



Last Year's Report

**2020/21 Māhere-ā-Tau
Annual Report**

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

Adopted by Council on 30 September 2021



OUR VISION

Tairāwhiti maranga ake!
Etīmata 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.

15 Fitzherbert Street, Gisborne 4010, New Zealand

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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 2020 to 30 June 2021. 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 provide 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 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

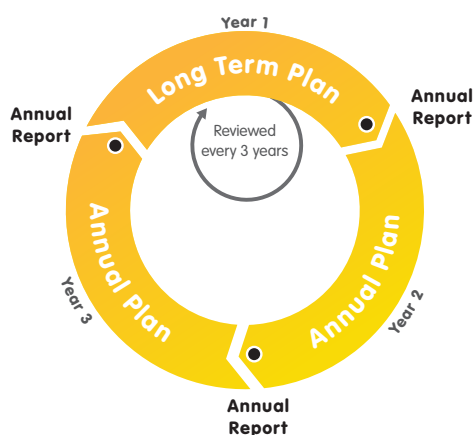
the LGA, the purpose of Local Government includes the promotion of the four aspects of community wellbeing; social, economic, environmental and cultural. This enables us to work together as a community to consider how the activities and services Council plans to undertake affect the wellbeing of our 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

We carry out independent resident satisfaction surveys to find out how satisfied residents are with our resources, facilities and services while always looking for improvement opportunities as part of our approach to continuous improvement. Council uses a mixed method approach to this data collection consisting of interviews of about 400 residents by telephone and online, four times throughout the year. The results help to give us an insight into the utilisation of facilities and services, the degree of customer satisfaction, and how the community thinks we're performing. This helps to ensure that we deliver what we said we would and that we improve performance in areas where it's required.

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.



INDEPENDENT AUDITOR'S REPORT

**TO THE READERS OF GISBORNE DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR
ENDED 30 JUNE 2021**

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

We are also required to report on:

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

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

We completed our work on 1 October 2021. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 139 to 186:
 - present fairly, in all material respects:
 - the District Council's and Group's financial position as at 30 June 2021;
 - 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 statements on pages 189 to 198, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the statement of service provision (referred to as "Our Activities") on pages 54 to 134:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2021, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and

- the statement about capital expenditure for each group of activities on pages 54 to 134, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's annual plan; and
- the funding impact statement for each group of activities on pages 189 to 198, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Annual plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 186 to 188, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

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

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 3, 8 to 53, 135 to 138 and 199 to 207, but does not include the audited information and the disclosure requirements.

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

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

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *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, debenture trustee reporting and audit of the District Council's consultation document and long term plan, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.



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

He Kupu Kōrero na te Koromatua me te Kaiwhakahaere Mayor and CE's Foreword



E ngā mana, e ngā reo o Te Tairāwhiti whānui tonu, tēnā koutou, tēnā tātau katoa. Anei hoki ngā mihi ki a tātau rokohanga ngā pēhitanga o te mate urutā e pikautia ana e tātau. Hāunga te whakatūpato, kia kaha, kia manawanui tonu tātau i roto i ngā mahi kei waenga i a tātau mō te iwi mō te hapori. Tihe mauri ora!

Tairāwhiti tēnā koutou

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

In the past year we've used all means possible to remain responsive and flexible to the needs of our communities, while still delivering a massive amount of work. We can all be very proud of how we've come together when our people needed it most.

It would be great to say that COVID-19 was behind us, but at the time of writing this forward, we're back in lockdown and once again in response mode to ensure our people are supported and protected.

The nature of the DELTA variant means COVID-19 will continue to play a significant part of what we do and how we do it. As we said during our Long Term Plan consultation earlier this year, our strategy is to continue to do what we said we were going to do, and to focus on doing the basics right.

Central Government funding has played a significant role in our recovery and operations in the past year, with over \$84.2m benefiting several projects across Councils

business. We've had a record year of capital investment, which means we've been able help those who lost their jobs due to COVID-19, upskill our workforce, support local businesses, invest in our community and address critical work.

One of the highlights of the year was the delivery of the Tairāwhiti Redeployment Programme (TRP) where there has been a total investment of \$23.6m. Alongside iwi and other government and community partners we were able to redeploy 236 local people into new jobs, and 977 training courses were completed. In a financial context, this programme supported wider economic benefits estimated to be \$66.8m in value.

We also delivered \$47m in our roading upgrades, more than ever before thanks to investment from the Provincial Growth Fund. With a focus on social procurement outcomes, we were able to support local businesses to scale up and take on the volume of work we needed to deliver.

In addition to punching well above our weight in delivering these programmes, we've been working hard to understand legislative change and reforms such as the Central Governments Three waters Reform Programme. Alongside our community, we're still working through the information provided by the Central Government to understand what impact the changes will have on our community.

The past year has seen huge progress for our journey to become a more meaningful and responsive Treaty partner. We've created an internal Māori responsiveness team, Māori wards became a reality and intentions have been set for governance to governance relationships between Council and iwi partners.

Once again our rural communities were affected by heavy winter rains. Our Tokomaru Bay whānau were hit hard. Our contractors and teams were quick and efficient in their response and support to these communities. We can be proud of this work.

We remain in a financially strong position, both in terms of debt and overall financial performance. We received a significant amount through grants for capital projects, more than we first had within the 2018–2028 LTP. This has enabled us to complete work on projects we otherwise wouldn't have been able to deliver such as more resilience works and repairs to our roading network. It allowed acceleration to our Waipaoa Flood Control Scheme and we could start the redevelopment of our pool.

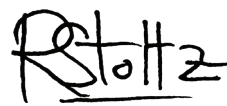
Council's debt position remains at \$68.6m, well within the 2018–2028 LTP limit. While it is \$25.4m lower than what we expected it to be, most of the lower debt was driven by changes to the timing of capital projects and having more cash-on-hand due to grants being received in advance of capital work being undertaken. The majority of the delayed projects are expected to be completed within 2021/22 as highlighted through our 2021–2031 LTP budgets.

Overall, a very productive year in the face of so many unprecedented challenges. We've built stronger relationships with our community and these will continue to grow, as together we look to meet the challenges ahead.

He rau ringa e oti ai

Success will come through the efforts of many.

Rehette and Nedine



Tō Tātou Tau
Our Year

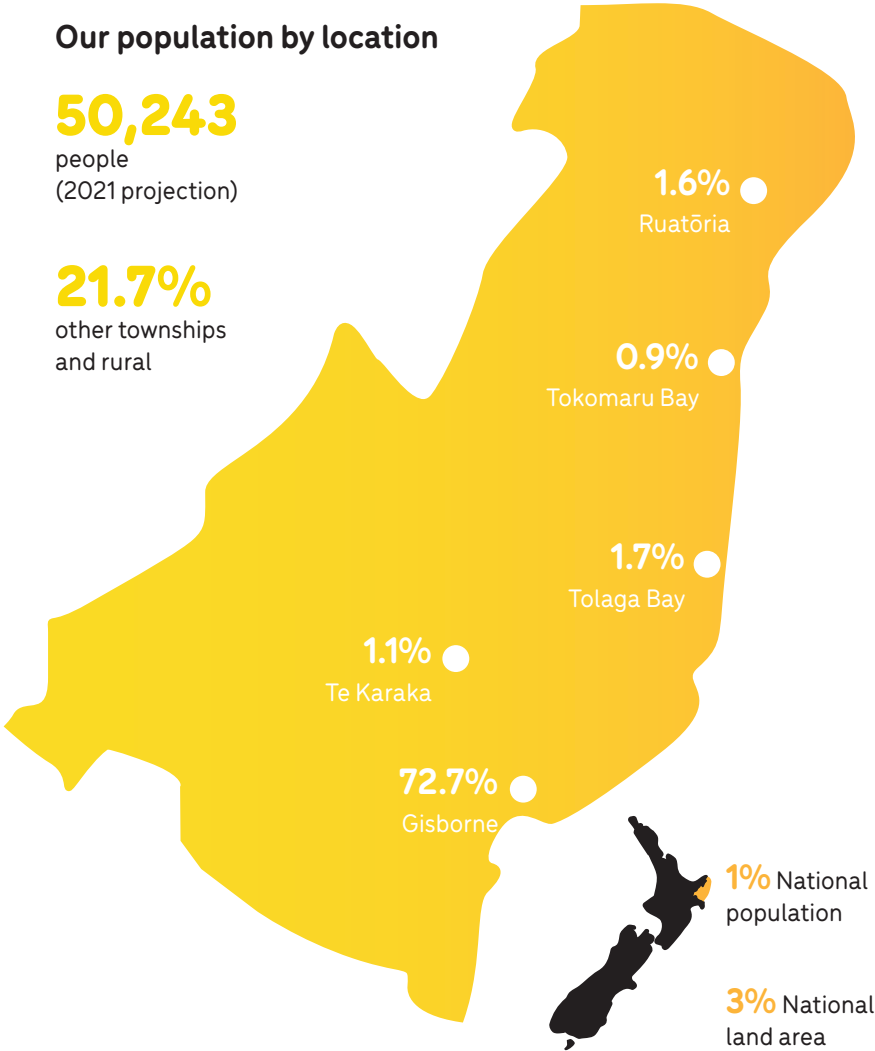
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Tō Tātou Rohe
Our District

Our population by location

50,243
people
(2021 projection)

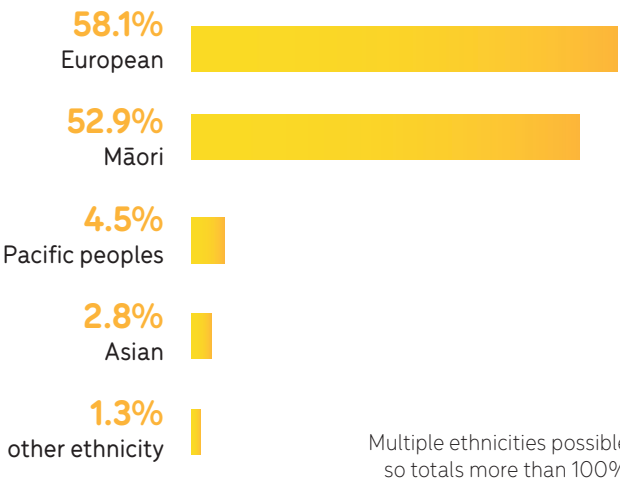
21.7%
other townships
and rural



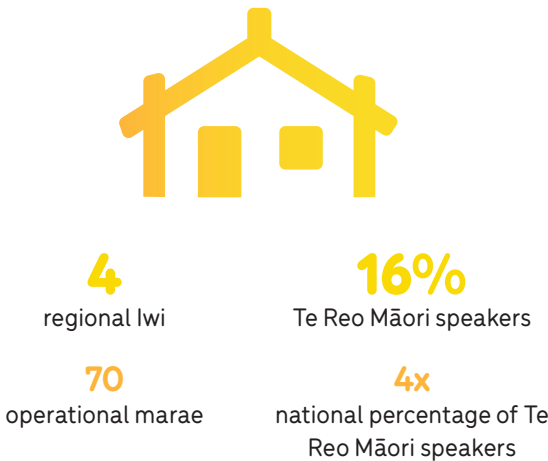
Our population age



Our ethnicity



Our Tangata Whenua



Gisborne Airport



196,500
passenger movements

33,800
take-offs and landings

Gisborne Port



129
Ships

2,890,730 tonnes
of cargo left our port

GDP



2.3b

\$45,531 per capita

0.7% National contribution

Our housing



\$826,000
National
median

\$630,000
Tairāwhiti
median

72.5%
house price rise

24%
less National
median
house price

Tairāwhiti is NZ's fastest rising house market

Our income



\$103,000
National median

\$83,000
Tairāwhiti median

19.5%
less than National
annual median income

Employment



68%
working-age employed

4.9%
unemployment rate

65%
living in decile 8-10

Council services



38,300m³
of water capacity
stored in
7
reservoirs



almost
1,900km
of roads of which almost
90%
are rural roads



11,376
registered dogs



43
playgrounds



76km
of stopbanks



236km
of footpaths



77
public
conveniences



30
sports parks

Source: Stats NZ - www.stats.govt.nz

Note: All information was accurate as of September 2021.

Ngā Mahi Matua
Our Major Projects



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DrainWise Implementation
Programme

We’re working with our community to prevent wastewater overflows onto private property and into our rivers during heavy rain.



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Pool Redevelopment

With the financial assistance from Central Government we’re building a pool that is fit-for-purpose for our community, now and for the future.



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Tairāwhiti Navigations

Weaves together significant cultural and historic sites through storytelling and design to showcase our region’s unique culture and heritage of first arrivals and great navigators.





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Walking and Cycling

Our networks support and encourage our community to get outside and enable our community to move around the city easily and safely.



Page 20

Wastewater Treatment Plant Upgrade

We're increasing the level of flood protection of the Waipaoa River to cater for a 100-year heavy rain event, accounting for climate change impacts.



Page 22

Waipaoa Flood Control Climate Change Resilience Project

We're providing Tairāwhiti with reliable and sustainable wastewater services to protect both the health of our people and our waterways.



DrainWise Implementation Programme

The DrainWise programme is about preventing wastewater overflows onto private property and into our rivers during heavy rain. To progress this, we are working with property owners to help fix problems with their wastewater and stormwater to ensure no stormwater is getting into the wastewater network. During the past year we've done the following to help reduce the overflows.

Councils wastewater network

- improved the wastewater network performance through more pipe cleaning and surveillance
- continued to replace Councils old leaking earthenware pipes (\$2.59m)
- continued to reduce the risk of overflows from our Sewer Pump Stations (\$186k).

Councils stormwater network

- completed a major stormwater upgrade in Rutene Rd (\$1.3m)
- completed the stormwater models for Whataupoko/ Mangapapa and Elgin/Central Business District CBD to identify future upgrades
- extended Councils pipes into private property to reduce flooding which causes stormwater to get into our wastewater network (\$512k).

Private property

- completed 1953 Rapid Inflow Assessments mainly on properties in Kaiti, and Whataupoko/CBD resulting in
 - 599 leaking gully traps repaired
 - 64 downpipes into gully traps of which 57 were removed and a permanent solution implemented

- identifying the need to start a repair/ replacement programme of private property sewer laterals.

Dollars and cents

The project is 100% Council funded. The 2018–2028 LTP has set aside \$20.8m for renewals over 10 years and \$6m to address stormwater issues on private properties through public network extensions. The project also includes \$400k per year for operational costs. The under expenditure in year 2020/21 was a direct result of savings on Rutene Rd and Stanford Cres stormwater upgrades totalling \$489k.

2018–2028 LTP budget (Year 3)	2020/21 AP budget	2020/21 YTD actual
\$4.22m	\$6.14m	\$5.49m



Pool Redevelopment

Gisborne's pool complex was first built in 1974. As expected for a facility of this age and location, over time there's been major maintenance issues to be addressed. With the changing demand for aquatic recreational facilities, the current facility was no longer fit-for-purpose.

This massive project comes after many years of planning. In 2017 a business case assessed the level of investment.

Consultation on preferred options followed as part of the 2018–2028 Long Term Plan. The process included completing the necessary technical due diligence for the internal and external areas of the redevelopment.

Geotechnical, structural, traffic, fire and civil engineering services were engaged, as well as facility design and landscape architectural services. The objective is to provide a full concept design package consistent with national construction industry and Council design guidelines. The full concept was presented to Council in August 2020.

Councillors approved a change in scope, and a new approach, to appoint a single contractor to design and build the new indoor pool complex. This new approach will reduce the risk to Council, and help ensure the project will be delivered on time and within budget.

Council, Ngāi Tāwhiri and Apollo Projects now form the co-design team. Building the new outside toilet and changing room facilities started in early 2021. A change in location for the new indoor pool was announced in March 2021. Relocating the indoor facility alleviates challenges associated with re-building over the top of an existing and aging network-critical sewer pipe. It respects mana whenua with regard to the cultural and spiritual issues associated with human waste.

Apollo Projects was announced as the design and build partner in May 2021 with a contract signed between Council and Apollo in July 2021. Following a mihi whakatau and blessing led by Ngāi Tāwhiri, construction on the main part of the new facility started on 2 August 2021.

The new name, Kiwa Pools, has been gifted to the complex by partners Ngāi Tāwhiri hapū.

The facilities will include a 50m x 20m multi-use pool with moveable floor (Kiwa Pools features three inside pools including the multi-purpose 50m pool with a moveable floor so more sports can be played. It includes a bulkhead so the pool can be divided in two), large pool deck that allows plenty of event seating, leisure and toddler's pool, learn-to-swim pool that doubles as a hydrotherapy pool with hoist, indoor change rooms, includes whānau change areas, birthday party room, café, secure storage for visitor's gear, good access for people with disabilities and administration offices.

Kiwa Pools will open to the public in March 2023.

Dollars and cents

Central Governments COVID-19 shovel-ready stimulus package of \$40m announced in 2020, was celebrated. Council has key date and budget commitments to the Crown Infrastructure Partners. Funding can't be re-purposed for other Council matters, as it is a Central Government investment.

2018–2028 LTP budget (Year 3)	2020/21 AP budget	2020/21 YTD actual
\$9.89m	\$4.92m	\$4.86m



Tairāwhiti Navigations

Navigate Tairāwhiti is delivered together with tangata whenua and partner organisations. It weaves together significant cultural and historic sites through storytelling and design to showcase our region’s unique culture and heritage of first arrivals and great navigators.

The programme consists of five projects:

- 1. Te Panuku/Tītirangi Summit redevelopment.
- 2. Puhi Kai Iti/Cook Landing Site (CLS) (re-scoping of the 1000-year Walkway Bridge, with the Cook Landing Site and Te Maro sculpture completed).
- 3. Tūpapa – historical interpretations (completed).
- 4. Inner Harbour redevelopment (completed).
- 5. Tītirangi maunga restoration (completed and business-as-usual now led by Ngāti Oneone).

Te Panuku/Tītirangi Summit

Council continues to work in partnership with Ngāti Oneone to progress a multi-purpose building, connecting people to the history and stories of our maunga and sky.

Planning for the Tītirangi summit redevelopment started in July 2017. The Ministry of Business, Innovation and Employment funded \$6.1m. As part of the economic response to COVID-19 Central Government reduced \$6.1m to \$1.06m.

Demolition and landscaping works were complete in time for the Tuia 250 commemorations in 2019. The \$1.06m enabled Council to draft design procurement documentation, concept themes and specify user requirements. Tender for architectural services was released and evaluated. Detailed design and resource consent are expected to be lodged by September 2021. Securing external funding will enable construction.

Puhi Kai Iti/Cook Landing Site

Started as an upgrade of the existing CLS and connects to the Te Maro sculpture, which represents a significant Ngāti Oneone tipuna.

Puhi Kai Iti/CLS upgrades and Te Maro were completed in time for the Tuia 250 commemorations. Minor enhancements at Puhi Kai Iti and the installation of a viewing deck at Ruatanuika are still to be completed.

The 1000-year walkway (connecting the site to Tītirangi) is the final component of the project to be completed.

Design, resource consents and community engagement for the bridge were completed in 2019. The 1000-year walkway bridge went out for tender with a preferred contractor in early 2020. The project halted when Central Government withdrew \$5.04m due COVID-19 impacts.

Council has secured an extra \$1.75m from the Lottery Significant Projects Fund. The 1000-year walkway bridge contract was signed in July 2021. Offsite fabrication will commence in the second quarter of this year, with site installation planned for June 2022.

Funding will be sought for artwork and a lighting scheme. Applications will be lodged in August 2021 for the Te Maro viewing platform project.

For more information on the completed Navigations projects, visit Councils [website](#).

Dollars and cents

	2018–2028 LTP budget (Year 3)	2020/21 AP budget	2020/21 YTD actual
Te Panuku	NIL	\$840k	\$205k
Puhi Kai Iti (Bridge)	NIL	NIL	\$15k





Walking and Cycling

Councils strategic objectives aim to improve walking and cycling opportunities for the whole community. Walking and cycling networks support and encourage our community to get outside and enable our people to move around the city easily and safely. This improves health, economic and social outcomes. The walking and cycling network consists of footpaths, shared paths, footbridges, bike lanes, mountain biking, boardwalks and cycleways.

We've continued to expand our urban walking and cycling network through Central Governments Urban Cycleways Programme (UCP). The programme is a joint venture between Council and Waka Kotahi NZ Transport Agency and aims to develop a dedicated walking and cycling network around and across Tairāwhiti.

We've completed the cycleway from Wainui through Kaiti, through the Inner Harbour area, over the Gladstone Road Bridge walkway to the Tūrangānuī River. The extension of this shared path, from Endcliffe Road to the intersection of Wainui and Crawford Roads, includes our first on-road separated cycleway to complete the UCP. This project came to an end on 30 June 2021 but was extended into 2022 due to a realignment to suit the needs of the community. The project is expected to be completed by the end of the year.

Further to ongoing maintenance and renewal programmes, other improvements to the walking and cycling network this year include: extensions to footpaths on Valley Road and by the Okitu Bridge underpass at Wainui. Surplus millings (gravel/bitumen) from PGF projects were disposed of by applying to the Taruheru Riverside track alongside Mitre10 and Matokitoki Valley Road to Cave Road track; Queens Drive one-way traffic to summit with a separate dedicated cycleway and walkway

lane; the Whataupoko Mountain Bike Park carpark entrance; Rua Street Mangapapa School crossing and progress on the Waipaoa Stopbanks.

Dollars and cents

2018–2028 LTP budget (Year 3)	2020/21 AP budget	2020/21 YTD actual
NIL	\$1.49m	\$1.07m

DUE 2028/29

Waipaoa Flood Control Climate Change Resilience Project

In 2020, Central Government declared a climate change emergency, recognising the need for us all to prepare for the impacts of a warming climate, with more erosion, flash floods and wildfires expected in our region. The aim of this project is to increase the level of flood protection of the Waipaoa River to cater for a 100-year heavy rain event, accounting for climate change impacts (sea level rise and larger rain events) out to 2090.

The scheme comprises 64km of stopbanks and is one of Councils most valuable assets, protecting approximately 10,000 hectares of fertile land on floodplains. The existing stopbanks are being raised and widened to provide protection from the effects of climate change.

Construction work to improve the scheme started in February 2019 and involves upgrading approximately 64km of stopbanks along the Waipaoa River by 2030/31. In 2020, Council was awarded \$7.5m of funding support by Kānoa – Regional Economic Development and Investment Unit (previously known as the Provincial Development Unit) to accelerate the project delivery phase. Since then, local contractors Earthwork Solutions have employed seven new staff members to enable the accelerated work. The team is quickly achieving project milestones and at the end of June 2021 had completed 9.1km of stopbank upgrades on the eastern side of the Waipaoa River near Matawhero. A total of 15.3km has been successfully upgraded since construction first started in February 2019, with about 49km of stopbanks left to be upgraded.

Stopbank Upgrade Location	Km	Date Completed
Between Caesar and Ferry Roads near Ormond, eastern side.	4.2	December 2019

Stopbank Upgrade Location	Km	Date Completed
Near Waipaoa River mouth approximately between the KiwiRail Bridge and Te Arai Stream/Waipaoa River confluence, eastern side.	2	February 2020
Between the Waipaoa Rivermouth and the Railway Bridge, eastern side.	2	November 2020
Between the Dunstan/Willows Road intersection and the Matawhero (SH2) Bridge, eastern side.	4.1	April 2021
Between the Matawhero (SH2) Bridge and Water Treatment Plant, eastern side.	3	May 2021
TOTAL	15.3	

A 3m wide x 8km length of gravel 'trail' was installed in May 2021 between the Matawhero Bridge and Centennial Marine Drive following the stopbank crest. A resource consent application has been lodged and is being processed to use this as a public cycleway.

As well as making the stopbanks higher, construction work is also being carried out to widen the stopbank profile from the current 1.5m top crest to a 4m wide top crest. Stopbank heights are being increased by about 1-2 metres in some places.

As part of the 2021–2031 Long Term Plan consultation process, Council received 186 submission points on protecting our region from floods, of which 61 per cent were in support of our preferred option to complete this



project – on both sides of the Waipaoa River – as planned by 2030/31.

Dollars and cents

- The total project cost estimate is \$32m-\$35m.
- In August 2020, Council was awarded \$7.5m of government funding to accelerate the delivery phase of the project until 2023, reducing the financial contribution that the community had to pay towards the project.

2018–2028 LTP budget (Year 3)	2020/21 AP budget	2020/21 YTD actual
\$1.21m	\$906m	\$3.33m

Important Next Steps

Contract 20-01: Waipaoa Stopbank Improvements.
Awarded to Earthwork Solutions Ltd

- Around 3km of stopbank construction work is required between the Council-owned Water Treatment Plant and Ferry Road to complete this contract. Works will restart in Sept/Oct 2021 to complete this area before Christmas 2021.

Contract 21-21: Waipaoa Stopbank Improvements (2yr contract). Awarded to Earthwork Solutions Ltd.

- A large 17km stopbank upgrade construction contract, with work spanning two construction seasons (approx 8.5km per year).
- The stopbank between Ford/Caesar Road up to Kaitaratahi Hill near Ngakoroa Road (5.1km), will be upgraded to complete all the eastern side stopbanks.

This will be a significant milestone in the Waipaoa stopbank project.

- Following completion of the eastern side, work will begin on the western side near Manutuke, starting at the ocean end first and working upstream (12km).

Contract 21-21: Wi Pere Trust Flood Mitigation Measures.
Tender closes 01 Sept 2021.

- Project scope includes construction of 900m of ring-banking around the primary farm building area, the raising of 640m of a deflection bund around a large irrigation reservoir, and the construction of a concrete-capped sheetpile weir to improve field drainage after a flood event.
- Wi Pere Trust is located on the western side of the Waipaoa River near Lavenham Road, across the river from Ormond township.

Contract 21-21: Mahunga Stream Floodgate Construction.
Being tendered September 2021.

- A large (8m high) concrete floodgate structure is planned to be constructed in the Mahunga Stream (Ormond Township).

Installation of special 'cycle trail' gates, signage, and associated infrastructure between the Matawhero (SH2) Bridge and Centennial Marine Drive following the stopbank crest. Work pending Resource Consent approval.

Planning, investigation and design is also continuing for future areas (primarily on the western side of the Waipaoa River).



Wastewater Treatment Plant Upgrade

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

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

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

Council made a decision in February 2019 to fast-track implementation of the WWTP upgrade and to move forward with the separation of mortuary waste work. In May 2020 another decision was made to progress with detailed designs based on the project estimates.

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

Wastewater Treatment Plant upgrade

- Finalised procurement of detailed design and strategy.
- Completed the detailed design based on Valued Engineering 2 (VE2).
- Procured five critical items of equipment required for the upgrade. \$6.5m Lamella Clarifier, UV Disinfection Unit, Sludge Screw Press, Tertiary filters and six large pumps.
- Have a preferred lead contractor for the construction of stage two, construction to commence late July 2022.
- All necessary consents relating to the construction work have been obtained.
- Purchase of additional land for stage two has been successfully completed.

Alternate Use and Disposal (AUD)

- Ongoing investigations of AUD and integration with a wetland.
- Application to the Endeavour fund to accelerate AUD options (unsuccessful).
- Mortuary Wastewater Management.
- Engaged with tangata whenua, local community and stakeholders in a comprehensive and meaningful manner as part of the Bylaw application process.
- Council adopted a Trade Waste Bylaw that excluded mortuary waste from the wastewater network.
- Design of a site and integrated treatment at the Taruheru Cemetery will progress in the next financial year.
- A technical review of managing biosolids has been completed.



