,429	44,621	38,523	46,412
Other Comprehensive Income					
Gains/(Loss) on Property Revaluations	335,384	35,747	73,475	390,796	73,475
Deferred Tax on Building Revaluations	-	-	-	(1,087)	-
Total Other Comprehensive Income	335,384	35,747	73,475	389,709	73,475
Total Comprehensive Income	374,180	86,176	118,097	428,232	119,887

Statement of financial position

	Council			Group	
	Actual 2021/22	Budget 2021/22	Actual 2020/21	Actual 2021/22	Actual 2020/21
	\$000s	\$000s	\$000s	\$000s	\$000s
Total Current Assets	39,711	33,487	37,370	42,393	37,425
Total Non-current Assets	2,849,348	2,535,290	2,458,582	2,997,331	2,547,003
Total Assets	2,889,060	2,568,777	2,495,951	3,039,724	2,584,427
Total Current Liabilities	59,661	39,973	48,060	74,483	49,930
Total Non-current Liabilities	75,025	113,335	67,698	91,403	88,893
Total Liabilities	134,685	153,308	115,759	165,886	138,823
Total Equity	2,754,374	2,415,469	2,380,194	2,873,836	2,445,603

Statement of changes in equity

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2021/22	2021/22	2020/21	2021/22	2020/21
	\$000s	\$000s	\$000s	\$000s	\$000s
Equity at the beginning of the year	2,380,194	2,329,293	2,262,097	2,445,604	2,325,716
Total Comprehensive Income	374,180	86,176	118,097	428,232	119,887
Transfer to Retained Earnings	-	-	-	-	-
Total Changes in Equity	374,180	86,176	118,097	428,232	119,887
Accumulated Funds and Retained Earnings	514,910	551,341	475,681	520,848	481,892
Special Funds and Reserves	52,250	33,481	52,192	52,250	52,191
Revaluation Reserves	2,187,214	1,830,647	1,852,321	2,300,738	1,911,520
Total Equity Closing Balances	2,754,374	2,415,469	2,380,194	2,873,836	2,445,603

Cashflow statement

	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2021/22	2021/22	2020/21	2021/22	2020/21
	\$000s	\$000s	\$000s	\$000s	\$000s
Net Cash from Operating Activities	50,901	73,728	69,445	50,546	72,098
Net Cash from Investing Activities	(79,779)	(102,894)	(69,838)	(75,978)	(72,022)
Net Cash from Financing Activities	17,100	29,166	10,000	16,103	9,531
Net Increase/(Decrease) in Cash	(11,777)	0	9,608	(9,328)	9,607
Cash at the beginning of the year	19,575	9,967	9,967	19,577	9,970
Cash at the end of the year	7,797	9,967	19,575	10,249	19,577

How do we compare?

	Gisborne	Gisborne	Nelson	Tasman	Marlborough
	2022	2021	2021	2021	2021
	\$000s	\$000s	\$000s	\$000s	\$000s
Total Operating Income	163,275	167,504	140,742	271,236	158,465
Income from Rates	69,387	65,595	68,989	77,862	72,585
Total Operating Expenditure	124,679	123,283	130,925	147,758	137,984
Total Liabilities	134,685	115,759	148,590	233,188	141,275
Total Assets	2,889,060	2,495,951	1,875,854	1,996,448	1,940,180
External Debt	85,700	68,600	105,750	186,062	107,200

Notes: This summary has been prepared in accordance with PBE Financial Reporting Standard 43: Summary Financial Statements. The disclosures included in this summary have been extracted from the full financial statements in the Annual Report and cannot be expected to provide as complete an understanding as the full report. The full Annual Report adopted by Council on 29 September 2022 has received an unqualified audit opinion. The full Annual Report is available free of charge from Council's web site (www.gdc.govt.nz). A copy of the full report is held at the Council offices, Te Puia Springs service centre and the HB Williams Memorial Library. The Council has complied with Tier 1 PBE Standards, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. These standards represent generally accepted accounting practice in New Zealand. They prescribe the way we must recognise and disclose all financial transactions in our financial accounts. A statement of compliance can be found in the full Annual Report on page 142. Gisborne District Council is a unitary authority governed by the Local Government Act 2002.

These summary financial statements of the Group are for the year ended 30 June 2022. The summary financial statements were authorised for issue by the Chief Executive on 29 September 2022. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).



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2022/23 Annual Report Summary
Content correct as of 29 September 2022