Wastewater Network

- Improved network performance has been achieved by undertaking more jet-cleaning to reduce the risk of overflows.
- Renewal of our old cracked earthenware pipes is programmed every year and is ongoing.
- The resource consent for the wastewater overflows into city rivers was notified on 5 September 2020.
- Applied for a consent for the discharge of untreated human wastewater from the wastewater network in both wet weather and dry weather events. Hearing has been held.
- DrainWise programme has focused on repairing damaged gully traps, removing roof downpipes connected to wastewater pipes.
- Extending Councils stormwater into private property to alleviate property flooding from gully traps, leading to overflows.

2018–2028 LTP budget (Year 3)	2020/21 AP budget	2020/21 YTD actual
\$1.05m	\$11.95m	\$6.40m

Dollars and cents

- The budget is 100 per cent Council funded.
- Applications for external funding to advance Alternative Use and Disposal (AUD), and wetland construction, have been unsuccessful to date.
- Under-expenditure has occurred due to COVID-19 related supply chain issues and completion of final design required for contractor pricing.



Ngā hononga Tiriti

Treaty relationships and partnerships

A Joint Management Agreement (JMA) Forum

Comprising elected representatives from Council and Te Rūnanganui o Ngāti Porou (TRONPnui), and the Chief Executive of each organisation, was established in 2019. A joint approach for the development of the Waiapu Catchment Plan has been co-created and agreed, and both parties continue to progress towards development of a catchment plan for the Waiapu.

The JMA over the Waiapu catchment enables both parties to jointly carry out the functions and duties under Section 36B of the RMA, and other legislation relating to all land and water resources within or affecting the Waiapu catchment. It builds on the work of the existing Waiapu kōkā hūhū partnership between Council, TRONPnui and the Ministry for Primary Industries to restore the Waiapu catchment. Discussions over the past year revolved around mutual capacity building initiatives, project delivery, engagement and consultation with hapū and iwi, and considering a Waiapu approach to Te Mana o Te Wai.

Local Leadership Body (LLB)

An example of statutory obligations to local iwi as a result of Te Tiriti o Waitangi settlements is LLB, which is a forum for Tūranga iwi and Council to work together on significant issues. The purpose of the LLB is to:

- Contribute to sustainable management of the natural and physical resources in the LLB area for the use and enjoyment of present and future generations, while recognising and providing for the traditional relationship of Ngāi Tāmanuhiri, Rongowhakaata and Te Āitanga a Māhaki and affiliates with their ancestral lands, water, sites, wāhi tapu, and other taonga.
- Enable individuals and communities within the LLB area, as resources allow to:
 - provide for their social, economic, and cultural well-being
 - achieve improved outcomes in respect of the environment
 - ensure that the Council is appropriately informed of its statutory obligations within the LLB area, including obligations in respect of Te Tiriti o Waitangi arising under the LGA and the RMA and other relevant legislation.



Te Matapihi

While implementing our local and regional responsibilities, Council works on a large range of projects and initiatives that directly impact on the kaitiakitanga interests of mana whenua in Te Tairāwhiti. The Te Matapihi portal was launched in July 2021 across the organisation. Te Matapihi is a digital platform linked to Councils intranet which provides consistency across Councils efforts when working alongside iwi/hapū across the region. The platform brings visibility to all kaupapa alongside hapū and iwi which will ensure the cultural safety of both partners when progressing mutual aspirations. Te Matapihi will be constantly growing and developing as the capacity of Council as Treaty partners grows.

Streamlining Treaty Responsibilities – Department of Internal Affairs (DIA)

The purpose of this project is to investigate and develop practical solutions to enhance the relationship between mana whenua and local authorities whilst identifying ways in which Central Government can provide better support to the parties to achieve their ongoing Treaty responsibilities. A pilot approach will be taken, by which

DIA will work with Council to investigate the viability and benefit of providing support to mana whenua and local authorities to assist parties to enhance their relationship.

To date DIA have facilitated workshops with Council staff, directors, and councillors to get a good understanding of the context in our region. The next steps will include a summary of recommendations from insights gathered which will assist Council in understanding the entirety of our potential as meaningful Treaty partners and what actions are required moving forward.

Te Kahui Patu Kaikiri

On 13 August 2020 Council committed to an anti-racism journey. We've established our first ever anti-racism group, Te Kahui Patu Kaikiri, meaning the collective/group striking out racism. A racism manifesto was drafted which outlines the objective of working to end racial discrimination through Local Government in Tairāwhiti.



Ngā tauwhāinga me nga whakautu Our challenges and responses

Despite the national context of uncertainty, our region is growing and continues to be an attractive place to live and work.

Council has many critical infrastructure needs to deliver over the first three years of the 2021–2031 LTP. We'll also need to implement policy, climate change, growth, planning and environmental monitoring initiatives with more urgency than we anticipated in the 2018–2028 LTP. We need to recognise and provide for the increased expectations of tangata whenua and our communities for our management of natural taonga, including the impact of infrastructure on environmental and cultural values.

Now more than ever we recognise that our dollars need to go further, to deliver what is required of us alongside what is most needed by our communities. To ensure we have the building blocks for sustainable and future-fit growth in place we are prioritising expenditure on our critical infrastructure, forward planning for climate change, reviewing the Tairāwhiti Resource Management Plan, and planning for freshwater.

On the following page are the challenges we know we'll face over the next three years, and how we'll consider and respond to them when deciding on the work we need to do, what we should spend and when we'll deliver.

Changing legislative environment

Our challenge

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

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; recommendations on how to move towards a low emissions future; the development of a 30-year national Infrastructure Strategy; and 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 response

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

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 you to help us decide on the best response for the people of Tairāwhiti.

We have 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.

External funding constraints

Our challenge

The impact of COVID-19 on Central Government revenue has made it more difficult for councils across New Zealand to gain certainty about external funding sources.

For example, while the majority of our funding for roading maintenance across our network comes from Waka Kotahi (formerly NZTA) via the National Land Transport Fund, we expect to see a slight decrease in the amount of funding in the short term.

In May 2021, Waka Kotahi provided an interim indication (pending final confirmation in August 2021) that their support for roading network maintenance and renewals is expected to see a slight decrease in the amount of funding in the short term.

Our response

This likely shortfall from Waka Kotahi represents less than one per cent of the total funding amount for roading network maintenance and renewals. Therefore this minor reduction can be spread over the full delivery of the programme and there will only be a minimal impact on delivery and no additional drop in the level of service provided.

Although there's a lack of certainty around external funding, we'll take the opportunity to look for alternative sources of non-ratepayer funding for our projects, for example through grants/subsidies or by undertaking strategic partnering arrangements.

Climate change

Our challenge

Climate change is the most significant long-term issue facing our region. In 2020, Central Government declared a climate emergency, recognising the need for us all to prepare for the impacts of a warming climate, with more erosion, more 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 because of erosion to infrastructure such as roads and pipes
- 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.

Also following the recent Climate Change Commission Report, we expect to see new Central Government legislation that will place requirements on how Council responds locally to climate change.

Our response

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

- risk assessments and adaption planning to prepare for the regional impacts of climate change, in particular along our coastlines
- walking and cycling projects, including the taruheru river cycleway and walkway (subject to external funding)
- increased protection against floods through the Waipaoa flood control climate change resilience project

- Waingake Transformation Programme which will protect the city water supply and improve the region's biodiversity
- Tairāwhiti Resource Management Plan review to manage the use of our natural resources
- reduction of waste emissions through implementing the Waste Management and Minimisation Plan
- regional and Council mitigation plans to move to a low emissions, less pollutive way of life.

Te Tiriti

Our challenge

Our population is 53 per cent Māori, compared to 16.5 per cent nationally. Our responsibilities under Te Tiriti o Waitangi (Treaty of Waitangi), Local Government and Resource Management Acts form the basis of our partnership with Māori. Meeting the expectations set out in these documents means changing how we think about what we do and how we do it.

Our response

Our plan is to:

- work closely with mana whenua to make sure they have the support and tools they need to participate in decision making
- support mana whenua to access funding for key projects
- promote and work towards co-design models such as for Māori by Māori; and
- create and continue to support JMA and partnerships that deliver on Māori interests and aspirations.

Our relationship with water

Our challenge

The Central Government is proposing a major reform of Three waters services. This could see publicly-owned organisations taking over the management of drinking water, wastewater and stormwater services. We're also required to implement the National Policy Statement for Freshwater Management. This is a new approach to managing our water that involves the whole region and strong partnerships with tangata whenua in decisions about the wellbeing of our water, Te Mana o Te Wai.

Our response

The Central Government is expected to decide on its approach to the Three waters Reform later in 2021. While we don't yet know the final shape of the reform, Council will continue to work with Central Government to explore future options for the delivery of Three waters services in Tairāwhiti. Any decisions made would only come into

effect in 2023/24. Either way, our community will continue to have their three water services delivered. We'll work with you to help us decide on the best approach for our district.

To implement the updated direction on freshwater management we are planning to review and update our Regional Freshwater Plan provisions as well as prepare six catchment plans and review the current Waipaoa Catchment Plan.

COVID-19

Our challenge

Planning for a resurgence of COVID-19 is now part of everyday life. While Gisborne has been reasonably insulated against the resulting economic impacts of COVID-19, further disruption is anticipated in the coming years.

Our response

We've developed our own COVID-19 response and recovery plan with our community partners. We've also supported the Central Governments plans for COVID-19 so that we're ready for another community outbreak or lockdown. These plans guide us:

- COVID-19 Rau Tipu Rau Ora / Pandemic Response and Recovery Plan - our region's [Response and Recovery Plan](#)
- National Resurgence Response Plan
- Ministry of Health COVID-19 Resurgence Plan
- our Regional Resurgence Plan.

Council continues to provide essential services to our region including kerbside rubbish and recycling collections, animal control, road and safety repairs and bus services (excluding rest homes and schools) to ensure essential workers can get to work, and those who use public transport to get to the supermarket

Our infrastructure

Our challenge

One of the main reasons we agreed to the five per cent increase in our last LTP was to take better care of our roads and water. We had three main goals:

- improve the quality of our roads
- start flood protection works on the Waipaoa river stopbanks; and
- provide for the uv disinfection phase of our wastewater treatment plant.

We received over \$84m of Central Government funding to support our region's roading goals. The Tairāwhiti

Redeployment Programme further supported progressing this work last year.

Council has many critical infrastructure needs to deliver over the first three years of the 2021–2031 LTP.

Also our population is growing faster than predicted and we need to deliver infrastructure earlier than we had planned in 2018 and develop further options to provide for growth in the medium and long term.

Our response

Over the next ten years we propose to continue a steady level of investment to ensure that we deliver what we need to. This includes:

- maintaining our roading network and preparing for climate change
- working to reduce crashes through a road safety education programme and speed management plan
- providing new infrastructure and upgrading existing infrastructure to support housing development across the city

- starting construction of the UV disinfection plant of our wastewater treatment (phase two) and remove mortuary waste
- starting work on our wetlands wastewater treatment (phase three)
- replacing ageing pipes earlier
- investing more in water demand initiatives from 2025 onwards, in response to climate change, growing population and increasing demand from users
- upgrading the pool complex
- improving management of historic landfills including the Waiapu landfill
- undertaking planning to inform infrastructure decisions, such as whether and where the wastewater and water supply network should be extended.



Ngā Mahi Whakahirahira o te Rohe

Our District highlights

Detailed information on Our District highlights is within Our Activities section, page numbers have been provided below. For more information on Our Community's Wellbeings please see page 48.



July 2020

COVID-19 SHOVEL- READY STIMULUS PACKAGE

The Prime Minister announced the Olympic Pool redevelopment would be funded by \$40m from the COVID-19 shovel-ready stimulus package.

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August 2020

RERE PLANTING DAY SUCCESS

More than 500 native plants were planted around Rere Rockslide, enhancing the biodiversity of the Wharekopae catchment.

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August 2020

RESTORING HABITAT FOR NATIVE FISH

This planting day has helped restore the native habitat at Pakowhai Stream, has protected the environment and improved the spawning habitat for inanga and other native fish.

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August 2020

TE KAHUI PATU KAIKIRI

Council committed to an anti-racism journey. We've established our first ever anti-racism group, Te Kahui Patu Kaikiri, meaning the collective/group striking out racism.

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August 2020

A GLOBAL ENVIRONMENTAL INVESTMENT FROM ONE TREE PLANTED

One Tree Planted, a global reforestation non-profit, has announced a substantial grant to Councils Waingake Transformation Programme native revegetation initiative.

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September 2020

LOCAL ROADS INFRASTRUCTURE

The provision of local infrastructure is an important way we support community wellbeing and enable economic growth. Central Government investment of over \$84m in the last three years, which means we've been able to lift the overall state of our roads.

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September 2020

TE WHEROWHERO LAGOON

Te Wherowhero Lagoons Redeployment Programme's kaitiaki project had 14 cadets starting work through the redeployment programme.

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October 2020

WHAIA TĪTIRANGI

The British High Commissioner visited the Whaia Tītirangi Redeployment Programme to see the restoration work.

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October 2020

TAIRĀWHITI ECONOMIC SUPPORT PACKAGE

Roading throughout Tairāwhiti was supported by the Tairāwhiti Economic Support Package Redeployment Programme and provided hundreds of people with jobs and career development.

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December 2020

MAKE THE CALL

We worked with our road safety partners to spread the message to call someone to drive you home after drinking.

Page 100



December 2020

THE GISBORNE BOTANICAL GARDENS

The Gisborne Botanical Gardens are among 24 green spaces in New Zealand to receive an internal mark of quality and was awarded the prestigious international Green Flag Award.

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November 2020

MĀORI WARDS AND REPRESENTATION REVIEW

A historic unanimous decision to establish Māori wards for the next two local body elections in 2022 and 2025 was made at Councils Extraordinary Meeting. This triggered the requirement for a representation review.

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December 2020

WHAIA TĪTIRANGI

Traps built by local Tamariki alongside Whaia Tītirangi to be set on our Maunga.

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March 2021

PAY-BY-PLATE PARKING PAYMENT SYSTEM

Installed new pay-by-plate parking meters in the CBD. The paperless parking payment system works using the vehicle's license metering system instead of a ticketed receipt.

Page 70

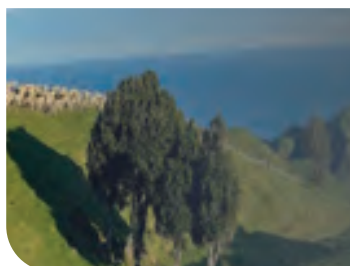


March 2021

ROAD SAFETY

Our road safety team worked with our tamariki on ways to keep safe on their way to school.

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April 2021

FARM ENVIRONMENTAL PLANS

One-on-one appointments were offered to farmers drawing up environmental plans. Plans are required under the Tairāwhiti Resource Management Plan for growers and farmers to carry out specific activities.

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April 2021

WOOD DELIVERIES DISTRIBUTED ACROSS THE ROHE

Hazardous trees were removed from roadsides and the firewood distributed to those in need throughout the East Coast.

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April 2021

PLAYGROUND OPENED THANKS TO TOWNSHIP UPGRADES

Wharekahika Playground is part of our programme of township upgrades, which are collaborative efforts between the community, staff, and our contractors.

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June 2021

EAST COAST FLOODING

Tairāwhiti Civil Defence provided welfare support for whānau affected by flooding in Tokomaru Bay and the wider East Coast area. Council staff and other welfare agencies are working with households where the flood damage has forced residents into temporary or longer-term accommodation.

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June 2021

2021–2031 LONG TERM PLAN



Council adopted its 2021–2031 Long Term Plan – Our Tairāwhiti – in June 2020, which sets out a roadmap of regional projects and investments for the next decade. This follows significant planning, community engagement and consultation over the last 18 months.



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Ongoing

WORKING WITH MANA WHENUA



Our population is 53 per cent Māori, compared to 16 per cent for the rest of Aotearoa. Our responsibilities under Te Tiriti o Waitangi (Treaty of Waitangi), Local Government and Resource Management Acts form the basis of our partnership with Māori.

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June 2021

TAIRĀWHITI REDEPLOYMENT SUCCESS



Following the first economic effects of the COVID-19 lockdown last year, Tairāwhiti was the first region to get a government-funded recovery package. A year on, those involved look back at the success of the \$23.755m Tairāwhiti Economic Support Package Redeployment Programme.

Page 100



June 2021

LIDAR PROJECT

Council received funding from the Ministry for Primary Industries (MPI) Erosion Control Funding Programme and Toitu Te Whenua Land Information New Zealand (LINZ) to develop a high accuracy regional elevation model of the entire district using airborne LiDAR surveying.

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Ongoing

WAINGAKE TRANSFORMATION PROGRAMME



In partnership with mana whenua, Maraetaha Incorporated and Ngāi Tāmanuhiri, we are working towards returning the 1,100 hectares of pine plantation back to indigenous forest. Our goal is to regenerate the environmental heritage of our home, while also ensuring the protection and resilience of Tairāwhiti's water.



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Te Āhua a Ngā Mahi

Our Performance

How did Council do this year?

Council uses several methods to measure and monitor the quality and effectiveness of the services we provide. They help us to ensure we are delivering what we said we would and that we improve our performance where it's required. The 118 measures and targets reported across our activities are from year three of the 2018–2028 Long Term Plan (LTP). Each activity has performance measures with targets that we aim to achieve.

This year we have focused on maintaining Levels of Service where possible for the community whilst supporting and responding to the challenges and opportunities.

Achieving our Performance Targets

The graph below shows how well Council met the performance targets we set for ourselves for 2020/21. Compared to the previous year (2019/20), the percentage of performance targets achieved has remained stable at 64%. There were six Performance Measures, or a total of 5% that were not measured. This was due mostly to the measure either being a new measure requiring a baseline to compare against, or that the measure was over a longer time frame such as a five year period.

These have been reviewed for the 2021–2031 Long Term Plan.

Refer to "Our Activities" for the full details of all the performance measures, targets and results.

Mandatory Measures

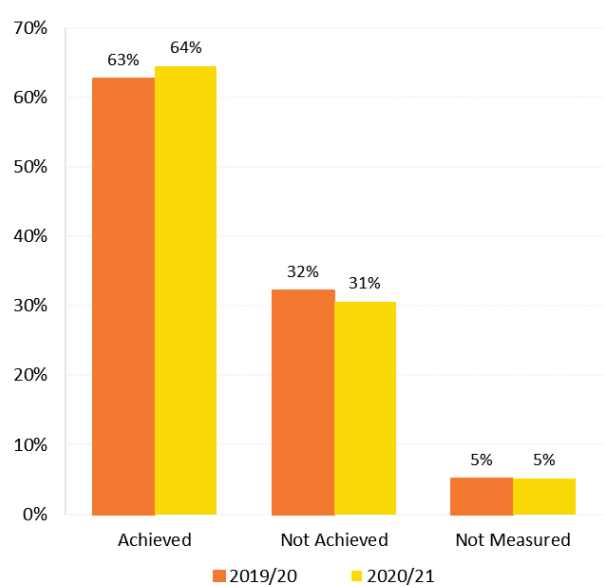
We have 19 mandatory measures that are set by government. They target our Three waters (Stormwater, Wastewater, Water Supply) Flood Protection, and the provision of footpaths and local roads.

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 16 out of the 19 (84%). The three exceptions related to roading fatalities and serious injuries and drinking water protozoal compliance. Sadly, we reported four fatalities and 20 serious injuries this year on our local road network (of the 20 serious injuries, 26% were speed related and 56% were alcohol related). RfS response times for roads and footpaths were well below target. Work is underway to improve the response times this financial year. The protozoal non-compliance related to the Te Karaka and Whatatutu community plants but did not compromise the safety of their drinking water supply.

The following table highlights some of the successes as well as the challenges we faced during the year.

Achieving our performance targets



Performance highlights



Resource Consent Best Practice Decision Making Assessment

The Consenting Team was awarded a 98% rating when independently assessed. This marks a significant improvement since 2015.



Quality of Advice to our Council and Committees - NZIER Review 2021

Council scored 7.46 out of a possible 10 this year (up from 7.23 in 2019/20). This put us up amongst the best this year.



Kerbside Rubbish Collection

An 87% satisfaction rating (an increase of 10% when compared to 2019/20 77%).



Pedestrians and Cyclist safety

A significant improvement on last year's results. We recorded Zero fatalities or serious injuries to cyclists and pedestrians on our local roads.



Our Parks and Playgrounds

The Green Flag award was awarded to the Botanical Gardens for the second year running. Our outdoor spaces continue to receive high satisfaction ratings through the resident satisfaction survey.

Areas for improvement



Road Safety

Sadly this year reported an increase in both fatalities and serious injury on our local roads. (4 fatalities and 20 serious injuries).



Illegal Dumping

Total waste increased by 41.71 tonnes this year equating to 3.5 tonnes per month on average. Illegal dumping within the region has been on the rise since 2018/19). Staff continue to work on communicating the impacts as well as working with the police and contractor to implement more technological responses, such as cameras.



Value for Money

Satisfaction with how rates is spent has decreased from 39% last year, to 36%. We acknowledge the community's feedback that there's concern about the ability to pay rates and the way rates are allocated in our region.



Public Conveniences

We have seen a decrease in satisfaction of our public conveniences 38% (when compared to last year 42%).

COVID-19 Response and Recovery Impacts on Our Year

At the beginning of this financial year we had not long emerged from our first period of time in Alert Levels 2, 3 and 4 (21 March to 8 June). There was uncertainty as to how businesses in our community would recover from an extended period of closure and reduced activity, as well as what their future would be. Council reacted quickly to revise our 2020/21 Annual Plan and ensured there were financial remedies in place to help our community who were in a difficult financial position as a result of Alert Levels 2, 3 and 4. Council also successfully applied for Central Government grants and funding for projects to support our community's economic recovery and provide jobs to affected workers.

Tairāwhiti has been reasonably insulated against the resulting spread of the COVID-19 outbreaks – our community is prepared to respond, and plans are in place to support where required. In the reporting period (1 July 2020 to 30 June 2021) Tairāwhiti moved from Alert Level 1 to Alert Level 2 on three separate occasions.

Planning for a resurgence of COVID-19 is now part of everyday life. Alongside our regional partners, whenever a change to an Alert Level happens Council needs to plan and prepare for future changes in Alert Levels as well as any impacts of increased Alert Levels on our community. Our connection with regional leaders through Rau Tipu Rau Ora helps ensure essential services delivered by Council can continue to run safely for our community.

Changes to our services during Alert Levels

Council had to quickly adapt to working offsite last year and we have continued to work on improving our capacity and capability to operate as many services as is safely possible at increased Alert Levels. For our staff in services that can't operate at increased Alert Levels we redeploy them into other areas of our business or as part of our Civil Defence response.

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.

For 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 2020/21 Annual Report results

The main focus this year was on recovery but whenever Alert Levels change, or could change, this does require Council to focus on responding alongside our recovery work with our regional partners.

The impacts of responding to and recovering from COVID-19 since March 2020 can be seen in this year's Annual Report:

- our rates were set at 3.26 per cent as opposed to our forecast increase of 4.89 per cent
- suppression of penalty interest on rates and allowance for additional rates remissions to assist those who couldn't pay, which reduced our income by \$550k
- reduction in parking fees, which reduced our income by \$240k
- we received more income than we planned (\$21.3m) mostly due to increased funding from Central Government including:
 - Central Government funding of \$23.6m was received to create and support employment programmes to get our people back into work
 - Central Government funding of \$47.5m was received for the Pool Redevelopment and the Waipaoa river flood protection scheme
- carried over \$12.9m to complete unfinished works from 2019/20 (primarily due to disruption from COVID-19 in the last quarter of that year)
- we spent \$78.6m on our capital programme, 66% more than last year (\$47.4m) providing work for a number of businesses and people while delivering critical infrastructure projects – this was partly due to the extra external funding that was received after our Annual Plan was adopted.

Looking to the future

While preparing this report we went into Alert Level 4 on 17 August 2021. This will mean we need to continue to be proactive in the way we work and deliver our services for our community. This may mean we cannot deliver all the work we had planned for this upcoming year impacting on our performance in the next Annual Report – only time will tell.



Ngā Āhuatanga Pūtea Finances at a glance

This section provides an overview of Councils financial results for 2020/21. 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 Councils Statement of Involvement in Council Controlled Trading Organisation (CCTOs) and other companies is also included in the "Our Finances" section.

The Council reports comply with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Tier 1 PBE Standards and other applicable Financial Reporting Standards, as appropriate for public benefit entities. These requirements prescribe the way we recognise and disclose all financial transactions in our financial accounts.

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

Financial Prudence Benchmarks are shown in Note 37: Disclosure Statement under the "Our Finances" section of the report. They graph Councils 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 \$2.4b, 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 \$68.6m, lower than what was expected to be in the Annual Plan at \$94m. 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.

Wastewater Treatment Plant Disinfection major project was expected to have completed \$12m of capital works in 2020/21 however only \$6.4m was delivered. Increased construction and rising material costs due to COVID-19 meant changes to the design and scope in order to remain on budget. This has delayed the project.

The majority of projects that had timing differences to the Annual Plan 2020/21 are expected to be completed within 2021/22, and within 2021–2031 LTP timelines.

Financial performance

Council performed well financially over the past year.

Our Annual Report 2020/21 is about not only our Long Term Plan programme but it is also Councils recovery response to COVID-19. Significant grant funds enable more capital investment than ever before in Councils history, we also facilitated a \$22.4m economic stimulus redeployment package for our region. Both have a significant part to play in kick starting the economy after the Level 3 and 4 lockdowns.

We recorded a \$44.2m net surplus after taxation, against a \$42m Annual Plan budget.

While this represents a \$2.5m net surplus more than we expected, after adjusting for a gain of \$2.5m for an accounting recognition for the Fair Value movements in interest rate swaps, **Council finished the year on par with budget.**

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

Total revenue was \$167.5m, \$21.5m more than what was in the Annual Plan. This was due to receiving significant external funds for our Tairāwhiti Redeployment Programme (TRP) \$22.4m. These grant funds were provided from Ministry of Business and Innovation (MBIE) to upskill and redeploy workers affected by COVID-19 Level 4 and 3. The funding came after the adoption of the Annual Plan.

Total expenditure was \$123.3m, more than what was in the Annual Plan budget of \$104m. This was mostly due to the 100% externally funded costs received from MBIE for TRP. A total of \$22.4m of funds were injected into redeployment of workers, which enabled projects to be completed on our roads (\$21m) and the remainder of funds upon the Kaitiaki o te whenua project.

Highlights include:

- A total capital investment programme of \$78.6M – 66% more than was delivered last year. The highest ever that Council has delivered. Including:
 - \$47m of capital investment spent on our roading network, 47% more than was delivered last year
 - \$3.4m spent on the Waipaoa flood control project, where \$2.4m was fast tracked due to external funding from MBIE
- A total of \$9m was spent on roading emergency works, made up of \$4.5m for the June 2018 flood event and another \$4.5m on other adverse weather events.

Significant roading repairs to the roads damaged, after the June 2018 flood, are included in the overall operating expenditure costs. Estimated costs to reinstate the roads after these events were assessed between \$24m and \$26m. The roads were to be repaired over a three-year period, with 100% funding coming from Waka Kotahi/ New Zealand Transport Agency and the Provincial Growth Fund. 2020/21 is the third of the reinstatement programme where \$4.5m was spent. Another \$1.7m of reinstatement work, mostly on bridges, was expected to have been completed in 2020/21, but further adverse weather events and high water levels meant that the work will now be carried forward and completed in 2020/21.

Other variances from the Annual Plan, both favourable and unfavourable, arose during the year. More detailed analysis of all Councils 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

The parking activity income was around \$240k lower than normal due to lower parking. As a result of COVID-19 impacts to retail business within the Central Business District (CBD), Council decided to reduce parking meter fees from \$2 to \$1 per hour. Parking was also made free from 3pm to 5pm Monday to Friday. This initiative ran from 1 July 2020 until 27 May 2021.

Capital investment programme

Some of the capital projects that were relying on materials from overseas were delayed and in some cases meant that the project completion will now occur in 2021/22.

Financial Relief and Remedies

Council approved a number financial initiatives in response to COVID-19. This included a provision of \$1m from reserves to be set aside for remissions of rates, for

those ratepayers suffering from financial hardship as a result of COVID-19. Council suppressed interest penalties on end of year overdue rates, resulting in around \$550k 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.

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

Significant changes in Statement of Comprehensive Revenue and Expenditure compared to the 2020/21

	Budget 2020/21 \$000s	Actual 2020/21 \$000s	Variance favourable / (Adverse) \$000s
Revenue from Rates	64,792	65,595	803
Grants and Subsidies - Operational	15,953	36,670	20,717
Grants, Donations, Subsidies and Contributions - Capital	50,410	47,511	(2,899)
Revenue from Operating Activities	14,729	14,564	(165)
Other Gains / (Losses)	50	3,164	3,114
Total Operating income	145,934	167,504	21,571
Employee Benefit Expenses	24,786	23,652	1,134
Depreciation and Amortisation	22,782	22,972	(190)
Operating Activities	52,080	74,938	(22,858)
Finance Costs	4,213	1,721	2,493
Total Operating Expenditure	103,861	123,283	(19,422)
Net surplus/ (deficit) before taxation	42,072	44,221	2,149
Subvention Income	0	400	400
Income Tax Expense (Benefit)	0	0	0
Net Surplus/ (Deficit) After Tax	42,072	44,621	2,549
Gains/ (Losses) on Property Revaluation	15,882	73,475	57,593
Total Comprehensive Revenue and Expenses	57,954	118,097	60,142

Annual Plan Budget

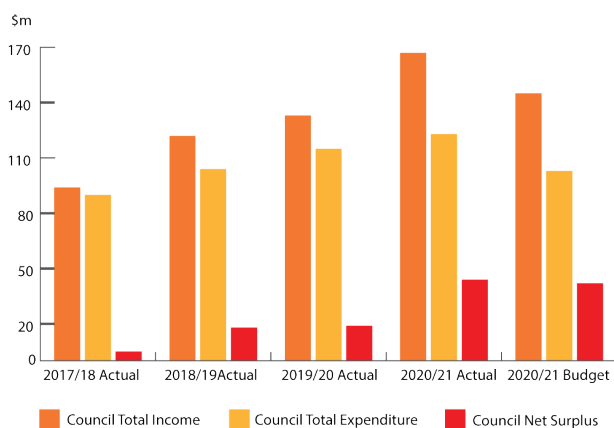
	\$000s
Higher gains from infrastructure assets valuations	57,593
Higher revenue from grants and subsidies	17,818
Higher revenue from operating activities	235
Higher revenue from rates	803
Higher gains from movement in fair value	3,114
Lower employee benefit expenditure	1,134
Lower finance costs	2,493
Total Positive Variances	83,190
Less	
Higher operating expenditure and depreciation costs	(23,048)
Total Negative Variances	(23,048)
Total Factors Contribution to the Underlying Variance	60,142

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's capital project funding being received as grants/subsidies.

Councils budget and actual net surplus for 2018–2021 is shown below.

The net surplus for 2020/21 has increased by \$25.3m from the last year. The increase is mostly a result of additional grant income from the TRP.

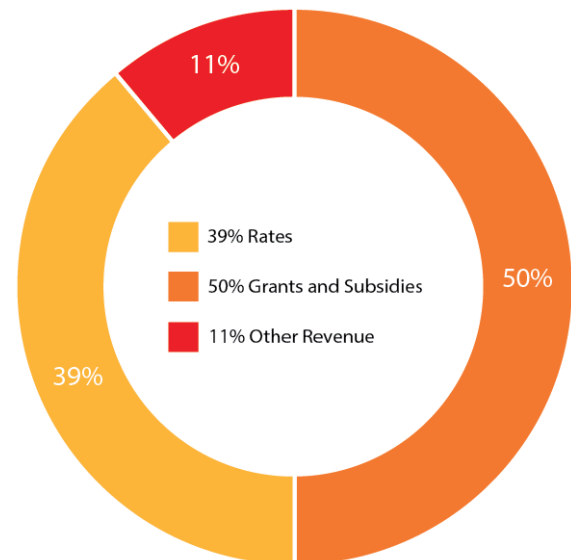
Total Net Surplus 2018-2021



Council income

In 2020/21 the Council received income of \$167.5m compared to a budget of \$145.9m.

Council 2020/21 income \$167.5m



Council rates income represents 39% of the total operating revenue. This is a reduction of 8% compared to 2019/20 financial year. Grants and subsidies income accounts for 50% of total income and this is an 8% increase compared to last year. These are a significant change to Councils sources of income compared to what we had in the past. It means the external grants and funds that have been secured enable Council to do more, both in terms of capital investment and operationally.

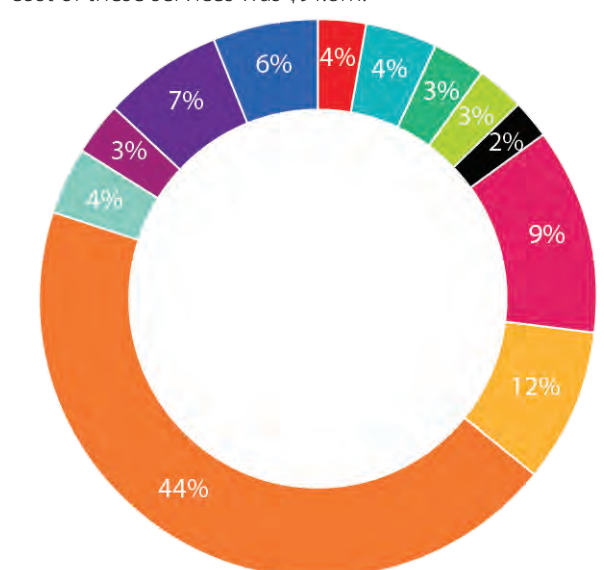
A key direction in Councils financial strategy is to increase income other than rates. In pursuing this key direction Council has reviewed the ownership structures of Councils investments and commercial operations and is looking at various options to achieve the above.

Council expenditure

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

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

As shown by the pie graph on below Journeys, Four Waters, Solid Waste and Regulatory Services made up 74% of total operating expenditure of the Council. The total cost of these services was \$91.8m.



Water Supply \$7.1m

Wastewater \$8.7m

Stormwater \$3.1m

Solid Waste \$4.4m

Journeys \$54.3m

Regulatory Services \$11m

(Includes Animal Control, Building Services, Environmental Health and Resource Consents)

Recreation and Leisure Facilities \$15.3m

(Includes Arts and Culture, Libraries, Pool and Parks and Open Spaces)

Other Services \$3.0m

(Includes Community housing, Commercial Operations and Civil Defence)

Governance and Support Services \$3.7m

Land, Rivers and Coastal \$3.2m

Science \$5.3m

Planning and development - \$4.0m

Council has over \$2.4b 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.

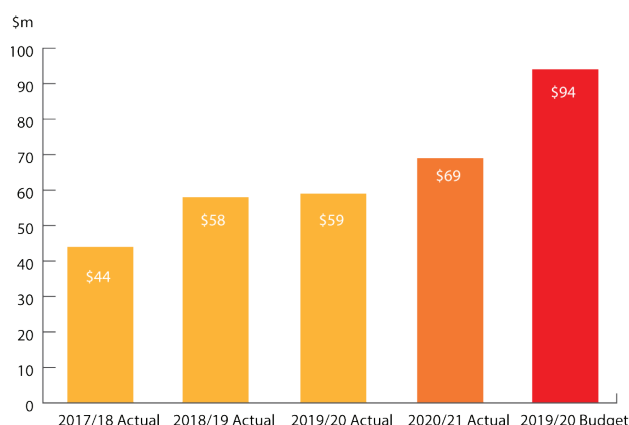
The maintenance and depreciation on Councils assets are costly. In 2020/21 depreciation and amortisation charges totalled \$23m; this is 19% of our total costs. Repairs and maintenance costs were \$13m; this is 11% of our total costs.

Council debt

Council has debt of \$68.6m, \$25.5m lower than the Annual Plan. Lower debt was driven by delays to 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 debt



Council capital expenditure

During the year we spent \$78.6m of capital investment on our existing and new assets against the Annual Plan budget of \$96.2m.

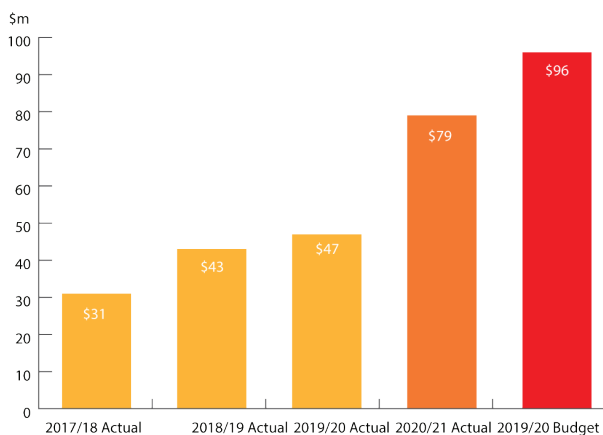
Most of the completed projects were on critical infrastructure (\$67.6 m). Key highlights included:

- \$47m roading transport projects
- \$16.5m of water, wastewater and stormwater infrastructure
- \$4.9m on land, river and coastal infrastructure
- 92%* of the infrastructure capital investment programme was completed.

Most of the variance between what we did and what we planned, was due to timing of the Wastewater Treatment Plant Disinfection project (\$5.6m) and the way some roading projects from PGF grant funds were delivered under the operational programme (\$8m).

*Adjusted for the \$8m operational costs

Council capital projects 2018–2021



Councils five-year financial performance summary

	2017	2018	2019	2020	2021
Public debt (\$000)	37,679	43,880	58,280	58,600	68,600
Net Surplus/ (Deficit)	(5,186)	5,131	18,280	19,464	44,621
Total Comprehensive Revenue and Expense	8,530	78,291	78,814	156,377	118,097
Net debt as a % of equity <10%	1.93%	2.16%	2.77%	2.59%	2.88%
Net interest as a % of income <10%	1.98%	2.09%	1.77%	1.47%	1.29%
Total debt per capita <\$1700	\$863	\$1,005	\$1,335	\$1,342	\$1,365
Working Capital (excluding current partition of public debt)	(13,233)	(13,241)	1,093	(1,261)	(3,589)
Total capital Expenditure	\$23,244	\$30,555	\$42,830	\$47,427	\$78,603



Tō Tātau Aronga

Our Direction

**Tō Tātau Aronga
Our Direction**

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Our strategic direction**

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Our Financial Strategy**

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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.



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.



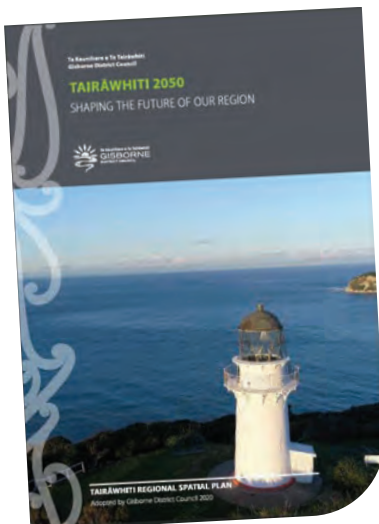
CULTURAL

- 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.



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](#)

Tā Tātau Ahunga Rautaki

Our strategic direction

Strategic framework

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

Vision

Tairāwhiti First!

First to see the light

First choice for people and lifestyle first choice for enterprise and innovation

First place for the environment, culture and heritage

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

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

A place that is home to productive and innovative businesses.

A place where we care for our environment as an integral part of our lifestyle.

A place rich in history, that celebrates and keeps alive its culture and traditions.

Community outcomes

Our community outcomes reflect our vision. They also keep us focused on what is important.



Tairāwhiti Tangata (Our People)

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



Tairāwhiti taonga (Our Environment, Culture and Economy)

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



Tairāwhiti wawata (Our Aspirations Realised)

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

STRATEGIC PRIORITIES

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

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

Tā Tātau Rautaki Ahumoni

Our Financial Strategy

The 2020/21 financial year was guided by the Financial Strategy set out as year three in the 2018–2028 LTP. An overarching aim of the Financial Strategy is to meet our critical infrastructure needs in a way that is affordable to our community.

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

In 2020/21 we received a total of \$84.2m in grants, up \$51.3m from what was signalled in Year 3 of the LTP.

Over the last three years we've received \$92m (or 94%) more grants than what we had signalled within the first three years of the LTP. These grants represent significant increases and the ability to do more within our community than if we did not have the external grants.

These additional grants came mostly from Waka Kotahi, PGF and TRP. These funds enabled us to reinstate roads after the June 2018 emergency event, for additional road resilience projects, community projects (Tairāwhiti Navigations, Inner Harbour and Pool redevelopment), and Kaitiaki o te whenua project.

We're reporting on our Financial Strategy for 2020/21 through the six key directions:

Key direction 1. Focus on critical activities and infrastructure

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

How are we doing?

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

Specifically, in the 2020/21 financial year, we invested \$67.6m in critical infrastructure capital projects, and was \$38.3m or 131% more than what was planned in Year three of the 2018–2028 Long Term Plan.

Also, this year's result is 59% more than that was achieved in 2019/20, where there was \$42.5m capital investment in critical infrastructure.

Key direction 2. Keep rates as affordable as practicable

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

How are we doing?

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

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

Key direction 3. Increase alternative income streams

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

How are we doing?

In 2020/21 our rates income as a proportion of total revenue reduced to 39%, down 9% from the previous year. This means we received significant external funds than ever before. The funds we received were to:

- build more resilience on our roads
- boost to our own contributions to the Waipaoa Flood Control Scheme
- commence community projects such as the kaitiaki o te whenua project
- start the Pool Redevelopment project
- funding for Managed Aquifer Recharge (MAR) trial.

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.

Councils 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. Councils 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

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

How are we doing?

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

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

At year end our total debt was \$68.6m, lower than what was expected to be in the Annual Plan at \$94m. 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 2020/21 are expected to be completed within 2021/22, and within 2021–2031 LTP timelines.

Key direction 5. Ensure beneficiaries of services pay the costs

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

How are we doing?

The tools we use to achieve this include financial management policies such as Revenue and Financing Policy, Fees and Charges Policy, Investment Policy and also through development contributions. We review fees and charges annually to ensure legislative requirements are met and that actual costs are being recovered.

Key direction 6. Growing the rating base

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

How are we doing?

We have several initiatives that support this directive

- exploring how to support long term sustainable water for horticulture through the MAR project and other sustainable water use initiatives
- collaboration with Trust Tairāwhiti to develop He Huarahi hei Whai Oranga, the Tairāwhiti Economic Action Plan. Trust Tairāwhiti is working with business, iwi and Central Government on several initiatives to drive economic growth
- growing our tourism sector by developing fit-for-purpose facilities and experiences through the Tairāwhiti Navigations project
- provide infrastructure to attract businesses to our region and encourage existing businesses to expand
- supporting initiatives that are aimed towards improving the productivity of Māori freehold land.



A Tātau Mahi

Our Activities

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How to read this section

This section describes Councils activities. Each activity summary includes a description of the activity and why we do it (including a link to relevant community outcomes), what Council did during 2019/20, how well we performed against our targets and what it cost.

Sections are structured as follows:

What we do

Provides a brief description of what the activity involves.

Why we do it

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

Contribution to community outcomes

The community outcomes the activity contributes to are listed. See page 42 for a full list of our community outcomes.

What we have been doing during 2020/21

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

Levels of Service and Performance Measures

We set out the levels of service we aim to reach, the performance measure targets for the 2020/21 year as well as our actual results for the year. The levels of service, performance measures and targets were outlined in the 2018–2028 Long Term Plan. The previous results are taken from the 2020/21 Annual Report.

Significant negative effects of delivering this service

This table outlines how Council has worked to address any significant negative effects their areas of activity could have on the social, economic, environmental, and cultural 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 2018–2028 Long Term Plan.

Capital expenditure is funded from a variety of sources. The operating revenue and operating expenses only include external revenue and expense. Any internal recoveries or charges are excluded.

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

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

Other Capital Revenue: This includes income from assets vested in Council or other capital contributions.

Reserves: These are transfers from 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 2018–2028 Long Term Plan.



Te Kaunihera o Te Tairāwhiti
Gisborne District Council

Kāwanatanga me ngā Ratonga Tauawhi Governance and Support Services

Governance and Democracy Support

What we do

Governance

The Governance activity exists to provide for:

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

Democracy Support

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

Why we do it

Governance

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

Democracy Support

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



This activity contributes to the following Community Outcomes

Tairāwhiti Wawata

Highlights

- Council voted unanimously on 23 November 2020 to establish one or more Māori wards for Tairāwhiti for the 2022 and 2025 triennial elections. This decision has brought forward the six-yearly Representation Review.
- Council committed to an anti-racism journey. We've established our first ever anti-racism group, Te Kahui Patu Kaikiri, meaning the collective/group striking out racism.
- Our population is 53% Māori, compared to 16.5% for the rest of Aotearoa. Our responsibilities under Te Tiriti o Waitangi (Treaty of Waitangi), Local Government and Resource Management Acts form the basis of our partnership with Māori.

What we have been doing 2020/21

Commitment	Progress
Establish one or more Māori wards for Tairāwhiti for the 2022 and 2025 triennial elections.	Councillors voted for Māori wards in Gisborne. This review will determine how many councillors there should be and how they represent our district, and will be undertaken to adhere to the required statutory process to establish one or more Māori wards. We've subsequently launched the 'Tairāwhiti Represent' campaign to encourage participation. A series of public meetings and educational materials will help people give informed feedback. Councillors acknowledged the quality and quantity of submissions received via the consultation process and talked at length about what would be needed to ensure fair and effective representation in the future representation review.
Established our first ever anti-racism group, Te Kahui Patu Kaikiri.	On 13 August 2020 Council committed to an anti-racism journey. We've established our first ever anti-racism group, Te Kahui Patu Kaikiri, meaning the collective/group striking out racism. A racism manifesto was drafted which outlines the objective of working to end racial discrimination through Local Government in Tairāwhiti. The group has agreed to put in place plans, resources and actions to deliver on its commitment to tangata whenua in Tairāwhiti. This will include historical and contextual understanding, with research into Councils policies and practices from the past and present. An audit of Councils processes has been undertaken to assist in gaining baseline information and understanding of areas that need to be focussed on. At the outset, a review of how the Council has given effect to Te Tiriti o Waitangi will assist in targeting areas further.
Develop our partnership with Māori.	Our responsibilities under Te Tiriti o Waitangi (Treaty of Waitangi), the Local Government Act 2002 (LGA) and the Resource Management Act 1991 (RMA), form the basis of our partnership with Māori. To realise our full potential, we want to continue developing effective and meaningful collaboration with mana whenua to ensure iwi and hapū have a long-term role in the future planning and decision-making for the region. We've assembled a team dedicated to building capacity to respond to, and build relationships with, our Māori partners as tangata whenua are seeking to move from a position of being consulted with, to partnering with Council to jointly make decisions for matters of importance within their rohe. Co-management arrangements are one mechanism used to make this happen. A number of initiatives have been developed to involve Māori in Council decision-making and our plan is to: <ul style="list-style-type: none"> • work closely with mana whenua to make sure they have the support they need to participate in decision-making • introduce Māori wards • support and assist mana whenua to access funding for key projects • promote and work towards the co-design of models such as "for Māori by Māori" • create joint management agreements and partnerships that deliver on Māori interests and aspirations.
Continue to grow the relationship with strategic partners.	Ongoing. We continue to explore what good partnership, including treaty partnership, looks like for us across our activities, and aim to enhance our partnerships through all that we do.
Local Government Official Information and Meetings Act (LGIOMA) requirements.	Met all legislative requirements and completed 223 information requests in 2020/21.
Implement the Local Leadership Body (LLB).	Ongoing. Discussions with Turanga iwi have continued in 2021, as part of establishing the LLB together.

Commitment	Progress
Build on the existing Joint Management Agreement (JMA) with Te Rūnanganui o Ngāti Porou (TRoNPnui).	Ongoing. The Joint Management Agreement forum has been established and meets regularly. Actions under the JMA are progressing, including the first review of the JMA itself in 2020/2021.
Local Government Election.	Triennial elections took place October 2019, with an additional election in 2020 replacing councillor Amber Dunn. Isaac Hughes successfully became the youngest elected Councillor representing the Gisborne City ward.
Monitor and improve the quality of reports and their effect on good decision-making.	NZIER staff training completed in November 2020. Also report writing best practice guides available for staff.
The Mayor's Taskforce for Jobs Graduation Ceremony in November 2020.	This recognised and rewarded the achievements of the people in our community who have completed a National Certificate qualification with an Industry Training Organisation.
The annual Civic Awards in November 2020.	A record number of nominations were received, resulting in a special group of wonderful Tairāwhiti volunteers being awarded a total of 15 Civic, and 8 Merit awards for their hard work and dedication to our community.
Anzac Day Civic Service.	This was held at the Cenotaph in Gisborne in April 2021. We also supported many of the smaller township services with financial grants and wreaths laid by councillors.
Citizenship Ceremonies in 2021.	On behalf for the Department of Internal Affairs we have welcomed 64 new citizens over two ceremonies with a special Tairāwhiti flavour.
Continue the special relationship between the City and the New Zealand Navy.	We welcomed the HMNZS Manawanui to its home port of Gisborne Tūrangānui a Kiwa by holding a Charter Parade and associated activities in November 2020.



Levels of Service and Performance Measures

Governance

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Approve the SOI ⁽¹⁾ for CCTO's ⁽²⁾ in agreed time frames.	100%	100%	100%

⁽¹⁾ Statement of Intent

⁽²⁾ Council Controlled Trading Organisation

Democracy Support

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of advice to Council that meets good practice standards.	90%	100% ⁽¹⁾	100%

⁽¹⁾ NZIER rating is linear, with gradings from 1-10. A score of 7 and above equates to "good practice standards" i.e.100%. The 2021 NZIER assessment rated a sample of reports a 7.46.

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Agendas for meetings of Council and its committees are publicly available at least two working days before advertised meetings.	100%	100%	100%

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Number of complaints upheld by the Ombudsman.	0	0	0

What it cost

	2020/21			
	2020/21 Actual	AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	64
Revenue from Exchange Transactions	33	15	17	27
Expenses	1,246	1,273	27	1,276
Net Cost of Service	1,213	1,257	44	1,185

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

What was different from the budget

1. Revenue from exchange transactions is slightly more than the Annual Plan and it is consistent with last year's results.
2. Expenditure is \$27k under Annual Plan, mostly due to reduced grants and donations expense.

Support Services

What we do

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

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

Why we do it

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

People and Capability

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

Legal and Risk Services

The Legal Services team provides clear, accurate and timely legal advice and support to councillors, COR and staff to manage Councils legal risk and ensure a high standard of statutory compliance.

Information Services

Services include IT support, Information Management, Digitisation Centre, Land Information, Business Intelligence and Business Solutions.

Health and Safety

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

Finance

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

This activity contributes to the following Community Outcomes

Tairāwhiti Wawata

Tairāwhiti Tangata

Highlights

Data from the Tairāwhiti/Gisborne district LiDAR project that will enable better erosion and flood hazard management in the region is now available on the LINZ Data Service (LDS).

What we have been doing 2020/21

Commitment	Progress
Develop a high accuracy regional elevation model of the entire district using airborne LiDAR surveying to enable better erosion and flood hazard management in the region on the LINZ Data Service (LDS).	Council received funding from the Ministry for Primary Industries (MPI) Erosion Control Funding Programme and Toitu Te Whenua Land Information New Zealand (LINZ) to develop a high accuracy regional elevation model of the entire district using airborne LiDAR surveying.
Where possible, streamline business processes to improve practices, advice and services.	<p>Improved business processes, well supported by the Ozone ERP system, to ensure customers experience a positive administrative response from Council staff.</p> <p>Continued work on the Enterprise Solutions project to replace our core systems.</p> <p>Launched a new corporate Council website, with a mobile-first design, that supports more online services and helps customers find the information they want.</p>
Continuous digital transformation of Council services.	<p>Continued to capture hardcopy maps into a Geographic Information System (GIS) for farmland use capability and farm scale maps.</p> <p>A major project for the digitisation of property information and records is ongoing, which will enable digital access by staff and customers to property records previously held in paper files. This supports processes such as LIMs and consent processing and is key to other digital transformation initiatives such as online services and internal processing of forms and applications.</p>
Continue to develop a health and safety culture, while ensuring compliance under health and safety legislation.	Council continues to build a strong health and safety culture linked to compliance. Our focus continues to be on critical risks, contractor management, staff wellbeing, training and development, and building a culture where all our workers feel supported, understand the risks associated with their work, and the controls needed to mitigate these. Critical risks are identified, closed off or robust controls in place and subject to ongoing assurance and verification. Regularly reporting to COR, the Audit and Risk Committee and Council is in place. Health and Safety Representatives are consulted on worker health and safety matters, involved in investigations, meet quarterly and are given a variety of training opportunities during their term.
Deliver innovative, affordable and fit for purpose information solutions.	The Business Intelligence team, in conjunction with the Environmental Monitoring team, delivered modernised environmental data reporting to Council's new website. This allows our community self-service access to our district's environmental data and trends.
Replace identified information services systems i.e. Enterprise Resource Planning, Enterprise Content Management.	<p>Enterprise Solution is the project that will deliver the replacement of Council's core systems Ozone and Objective. It is a large-scale transformational project impacting the entire organisation. It will change the way all teams work with our systems and information and their involvement is key to the success of the project. The project has commenced and will run for two to three more years.</p> <p>We've wrapped up our requirements gathering, agreed on our tender strategy, and are looking to approach the market by requesting registrations of interest as part of the project to replace Ozone and Objective.</p>
Develop an enterprise risk management programme.	Council has completed two risk workshops, identifying key strategic risks and risk appetite (ie. identifying the amount of risk the organisation is willing to accept in pursuit of Council's objectives) and the formation of a corporate risk consequence table. A programme of monitoring and managing risks has been incorporated into the governance work programme of the Audit and Risk Committee.
Ensure financial, internal controls, risk management and governance processes are in place as mandated by legislation.	<p>Internal Audit provides regular assurance reports, which allows an independent assessment by bringing a systematic disciplined approach to evaluating and improving effectiveness of risk management, control and governance processes.</p> <p>Strategic risks continue to be updated and are managed with Audit and Risk committee.</p>

Commitment	Progress
Online payments.	From 28 May 2021, we no longer accepted cheques as a method of payment. And we've subsequently lowered the online credit card surcharge from 1.9% to 1%.
Internal controls, procedures and guidelines to minimise risk to Council.	<p>The Fraud, Bribery and Corruption Policy was adopted by Council on 17 March 2021. The policy applies to all staff and contractors, former employees and external parties that have a business relationship with Gisborne District Council (Council).</p> <p>A staff conflicts of interests app has been developed and implemented to assist with managing potential conflicts.</p>



Levels of Service and Performance Measures

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of residents satisfied with how rates are spent on services and facilities.	65%	36% ⁽¹⁾	39%

⁽¹⁾ Council reviewed its Revenue and Financing Policy in 2020 and changes were made taking rates affordability into consideration.

What was different from the budget

1. Revenue from non-exchange transactions is \$582k under Annual Plan. This is mostly due to lower penalties collected and suppressed during the year. Council as a response to COVID-19 and the potential financial hardship that the community was facing, did not apply penalties for outstanding rates balances as at the end of the financial year.
2. Revenue from exchange transactions is \$2.1m over Annual Plan. This is mostly due to an increased movement in the fair value of swaps.
3. Expenditure is \$771k under Annual Plan, mostly due to lower interest costs and carrying a number of vacancies.
4. Capital costs are \$518k under Annual Plan, due to delays to Councils digitisation project, the Enterprise Solution software projects and from the global semiconductor shortage for IT renewals.

What it cost

	2020/21			2019/20
	2020/21 Actual	AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	418	1,000	(582)	926
Revenue from Exchange Transactions	4,496	2,397	2,099	1,726
Expenses	14,735	15,506	771	15,369
Net Cost of Service	9,821	12,109	2,288	12,717
Capital Expenditure				
Capital Projects	2,409	2,927	518	2,051
Funded By:				
Grants and Subsidies	374	0	(374)	606
Other Capital Revenue	100	100	0	0
Depreciation or Other Reserves (Renewals)	1,156	2,008	852	1,036
Internal Loans	656	820	163	311
Asset Sales	123	0	(123)	98
	0	0	0	0

Ngā Ratonga Taiao me te Haumarū Environmental Services and Protection

Resource Consents

What we do

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

Why we do it

We do this activity to:

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



This activity contributes to the following Community Outcomes

Tairāwhiti Tangata

Tairāwhiti Wawata

Highlights

- After a period of several vacancies, recruitment has been successful and we have a well-resourced team to help fulfil our statutory obligations.
- Quarter 4 saw our timeframes reach 70% (within time) a significant effort by staff.
- The roll out of the consent timeframes project has identified a pathway to improving our timeframes and we expect to see continued improvements over the next 12 months.

What we have been doing 2020/21

Commitment	Progress
Develop our partnership with Māori.	Our responsibilities under Te Tiriti o Waitangi (Treaty of Waitangi), the Local Government Act 2002 (LGA) and the Resource Management Act 1991 (RMA), form the basis of our partnership with Māori. To realise our full potential, we want to continue developing effective and meaningful collaboration with mana whenua to ensure iwi and hapū have a long-term role in the future planning and decision-making for the region. We've assembled a team dedicated to building capacity to respond to, and build relationships with, our Māori partners as tangata whenua are seeking to move from a position of being consulted with to partnering with Council to jointly make decisions for matters of importance within their rohe. Co-management arrangements are one mechanism used to make this happen.
Developing guidance material for resource consent applicants.	Work is ongoing to improve the website material. Forms and information sheets are presently being updated by staff as part of the project to improve resource consent timeframes. The consent team has an external facilitator and project coordinator helping with the roll out of this project.
Developing user-friendly processes to make it easy for the customer.	The lifecycle of the resource consent process is currently being scrutinised as part of the consent timeframes project. The end goal is that improvements are made across all processes for an enhanced customer experience.
Evaluating service delivery from a customer perspective to promote ongoing improvements.	Feedback is received on an adhoc basis from our frequent customers. This helps us to identify process improvements which are implemented through the resource consent timeframes project. Customer feedback is continually scrutinised for process improvement on an ongoing basis.
Promoting pre-application meetings.	There's a continued emphasis on the provision of early pre-application engagement. Our frequent customers are aware that this service is available. Through our free duty planning service this is also offered to new customers as and when required. We have been offering multidisciplinary meetings alongside other teams in Council which is positively received by our customers and makes for a no surprises approach upfront and early.
Optimising the process for input from parts of Council to ensure timeliness of information.	There's a significant focus on this aspect of our BAU so that our KPIs are met. The resource consent timeframes project has been introduced to senior staff across Council and each group will be required to participate to identify process improvement opportunities so that the Resource Consents team is successful.
Providing input into reviews of the Tairāwhiti Resource Management Plan.	Input is provided to the Strategic Planning team as and when needed.
Promoting an enhanced working relationship with iwi and Council consenting staff.	Recruitment of additional staff has been successful and we now have the capacity and capability to undertake more of the projects to enhance and improve our relationships.



Levels of Service and Performance Measures

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of applications processed within statutory timeframes (Resource Management Act).	95%	45% ⁽¹⁾	59%
Percentage of consents that meet good practice standards through Consent Decision Audit.	92%	98%	Not Measured

⁽¹⁾ In quarter 1 and 2 the consents team were severely under staffed and processing times suffered. In quarter 3 and 4 great improvement was made with a quarter 4 result of 70% achieved.



What it cost

	2020/21			
	2020/21 Actual	AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	150	(150)	0
Revenue from Exchange Transactions	1,092	864	228	706
Expenses	2,276	2,041	(235)	2,024
Net Cost of Service	1,184	1,026	(157)	1,318

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



What was different from the budget

1. Revenue from non-exchange transactions is \$150k under Annual Plan. This is due to the planned revenue being categorised as non-exchange revenue instead of exchange revenue, and accordingly the revenue from exchange transactions is ahead of Annual Plan.
2. Revenue from exchange transactions is \$228k ahead of Annual Plan. When taking into account the planned non-exchange revenue, overall revenue is up due to increased volume in land use consents.
3. Expenditure is \$235k over Annual Plan. This is mostly related to an increase in consultancy costs to keep up with the increased demand in land use consents.





Building Services

What we do

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

Our work in this area provides:

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

Why we do it

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

This activity contributes to the following Community Outcomes

Tairāwhiti Tangata

Highlights

- 913 consents were processed with a statutory compliance timeframe of 87.3%.
- An additional Building Control Officer appointed to assist with the very busy building consent workload.
- Year finished with a budget surplus of 300k.

What we have been doing 2020/21

Commitment	Progress
Set up a digital consent processing system.	Completed. We have up to 70% of applications being received through the online portal. This level is most probably near the maximum that we'll ever achieve , as many smaller consents will always come in as hard copy.
Update Councils earthquake prone building register and implement the requirements of the 2017 legislation changes.	Progress on strengthening in the city is very positive. We are still receiving building consents for earthquake prone building strengthening. There are two to three buildings where enforcement proceedings will need to be initiated.
Continue to monitor swimming pool fencing safety in response to legislation changes.	Inspections of pools in the city are completed . There are high levels of compliance. Gates not self-closing are the main issues found. We also take time to check the vacuum break on the filling hose that protects the city's water supply from backflow contamination.
Pursue further improvements for all building consent processes and services, including fast tracking building consents.	We continue to focus on continuous improvement efforts on converting from hard copy to remote device (tablet) inspections. This is a major body of work transferring 2500 hard copy records to digital format.



Levels of Service and Performance Measures

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of building consents processed within twenty working days.	98%	87.3% ⁽¹⁾	99%
Percentage of fast-track building consents processed within five working days.	100%	98% ⁽³⁾	100%
Percentage of Land Information Memorandums (LIM) processed within ten working days.	98%	91% ⁽²⁾	97%

⁽¹⁾ ⁽²⁾ Processing timeframes for consents and LIMs were impacted by an unanticipated increase in applications. 913 building applications were processed during this 20/21 FY (compared to 760 in the 19/20 FY), approximately 500 of those 913 being processed in the 2nd half of the 20/21 Financial year.

Building inspections became a large focus due to the high building consent levels, demanded appropriate resourcing which impacted on processing timeframes.

⁽³⁾ A total of 255 fast-tracked applications were processed over the year, 6 of which exceeded that time limit. The average processing time was 2.2 working days.

Significant negative effects of delivering this service

Potential negative effects	What has been the effect during 2020/21
No real negative effects except for those that may occur from loss of heritage fabric of the CBD if buildings are demolished as part of the earthquake prone building strengthening requirements.	There were no demolitions during the financial year.



What it cost

	2020/21			
	2020/21 Actual	2020/21 AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue from Exchange Transactions	1,619	1,168	451	1,183
Expenses	1,277	1,122	(155)	1,115
Net Cost of Service	(343)	(46)	297	(68)

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



What was different from the budget

1. Revenue from exchange transactions was \$451k over Annual Plan. Building consents income has been higher than expected due to an increased volume of consents.
2. Expenditure is \$155k over Annual Plan. The overspend is consistent with an increase in the volume of consents, where additional consultancy support was required to process consent applications.

Enforcement

What we do

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

Our teams monitor compliance and enforce the Resource Management Act (RMA) 1991, Tairāwhiti Resource Management Plan (TRMP), Dog Control Act 1996, Impounding Act 1955, Land Transport Act 1998, Land Transport (Road User) Rule 2004, and local Bylaws.

Why we do it

Monitoring and enforcement

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

Animal control

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

Parking and city watch

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

This activity contributes to the following Community Outcomes

Tairāwhiti Tangata

Highlights

- Council adopted an Enforcement Policy. This provides clarity and transparency on our enforcement processes and procedures.
- Continuing to educate our community on best practice in traffic safety and movement.
- Installation of new pay-by-plate parking meters in the CBD. The paperless parking payment system works using the vehicle's license metering system instead of a ticketed receipt, and allows for electronic payment options.

What we have been doing 2020/21

Commitment	Progress
Continue to provide a safe community by maintaining effective dog control compliance.	Our staff continued to regularly patrol around the region – both urban and rural areas. They've also continued their school programme to educate children on dog safety.
Promote traffic safety and ensure traffic flow by continuing to provide enforcement of Councils traffic and parking Bylaws as well as stationary vehicle offences.	Parking officers regularly patrolled the Gisborne CBD area, and continued to educate customers on best practice in regard to traffic safety and movement.
Review the Health and Safety Plan every three years and ensure all health and safety requirements are in place.	Health and safety reviews are of an ongoing nature across the Enforcement team. Officers are equipped with body cameras to help with the safety of our staff when working out in the field. We've also investigated how to monitor field staff when out on remote site visits, with little or no cell phone coverage.
Promote the sustainable management of natural and physical resources through compliance monitoring and enforcement (CME).	<p>The focus during the year has continued to be to monitor high-risk activities, consents, and enforcement action relating to non-compliance or breaches of the plans and rules the team administers.</p> <p>The CME team is currently recruiting three new positions. This will allow the CME team to also look at some medium-risk activities.</p> <p>Several successful outcomes from enforcement action have resulted in a total of \$505,100 in fines imposed by the Courts and, in one case, community service was imposed for an offender.</p> <p>Council has adopted an Enforcement Policy to provide clarity and transparency on our processes and procedures. It promotes consistency and fairness in how Council makes its enforcement decisions. It is grounded in the 4Es approach to regulation (Engage, Educate, Enable and Enforce).</p>
Pay-by-plate parking payment system.	Council has started disconnecting old parking meters and installing new pay-by-plate meters where, instead of a ticket receipt, the vehicle number plate is used to confirm payment.
Review the Dog Control Bylaw 2010 in 2020.	The review has begun and is expected to be completed by August 2022.
Explore opportunities to use technology to make work more efficient, including the use of mobile technology.	<p>The CME Team has been looking at ways to improve the capture of data relating to high-risk activities.</p> <p>Animal control officers across the district have had dashboard cameras installed in their vehicles. This will help with Health and Safety.</p>



Levels of Service and Performance Measures

Parking Services

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Council car park (on and off street) occupancy in the CBD as surveyed within business hours.	60-90%	56.76% ⁽¹⁾	60%

⁽¹⁾ This measure is based on the numbers of vehicles parked when staff are surveying the CBD. surveys are taken on a quarterly basis across a sample of our designated parking areas within the CBD. A review of this measure has resulted in a re-focus from occupancy to that of maintaining a LoS through affordable and reliable payment options.

Animal Control

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of residents satisfied with Councils efforts in controlling dogs and stock as found in the Resident satisfaction surveys.	50%	49% ⁽¹⁾	55%
The percentage of routine requests for dog or stock control issues responded to within 2 days.	90%	80% ⁽¹⁾	87%
The percentage of urgent requests for dog or stock control, responded to within 30 minutes.	90%	90% ⁽¹⁾	92%

⁽¹⁾ We acknowledge the decrease in results in all three animal control levels of service. Staff are actively looking at ways to improve results under the next Long Term Plan, including: by considering more accurate ways to record RFS response times; and by exploring opportunities to use technology to make work more efficient. This work will be complemented by the Dog Control Bylaw Review, scheduled to be completed by August 2022.



What it cost

	2020/21			
	2020/21 Actual	AP Budget	2020/21 Variance	2019/20 Actual

Operating Expenditure (\$000)

Revenue from Non-Exchange Transactions	531	1,004	(473)	921
Revenue from Exchange Transactions	1,983	2,126	(143)	2,083
Expenses	3,016	2,756	259	3,113
Net Cost of Service	501	(374)	875	109

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

Capital Expenditure

Capital Projects	49	10	(38)	29
Funded By:				
Depreciation or Other Reserves (Renewals)	49	10	(38)	29
	0	0	0	0



What was different from the budget

1. Revenue from non-exchange transactions is \$473k under Annual Plan. This largely relates to a decrease in the provision for court enforced fees and infringements.
2. Revenue from exchange transactions is \$143k under Annual Plan. This relates to a reduction in parking meter and monitoring income. In response to COVID-19, Council approved an initiative in reducing parking fees, to encourage the public to shop more within Central Business District.
3. Expenditure is \$259k over Annual Plan. This is mostly due to unbudgeted costs for prosecution costs, including forestry investigations relating to the June 2018 flood events in Tolaga Bay, discharges of contaminants and soils and illegal earthworks.
4. Capital costs are \$38k over Annual Plan, aging meters has resulted in the need to purchase new meters for the city.



Science

What we do

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

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

Why we do it

To manage the use, development and protection of our natural and physical resources, now and into the future. This activity enables Council to give effect to Statutory Plans and responsibilities under the Biosecurity Act 1993, Resource Management Act 1991 (RMA) and Soil Conservation and Rivers Control Act 1941.

This activity contributes to the following Community Outcomes

Tairāwhiti Tangata

Tairāwhiti Taonga

Highlights

- The Science and Environmental Monitoring teams continue to make progress with delivering the science programme, with a particular focus on freshwater and providing evidence for the Tairāwhiti Resource Management Plan (TRMP) review.
- The Environmental Monitoring team continues to carry out regular monitoring of the environment as required by government regulations and for Council business needs.
- The environmental monitoring web pages are continually improving from the previous versions, with more transparency around what we measure. It includes new data such as river flows, air quality, weather stations and a range of water monitoring programmes. <https://www.gdc.govt.nz/environment/maps-and-data>.
- The environmental monitoring team has installed CCTV to monitor real-time river levels of the Waipaoa at Kanakanaia and the Hikuwai at Willowflat (Mangatuna). This allows these rivers to be observed and measured remotely, which is particularly beneficial during heavy rainfall events when weather conditions may prevent staff from safely being able to visit the rivers. www.gdc.govt.nz/environment/river-webcam.
- Council staff have offered one-on-one appointments for farmers drawing up environmental plans.
- Waingake transformation programme aims to restore the vital bushland at Waingake. In a partnership with mana whenua, Maraetaha Incorporated and Ngāi Tāmanuhiri, we'll return 1,100 hectares of pine plantation back to indigenous forest.
- Four exploratory groundwater monitoring bores in Uawa were drilled in March and April 2021, with two of those bores being made into permanent groundwater monitoring bores. A second period of drilling exploratory groundwater monitoring bores started in August 2021. The community and iwi have been involved throughout the project.
- The Science Team is developing a groundwater model for the Tūranganui-a-Kiwa/Poverty Bay flats' aquifers. The development of the model will involve input from iwi and groundwater abstractors. The model is due to be delivered in March 2022.
- The Science and Environmental Monitoring teams worked with members of Rongowhakaata to undertake inanga monitoring and habitat enhancement work on the Pakowhai, Te Arai and Karaua awa. Over and above the biodiversity benefits, this project will also train approximately eight members of the iwi in inanga habitat management.
- Te Wherowhero Lagoon Redeployment Programme - kaitiaki project.

What we have been doing 2020/21

Commitment	Progress
Developed a Regional Pest Management Plan (RPMP) specific to our region's needs and expectations.	An operational plan followed and outlines the joint approach and scope of activities and actions that Council will undertake in implementing the RPMP during the 2020/21 and 2021/22 financial years.
Reduce the effects of climate change.	We have a number of important biodiversity initiatives running, aiming to reduce the effects of climate change, such as the Waingake Transformation Programme, dune and wildlife protection, planting on Titirangi, and indigenous planting along the Waipua River.
Protection of Makorori dunes.	We've held drop-in sessions for members of the public to learn more about how to stop the rapid dune degradation in the Makorori area. Proposed actions include bollards, formalised sealed entranceways into parking bays and a 20km speed limit on the beach. Increased signage will be installed and a public awareness campaign around the issue will be ongoing.
Controlling myrtle rust.	We are working on strategies for dealing with myrtle rust in Gisborne.
Progressively review water take resource consents to ensure reduction targets in the Waipaoa Catchment Plan are met.	94% of Makauri aquifer abstraction consents have been reviewed and revised limits set. The remaining consents are in progress but are yet to be finalised.
Work with industry, discharge consent holders and landowners to improve water quality in waterways identified as degraded in the Waipaoa Catchment Plan.	Staff have worked with industry and landowners to improve water quality discharging from their land. This includes through the requirement of stormwater management plans, Farm Environment Plans and by ensuring discharge consent holders have the required consent limits. Council have also worked with iwi, schools and the Department of Conservation to carry out water quality improvement projects such as tree planting, and improving fish spawning sites. One such successful example is the Wharekopae River water quality improvement project.
Develop water allocations and caps for water bodies in the Waipua, Mōtū, Ūawa and Waimata catchments and recommend storage options for the region.	Council will develop water allocations and caps for water bodies as part of the development of National Policy Statement for Freshwater catchment plans. The Mōtū and Waipua catchment plans are currently being developed, with the remaining catchment plans scheduled to be delivered by the required deadline of December 2024.
Work with the forestry industry to implement the National Environmental Standard for Plantation Forestry (NES-PF) and associated Council forestry regulation in the Tairāwhiti Resource Management Plan.	A focus group has been established, led by the regional consenting team. MPI reviews will provide future guidance and provide the opportunity for further discussion with forestry regarding provisions of the NES-PF.
Develop an Environmental Monitoring Plan that meets the requirements of the National Policy Statement for Freshwater (NPS – FW).	The Environmental Monitoring and Science teams are working with other regional Councils to ensure Councils freshwater monitoring programmes deliver the requirements of the NPS-FW. Councils review of the freshwater monitoring programme should be completed by the end of 2021.

Commitment	Progress
Undertake 'State of the Environment' reporting, with a strong focus on providing a good understanding on the state of freshwater resources.	Council comprehensively reported on the State of Environment (SOE) throughout 2020/21. A priority focus of the reporting was on the health of Tairāwhiti's freshwater.
Implement the joint Ministry for the Environment (MFE)-funded Wharekōpae River Restoration Project.	Successfully completed year four of the project. We've had several farm projects completed to aid in reducing E.coli in the Wharekōpae River. We've also had two more farmers come on board and complete their Farm Environment Plan, which takes the total farms involved to 27 in the catchment.
Progress implementation of erosion plans and plantings on the most severely eroding land in the district through the ECFP.	Focus has been on implementing existing grants with MPI and ensuring grants that have been issued are being progressed. Planting focus was re-established this year prior to lockdown, and some will need to be postponed until next year.
Te Wherowhero Lagoon – Redeployment Programme.	A mihi whakatau was held at Tāmanuhiri Marae at Muriwai welcoming the 14 cadets before they started working on the restoration of Te Wherowhero Lagoon. This is part of the Tairāwhiti Economic Support Package Redeployment Programme's kaitiaki project.
Farm Environmental Plans.	Council staff offered one-on-one appointments for anyone needing support to complete and submit their Farm Environmental Plans. A FEP outlines the sustainable management of soil, water and nutrient resources on farms and is individually designed to identify and manage environmental risks. The plans are required under the Tairāwhiti Resource Management Plan for growers and farmers to carry out specific activities in the region. For some low risk on-farm activities such as stock crossings, culverts and setbacks, farmers or growers may be able to use their FEP instead of applying for resource consent. For more information: www.gdc.govt.nz
Waingake Transformation Programme.	<p>Operational activities have continued to focus on weed control and goat control over the last quarter, along with finalising procurement for planting this year. Procurement planning is under way for future goat control, with feedback and input from Maraetaha on how the hunting roopu can continue to be supported to upskill in this area.</p> <p>Procurement planning is also under way for plant supply, planting and maintenance contractors to help deliver the next three years of revegetation work.</p> <p>In the science and monitoring workstream, two trials of alternative methods for establishing native vegetation cover have been planned. We are also continuing to develop a relationship with Massey University which will enable delivery of community workshops for new freshwater monitoring tools and seeks to identify opportunities for students to be involved in relevant research at Waingake.</p> <p>We continue to work well in partnership with mana whenua. Collaboration across operational activities is occurring regularly and is contributing to good outcomes for both Council and iwi. Discussions around the Memorandum of Understanding (MOU) continue to progress at executive level.</p>



Levels of Service and Performance Measures

Biosecurity

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of Exclusion Programme pests found established in the district for the first time visited and all animals controlled.	100%	100%	100%
Percentage of known Eradication Programme pest sites visited, and all pests controlled.	90%	76% ⁽¹⁾	82%
Area of Protection Management Areas subject to specific animal and pest control operations per year.	295 ha	1838 ha	737 ha
Percentage of monitoring sites in the Hawkes Bay buffer zone assessed post possum control that achieve 10% residual trap catch.	95%	100% ⁽²⁾	100%

⁽¹⁾ Efforts in prioritisation of programmed work has yielded good quarter to quarter results however, the year-end result has mostly been affected by weather disruptions throughout the year.

⁽²⁾ The target of 10% BMI (Bite mark index) or RTC (Residual trap catch) had been met at the completion of possum control programmes over the period 2018/19. Council officers now only rebait permanently set bait feeders once annually to maintain the knockdown gains from 2018/19 control works

Land and Soil

Level of Service

We'll work with iwi, landowners and the community to reduce soil erosion risk and re mediate severe erosion within the district. Percentage of total overlay 3A severely erodible land treated with effective tree cover.

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of total overlay 3A severely erodible land treated with effective tree cover.	90%	89%	89%
Total overlay 3A severely erodible land covered by a draft or final overlay 3A work plan or an Overlay 3A resource consent.	44,500 ha	44,400	43,930 ha

Water and Coastal

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Number of farm environment plans prepared per year.	40	68	Zero
Percentage of monitored freshwater sites where the MCI monitoring result indicates good water quality or showing improvement.	51%	29% ⁽¹⁾	34%
Proportion of consents for water takes from the Makauri aquifer being managed for the efficient water use.	85%	94%	90%
Percentage of monitored freshwater swimming sites where the water quality is being maintained or is improving for E. coli.	62%	53%	92%
Percentage of monitored ground water wells in shallow unconfined aquifers where water quality is being maintained or is improving for: nitrate and salinity	Nitrate 78%	88%	89%
	Salinity 92%	92%	56%

⁽¹⁾ Not all sites were sampled this year due to dry streams and resourcing constraints.

Environmental Monitoring and Hydrology

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
The number of hits received on environmental data pages on the Council website.	30,000	25,924 ⁽¹⁾	40,959

(1) hits shared across LAWA (11,755) and The Gisborne District Council website (14,169)

What it cost

	2020/21			2019/20
	2020/21 Actual	AP Budget	Variance	Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	609	518	91	672
Revenue from Exchange Transactions	590	772	(182)	516
Expenses	4,758	5,462	704	4,264
Net Cost of Service	3,559	4,172	613	3,076
This activity was funded 77% from rates, 14% from grants and 9% from fees and charges.				
Capital Expenditure				
Capital Projects	1,133	1,939	806	273
Funded By:				
Grants and subsidies	401	0	(401)	83
Depreciation or Other Reserves (Renewals)	71	84	13	105
Internal Loans	660	1,855	1,195	85
	0	0	0	0

What was different from the budget

1. Revenue from non-exchange transactions is \$91k ahead of Annual Plan. This is due to funding from Trust Tairāwhiti and Ministry of Business, Innovation and Employment (MBIE) for the Makauri Aquifer project; a grant from the Ministry for Primary Industries (MPI) for the erosion control programme, and funding from the Ministry for the Environment (MFE) for the freshwater improvement programme.
2. Revenue from exchange transactions is \$182k under Annual Plan. This is due to the lower than expected revenue from monitoring of resource consents.
3. Expenditure is \$704k under Annual Plan. This is due to carrying various vacant roles across the activity and from lower than expected costs from Waingake native restoration project. The latter was due to differences in phasing of the project from expected harvest timelines. The 2021–2031 LTP has been adjusted to take account of some of these phased differences.
4. Capital costs are \$806k under Annual Plan. This is mostly related to Bore renewals \$231k; Landfill and Contaminated Land Remediation \$208k and Waingake Restoration \$392k. All unspent funds have been transferred to 2021/22 financial year.



Environmental Health

What we do

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

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

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

Why we do it

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

This activity contributes to the following Community Outcomes

Tairāwhiti Tangata

Tairāwhiti Taonga

Highlights

- Passed the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) surveillance assessment.
- We have continued to make significant improvements to template reports which has improved the ease of using tablets during verification.



What we have been doing 2020/21

Commitment	Progress
Implement the Quality Management System (QMS) approved by MPI, to be used to implement the new Food Act 2014.	<p>The team worked on a number of continuous improvements this year, to improve processes and procedures related to the QMS and our registration and verification practices.</p> <p>The team passed the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) surveillance assessment in June 2021 which highlight only 2 minor non-conformances.</p> <p>Maintaining this accreditation allows Councils to verify local businesses use of food plans.</p>
Co-regulatory focus with Ministry for Primary Industry (MPI) for implementation of the Food Act 2014.	<p>The team have engaged with MPI regularly including regular webinars focusing on a co-regulatory approach to food matters.</p>
Collaborate with Police and health agencies to ensure compliance with the Sale and Supply of Alcohol Act 2012.	<p>The alcohol licensing team have collaborated with the other agencies, had regular meetings and worked on joint inspections through the year.</p> <p>Public Health (MOH), Police and the Inspector presented training in host responsibility for managers in licensed premises.</p> <p>The team also work with the Liquor Accord (a group of Licensees) and participate in their meetings.</p>
Maintain relationships with agencies for improved alcohol licensing for large-scale events.	<p>The team facilitate meetings between applicants and agencies for all large scale events and ensure a core liaison group meets daily sharing situation reports during Rhythm and Vines (R&V).</p>
Maintain the Gisborne Port and Harbour Safety Management System that is consistent with the National Code. Carry out regular audits.	<p>Annual self-assessment completed in June 2021. We'll continue to maintain the Safety Management System to code standards.</p>
Deliver a responsive and effective customer service that meets customer demand and expectations.	<p>During the year we have:</p> <ul style="list-style-type: none"> • improved our booking letters for verifications, to inform customers of what to expect during the verification process • improved our reports following verifications to ensure they are simplified • improved our food registration processes to ensure customers have an increased level of understanding on what is required and the right resources to support them • been working with food verifiers to ensure that there's an improvement in the consistency of verification practice.
Embrace emerging technology that creates opportunities to improve service delivery.	<p>Over the year we have continued to make significant improvements to template reports which has improved the ease of using tablets during verification.</p> <p>Information sharing on MPI's database has led to the Council being able to access improved reporting and statistics related to our registrations and verifications.</p> <p>The Environmental Health team is looking at the role out of body worn cameras during site visits. This will allow staff to peer review each other and provide food premises with a level of certainty that their food business is being treated fairly.</p>



Levels of Service and Performance Measures

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of applications for liquor licences and food certificates processed within target timeframes.	97%	Liquor 50% Food (Not Measured) ⁽¹⁾	64%
Percentage of registered and licensed premises that undergo an environmental health compliance inspection annually.	90%	79% ⁽²⁾	52%
Percentage of noise complaints to be assessed within one hour ⁽³⁾ of receiving a complaint.	90%	77%	73%
Percentage of reported pollution incidents with Council response initiated within 30 minutes.	100%	65%	85%

⁽¹⁾ Food certification was not measured and does not form part of the overall result this year due to a limitation of data availability. An interim solution is underway for year 1 of the 2021–2031 LTP. There were 40 new registrations and 159 renewals. Approximately 192 inspections were completed. This is higher than usual which impacted on achieving target timeframes.

⁽²⁾ 348 inspections carried out against a target of 443. Continued improvement in future years is expected.

⁽³⁾ Adjusted wording approved through the Annual Plan 2020/21, from 30 mins to one hour.



What it cost

	2020/21			
	2020/21 Actual	AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	4	0	4	0
Revenue from Exchange Transactions	528	504	24	473
Expenses	1,093	1,193	100	988
Net Cost of Service	561	689	128	515
This activity was funded 79% from rates and 21% from fees and charges				
Capital Expenditure				
Capital Projects	122	0	(122)	17
Funded By:				
Internal Loans	122	0	(122)	17
	0	0	0	0



What was different from the budget

1. Revenue from exchange and non exchange transactions is mostly inline with Annual Plan.
2. Expenditure is \$100k under Annual Plan. This was for the purchase of a Harbour Master boat, to ensure maritime safety throughout the region.
3. Capital costs are \$122k over Annual Plan. This was for purchase of a Harbour Master boat, to ensure maritime safety throughout the region.



Ngā Ratonga Āhuahanga Infrastructure Services

Urban Stormwater

What we do

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

Our stormwater system is made up of:

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

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

Why we do it

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

This activity contributes to the following Community Outcomes

Tairāwhiti Tangata

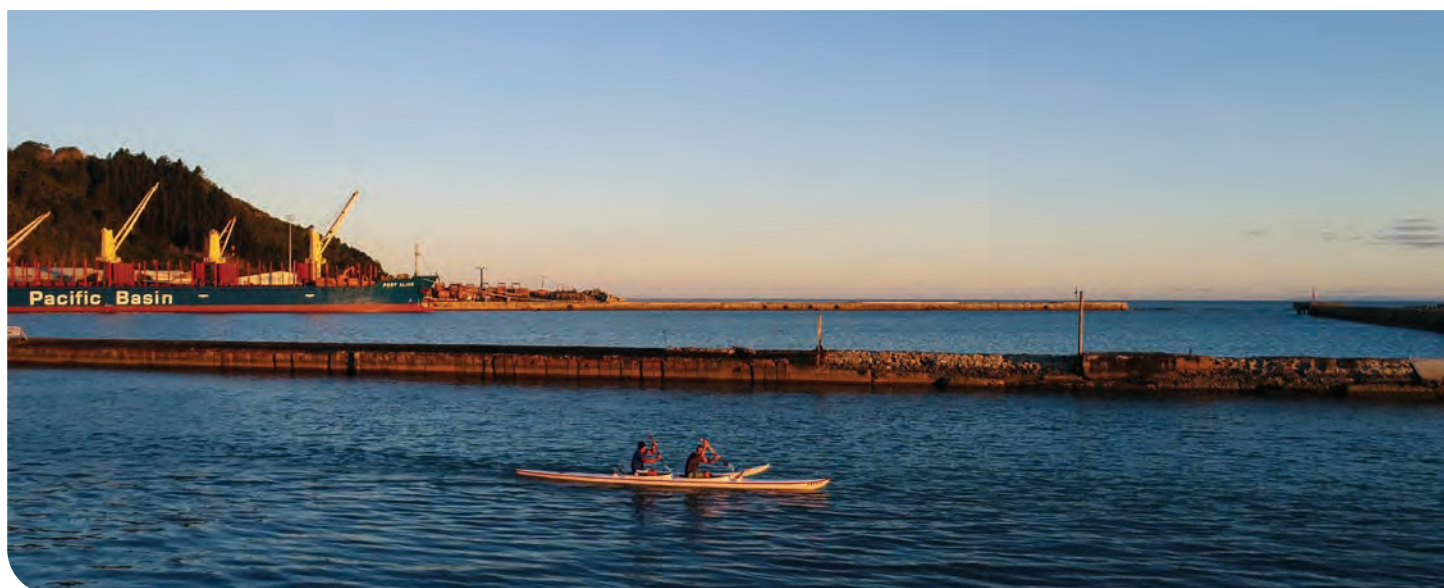
Tairāwhiti Taonga

Highlights

- Staff were successfully granted a 15 year global Resource Consent for the clearance of stormwater drains, streams and watercourses within Gisborne and related townships. It imposes conditions to protect fish life which is an additional constraint over previous maintenance practices but reinforces continuing improvement to environmental practices. It provides certainty and allows for continuing stormwater drain clearing operations which had been on hold.
- Other highlights include continuing DrainWise Operations, completion of Rutene Rd stormwater improvements as well as extending the network and alleviating private property flooding.

What we have been doing 2020/21

Commitment	Progress
Clearance of stormwater drains, streams and watercourses within Gisborne and related townships.	Staff were successfully granted a 15 year global Resource Consent for the clearance of stormwater drains, streams and watercourses within Gisborne and related townships. It imposes conditions to protect fish life which is an additional constraint over previous maintenance practices, but reinforces continued improvement of environmental practices. It provides certainty and allows for stormwater drain clearing operations to continue, which had previously been on hold.
DrainWise will be a major focus, with a combination of Council funded upgrades and private property enforcement.	Council staff have inspected 1953 properties over the year and repaired 599 gully traps. 68 faulty downpipes were found. Of these 63 have been rectified.
Complete investigative, design and upgrade work to address known Stormwater capacity restrictions in Stanford Crescent and Rutene Road (Stage 1).	Rutene Road SW upgrade has been completed (\$1.3m). Stanford Crescent has been completed (\$200k) and spanned two financial years.
Begin investigations, design and installation of stormwater infrastructure in Parkinson Street, Tolaga Bay (Stage 1).	Stage 1 has been completed. Property owners are now being consulted to determine whether further upgrades will be required to make the open drain more shallow.
Growth related upgrades in the Taruheru Block.	There are current plans to develop the Taruheru Block. Council infrastructure may be required in 2021/22 and 2022/23.
Maintain a network of the right capacity.	Council has extended its pipe network into private property as part of the Public Pipes on Private Property project to alleviate property flooding. Stormwater modelling has been completed for two thirds of the city and will assist in identifying future upgrade works.





Levels of Service and Performance Measures

Level of Service

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

Measure		Target 20/21	Result 20/21	Result 19/20
The number of complaints received about the performance of the stormwater system (per 1000 connections). Compliant with the Tairāwhiti Plan for discharge from its stormwater system, measured by the number of:		<15	8.57	7.44
obtain a resource consent for the discharge of stormwater from the public stormwater network by 2025	a) Abatement notices	0	0	0
	b) Infringement notices	0	0	0
	c) Enforcement orders	0	0	0
	d) Convictions	0	0	0
Percentage of residents satisfied with the district's urban stormwater services.		50%	48%	54%

Response times

Measure	Target 20/21	Result 20/21	Result 19/20
The median response time to attend a flooding event, from the time notification is received to the time service personnel reach the site.	30 mins	No events ⁽¹⁾	Not Measured

⁽¹⁾ As there were no flooding events related to house or business during 2020/21, the response time could not be measured. Therefore, this measure has been achieved by default.

System and Adequacy

Measure	Target 20/21	Result 20/21	Result 19/20
The number of flooding events that occur in the district.	2 or less	0	0
For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system).	<0.2	0	0

Significant negative effects of delivering this service

Potential negative effects	What has been the effect in year 3
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 city rivers and waterways.	There have been no wastewater overflows into rivers or waterways this year. This number has trended down over the last few years. This is due to pump replacements with advanced cutter capability, proactive jetting maintenance, pipe renewals and the DrainWise programme.
Insufficient control of secondary flow paths will cause flooding on private property, inundating houses and buildings during heavy rains.	There have been issues in Moana Road, Wainui. A Resource Consent has been obtained and building will commence in 2021/22. Other issues have been progressively dealt with through Public Pipes on Private Properties.
Under-capacity of the stormwater network in industrial and residential areas will be a deterrent to developers if they have to pay more to upgrade the capacity of stormwater infrastructure downstream of their proposed development.	Council has completed two Stormwater models in Whataupoko/Mangapapa, Elgin/CBD. Kaiti is currently being updated and will be used to identify under-capacity within the network and determine future upgrades.
The amount of pollutants discharged into the environment from the stormwater system, such as bottles, plastics, rubbish, hydrocarbons, metals, and other products.	This will be addressed as part of the Integrated Catchment Management Plans required by 1 July 2025.

What it cost

	2020/21		2020/21	2019/20
	2020/21	AP	2020/21	2019/20
	Actual	Budget	Variance	Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	4	0	4	0
Revenue from Exchange Transactions	17	0	17	(25)
Expenses	2,608	2,796	188	2,577
Net Cost of Service	2,587	2,796	209	2,601

This activity was funded 100% from rates.

Capital Expenditure

Capital Projects	2,732	3,585	853	2,746
Funded By:				
Depreciation or Other Reserves (Renewals)	555	868	312	2,233
Internal Loans	2,177	2,718	541	513
	0	0	0	0

What was different from the budget

1. Revenue from exchange and non-exchange transactions is \$21k ahead of Annual Plan. This is mostly due to receiving a grant and from financial contributions for a new piped stormwater system.
2. Expenditure is \$188k under Annual Plan. This is due to lower interest costs and lower operating costs.
3. Capital costs are \$853k under Annual Plan. This was due to both savings on project costs and from some winter weather delays. The Rutene Road project was completed \$300k under budget. Stanford Crescent upgrade was 70% completed at 30 June, with delays caused by weather conditions.



Wastewater

What we do

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

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

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

Why we do it

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

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

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

This activity contributes to the following Community Outcomes

Tairāwhiti Taonga

Tairāwhiti Tangata

Highlights

- This has been a year where the results have shown significant improvements from work done over previous years. There has been one wet weather event causing river overflows as opposed to 3-4 in previous years. This was due to a number of factors including pump upgrades, improved reticulation maintenance through routine jetting programmes, removal of accumulated sand and gravel, removal of fatbergs, and the replacement and relining of faulty pipes.
- DrainWise has a significant effect and the public are more aware of the sewer network requirements. Contractors continue to work well in partnership with Council staff.



What we have been doing 2020/21

Commitment	Progress
<p>Reduce overflows onto private property and into our waterways in line with the DrainWise programme by:</p> <ul style="list-style-type: none"> fixing and replacing old private property sewer laterals replacing Council's old leaking earthenware pipes improving network performance through more pipe cleaning and surveillance inspecting properties for stormwater illegally getting into wastewater pipes a programme to improve education and awareness around overflows improve network resilience (generators). 	<p>The DrainWise programme has concentrated on achieving maximum results with current resources. This has meant an emphasis has been put on property inspections and repairing gully traps. Council staff have inspected 1953 properties over the year and repaired 599 gully traps. 68 faulty downpipes were found. Of these 63 have been rectified.</p> <p>Network improvements include continued pump replacements with advanced cutter capability, proactive jetting maintenance and pipe lining renewals. A new generator and building were installed at Childers Road.</p> <p>An updated Education and Awareness plan has been produced and is being rolled out. Information is primarily shared through website updates and social media posts.</p>
Design and consent for further wastewater treatment in accordance with the option selected by the community (complete Phase 1 within 10 years).	<p>All construction consents have been obtained and a Contract for Stage 2 Phase 1 which includes a new Clarifier Pump Station, and Ground Improvements has been awarded.</p> <p>The Stage 2 Phase 2 which is the remaining upgrade of the Wastewater Treatment Plant at Banks St is being finalised.</p>
Apply for resource consent for emergency discharges to waterways under the Tairāwhiti Resource Management Plan.	The resource consent application was heard in July 2021. The final conditions are yet to be advised.
New infrastructure in the Taruheru Block to allow for future growth.	There are current plans to develop the Taruheru Block. Council infrastructure will be required in 2021/22 and 2022/23.
Complete improvements to septage sites subject to community consultation and resource consents.	A prospective site has been located in Te Puia Springs and negotiations are under way.
Upgrade the Sewer Pump Stations.	Seven pump stations including 14 pumps were upgraded with cutter pumps.
Maintain a network of the right capacity.	Council models the network and reviews pump sizing to improve capacity. A jetting programme has been optimised to address critical areas of concern.



Levels of Service and Performance Measures

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
The number of dry weather sewage overflows, per 1000 sewerage connections.	1	0	0.07

Management of environmental impacts

Measure	Target 20/21	Result 20/21	Result 19/20
Compliance with resource consents for discharge from the wastewater system, measured by the numbers of:			
a) abatement notices	0	0	0
b) infringement notices	0	0	0
c) enforcement orders	0	0	0
d) convictions	0	0	0

Response to wastewater system faults

Measure	Target 20/21	Result 20/21	Result 19/20
a) Median attendance time: from the notification of the fault to the time that service personnel reach the site (hours).	1	0.55	0.56
b) Median resolution measured from the notification of the fault to the time that service personnel confirm resolution (hours).	12	2.41	2.17

Customer Satisfaction

Measure	Target 20/21	Result 20/21	Result 19/20
The total number of complaints per 1000 connections received.	<15	14.60	8.95
Percentage of residents satisfied with the Gisborne district's wastewater system (Residents Satisfaction Survey).	50%	47%	57%
The annual number of events where sewerage is discharged from Councils reticulation into rivers or streams (in a less than a 1-in-10-year rain event).	≤4	1	3

Significant negative effects of delivering this service

Potential negative effects	What has been the effect in year 3
Health and safety issues and property damage from overflows from gully traps onto private property.	Wet wipes have been a significant issue particularly on the private/public interface.
Contamination from controlled emergency discharge of wastewater into waterways.	No overflows occurred this year.
Treated discharges of wastewater to the ocean continue to be culturally offensive to Māori.	The Wastewater Treatment Plant upgrades may reduce but not eliminate sewer effects on the environment.
Odours, visual effects and effects on groundwater from the septage disposal sites and oxidation pond.	Samples are regularly taken. Disposal beds clog up and need to be remediated.
Under-capacity of the wastewater network in industrial and residential areas will be a deterrent to developers if they have to pay more to upgrade the capacity of wastewater infrastructure downstream of their proposed development.	This is a global issue affecting Gisborne as well as most cities in New Zealand.

What it cost

	2020/21		2020/21 Variance	2019/20 Actual
	2020/21 Actual	AP Budget		
Operating Expenditure (\$000)				
Revenue from Exchange Transactions	418	413	5	487
Expenses	7,597	7,747	150	6,940
Net Cost of Service	7,180	7,334	155	6,452

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

Capital Expenditure

Capital Projects	9,459	15,431	5,972	2,740
Funded By:				
Grants and Subsidies	25	0	(25)	0
Other Capital Revenue	373	373	0	110
Depreciation or Other Reserves (Renewals)	119	2,530	2,411	106
Internal Loans	8,941	12,528	3,586	2,524
	0	0	0	0

What was different from the budget

1. Revenue from non-exchange transactions is in line with Annual Plan.
2. Expenditure is \$150k under Annual Plan. This is due to interest costs being lower than expected.
3. Capital costs are \$5.9m under Annual Plan. This is due to the delay in the Wastewater Treatment Plant project. Budget has been provisioned for in the 2021–2031 Long Term Plan and the project is due to commence in 2021/22.



Water Supply

What we do

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

Why we do it

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

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

This activity contributes to the following Community Outcomes

Tairāwhiti Tangata

Tairāwhiti Taonga

Highlights

- Full drinking water compliance for the Gisborne City supply and successful demand managed water usage during the summer season.
- Increasing resilience of the water treatment plant operators with the commencement of training for a second water treatment plant cadet.
- Successful completion of capital projects-renewing asbestos cement water mains, treatment plant equipment components and improving backflow prevention in the city distribution network.
- Increasing operational resilience of the water treatment plant with the addition of a second water treatment plant cadet.

What we have been doing 2020/21

Commitment	Progress
Improve water treatment resilience by renewing the automation systems at the Waingake and the Waipaoa water treatment plants and upgrading the Makaraka Booster pumping station.	Installation and commissioning of new automation systems have been completed at the Waingake and Waipaoa water treatment plants. Motors and drives have been replaced at Makaraka pump station.
Install point of supply manifolds with check valves at residential connections to reduce the backflow contamination risk. This is a seven-year programme or work.	1579 backflow manifolds have been installed. This multi-year project is on track to complete renewal of all the backflow check valves.
New infrastructure in the Taruheru Block to allow for future growth.	Development contribution has been funded and a development proposal began groundworks for 260 houses. New Council funded Four Waters infrastructure was required for this development in 2020/21.
Replace aging pipes in the city water distribution network.	4270 meters of old asbestos cement water mains were replaced along with the household connection components.

Levels of Service and Performance Measures

Level of Service

We provide water supply infrastructure that meets the needs of our community now and into the future by delivering safe, clean water in a sustainable manner.

Measure	Target 20/21	Result 20/21	Result 19/20
The percentage of residents satisfied with the water supply system (Resident Satisfaction Survey).	70%	86%	88%

Demand Management

Measure	Target 20/21	Result 20/21	Result 19/20
The average consumption of drinking water per day per resident within the district (litres/person/day).	308	219	217

Customer Satisfaction

Measure	Target 20/21	Result 20/21	Result 19/20
The total number of complaints received expressed per 1000 connections to the networked reticulation system.	<20	5.08	4.34

Fault Response Times

Measure	Target 20/21	Result 20/21	Result 19/20
In response to a fault or unplanned interruption to the networked reticulation system, the following median response times measured:			
a) attendance for urgent callouts	2 hrs	0.24	0.42 hrs
b) resolution of urgent callouts	8 hrs	1.08	1.28 hrs
c) attendance for non-urgent callouts	8 hrs	2.79	2.87 hrs
d) resolution of non-urgent callouts	2 days	0.845 days	0.89 days

Maintenance of the reticulation network

Measure	Target 20/21	Result 20/21	Result 19/20
The percentage of real water loss from Councils networked reticulation system.	<15%	14.5% ⁽¹⁾	Not measured

⁽¹⁾ Water loss is modelled in lieu of means to measure. The LTP will provide funding for leak detection in 2026 and residential metering in 2028–2030 to provide for water loss measurement.

Safety of Drinking Water

Measure	Target 20/21	Result 20/21	Result 19/20
The extent to which the drinking water supply complies with:			
1. part 4 of the drinking-water standards (bacteria compliance criteria)			
Gisborne City	100%	Compliant	100%
Gisborne rural	100%	Compliant	100%
Te Karaka	100%	Compliant	100%
Whatatutu	100%	Compliant	100%
The extent to which the drinking water supply complies with:			
2. part 5 of the drinking-water standards (protozoal compliance criteria)			
Gisborne City	100%	Compliant	100%
Gisborne rural	100%	Compliant	100%
Te Karaka	100%	Non-compliant ⁽¹⁾	100%
Whatatutu	100%	Non-compliant ⁽¹⁾	100%

⁽¹⁾ There was no risk to health from the water supplies at Te Karaka or Whatatutu. The Non-compliance identified an opportunity to further improve existing controls and checks on our treatment systems. The Improvements were implemented.

Significant negative effects of delivering this service

Potential negative effects	What has been the effect in year 3
Environmental Effects on the environment of discharges of chlorinated water from maintenance activities or pipeline failures.	Negligible effect - pipeline scouring or water lost during water mains breaks is discharged to land where chlorine readily dissipates before reaching any stormwater system.
Social Health and safety risks associated with the construction, maintenance or operation of the water supply infrastructure. Property damage resulting from mains failures. Damage to some household hot water valves caused by corrosion by-products within galvanised iron rider mains and service connections.	Notification about water supply interruption is done prior to planned works. Safety measures for risk management and pedestrian and traffic management are in place for all works. Footpath and road surface reinstatements are completed in a timely manner following works to make areas safe. Water quality pH is maintained within the Drinking Water Standards acceptable range to mitigate corrosion potential.
Cultural No potential significant negative cultural effects have been identified for the water supply activity.	Meeting Resource Consent conditions for water takes and water discharges contributes to preventing negative effects.

What it cost

	2020/21 Actual	2020/21 AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	6	0	6	5
Revenue from Exchange Transactions	3,682	3,077	605	3,517
Expenses	6,234	5,772	(463)	6,114
Net Cost of Service	2,547	2,695	148	2,592
This activity was funded 50% from rates and 50% from fees and charges.				
Capital Expenditure				
Capital Projects	3,453	3,304	(150)	1,982
Funded By:				
Grants and Subsidies	24	0	(24)	0
Depreciation or Other Reserves (Renewals)	3,136	2,993	(143)	1,849
Internal Loans	293	311	18	133
	0	0	0	0

What was different from the budget

1. Revenue from non-exchange transactions is \$6k ahead of Annual Plan. This relates to penalties on unpaid water rates.
2. Revenue from exchange transactions is \$605k ahead of Annual Plan. This is due to an increase in new water meter fees, mostly driven by higher usage from users.
3. Expenditure is \$463k over Annual Plan. This mostly relates to higher operating costs (in part driven by higher usage), and more repairs and maintenance costs.
4. The full capital programme for water supply capital projects was delivered. Capital costs are \$150k over Annual Plan. This is due to an upgrade of the electrical automation system that runs the Waipaoa treatment plant. The equipment was delayed in shipping due to COVID-19 spanning this financial year.



Land, Rivers and Coastal

What we do

Council manages:

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

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

Why we do it

We do this to:

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



This activity contributes to the following Community Outcomes

Tairāwhiti Taonga

Tairāwhiti Tangata

Highlights

- Staff were successfully granted a 15 year global Resource Consent for the clearance of rural drains, rivers and watercourses within the Gisborne district. It imposes conditions to protect fish life which is an additional constraint over previous maintenance practices, but reinforces continuously improving environmental practices. It provides certainty and allows for continuous drain clearing operations which had been on hold.
- Other highlights include completion of the Tauwhatinui Water Detention Dam, a significant start on the Taruheru and Tūrangānui River Revetments and significant progress on the Tūrangānui a Kiwa / Poverty Bay Drain Assessments.



What we have been doing 2020/21

Commitment	Progress
Provision of a Flood Warning Service for several key river catchments in the district.	Continue to provide a Flood Warning Service.
Waipaoa Flood Control Scheme 15-year upgrade from a 1:100 year event flood protection level, to a 1:100 year event taking into consideration the effects of climate change out to 2090.	Stopbank upgrade construction work has been progressing well since work first started in Feb 2019. Approx. 15km of stopbanks have been successfully upgraded up to June 2021. Work has been focussed on upgrading the eastern (city) side of the Waipaoa River up until now. Once the eastern side has been completed (expected in 2022), construction work will shift across to upgrade the western side stopbanks.
Review the levels of service for the Te Karaka scheme, which was originally designed for a 1:200 year event.	A Risk Assessment was completed for the Te Karaka scheme. This highlighted some risks, especially in relation to capacity, and will be reviewed further in 2021/22.
Maintain the land drains to drain a 1:5 year rain event.	A full drain assessment programme was developed and completed for five of the Tūrangānui-a-Kiwa/Poverty Bay catchments. Any maintenance issues were addressed.
Short-term renewal of the land drainage pump stations and retaining walls on the Tansley Road drain.	Three of the four land drainage pump stations have been refurbished this year. This includes renewing or repairing screens, electrical and alarm systems and buildings. Tansley Drain was completed and planting established.
Most of the asset value is in non-depreciable assets (stopbanks, channels). Long-term renewal requirements are a relatively low proportion of the overall budget but this needs to be confirmed as condition and life data improves.	Full Risk Assessments have been completed for the Waipaoa and Te Karaka Flood Control Schemes. This includes asset identification, condition rating and valuations.
Ongoing inspections of assets, particularly critical structures.	There has been an emphasis on drain assessments as well as continuing stopbank and critical asset inspections.
Surveys to capture coastal elevation data.	An ongoing surveying programme continues to be implemented.
Wainui Beach Erosion Management Strategy implementation.	An additional report on Wainui Beach has highlighted that a coastal erosion strategy is required.
Beach erosion monitoring.	An ongoing surveying programme continues to be implemented.
Respond to Councils Requests for Service (RfS) system to manage and track all requests that the public make.	Council has a contractor who is responsible for responding to RfS's and provides a good service, dealing with about 10-12 requests per month.
Review how we do things compared to other similar teams across New Zealand.	There has been a number of workshops and meetings with national attendance. Council staff are not as active nationally as larger authorities but our Flood Warning Manual was rated highly.



Levels of Service and Performance Measures

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of customers who rate Requests for Service responses as excellent/good.	93%	Not measured ⁽¹⁾	Not measured

⁽¹⁾ measure is not surveyed by staff. This was in favour of a more targeted customer satisfaction surveys at the point of service.

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of Requests for Service resolved within target time frames. ⁽¹⁾	80%	87%	84%

⁽¹⁾ Target time frames range between 5 days to 260 days depending on the type and priority of the request for service.

System adequacy and maintenance

Measure	Target 20/21	Result 20/21	Result 19/20
25% of flood control stopbank length is inspected annually and maintained to a 1-in-100-year protection standard. Total Stopbank Length 75.4km.	25%	26%	85%

Significant negative effects of delivering this service

Potential negative effects	What has been the effect in year 3
Blockages during heavy rain and floodgate closure can cause ponding and flooding issues for land and property.	This occurred in Tikitiki when a small flood gate was blocked with debris causing ponding issues for the school.
Construction of stopbanks artificially changes the landscape with an impact on recreational and cultural activities.	This has been the case where the Waipaoa stopbank upgrade will have a positive impact on the new cycleway.



What it cost

	2020/21	2020/21	2020/21	2019/20
	Actual	AP Budget	Variance	Actual

Operating Expenditure (\$000)

Revenue from Non-Exchange Transactions	234	0	234	225
Revenue from Exchange Transactions	269	277	(8)	288
Expenses	2,391	2,514	123	2,246
Net Cost of Service	1,888	2,237	349	1,733

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

Capital Expenditure

Capital Projects	4,862	2,691	(2,171)	2,189
Funded By:				
Grants and Subsidies	2,489	0	(2,489)	0
Other Capital Revenue	10	10	0	11
Depreciation or Other Reserves (Renewals)	(3,035)	1,182	4,218	771
Internal Loans	5,398	1,498	(3,900)	1,408
	0	0	0	0



What was different from the budget

1. Revenue from non-exchange transactions is \$234k ahead of Annual Plan. This is resulting from the grant received for the Waikanae to Waipaoa cycle trail.
2. Revenue from exchange transactions is in line with Annual Plan.
3. Expenditure is \$123k under Annual Plan. This is mostly due to lower than expected interest costs.
4. Capital costs are \$2.1m over Annual Plan. This is mostly related to the Waipaoa River Flood Control Scheme. Funding for this was provided by the Ministry of Business, Innovation and Employment (MBIE).



Journeys

What we do

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

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

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

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

As a regional authority, we have a responsibility for regional land transport planning. This is carried out by Council's strategic planning team.

Why we do it

Land transport infrastructure is a key enabler of community connectivity and economic activity for our region. Agriculture, forestry and horticulture are major industries in Gisborne, and tourism is growing with great potential. They all depend on the resilience, safety and quality of our road network.

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

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



This activity contributes to the following Community Outcomes

Tairāwhiti Tangata

Highlights

- This year we continued to deliver PGF funded projects and 2018 emergency work. This includes East Cape Road upgrades, route security improvements and 50 max bridge upgrades for network resilience and ability to get product to market.
- During the past year we've continued to look after our \$2.3bn worth of infrastructure assets.
- We've redeployed people in the workforce affected by COVID-19 and enabled social procurement to enhance our local skills and knowledge with projects like Hazardous Tree Removal and Heavy Metalling.
- Major upgrades to Aerodrome and Rakaia Road, Hirini Street urupa and Kopuawhakapata stream culvert beautification and the Queens Drive one-way system to Titirangi Summit.
- Mangapapa School safety improvements, 'Make the Call' road safety campaign, new footpaths to the riverside by Mitre 10, along Valley Road and in Wainui near the Hamanatua Stream.
- We've installed a further 380 LED streetlights. The Pōtae Ave to Nelson Road link, Wainui to Inner Harbour cycleway, our first new separated cycleway are all near completion.
- We worked with road safety partners Police, St John, Fire and Emergency NZ, Waka Kotahi, and others on a number of road safety initiatives to keep our people safe on our roads.

What we have been doing 2020/21

Commitment	Progress
To promote and grow the wellbeing of Gisborne community.	For our work on the Provincial Growth Fund programme, we were finalists for the Kāinga Ora Homes and Communities Excellence Award for Social Well-being.
Audit of Waka Kotahi investment.	The audit included \$29m of Provincial Growth Funding (PGF). Significant improvements were made since the last procedural audit in May 2017 specifically around the financial assistance claims, giving assurance that Councils Land Transport Programme is being well managed, delivering value for money and managing risk associated with Waka Kotahi investment.
Improve the condition of road assets that are below the desired levels of service.	PGF funding continued with improved network resilience.
Address backlog of resilience and slip repair work on key routes.	BAU, PGF and Emergency works have addressed Arakihi, Anaura, Armstrong, Bushy Knoll, Tarewa, Ihungia, Mata, Waikura, Tauwhareparae, Utting, Whakarau, Rangikohua, Waiau, Kioie, Motu, Kanakanaia, Tiniroto, Whakarau Roads. Refer to bridges below.
Increase emergency repair works to address damage from frequent heavy rainfall.	Queen's Birthday 2018 flood event damage repair works is now 90% repaired.
Upgrade rural roads with industry and Transport Agency support, to enable log harvest.	PGF funding continued with route security across the district.
Key resilience strengthening projects on rural roads including East Cape Road Bluff slopes stabilisation.	East Cape Road extension and rock protection with social procurement.
Continue to implement the recommendations of the Eastland Port Access Strategic case.	Completed upgrade of Rakaiatane Road to our Port. Intersection on Wainui Road (SH35) sits with Waka Kotahi.
Complete a Network Efficiency Investigation to consider best heavy vehicle routes.	Completed Year 1. Traffic and Parking Bylaw review in progress.
Safety improvements including guard railing and corner realignment in key risk areas.	Safety improvements changed to rural delineation in high classification routes (via technical audit).
Local road improvements to support forest harvest including Arakihi Road widening and seal extensions to Waimatā Valley, Tauwharepārae and Kanakanaia Roads.	Completed (see above list for roads).
Review speed management zoning including progressing safe school speed zones.	Speed Management Plan carried out community engagement.
Township upgrades for Manutūkē and Muriwai.	Drainage, lighting, traffic calming and beautification in progress. Scope increased to include Wharekahika playground/toilet and Te Araroa planning. New Council Township team in place to oversee. Refer report 21-168 Northern and Southern Townships Updates to Operations Committee.

Commitment	Progress
Continue streetlight upgrades.	A further 380 LED streetlights installed. COVID-19 and shipping delays limited project to 60 per cent of three year plan.
Increase bridge and retaining wall maintenance/renewal work.	Mangarua, Wharekiri No1, Mangaroa No1, Murphy, Aorangiwai, Wigans, Reporua, Oweka, Carlsons, Pauariki Bridges. 50 max bridges assessed, 16 designed, 15 strengthened.
Monitor urban traffic growth trends including potential efficiency impacts on freight and people movements.	Increased traffic counts to assess route viability to assist with network reviews.
Complete the Urban Cycleway Programme from Wainui through Kaiti to the Tūrangui River including the Gladstone Road Bridge walkway.	Finished Wainui Road section. Crawford Road to Inner Harbour in progress, final stage.
Complete transport upgrades to support the Inner Harbour redevelopment including safe pedestrian access to Titirangi (Kaiti Hill).	Completed.
Upgrade Titirangi Road to enable safer pedestrian use and improve car parking.	Carpark for marae (using PGF millings) and one-way up to summit completed.
Progress the Taruheru Cycleway with external funding.	Now internally funded to proceed to Business Case. Mitre 10 track established with PGF millings.
Complete the new Taruheru subdivision road linking Pōtae Avenue to Nelson Road and Gwyneth Place parking improvements.	Near completion.
Tourism upgrades including increased rest areas on SH35 and upgrades to East Cape Road.	Completed Years 1 and 2.
Continue to support the Gizzy Bus and the school bus service, the free Kaiti School bus and the SuperGold Card and Total Mobility schemes.	Ongoing.
Footpath and crossing renewals.	Ongoing.
Consider possible trial revegetation of State Highway Road corridor site with native vegetation.	Did not attract funding.



Levels of Service and Performance Measures

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Annual number of pedestrian and cyclist injury accidents.	Decrease	0	5 (2 fatal, 3 serious)
Percentage of residents who feel that riding a bicycle is unsafe (Resident Satisfaction Survey).	Maintain or decrease from prior year	30%	47%
Road Safety: The change from the previous financial year in the number of fatalities and serious injuries on the local road network.	Decrease	4 fatal, 20 serious ⁽¹⁾	2 fatal, 17 serious

⁽¹⁾ 26% speed related, 70% male drivers, 64% full licence, 56% alcohol, 57% poor handling/ poor judgement. 'Make the Call' campaign rolled out over Christmas.

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of residents satisfied with the overall condition of Council roads (excluding state highways) (Resident Satisfaction Survey).	60%	32% ⁽¹⁾	41%
Response to service requests - the percentage of customer service requests relating to roads and footpaths to which Council responds within the time frame specified in the LTP.	80%	33% ⁽²⁾	81%

Measure	Target 20/21	Result 20/21	Result 19/20
Road condition: The average quality of ride on a sealed local road network, measured by smooth travel exposure.	80% of sealed network to have NAASRA count of 150 or better	90.34%	90.3%
Road maintenance: The percentage of the sealed local road network that is resurfaced.	5%	5.45%	4.6%
Footpaths: The percentage of footpaths within the district that fall within the service standard set out in the Pathways Asset Management Plan.	60%	86.4%	Not measured

⁽¹⁾ We acknowledge the feedback from surveyed residents specifically in relation to the increase in heavy freight vehicles and the maintenance required to service these rural roads.

⁽²⁾ Work is underway with our contract providers to ensure improved responsiveness is achieved. Time frames range from 2-3 working days.

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of residents using the walking and cycling networks (Resident Satisfaction Survey).	64%	67%	64%
Percentage of customers who rate the passenger transport system as excellent/good.	80%	100% ⁽¹⁾	Not measured
The number of bus passengers per annum.	145,000	121,487 ⁽²⁾	100,054

⁽¹⁾ Six surveys were completed in November 2020. "Excellent/Good" requires a passenger survey rating of 8 to 10. 100% of surveys rated the transport system 8 or better.

⁽²⁾ A Public Transport Network Review is proposed to address declining passenger numbers

Significant negative effects of delivering this service

Potential negative effects	What has been the effect in year 3
Heavy vehicle traffic noise and vibration to properties adjoining roads.	Increased due to PGF construction. Traffic and Parking Bylaw is in progress to address where trucks go.
Potential for dust on unsealed roads to affect health.	Dust trials are in progress. Initial signs are positive.
Potential for air pollution from traffic fumes including in high traffic areas.	Reduced congestion due to shift to working at night where appropriate.
Construction of roads can have a significant negative effect on the environment and community, such as congestion and delays, air pollution, safety and water quality issues and disturbance of cultural sites during earthworks.	Increased due to PGF construction. Global consent in progress. Secured funding for roading in Four Waters Fresh Water Plan.
Pests and weeds in the road corridor.	Continue to manage as usual.

What it cost

	2020/21 Actual	2020/21 AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	34,220	14,958	19,261	26,708
Revenue from Exchange Transactions	270	46	224	53
Expenses	51,472	31,942	(19,530)	44,139
Net Cost of Service	16,982	16,937	(45)	17,378
Capital Expenditure				
Capital Projects	47,095	56,497	9,401	32,132
Funded By:				
Grants and Subsidies	41,856	49,559	7,703	26,438
Other Capital Revenue	250	250	0	250
Depreciation or Other Reserves (Renewals)	3,178	5,001	1,823	4,035
Internal Loans	1,811	1,687	(124)	1,410
	0	0	0	0

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

What was different from the budget

1. Revenue from non-exchange transactions is \$19.2m ahead of Annual Plan. This is due to the Provincial Growth Fund (PGF) income of \$10m to cover the PGF roading expenses, and was received after the adoption of the Annual Plan. Council also received funding from Ministry of Business, Innovation and Employment (MBIE) for the Tairāwhiti Redeployment Programme (TRP).
2. Revenue from exchange transactions is \$224 over Annual Plan. This is mostly due to increased Corridor Access Requests (CARs).
3. Expenditure is \$19.5m ahead of Annual Plan. This relates to PGF and TRP operational costs which were approved after the Annual Plan. The costs are 100% externally funded.
4. Capital costs are \$9.4m under Annual Plan, however most of this variance relates to a reclassification of PGF costs into operating expenditure. This meant that this portion of external funds were delivered under operations. Total capital projects delivered amounted to \$47m, the highest ever roading capital investment in any one year. The projects were delivered across three funding streams and areas: normal Long Term Plan projects (Waka Kotahi), Provincial Growth Fund and Tairāwhiti Redeployment Programme projects.



Solid Waste

What we do

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

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

Why we do it

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

This activity contributes to the following Community Outcomes

Tairāwhiti Tangata
Tairāwhiti Taonga

Highlights

- Reduction in waste to landfill to 250kg in year 2020/21 from 318kg in year 2019/20.
- There has been a significant improvement in perception of kerbside rubbish collection (+10% from previous year).



What we have been doing 2020/21

Commitment	Progress
Maintain existing levels of service for kerbside collection, litter bins, transfer station management and waste minimisation. New opportunities for improvement and efficiency will be identified through the new WMMP and progress may be made in establishing shared services opportunities with Wairoa District Council.	Existing levels maintained. Initiating a review of our kerbside collection service. Tender process under way to conduct a Resource Recovery Centre Feasibility Study. Established connections and relationships with other councils and Local Shared Services.
The Paōkahu Landfill, which is acknowledged as having an environmental impact on the Awapuni lagoon waterways, will be a focus to minimise impacts and support tangata whenua aspirations for restoring the area for future generations.	Ongoing discussions with Paokahu trust, Awapuni Moana Trust and Rongowhakaata iwi for remedial works programme.
Implement the WMMP 2018–2024.	Ongoing.
Work on potential opportunities to collaborate with Wairoa District Council on regional solid waste opportunities.	Regular discussions with our Wairoa District Council counterparts. Collaboration on new initiatives discussed.
Health and safety review of solid waste and its contractors.	Regular reviews and audits of our contractors.
Implement a waste management asset replacement programme.	Have created internal asset surveys to assist us identify the priority assets for replacement.
Public awareness programmes such as composting workshops.	We support ongoing workshops for Composting and Worm farming through our Tairāwhiti Environment Centre. Support for Environment Centre initiatives.
Monitor the effects of the introduced user pays system on rural transfer stations to track progress and identify any future waste minimisation needs.	Ongoing discussions with our community caretakers who are monitoring the user pays system.
Decision to be made on the Waiapu Landfill closure.	Not yet completed. Waiapu Landfill Working party to resume regular discussions. Investigating options on resource recovery for Tairāwhiti.
Implement additional spring cleaning/summer season services for the Central Business District street cleaning contract.	This was completed for our summer season. Regular schedule in place. Additional ad-hoc cleans captured and actioned from RfS.
Continue to support the Enviro schools programme.	Ongoing discussions.



Levels of Service and Performance Measures

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Total waste received as illegal dumping.	Decrease	202.71 tonnes ⁽¹⁾	161 tonnes
Resident satisfaction with kerbside rubbish bag and recycling collections (Resident Satisfaction Survey).	90%	87%	77%

⁽¹⁾ Total Waste received as illegal dumping has increased this year by 41.71 tonne. This past year has seen an increase of fly tipping incidents where household room lots have been dumped. Lounge suites and bed furniture. Beaches have seen structures built and then left. Illegal dumping outside of our waste management site has continued post COVID-19. We have hot spot cameras, have issued warnings and infringements where possible and this has deterred some issues.

Level of Service

Public information and programmes promote waste minimisation.

Measure	Target 20/21	Result 20/21	Result 19/20
Resident satisfaction with Councils waste minimisation services and initiatives (Resident Satisfaction Survey).	80% ⁽¹⁾	74%	69%

⁽¹⁾ Target was increased from 74% in 2019/20, through the Annual Plan 2020/21.

Level of Service

Waste is diverted from the landfill via waste minimisation methods.

Measure	Target 20/21	Result 20/21	Result 19/20
Reduction in waste to landfill. Total kg of solid waste to landfill per head of population (kg).	285 kg	250	318 kg
Increased ratio of recycling tonnage to landfill waste tonnage.	30:70	31:68	26:74

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Number of Resource Consent breaches for Waiapu and Paokahu landfills.	<5 per year	1	10

Significant negative effects of delivering this service

Potential negative effect	What has been the effect in year 2
The most significant effect is on the environment, through depositing waste in landfills.	We have one operating landfill which is managed and maintained by a contractor. This has been managed very well and meet our consent.
Potential for odour, dust, vermin, litter and noise from waste minimisation facilities (e.g. landfills), which may affect neighbours and public health.	Landfill and transfer stations maintained and kept free of excess or long remaining product that attracts vermin or creates odours. Hours are set and maintained for our sites.
Kerbside collections, if not done properly, can lead to public health and safety issues.	Kerbside collections completed on time and safely. Regular audits completed on the service.
Refuse collection has potential negative effects from waste escaping from rubbish bags or bins and affecting the amenity of areas.	Roaming dogs are an ongoing issue with bags placed for kerbside collection. Residents are generally aware and place out the morning of, rather than the night before collection. The collections team do their best to remedy any situation where refuse escapes from bags. Looking at a review of our bag and sticker system 2021/22.
Noise may be a factor for the city transfer station, when the stations are operated seven days a week.	No issues from our operations have been recorded.
The user pays system can lead to some people dumping rubbish to avoid paying.	There has been an increase in illegal dumping. While there's no certainty this is attributed to the user pays system it has been considered.

What it cost

	2020/21			
	2020/21 Actual	AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	280	220	60	197
Expenses	4,016	3,816	(200)	4,037
Net Cost of Service	3,736	3,595	(140)	3,840
This activity was funded 96% from rates and 4% from fees and charges.				
Capital Expenditure				
Capital Projects	5	390	386	202
Funded By:				
Other Capital Revenue	450	450	0	659
Depreciation or Other Reserves (Renewals)	(445)	(384)	62	(601)
Internal Loans	0	324	324	144
	0	0	0	0

What was different from the budget

1. Revenue from exchange transactions is \$60k ahead of Annual Plan. This is due to additional income received towards the Tairāwhiti EnviroSchools facilitation.
2. Expenditure is \$200k over Annual Plan. This is mostly due to increased litter collection services.
3. Capital costs are \$386k under Annual Plan. This relates to the Paokahu landfill, a full assessment of what is needed for the site is currently under review. The project will proceed once the review has been completed.

Ngā Hapori Communities

Cultural Activities

What we do

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

- **Theatres** – Council provides facilities, expertise and services that enable the public to experience and participate in performing and visual arts, corporate and community events.
- **Museum and public art** – Council provides facilities, services and public art projects. We own and maintain the Star of Canada, Lysnar House and Wyllie Cottage but contract museum services to the Gisborne Museum of Art and History Trust.
- **HB Williams Memorial Library** – The library provides access to space and resources including professional staff, a relevant collection of materials such as local histories, free internet, a digital e-library, and specialised programmes to inspire learning, support for community recovery and civic participation.
- **Navigate Tairāwhiti** – The programme includes the following projects: Historical Interpretations (Tūpapa trail), Inner Harbour redevelopment, Puhi Kai Iti Cook Landing Site, Tītirangi Summit, Te Maro sculpture site and Tītirangi Restoration.

- **Navigate Tairāwhiti** – These projects showcase our area to locals and visitors alike. There's ongoing development of local and regional enterprise and working partnerships between Council, iwi and the wider community. Benefits will add value to our community, economy and lifestyle from tourism, economic and environmental initiatives – along with an enhanced sense of place, pride and natural beauty.

This activity contributes to the following Community Outcomes

Tairāwhiti Wawata

Tairāwhiti Tangata

Tairāwhiti Taonga

Why we do it

- **Theatres** – To provide facilities, expertise and services that enable the public to experience and participate in performing and visual arts, corporate and community events. To provide a space for local, national and international events to enable our citizens to participate in a global arts environment.
- **Museum and public art** – To provide facilities, services and art in public places that enable the public to experience and participate in the visual and historical arts, and to support regional museum services to tell our stories.
- **HB Williams Memorial Library** – To contribute to our community's lifelong learning, literacy and education, as well as meeting intellectual, recreational, economic and cultural needs. This is a time of transformational shift where library services will focus on community recovery, digital services, people spaces and preserving local history for all.

Highlights

During the year over 45 operating days were affected by changes to COVID-19 alert levels. Auckland experienced 20 alert Level 3 days and Australia a range of lockdowns across the states. These had significant impact on the activity's supply chains, ability of promoters and performers to travel and restricted local customer willingness to rebook postponed events or gather in our indoor facilities. Nevertheless, targets have been mostly met due to confidence in service.

Theatres

- War Memorial Theatre Trust provided grants to improve audience experiences including booster cushions for children. These enhance the experience for children by improving sight lines and engagement. They feel special and have more fun. These are the audiences of the future.
- Following cancellations and rescheduling in July to September due to COVID-19 alert level changes, strong demand for bookings returned across both theatres, including the successful Te Tairāwhiti Arts Festival as the first festival in the country to emerge following lockdown period.

Library

- A new website was launched with improved dynamic performance and 'my account' options.
- Participation in the New Zealand Libraries Partnership Programme (NZLPP) lifted quality and delivery of digital programmes and resources, and saw practical government support costs to improve community capacity and resilience.
- Use of online library resources increased by 158% as the community becomes more familiar with the wealth of digital options available and digital support from NZLPP.

Navigate Tairāwhiti

- The Bridge Walkway Link, Te Panuku Tū Titirangi Summit and Te Maro site work projects remain active although all except the Summit project will be completed 2021/22.

Museum

- The Tū te Whaihanga an exhibition of taonga that left Tairāwhiti 250 years ago was scheduled to close in October 2020, however the taonga will remain at the museum for an extended period (until 2022) due to COVID-19 impacts.
- Sixteen temporary exhibitions were opened, nine of which were solo shows, and in total over 100 practicing artists from our community (with one or two exceptions) exhibited at the museum last year.



What we have been doing 2020/21

Commitment	Progress
THEATRES	
Service delivery review of theatres and halls.	Reviewed all contracts and agreements with suppliers and theatre users and implemented improvements.
Asset maintenance improvements.	Completed Patutahi Hall fire escape and balustrades.
Increase revenue generation.	Increased theatres revenue through more in bookings, ticket and bar sales.
MUSEUM AND PUBLIC ART	
Install Hawaiki Tūrangā and Ruapani sculptures.	Remediation work has been completed following the discovery of underground asbestos.
Museum to develop 10-year strategic plan.	Year 1 Long Term Plan 2021–2031 to align with agreement renewals.
Continue to financially support Museum services and own and maintain buildings.	Complete.
Council and Museum to renegotiate service delivery contract.	Aligned agreement renewal to Year 1 Long Term Plan 2021–2031.
HB WILLIAMS MEMORIAL LIBRARY	
Consolidate programming and new uses in upgraded library building.	Embedded as business as usual.
Continue to develop the e-library including creating an online place to manage and share community/social history.	Expanded and strengthened library e-tools such as Radio Frequency Identification (RFID) functionality, website and access to e- library to encourage independent user engagement.
Renew Integrated Library Management System.	Project variation limited to customisation of existing software 95% complete.
Strengthen and embed bicultural capacity in all areas of library services.	Continue to seek to further embed bicultural practices, communication and sign posting across services. To aim for all signage and marketing tools to be bilingual.
NAVIGATE TAIRĀWHITI	
Ongoing maintenance of assets and infrastructure.	Embedded as business as usual.
To promote and grow the wellbeing of Gisborne community.	For our work on the Puhi Kaiti Cook Landing Site Redevelopment, we were finalists for the Creative New Zealand Excellence Award Cultural Wellbeing.
Continue to build on partnerships that have been developed.	Key partnership with Ngāti Oneone maintained with ongoing work.



Levels of Service and Performance Measures

Level of Service

Cultural facilities are accessible to Tairāwhiti residents and visitors.

Measure	Target 20/21	Result 20/21	Result 19/20
Number of visitors per annum to Tairāwhiti Museum.	45,000	44,716 ⁽²⁾	39,503
Percentage of households that have used the HB Williams Memorial Library in the last 12 months as found in the Resident satisfaction survey.	66%	52%	57%
Number of onsite visitors to the HB Williams Memorial Library per annum.	150,000	107,821 ⁽²⁾	109,820
Number of online visitors to the HB Williams Memorial Library per annum.	100,000 ⁽¹⁾	195,385	42,546

⁽¹⁾ Target reflects an increased level of service for 2020/21, approved through the Annual Plan 2020/21. 2019/20 target was 18,000.

⁽²⁾ The ongoing impacts of fluctuating COVID-19 Levels is still having an effect on the number of patrons physically visiting the museum and library. Numbers limited to 50 people at times and programmes cancelled. The drop in onsite library visits corresponds to an increase in online visits which increased by 158% on the previous year.

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Number of booking days per annum: Lawson Field Theatre.	200	144 ⁽¹⁾	123
Number of booking days per annum: War Memorial Theatre.	85	98 ⁽¹⁾	180

⁽¹⁾ Despite increase booking in days at Lawson Field Theatre they were still impacted by 44 days at COVID-19 alert level 2 and 3 locally and in Auckland. Staff continue to strive to meet ambitious target. 2019/20 data for War Memorial Theatre includes the period it was used as a COVID-19 testing site.

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of residents satisfied with the Lawson Field Theatre (Resident Satisfaction Survey).	90%	92%	87%
Percentage of residents satisfied with the War Memorial Theatre (Resident Satisfaction Survey).	90%	94%	96%
Percentage of community satisfied with the quality of art in public places and the way it is maintained (Resident Satisfaction Survey).	80%	80%	81%
Percentage of residents satisfied with the Tairāwhiti Museum (Resident Satisfaction Survey).	90%	94%	91%
Percentage of residents satisfied with Gisborne district's library services (Resident Satisfaction Survey).	90%	96%	93%

What it cost

	2020/21			
	2020/21 Actual	AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue From Non-Exchange Transactions	63	0	63	59
Revenue From Exchange Transactions	416	507	(90)	294
Expenses	3,472	3,720	249	3,587
Net Cost of Service	2,992	3,214	221	3,234
This activity was funded 90% from rates, 3% from grants and 7% from fees and charges.				
Capital Expenditure				
Capital Projects	300	375	(75)	846
Funded By:				
Grants and Subsidies	74	10	63	(348)
Depreciation or Other Reserves (Renewals)	197	333	(136)	543
Internal Loans	29	31	(2)	652
	0	0	0	0

What was different from the budget

1. Revenue in non-exchange transactions is \$63k ahead of Annual Plan. This is due to the Library receiving a grant from the National Library of New Zealand to assist with digital capacity and key staff training to deliver programmes of value to the community.
2. Revenue from exchange transactions is \$90k under Annual Plan. Lower user fees and sales income due to cancellation of events at the War Memorial Theatre due to COVID-19 restrictions that affected promoters ability to travel. This occurred both in August/September 2020 and again in February/March 2021.
3. Expenditure is \$249k under Annual Plan. Fewer events taking place at the theatres resulted in lower operating costs.
4. Capital costs are \$75k under Annual Plan. The underspend is due to the review of the integrated library management system causing delays on completion. Funds have been transferred to 2021/22.





Recreation and Amenity

What we do

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

Open Spaces, Parks and Gardens

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

Cemeteries

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

Community Property

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

Olympic Pool Complex

The Olympic Pool complex is an important recreational and sporting facility with about 95,000 visits a year. It provides a wide range of activities and programmes and is available for groups such as schools, sporting clubs and community organisations. The complex includes a health and therapy facility.

Why we do it

Open Spaces, Parks and Gardens

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

Cemeteries

Our cemeteries provide a final resting place for members of our community. We maintain cemeteries out of respect to people who are buried and remembered there and provide accurate records so families can easily find and pay respects to their loved ones.

Community Property

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

Olympic Pool Complex

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

This activity contributes to the following Community Outcomes

Tairāwhiti Taonga

Tairāwhiti Tangata

Highlights

- The Prime Minister has announced that the Olympic Pool Redevelopment would be funded by \$40m.
- Traps built by local Tamariki alongside Whaia Titirangi are being set on our Maunga.
- The Gisborne Botanical Gardens are among 24 green spaces in New Zealand to receive an international mark of quality.
- A significant collection of new trails led by the Gisborne Mountain Bike Club and supported by Council have been completed with support from several community sponsors including local business and schools. Council also developed a new car park area and trail signage to complete the experience. This project is now complete and maintenance is shared between the Club and Council.

What we have been doing 2020/21

Commitment	Progress
Redevelopment of the Olympic Pool.	The contract for the design and build of the new indoor pool facility was successfully signed, and formally handed over to Apollo Projects in August 2021. The estimated completion date is March 2023.
The Gisborne Botanical Gardens.	<p>The Gisborne Botanical Gardens have been named as one of New Zealand's greenest and cleanest parks, after being awarded the prestigious international Green Flag Award.</p> <p>It is the second year in a row the Botanical Gardens have received the accolade.</p> <p>The Green Flag Award is the international mark of a quality park or green space, judged by industry experts across 27 criteria, including horticultural standards, cleanliness, sustainability, community involvement, accessibility and providing a warm welcome.</p>
Alfred Cox Skatepark upgrade.	<p>Tairāwhiti Adventure Trust with support from Council completed the concept design plan for the Alfred Cox Skatepark, and obtained resource consent. They have now obtained funding for its construction.</p> <p>Council staff will continue to support the project as it moves through the construction phase.</p>
Parks Week 6 – 14 March 2021.	We celebrated Parks Weeks with our community in March 2021. We also held community gardening competitions, and workshops winning the Recreation Aotearoa Parks Week Marketing award through our range of offerings with partners, including Rongoa and iris workshops.
Continuing with the vegetation restoration within the Tītirangi Recreation Reserve.	Key project areas as part of Navigate Tairāwhiti's Tītirangi Restoration project are now complete. Ngāti Oneone's Whaia programme have now extended this mahi to other areas of the maunga with external funding. Our local children built predator traps in woodwork class at school, installed them and will monitor them alongside our Whaia Tītirangi whānau.
Support implementation of integrated township plans.	Wharekahika township implementation was completed with the development of a new playground and public toilet facility. Te Araroa, Tikitiki, Manutuke and Muriwai plans in progress with further townships either completed or scheduled for commencement. Dedicated resources have been allocated to facilitate and implement township planning. Going forward, one new northern and southern township will be completed annually.
Develop ash gardens within our cemeteries.	The ash gardens have been completed however, they continue to be developed to provide for our community.
Repairs to damaged headstones at the Taruheru Cemetery.	<p>A car crash at the Taruheru Cemetery damaged 60 headstones. Council completed a list of all affected headstones and next of kin were contacted.</p> <p>Repairs are under way with the support of whānau.</p>
Replant street trees.	More than 300 street trees were planted in Gisborne. More planting will continue in Years 1 -3 of the 2021–2031 LTP in Gisborne and in our regional townships.
Redeveloping Tītirangi Summit, subject to external funding.	Project progressed to developed design phase and resource consent stage. We've worked closely with Ngāti Oneone and community stakeholders to design a multi-purpose wananga and observation space.
Relocating the public toilet at Wharekahika.	A new public convenience was built, and the old facility remains on the school land for their use.
Developing the Anaura Bay arrival area, subject to external funding.	This project was completed with the funds available which included a new public toilet.
Development of Waihou Bay toilet facility.	Archaeological and resource consent have been granted and is programmed for completion in September 2021.

Commitment	Progress
Removal and revegetation of trees within Waihiere Domain Reserve.	Plant pests were removed and the area was replanted. Further work is programmed in the 2021–2031 Long Term Plan in partnership with the local community.
Removal of trees from the Palmerston Road/Grey Street intersection area to reduce safety risks for pedestrians.	Removed seven mature melia trees (melia azedarach/Indian Bead), located near the Grey Street/Palmerston Road corner, in June 2021.
Support implementation and maintenance requirements for Tairāwhiti Navigations Project.	This has been undertaken including maintenance of new gardens in the inner harbour and Tupapa plantings.
Renewal of the Whataūpoko Reserve bike trails.	A significant collection of new trails led by the Gisborne Mountain Bike Club and supported by Council have been completed with support from several community sponsors including local businesses and schools. Council also developed a new car park area and trail signage to complete the experience. This project is now complete and maintenance is shared between the Club and Council.
Sports ground improvements at the Oval Reserve, Heath Johnston Park, Nelson Park and Hatea-a-Rangi Domain.	Re-prioritised work programme including The Oval completed.
Ongoing renewals of various assets.	Completed as required including new signage consistent with our Councils signage guide. Renewals will continue through the new LTP.





Levels of Service and Performance Measures

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of residents that have visited a Council Park or reserve in the last 12 months (Resident Satisfaction Survey).	77%	79%	78%
Number of pool admissions per year.	140,000	95,000 ⁽¹⁾	110,105

⁽¹⁾ Admissions numbers were low due COVID-19 levels restrictions, as well as facility closures due to plant breakdowns and pool repair work which disrupted facility openings.

Level of Service

Provide high quality experiences at recreation and amenity facilities.

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of residents satisfied with the public conveniences (Resident Satisfaction Survey).	50%	38% ⁽¹⁾	42%
Percentage of users satisfied with the quality of sports surfaces and facilities when using parks (Resident Satisfaction Survey).	80%	85%	79%
Percentage of residents satisfied with the quality of our parks (Resident Satisfaction Survey).	86%	87%	86%
Percentage of residents satisfied with the Olympic Pool (Resident Satisfaction Survey).	50%	74%	75%

⁽¹⁾ There has been a steady decline in satisfaction levels with public conveniences. The new LTP envisages a rationalisation process of our public conveniences to ensure most efficient return on investment.

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Council aquatic facilities are safe and operate in accordance with PoolSafe NZS guidelines.	100%	100%	100%
Percentage of playgrounds that meet relevant New Zealand safety standards.	100%	93%	90%
Percentage of time OPC pool water quality meets NZ standard 5826:2010.	90%	95%	95.4%



What it cost

	2020/21			
	2020/21 Actual	2020/21 AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	1,293	0	1,293	806
Revenue from Exchange Transactions	389	960	(571)	1,225
Expenses	9,487	8,233	(1,254)	8,722
Net Cost of Service	7,805	7,273	(532)	6,690
This activity is funded 75% from rates, 10% from Grants and 15% fees and charges.				
Capital Expenditure				
Capital Projects	6,726	8,876	2,151	1,969
Funded By:				
Grants and Subsidies	2,293	840	(1,453)	297
Depreciation or Other Reserves (Renewals)	467	1,614	1,147	381
Internal Loans	3,966	6,422	2,456	1,292
	0	0	0	0



What was different from the budget

1. Revenue from non-exchange transactions is \$1.3m ahead of Annual Plan. This relates to the Tairāwhiti Stimulus Package (TRP) which provided funding for redeployed workers working on the Kaitiakitanga project.
2. Revenue from exchange transactions is \$571k under Annual Plan. This mostly relates to a write down in fair value of assets at the Olympic Pool Complex ahead of the redevelopment project.
3. Expenditure is \$1.3m over Annual Plan. The increased costs relate to the TRP stimulus package for redeployed workers, which was 100% externally funded.
4. Capital costs are \$2.3m under Annual Plan. There were also some delays for the Tītirangi Summit, Anaura Bay arrival area (both dependent on securing external funds). Other projects delayed were Upgrades and Renewals, Street tree planting (seasonal constraints) along with various other smaller projects.

Te Whakaritenga me te Whakawhanaketanga Planning and Development

Māori Engagement and Māori Responsiveness

What we do

Māori Engagement and Māori Responsiveness activity is made up of customer services, communications and coordination of events. During the last quarter the Engagement and Māori Responsiveness hub was created which amalgamated:

- Customer Services into a new Customer Experience team
- Communication renamed as the Engagement team
- Māori Responsiveness team
- Events
- Culture and Development
- Funding and Contracts
- Township Plans.

In person, in print and online, we keep our community informed and provide opportunities for people to have their say on issues that may affect them. We want people to have confidence in the quality of the information we provide and in the delivery of our service.

Why we do it

Māori Engagement and Māori Responsiveness is about meeting the needs of our community and customers in a timely and professional manner. Our customer service people are the face of Council and we work hard to ensure our community has positive interactions with Council. Our responsibilities under Te Tiriti of Waitangi, Local Government and Resource Management Act 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.

This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga
- Tairāwhiti Wawata

Highlights

- Wharekahika Playground is part of our programme of township upgrades, which are collaborative efforts between the community, staff, and our contractors.
- Council launched “Our Tairāwhiti” consultation on our future direction. The Long Term Plan is a crucial piece of work that helps guide our decision making and set our direction over 10 years.
- Reviewed and progressed implementation of our service delivery improvement plan, including embedding our service promise.
- Implemented an internal online support tool to improve cultural safety for staff “Te Matapihi”.
- Launched our new Council website.
- Annual Residence Satisfaction Survey results indicate initiatives for improving our levels of service and performance measures are working.

What we have been doing 2020/21

Commitment	Progress
Township Plans.	<p>Township plans are living documents that capture community aspirations for their place. These aspirations translate into visions and objectives that form projects. They are a clear example of Council and community/hapori, hapū and whānau working together in partnership and are an important part of our mahi.</p> <p>We have a township planning programme that provides guidance for the future development of rural towns in our district, it recognises and highlights the importance of rural townships. We take a collaborative approach with our smaller townships and look for community leadership and effort to drive these plans.</p> <p>Through this collaborative approach and some hard mahi, township upgrades improve local infrastructure, environment, and outdoor spaces. Our townships become vibrant, they reflect our culture and provide a sense mana for our smaller communities.</p> <p>Townships include Manutuke, Muriwai, Matawai, Motu, Patutahi, Rangitukia, Tikitiki, Ruatoria, Te Araroa, Te Karaka, Te Puia Springs, Waipiro Bay, Tokomaru Bay, Uawa, Wharekahika/Hicks Bay/Potaka.</p> <p>There are 12 townships that are part of a cycle of planned upgrades, each are at differing stages of the upgrade process.</p>
Tō Tātau Tairāwhiti Tirohanga whakamua. Our Tairāwhiti Our future.	<p>Following on from the early engagement, we wanted to make sure that you had another chance to participate in planning our future together.</p> <p>We took into consideration what our councillors and community shared with us and ran the formal consultation process from 24 March to 23 April 2021. This was followed by hearings and deliberations in May 2021.</p> <p>Our consultation campaign consisted of:</p> <ul style="list-style-type: none"> • The 'Our Tairāwhiti' Consultation Document was used as the primary tool for public consultation. • Five weekend community events, ten community meetings and three drop-in sessions were held throughout the district. • Hardcopy and online tools were developed for presenting the Consultation Document to the community and for gathering submissions. • Advertising and promotion was undertaken through local print, radio, social media and digital channels. • Meetings were held with target groups and communities. • Council received 351 submissions, raising approximately 2000 submission points. There were 55 submitters who requested to speak to their submissions at the LTP hearings. • Hearings were held on 12 and 13 May 2021.
Implement a Customer Services Strategy to better coordinate and inform the way we engage with our customers.	<p>We've made significant progress on our Customer Engagement Strategy roadmap which on top of our business as usual with a focus on online initiatives to support improvements in service delivery. We'll continue to progress initiative and review it for future fit.</p>
Encourage regular and meaningful engagement with the community on Council-related matters.	<p>We've developed and implemented a new approach to consultation during the 2021–2031 LTP, which included community family-centric weekend events to educate and inform our community on the key issues. Over 1,000 submission points contributed to Councils decisions on the 2021–2031 LTP.</p>

Commitment	Progress
Deliver excellent customer service by developing and implementing a Customer Service Promise.	We've restructured customer services to improve how we drive the delivery of service. The focus remains on implementing the programme for the delivery of our Service Promise through Council.
Develop processes and procedures for the management of events across Council, including best practice guidelines.	Implemented a successful events management process.
Our IT solutions will be driven by a desire to enhance the customer experience of Council services, including events management.	The new Council website was launched in March 2021, making it easier for the community to participate in consultations and locate valuable information.
Develop lasting and meaningful relationships with Māori and engage with Māori on an ongoing basis.	A number of projects, joint management agreements, co-management agreements, co-governance projects have been initiated and/or progressed. We're also participating in a treaty responsibilities pilot programme with the Department of Internal Affairs.
Support the organisation in organisational and cultural change initiatives through communications and customer services, including the design, development and implementation of better processes.	Our Te Matapihi resource was launched July 2021, bringing a lot of value and confidence to Council and the quality of our Treaty relationships and our engagement as treaty partners alongside mana whenua in Te Tairāwhiti. We've also undertaken a treaty and anti-racism analysis and audit of Councils policies as part of our anti-racism journey.
Ensure all non-icon signage is bilingual and revitalise the entrance and exits to Tairāwhiti.	Signage review completed and implementation commenced.



Levels of Service and Performance Measures

Level of Service

We support the organisation to provide good quality information to the public to enable communities to participate in the decision-making process.

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of residents satisfied with Councils provision of information in Council newsletters, brochures, and consultation documents (Resident Satisfaction Survey).	60%	61%	60%

Level of Service

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

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of customers satisfied with the helpfulness of staff (Resident Satisfaction Survey).	80%	82%	78%

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of residents who are satisfied with Council customer service at first point of contact by: (Resident Satisfaction Survey)			
Email	80%	Not measured ⁽¹⁾	60%
Phone	80%	81%	61%
In person	80%	84%	78%
Online (including social media)	80%	Not measured ⁽¹⁾	52%

⁽¹⁾ Key Research were unable to provide a survey result due to the surveyed sample being too small for statistical analysis.

What it cost

	2020/21			
	2020/21 Actual	AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	23	0	23	21
Revenue from Exchange Transactions	122	94	27	125
Expenses	2,235	2,111	(124)	1,995
Net Cost of Service	2,091	2,017	(74)	1,850

This activity was funded 14% from grants and 86% from fees and charges.

What was different from the budget

1. Revenue from non-exchange transactions is ahead of Annual Plan. The increased revenue relates to a grant received from the Ministry of Business, Innovation and Employment (MBIE) for summer camping initiatives.
2. Revenue from exchange transactions is ahead of Annual Plan. This increased revenue relates to higher than expected refuse sticker sales.
3. Expenditure is \$124k over Annual Plan. This relates to additional costs incurred for streamlining communications, Māori engagement and website development.

Emergency Management

What we do

Councils Civil Defence Emergency Management (CDEM) team is responsible for the implementation of decisions made at CDEM group and is tasked to fulfil the objectives set in the CDEM Group Plan 2016–2021. These activities increase community awareness, understanding, preparedness and participation, reduce the risks from all natural and man-made hazards in our region and make us more able to manage and recover from emergencies.

The Tairāwhiti Emergency Management Office (TEMO) manages civil defence through the 4Rs: reduction, readiness, response and recovery.

Why we do it

Council undertakes the CDEM activity to ensure it is meeting the requirements of the Civil Defence Emergency Management Act 2002.

This activity contributes to the following Community Outcomes

Tairāwhiti Tangata

Tairāwhiti Taonga

Highlights

- Tairāwhiti Civil Defence focused its efforts on welfare support for whānau affected by flooding in Tokomaru Bay and the wider East Coast by area. Council staff and other welfare agencies are working with at least seven households where the flood damage has forced residents into temporary or longer-term accommodation.
- Given Tairāwhiti has experienced a number of natural emergency events since the start of 2021, this has been beneficial with realigning communities to focus on these given COVID-19 has been the focus as a result of the 2020 pandemic response.
- There has been significant work undertaken as part of the CDEM community engagement plan that has also sought input and collaboration with emergency services (St John, Police, Fire and Emergency NZ and Red Cross). This has addressed gaps in the volunteer response network, re-connected with communities and facilitated the community emergency response and resilience plans.
- The collaboration with iwi, hapū and whānau as part of the region-wide approach taken has been very positive and developed a co-partnering model with CDEM and iwi.



What we have been doing 2020/21

Commitment	Progress
Civil Defence focus on welfare support.	The Tairāwhiti Civil Defence team was brought together in June 2021 to provide welfare support for whānau affected by the floods in Tokomaru Bay and the wider East Coast area. Rivers reached capacity and surface flooding threatened houses and businesses. Council staff and other welfare agencies are working with at least seven households where the flood damage has forced residents into temporary or longer-term accommodation.
Further develop a CDEM Communications Plan including greater use of social media and other modes of communication.	CDEM has reinstated a dedicated Facebook social media channel following the March 2021 earthquake and tsunami events which in part reflected public feedback for a dedicated channel. This has also aided CDEM with public education and emergency updates as part of BAU operations. There's a requirement to have a dedicated communications advisor to partner CDEM for the design and development of public campaigns.
Continue CDEM training/public education.	There has been significant engagement with communities across Tairāwhiti post earthquake and tsunami events of 5 March 2021. This event has been a catalyst for the uptake of the annual work stream and has proved beneficial for reinstating a focus on developing communities for emergency response and resilience.
Undertake regional exercises involving our community link teams.	Given the region has experienced real time emergency events, this has impacted the delivery of training for volunteer structures. There has been benefit derived from having these structures involved with real events (severe weather, floods, earthquake and tsunami) however there are gaps that exist that training will be designed to address. An annual training and exercise plan has been developed to engage with the community link groups.
Review the Gisborne CDEM Recovery and Welfare Plan.	The detailed review of the Recovery and Welfare Plan has not yet commenced. The CDEM Group Plan is to be reviewed this year and there will be beneficial cross-over for the Recovery and Welfare Plan.
Undertake controller and key staff training as part of national training programmes and local training exercises.	Formal controller training has been delivered in 2020 and 2021. There has been no participation with national exercises or responses in 2021 other than real time response events.
Train staff and community link volunteers in the operation of an ECC.	Annual Emergency Coordination Centre (ECC) training exercise has been planned for October 2021.
Review the tsunami inundation maps for the Tairāwhiti area.	Current maps for tsunami modelling are accurate and correct based on current science. There are gaps with some of the coastal areas in Tairāwhiti due to LiDAR data not being fully applied to existing layers. Council has however completed the full LiDAR coverage of Tairāwhiti and Dr Murry Cave has been engaged with a provider to fill in these gaps. Date of completion yet to be confirmed.
Build up our responder capacity for emergency events.	Given the extensive engagement with communities since the start of 2021, the emergency planning with communities and also community groups has been beneficial in terms of developing capacity for responding to events.
Have the ability to send suitably qualified and experienced support to other regions for their emergency responses.	CDEM has a small team that has previously provided support to neighbouring regional events. This will continue as part of inter-regional collaboration as required.
Maintain and build new partnerships with iwi and communities.	Iwi and engagement is a current key objective that CDEM has as an ongoing work stream and excellent progress has been made at all levels – iwi, hapū and whānau. Iwi have been included into CDEM structures and planning as well as groups such as Māori Wardens.

Commitment	Progress
Put in place contracts with key players such as Controllers, Recovery and Welfare Managers who are not employed by Council.	The only role external to Council is the Group Welfare Manager who is recognised financially for discharging the duties required for that role.



Levels of Service and Performance Measures

Level of Service

We help to build a more resilient district where communities understand and manage their hazards and risks.

Measure	Target 20/21	Result 20/21	Result 19/20
Overall score from the Ministry of CDEM assessment of the CDEM Group's capability.	70%	Not measured ⁽¹⁾	Not measured
Percentage of residents able to manage for 2-3 days without access to normal day-to-day services in the event of a natural disaster (Resident Satisfaction Survey).	80%	95%	96%

⁽¹⁾ The National Emergency Management Agency (NEMA) ceased external assessment for CDEM Groups during the FY20/21. NEMA's focus was exploration in how assurance forms part of their role and the application it might have for CDEM Groups.

Level of Service

We protect the environment from pollutants spilled in marine accidents.

Measure	Target 20/21	Result 20/21	Result 19/20
The Marine Oil Spill Plan is current and staff lists are updated annually.	Achieve	Achieved	Achieved

What it cost

	2020/21			
	2020/21 Actual	AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	18	21	(3)	1,016
Expenses	561	529	32	1,687
Net Cost of Service	542	507	35	672
This activity was funded 2% grants, 37% from rates and 60% from fees and charges.				
Capital Expenditure				
Capital Projects	5	0	(5)	42
Funded By:				
Grants and Subsidies	0	0	0	42
Depreciation or Other Reserves (Renewals)	4	0	(4)	0
Internal Loans	1	0	(1)	0
	0	0	0	0

What was different from the budget

1. Revenue from exchange transactions is in-line with Annual Plan.
2. Expenditure is \$32k over Annual Plan. This is mostly due to costs to set up a testing centre for COVID-19 response, and the remaining community assistance during COVID-19 Alert Levels 3 and 4.
3. Capital costs are \$5k over Annual Plan. The cost relates to the new Emergency coordination centre, where \$1m has been provisioned for in 2021/22 financial year.

Strategic Planning and Performance

What we do

Strategic Planning

The Strategic Planning team gives meaning to Councils vision, strategic priorities and community outcomes. The team is responsible for ensuring that Councils strategies, policies and Bylaws are prepared consistent with statutory obligations and underpinned by a robust evidence base and community, iwi/hapū and stakeholder engagement. It also provides guidance and advice to the wider organisation on the implementation of strategies, policies, plans and Bylaws.

Performance

The Performance team supports Councils performance management and reporting framework. This includes:

- preparing Councils Long Term Plan, Annual Reports and Annual Plans
- resident satisfaction surveying and coordinating Councils input into, and responding to, external performance benchmarking
- ongoing development of the organisation's performance management framework and
- associated corporate reporting.

Why we do it

Strategic Planning

- Support community economic, environmental, social and cultural wellbeing.
- Manage the use, development and protection of our natural and physical resources, now and into the future.
- Invest in infrastructure, facilities and services in a transparent, evidence-based manner consistent with our vision, community outcomes, strategic priorities and relevant legislation.
- Enable decisions, priorities and investments to reflect community values in a cost-effective way. Provide leadership across Tairāwhiti and be advocates for our community.
- Support Council to improve the unique Te Tiriti o Waitangi/Treaty of Waitangi relationship between Council (as agents of the Crown) and iwi.

Performance

- To support the organisation to plan effectively and to focus its resources on what's most important and cost-effective for our Council and community.
- To contribute to organisational accountability - measuring and reporting on 'what we said we'd do', from individual Requests for Service (RfS) through to delivering on the commitments in our Long Term Plan.



This activity contributes to the following Community Outcomes

Tairāwhiti Tangata

Tairāwhiti Taonga

Tairāwhiti Wawata

Highlights

- Council adopted its 2021–31 Long Term Plan – Our Tairāwhiti on 30 June 2020, which sets out a roadmap of regional projects and investments for the next decade. This follows significant planning, community engagement and consultation over the last 18 months, as Council sought feedback on key issues including roading, water infrastructure, biodiversity and climate change.
- Our population is 53% Māori, compared to 16.5% for the rest of Aotearoa. Our responsibilities under Te Tiriti o Waitangi (Treaty of Waitangi), Local Government and Resource Management Acts form the basis of our partnership with Māori.
- Establishment of a Māori Responsiveness team emphasises the importance of this mahi to Council.

What we have been doing 2020/21

Commitment	Progress
STRATEGIC PLANNING	
Review Councils Regional Policy Statement, the key strategic environmental document for the region.	The review of Councils Regional Policy Statement (RPS) has been initiated and is well under way. The RPS will be updated as part of Phase 1 of the wider Tairāwhiti Resource Management Plan Review programme.
Continue with reviews of the regulations in the Tairāwhiti Resource Management Plan as per the Strategic Planning forward work programme including provisions about: freshwater management (including a catchment plan for Waiapu) coastal planning issues such as water quality and discharges land use zones.	<p>A detailed business case was developed for the review of the Tairāwhiti Resource Management Plan (TRMP). The TRMP programme was initiated and established through formal adoption in the 2021–2031 LTP. A project team was established, and work has started on phase 1 of the individual workstreams, to be publicly notified in October 2023.</p> <p>Work on our Freshwater Planning Programme has continued, albeit realigned, to meet the new requirements and timing under the Central Governments National Policy Statement for Freshwater Management, issued in August 2020.</p> <p>Established the Motu Catchment Advisory Group and progressed research and the development of collateral for communication purposes. Similarly, progress has also been made with the Waiapu catchment planning and co-design processes.</p>
Contribute to developing stronger relationships with Māori through a range of measures including: building Council capacity through training, mentoring, forums and centralised information implementing statutory responsibilities and agreements, e.g. Local Leadership Body and Joint Management Agreement with Ngāti Porou exploring opportunities for formalised sharing of decision-making, e.g. co-management plans.	<p>Established in September 2020, the Māori Responsiveness activity has taken leadership of engagement and relationships with Tangata Whenua and Māori stakeholder groups. This includes support and provision of advice to joint forums with mana whenua, and the coordination of actions across forums including co-management of Titirangi with Ngāti Oneone, the Joint Management Agreement Forum and Joint Governance Group, and progressing establishment of the Local Leadership Body. As a new activity we are also establishing our wider work programme to enhance the delivery of our Councils role as Treaty partners.</p> <p>Since September 2020, we have put in place internally facing guidance for staff (Remuneration Guidelines), launched an online learning and information portal to support the delivery of Council engagement with Tangata Whenua and contributed to the successful engagement of Māori across major consultative projects such as the Long Term Plan, Representation Review early engagement and Council-led environment or resource management planning projects.</p>

Commitment	Progress
<p>Maintain Councils existing strategic framework including: completing omnibus reserve management plans for Body neighbourhood reserves and coastal reserves, reviewing Bylaws and policies when required, review of township plans with communities:</p> <ul style="list-style-type: none"> • East Cape • Patutahi • Tiniroto • Waerenga ō Kuri Ruatōria • Te Puia • Waipiro. 	<p>Bylaws</p> <p>Council adopted a new Freedom Camping Bylaw that included summer camping areas in the Bylaw for the first time as seasonal freedom camping areas.</p> <p>Council adopted a new Trade Waste Bylaw and became the first Council to exclude mortuary waste from our wastewater network.</p> <p>Staff progressed work on developing a Flood Protection and Drainage Bylaw and reviewing the Traffic and Parking Bylaw.</p> <p>Policies</p> <p>As part of the Long Term Plan the following were reviewed and adopted:</p> <ul style="list-style-type: none"> • Significance and Engagement Policy • Tairāwhiti Piritahi: Fostering Māori Participation in Council decision-making • Financial Strategy • Infrastructure Strategy • Development Contributions Policy • Revenue and Financing Policy <p>The Regional Land Transport Plan and Regional Public Transport Plans were also reviewed.</p> <p>We have a township planning programme that provides guidance for the future development of rural towns in our district, it recognises and highlights the importance of rural townships. We take a collaborate approach with our smaller townships and look for community leadership and effort to drive these plans. Wharekahika Playground is part of our programme of township upgrades and was completed in 2020/21.</p>
PERFORMANCE	
Continue to support business planning across the organisation to support the delivery of our LTP commitments and other organisational priorities.	Council adopted the 2021–2031 Long-Term Plan on 30 June 2021.
Continue ongoing improvements to support high quality integrated activity reporting to Council and committees.	Reporting continued to evolve throughout the past year, including streamline dashboards.
Coordinate the preparation of Councils Annual Plan and Annual Report.	Annual Plan preparations are under way for year two of the 2021–2031 Long Term Plan. Councils 2019/20 Annual Report was adopted on 24 September 2020, within the pre-COVID-19 timelines due to the efficient teamwork across the organisation.
Continue to coordinate Councils involvement in organisational benchmarking opportunities (PWC, LGNZ Excellence Programme, reputational and resident satisfaction measures).	Key Research, our market research consultancy, provided Council their Annual Report on resident satisfaction. Commitments are in place to participate in the 2021 round of the PWC Local Government Excellence Programme.

Levels of Service and Performance Measures

Strategic Planning

Level of Service

Council has a clear, rigorous and current strategic framework across the range of Council activities including resource management, infrastructure and social and economic development. Our work is robust, evidence-based, legally compliant and reflects the needs and aspirations of our community.

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of significant policy projects presented to Council that meet good practice standards when independently assessed each year.	90%	100%	92%

⁽¹⁾ Policy Reports formed part of the sample assessed and graded by NZIER. Each scored 7 out of 10 or above. An NZIER rating is linear, with gradings from 1-10. A score of 7 and above equates to 100%.

Level of Service

Our decision-makers are provided with clear and robust advice on which to make decisions.

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of advice to Council that meets good practice standards when independently assessed.	90%	100% ⁽¹⁾	100%
Percentage of Strategic Planning budget committed to fostering Māori capacity.	1.75 FTE	3 FTE	1.75 FTE
Health of relationships with Māori collectives (as determined by co-designed review measures).	Baseline not established	Not measured ⁽²⁾	Not Measured

⁽¹⁾ NZIER rating is linear, with gradings from 1-10. A score of 7 and above equates to 100%. The 2021 NZIER assessment rated a sample of reports a 7.46.

⁽²⁾ Review of this measure during the FY has resulted in a Not-measured result. Focus on Māori relationships and responsiveness now resides with our Regional Leadership and Support Services Group in the 2021-31 Long Term Plan providing a greater focus and level of service to develop effective and meaningful collaboration with mana whenua.

Level of Service

We support communities to engage in Council decision-making through appropriately planned, designed and delivered engagement processes.

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of feedback satisfied with Strategic Planning engagement processes (as measured in situ).	80%	Not measured ⁽¹⁾	Not Measured

⁽¹⁾ No engagement processes by Strategic Planning were undertaken during the 2020/21 year. This measure has been modified for this level of service in the 2021-31 Long Term Plan

Performance

Level of Service

Our Annual Plans (AP), Annual Reports (AR) and Long-Term Plans (LTP) are fit for purpose.

Measure	Target 20/21	Result 20/21	Result 19/20
Our AP, AR and LTP are prepared in accordance with statutory requirements.	Achieved	Achieved	Achieved

What it cost

	2020/21			
	2020/21 Actual	AP Budget	2020/21 Variance	2019/20 Actual
Operating Expenditure (\$000)				
Revenue from Non-Exchange Transactions	132	146	(14)	36
Revenue from Exchange Transactions	47	0	47	8
Expenses	2,962	3,701	(739)	2,812
Net Cost of Service	2,783	3,555	771	2,768

This activity is funded 99% from rates and 1% from grants.

What was different from the budget

1. Combined revenue from non-exchange and exchange transactions are mostly in line with the Annual Plan.
2. Expenditure is \$739k under Annual Plan. This is due to underspends from delays with the Freshwater Plan. There are also a number of vacancies being carried with roles being hard to fill in the current market conditions.

Commercial Operations

What we do

Councils Commercial Operations are made up of a number of commercial and semi-commercial investments. Some are run on a commercial basis for the benefit of Council operations, while others are run to supplement Councils rates income. Council also maintains a number of investments including its Council Controlled Trading Organisations. Its largest investment is Gisborne Holdings Ltd (GHL).

Phased transfers of our commercial assets to GHL have been undertaken as part of a strategy to maximise their commercial opportunities. Assets transferred to date have included:

- Municipal Buildings
- Gisborne Vehicle Testing Station
- Waikanae Beach Top 10 Holiday Park
- Miscellaneous Commercial Property – including dog pound, Banks Street properties.

Why we do it

The primary focus of Commercial Operations, before the transfer of commercial assets to GHL, was to operate profitably and provide a non-rates income stream to Council.

Since the transfer, the vehicle achieving this same goal is from our investment in GHL. GHL dividends are an

important income stream used to reduce the level of rates and allow investment in infrastructure.

Councils investment strategy with GHL, as the main investment vehicle, has both shareholder focused goals aimed at increasing the return from Commercial Operations assets, increasing the income stream to Council over the life of the Long Term Plan and increasing the economic value to the community.

Councils other semi-commercial assets are not primarily focused on profit.

Council provides quality and affordable housing for those aged 55-years and over who have difficulty in providing it for themselves, with rent not exceeding 90% of the market rate. The focus for the Council airport asset is to aid economic value for our area and maintain a strategic asset. Forestry assets are primarily for the protection of water supply and erosion-prone land.

This activity contributes to the following Community Outcomes

Tairāwhiti Tangata

Tairāwhiti Wawata



What we have been doing 2020/21

Commitment	Progress
Divest some of the surplus staff housing assets.	<p>Proceeds amounting to \$859k have been received from three staff houses. These houses were originally used by roadmen when working on the roading network.</p> <p>There are seven staff houses remaining located close to the Waingake Water Treatment Plant, the cemetery, Awapuni Road and Bushmere Road.</p> <p>The staff housing stock is being reviewed against what is needed for operational activities, and the locations to see if they are fit for purpose against the need for temporary housing of new staff appointees.</p>
Review harvesting of forestry and investigate replanting options and partnering arrangements.	<p>Council approved 300ha of the 1100ha net stocked area (NSA) of the Pamoia forest, to be set aside for commercial plantings. A review is under way on whether that is best replanted in exotics or manuka for commercial return.</p> <p>Up until the end of June 2020, 504ha of the Pamoia forest has been harvested or a total of 45% of the NSA. In 2020/21 207ha were harvested and a total of \$1.3m was received. Harvesting of remaining blocks is continually being updated, based on the best timing and based on risk of erosion of the area.</p>
Consult, evaluate and decide on future asset transfers.	Investment Strategy was updated and incorporated in the 2021–2031 Long Term Plan. Currently under review for future opportunities and strategic alignment with Councils Tairāwhiti 2050 Spatial Plan.
Community Housing.	Healthy Homes standards became law on 1 July 2019 and they included specific and minimum standards for heating, insulation, ventilation and draught stopping in all rental properties. Work must be completed before 1 July 2024 (or within 90 days of any new or renewed tenancy after 1 July 2021). Most of the capital renewals and maintenance spent this year has been on complying with the Healthy Homes standards. It is expected that all properties will be fully compliant ahead of legislative deadline, where work is expected to be completed on the last remaining property in 2021/22.





Levels of Service and Performance Measures

Level of Service

Operate commercial operations profitably and maintain returns to Council.

Measure	Target 20/21	Result 20/21	Result 19/20
Improve the investment return level in order to grow the return from 2% of Council revenue to 4%.	2-4%	5.2% ⁽¹⁾	2%

(1) This year's increased return was mostly due to higher returns from forestry (Pamoa)

Level of Service

Suitable and affordable housing is provided to enable independent living for people aged 55 years and over who have difficulty providing it for themselves.

Measure	Target 20/21	Result 20/21	Result 19/20
Percentage of customer satisfaction with standard of accommodation and services as found in our annual inspection survey.	95%	98.2%	96.5%
Rent as a percentage of market rate (lower quartile) not to exceed 90%.	Achieved	Achieved	Achieved



What it cost

	2020/21			2019/20
	2020/21 Actual	AP Budget	Variance	Actual
Operating Expenditure (\$000)				
Revenue From Non-Exchange Transactions	0	0	0	0
Revenue From Exchange Transactions	3,080	1,790	1,290	981
Expenses	1,847	1,627	(220)	1,675
Net Cost of Service	(1,234)	(164)	1,070	695

This activity was funded 100% from fees and charges.

Capital Expenditure

Capital Projects	254	200	(54)	209
Funded By:				
Depreciation or Other Reserves (Renewals)	254	200	54	183
Internal Loans	0	0	0	26
Asset Sales	0	0	0	0
	0	0	0	0



What was different from the budget

1. Revenue from exchange transactions is \$1.3m over Annual Plan. Overall Council received \$1.5m of stumpage revenue which has been offset by an overall accounting reduction in fair value of forestry blocks by \$287k.
2. Expenditure is \$220k over Annual Plan. This is mostly due to increased operating costs and higher forestry costs at Pamoa (road costs) and Gentle Annie (small forestry blocks maintenance).
3. Capital costs are \$54k over Annual Plan. This relates to additional costs incurred to comply with healthy homes initiatives.



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Our Finances

Te Tohatoha Pūtea Our Finances

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Statement of Compliance and Responsibility

Compliance

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

Responsibility

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

In the opinion of Council and Management, the annual financial statements for the year ended 30 June 2021 fairly reflect the financial position, results of operations and service performance achievements of the Gisborne District Council.



Rehette Stoltz
Mayor



Pauline Foreman
Chief Financial Officer



Nedine Thatcher Swann
Chief Executive



Statement of Comprehensive Revenue and Expenses

for the year ended 30 June 2021

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Note	Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
28,821	29,100	Grants and Subsidies - Operational	4	15,953	36,670	36,691
27,534	27,534	Grants, Donations, Subsidies and Contributions - Capital	4	50,410	47,511	47,511
1,623	1,623	Other Non Exchange Revenue	5	1,824	866	866
20,263	20,067	General Rates And Uniform Annual General Charge	3	19,987	20,110	19,844
39,647	39,647	Targeted Rates (other than a targeted rate for water supply)	3	41,808	42,036	42,036
REVENUE FROM EXCHANGE TRANSACTIONS						
827	827	Development and Financial Contributions	5	699	960	960
10,521	20,153	Other Revenue	5	10,406	11,359	22,861
3,387	3,387	Targeted Water Rates	3	2,997	3,449	3,449
1,205	5	Dividends	5	1,800	1,283	33
47	47	Interest Received	5	0	95	95
(280)	(4,060)	Other Gains/(Losses)	6	50	3,164	3,673
133,595	138,330	Total Revenue		145,934	167,504	178,020
EXPENSES						
22,319	25,528	Employee Benefit Expenses	7	24,786	23,652	27,196
66,488	68,527	Expenditure on Operating Activities	9	52,080	74,938	77,364
22,492	23,592	Depreciation and Amortisation	8	22,782	22,972	23,990
3,381	3,911	Financing Costs	10	4,213	1,721	1,952
114,681	121,558	Total Expenses		103,861	123,283	130,501
18,914	16,771	Net Surplus/(Deficit) before Taxation and Subvention Income		42,072	44,221	47,519
550	0	Subvention Payment from GHL		0	400	0
0	(422)	Income Tax Expense	11	0	0	1,107
19,464	17,193	Net Surplus/(Deficit) after Taxation		42,072	44,621	46,412
OTHER COMPREHENSIVE INCOME						
136,913	150,786	Gains/(Losses) on Property Revaluation		15,882	73,475	73,475
0	40	Deferred Tax on Building Revaluations	11	0	0	0
136,913	150,826	Total Other Comprehensive Income		15,882	73,475	73,475
156,377	168,019	Total Comprehensive Revenue and Expenses		57,955	118,097	119,887

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

Statement Concerning Balanced Budget for the year ended 30 June 2021

Council 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s
133,595	Operating Income	145,934	167,504
(114,681)	Operating Expenditure	(103,862)	(123,283)
550	Subvention Payment	0	400
0	Income Tax Expense/(Benefit)	0	0
19,464	Net Operating Surplus/(Deficit) After Taxation	42,072	44,621
	LESS		
1,018	Capital Rates Income	1,183	1,183
27,534	Capital Grants and Subsidies	50,410	47,407
827	Other Capital Grants, Donations and Contributions	699	1,064
3,319	Operations funded by Reserve funds	(572)	4,131
	PLUS		
9,470	Depreciation not Funded	8,987	9,297
3,763	(Decrease)/increase in Council deficit	660	(133)
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 (breakeven). 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.

Statement of Financial Position

as at 30 June 2021

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Note	Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
CURRENT ASSETS						
9,967	9,969	Cash and Cash Equivalents	13	3,964	19,575	19,577
11,469	11,468	Non Exchange and Other Receivables	14	14,874	8,647	8,647
11,743	12,053	Exchange Trade and Other Receivables	14	8,681	9,029	8,887
101	231	Inventories	15	61	38	234
565	565	Non-current Assets Held for Sale	18	684	80	80
33,844	34,285	Total Current Assets		28,263	37,370	37,425
CURRENT LIABILITIES						
431	431	Deposits Held	19	430	498	498
30,686	32,016	Trade and Other Payables	20	24,137	36,265	37,393
2,676	2,972	Employee Benefit Liabilities	21	1,906	2,803	3,111
5,000	5,571	Borrowings	22	15,680	7,100	7,202
94	94	Provision for Other Liabilities	23	154	279	279
1,219	1,219	Derivative Financial Instruments	17 & 29A	752	1,116	1,116
0	434	Taxation		0	0	332
40,105	42,736	Total Current Liabilities		43,060	48,060	49,930
(6,261)	(8,451)	Net Working Capital		(14,796)	(10,689)	(12,506)
NON-CURRENT ASSETS						
2,286,794	2,380,781	Property Plant and Equipment	24	2,267,668	2,414,273	2,509,294
6,785	9,983	Intangible Assets	25	6,531	6,869	10,065
3,833	25,356	Biological Assets	26	5,976	3,546	25,706
33,595	1,639	Investments	16	33,406	33,893	1,937
2,331,007	2,417,759	Total Non-Current Assets		2,313,581	2,458,582	2,547,003
NON-CURRENT LIABILITIES						
53,600	69,500	Borrowings	22	78,420	61,500	77,400
176	223	Employee Benefit Liabilities	21	152	179	218
2,894	2,894	Provision for Other Liabilities	23	2,638	2,452	2,452
1,950	2,855	Emissions Trading Scheme Liabilities	25	1,542	1,950	2,855
0	4,090	Deferred Tax Liability	11	0	0	4,350
4,029	4,029	Derivative Financial Instruments	17 & 29A	3,226	1,618	1,618
62,649	83,591	Total Non-Current Liabilities		85,978	67,698	88,893
2,262,097	2,325,716	Net Funds Employed		2,212,806	2,380,194	2,445,603
EQUITY						
439,305	443,724	Accumulated Surplus	27	510,659	475,681	481,892
43,776	43,775	Special Funds	27	28,233	52,192	52,191
1,779,017	1,838,217	Revaluation Reserves	27	1,673,914	1,852,321	1,911,520
2,262,097	2,325,716	Total Equity		2,212,806	2,380,194	2,445,603

The accompanying notes form an integral part of these financial statements.
 Authorised for and on behalf of Gisborne District Council on 30 September 2021.



Rehette Stoltz
Mayor



Nedine Thatcher Swann
Chief Executive

Statement of Changes in Equity

for the year ended 30 June 2021

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Note	Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
EQUITY OPENING BALANCES						
422,044	428,736	Accumulated Funds and Retained Earnings		460,604	439,305	443,724
41,117	41,117	Special Funds and Reserves		36,216	43,776	43,775
1,642,559	1,687,847	Revaluation Reserves		1,658,032	1,779,017	1,838,217
2,105,720	2,157,700	Total Equity Opening Balance		2,154,851	2,262,097	2,325,716
CHANGES IN EQUITY						
Accumulated Surplus (Retained Earnings)						
(2,658)	(2,658)	Transfer (to)/from Special Funds and Reserves		7,983	(8,416)	(8,416)
156,377	168,019	Total Comprehensive Income		57,955	118,097	119,887
0	0	Transfer to/(from) Restricted Funds Liability Movement		0	0	0
Special Funds and Reserves						
2,658	2,658	Transfer (to)/from Retained Earnings		(7,983)	8,416	8,416
156,377	168,019	Total Changes in Equity		57,955	118,097	119,887
EQUITY CLOSING BALANCES						
439,305	443,724	Accumulated Funds and Retained Earnings	27	510,659	475,681	481,892
43,776	43,775	Special Funds and Reserves	27	28,233	52,192	52,191
1,779,017	1,838,217	Revaluation Reserves	27	1,673,914	1,852,321	1,911,520
2,262,097	2,325,716	Total Equity Closing Balance		2,212,806	2,380,194	2,445,603
Attributable to:						
2,262,097	2,325,716	Gisborne District Council		2,212,806	2,380,194	2,445,603

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

Statement of Cash Flow

for the year ended 30 June 2021

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Note	Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
CASH FLOW FROM OPERATING ACTIVITIES						
58,314	58,118	Receipts from Rates		60,483	61,772	61,505
15,603	25,450	Receipts from Activities		15,150	16,563	28,909
69,396	69,675	Receipts from government Grants and Subsidies		66,615	86,661	86,682
47	47	Interest received		0	95	95
1,288	88	Dividends received		1,800	1,283	33
403	0	Subvention payment received		0	550	0
(92,166)	(97,942)	Payments to Suppliers and Employees		(73,961)	(95,471)	(101,936)
(927)	(927)	Grants paid		(974)	(927)	(927)
(742)	(742)	Net GST paid		0	1,010	1,010
(2,063)	(2,593)	Interest paid		(4,265)	(2,091)	(2,322)
0	(934)	Income Tax paid		0	0	(951)
49,153	50,240	Net Cash Flows Operating Activities	28	64,849	69,445	72,098
CASH FLOW FROM INVESTING ACTIVITIES						
30	49	Sale of Property Plant and Equipment		50	982	1,004
1,655	1,655	Forestry harvesting		0	1,516	1,516
(43,851)	(44,703)	Purchase of Property Plant and Equipment		(96,226)	(70,826)	(73,032)
(1,048)	(1,048)	Purchase of Intangible Assets		0	(1,216)	(1,216)
(256)	(256)	Purchase of Investments		0	(294)	(294)
0	0	Purchase of Carbon Credits		0	0	0
0	0	Forestry expenditure		0	0	0
(43,470)	(44,303)	Net Cash from Investing Activities		(96,176)	(69,838)	(72,022)
CASH FLOW FROM FINANCING ACTIVITIES						
320	(2,903)	Increase/(Decrease)in Borrowings		31,327	10,000	9,531
320	(2,903)	Net Cash Flow from Financing Activities		31,327	10,000	9,531
6,003	3,034	Net Increase/(Decrease) in Cash		0	9,608	9,607
3,964	6,936	Cash at beginning of the year		3,964	9,967	9,970
9,967	9,970	Cash and Cash Equivalents at Year End		3,964	19,575	19,577

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

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 2020 \$000s	Dividends 2021 \$000s	Subvention 2020 \$000s	Subvention 2021 \$000s
Gisborne Holdings Ltd	1,200	1,250	550	400

Total Cost

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 \$520k (2020 \$563k) 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 \$400k (2020: \$550k) to the Council, Gisborne Holdings Ltd reported a net profit after tax of \$16.3m (2020: loss \$0.1m) for the year. Net assets increased \$23.7m from \$99.3m to \$123.0m.



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 2021. The financial statements were authorised for issue by Council on 30 September 2021.

The Council and Group financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Tier 1 PBE Standards as appropriate for public benefit entities.

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

There have been no changes in accounting policies of the Group in the year ended 30 June 2021, 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 2020. The application of these 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. Councils investment in its subsidiaries is carried at cost less any impairment charges in Councils 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 2018-2028 Long Term Plan Revenue and Financing Policy.

The following specific recognition criteria must be met before revenue is recognised:

General and Targeted Rates

General and targeted rates are set annually and invoiced within the year. The group recognises revenue from rates when the Council has struck the rates and provided the rates assessment. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable.

Government Grants and Subsidies

Government grants with no stipulations attached are 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 Councils costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Other Revenue

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

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

Interest income is recognised using the effective interest method.

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

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

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

Borrowing Costs

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

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

Grant Expenditure

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

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Councils 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 or losses in fair value of instruments used to manage cashflow and interest rate risk are recognised through surplus/deficit.

Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Assets held for sale are measured at the 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. All costs of development are borne by Juken New Zealand Limited. The value of the land (excluding the trees) and Council's right to a share of the stumpage is reflected in the Statement of Financial Position.

Intangible Assets

Intangible assets predominately comprise computer software and carbon credits.

Software Acquisition and Development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

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

of software licences by the Group, are recognised as an intangible asset.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income.

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

- computer software 6 years.

Emissions Trading Scheme

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

Gisborne Holdings Limited (GHL) has voluntarily entered the New Zealand Emissions Trading Scheme (ETS) in respect of 1224.2 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 Pamoā Forest Joint Venture. These forestry blocks were registered with ETS in November 2011. This entitles the Council to receive emission units (units) for carbon stored in the specified area from a 1 January 2008 baseline.

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, stormwater, roading, flood control, and the waste disposal infrastructures. Each asset type includes all items that are required for the network to function, for example sewer reticulation piping and sewer pump stations.

Initial recognition and subsequent expenditure

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be 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.

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

Measurement subsequent to initial recognition

Operational assets

All operational assets, with the exception of operational land and operational buildings, are measured using the cost model less accumulated depreciation and impairment losses.

Operational land

Operational land is measured using the revaluation model. The fair value of operational land is determined by a registered valuer using market based evidence. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The valuation cycle for revalued asset classes is normally three years, or more frequently when there are indicators that the values may have changed substantially from carrying value.

Operational buildings

Operational 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 valued internally at depreciated replacement costs.

Infrastructure assets - Roading

Roading assets are independently revalued annually.

Infrastructure assets - Airport assets

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

Depreciation

Depreciation is provided on a straight-line basis on all fixed assets other than land and land under roads. The depreciation rates used will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Infrastructural Assets

ROADS

*Pavement Surface (seal)	5 - 20 years
*Pavement Surface (unsealed) - Wearing Course	5 years
*Pavement Layers (basecourse)	40 - 100 years
*Formation	(not depreciated)
*Culverts	70 years
*Footpaths	20 - 75 years
*Surface Water Channels	75 years
*Signs	12 years
*Street Lights	15 - 25 years
*Bridges	25 - 80 years
*Retaining Structures	80 years
*Traffic Signals	15 years
*Parking Meters	15 years
*Railings	10 - 15 years
*Safety Projects	10 - 13 years

WATER RETICULATION

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

SEWERAGE RETICULATION

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

STORMWATER SYSTEMS

*Pipes	62 - 100 years
*In-drain Structures	25 - 100 years
*Flood Control Systems	25 - 100 years
*Solid Waste	4 - 25 years

OPERATIONAL ASSETS

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

Assets under construction are not depreciated. The total cost of a project is transferred to freehold buildings, plant and equipment or infrastructural assets on its completion and then depreciated.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to accumulated comprehensive revenue and expense.

Impairment of Non-Financial Assets

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

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

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

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

Trade and Other Payables

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

Financial Liabilities: Borrowings

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

Employee Entitlements

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

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

Long Service Leave and Retirement Leave

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

Provisions

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

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

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

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

Public Equity

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

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

Accumulated Funds

Comprise accumulated surpluses over the years.

Special Funds and Reserves

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

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

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

Asset Revaluation Reserve

Comprise accumulated revaluations increments or decrements.

Detail on the movement of reserves held by the Group can be found in Note 27A: Asset Revaluation Reserve on page 173.

Statement of Cash Flows

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

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

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

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

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

Critical Accounting Estimates and Assumptions

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

Landfill Post Closure Costs

Paokahu

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

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

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

Waiapu

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

A landfill aftercare provision has been recognised as a liability in the Statement of Financial Position. Provision is made for the present value of post closure costs expected to be incurred in restoring the area to its former status. The calculated cost is based on estimates of future site maintenance, supervision and monitoring costs. The estimated length of time needed for post closure care for the Waiapu site is 30 years, from 30 June 2025.

Infrastructural Assets

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

- The physical deterioration and condition of asset, for example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition-modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth.
- If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Income. To minimise this risk, 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 Councils 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 ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Long Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the 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.

Statement of cash flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Council does not intend to adopt the amendment early.

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 has not yet determined how the application of PBE IFRS 48 will 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. To date there has not been a significant impact on Council's financial performance or position.

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 2021 financial statements for this possibility.

As at 30 June 2021, the carrying value of Council's Three Waters Assets was \$272.6m. Three Waters Asset capital additions during the year was \$6.6m and annual operating expenditure in relation to Three Waters Assets was \$9.6m.

Note 2: Summary Cost of Services by Activity for the year ended 30 June 2021

Council 2019/20 Actual \$000s	Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Council 2019/20 Actual \$000s	Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s
REVENUE FROM EXCHANGE TRANSACTIONS			EXPENSES		
1,183 Building Services	1,168	1,619	1,794 Building Services	1,827	1,975
981 Commercial Operations	1,790	3,080	1,884 Commercial Operations	1,956	2,222
294 Cultural Activities	507	416	4,450 Cultural Activities	4,610	4,395
125 Customer Engagement	94	122	125 Customer Engagement	94	206
1,016 Emergency Management	21	18	1,906 Emergency Management	766	839
2,083 Enforcement	2,126	1,983	3,926 Enforcement	3,833	4,140
473 Environmental Health	504	528	1,766 Environmental Health	2,308	2,212
27 Governance	15	33	2,664 Governance	2,660	2,607
1,225 Recreation and Amenity	960	389	10,132 Recreation and Amenity	9,742	10,977
706 Resource Consents	864	1,092	2,507 Resource Consents	2,393	2,667
288 Rivers, Land and Coastal	277	269	3,075 Rivers, Land and Coastal	3,378	3,215
516 Science	772	590	5,171 Science	6,045	5,341
197 Solid Waste	220	280	4,329 Solid Waste	4,140	4,372
(25) Stormwater	0	17	2,990 Stormwater	3,251	3,104
8 Strategic Planning and Performance	0	47	3,795 Strategic Planning and Performance	4,745	3,994
1,726 Support Services	2,397	4,496	2,802 Support Services	1,783	881
53 Journeys	46	270	46,567 Journeys	34,830	54,350
487 Wastewater	413	418	8,040 Wastewater	8,784	8,672
3,517 Water Supply	3,077	3,682	6,759 Water Supply	6,718	7,115
14,880 Total Revenue From Exchange Transactions	15,253	19,350	114,681 Total Expenses	103,862	123,283
REVENUE FROM NON-EXCHANGE TRANSACTIONS			69,356 Net Cost of Service	70,832	66,396
59 Cultural Activities	0	63	Expenses include internal charges, this is why the COS expense amounts differ with each activity, but the total will be the same.		
21 Customer Engagement	0	23			
921 Enforcement	1,004	531	Each significant activity is stated gross of internal costs and revenues, and excludes general and targeted rates attributable to that activity.		
0 Environmental Health	0	4			
64 Governance	0	0			
806 Recreation and Amenity	0	1,293			
0 Resource Consents	150	0			
225 Rivers, Land and Coastal	0	234			
672 Science	518	609			
0 Stormwater	0	4			
36 Strategic Planning and Performance	146	132			
926 Support Services	1,000	418			
26,708 Journeys	14,958	34,220			
5 Water Supply	0	6			
30,444 Total Revenue From Non-Exchange Transactions	17,777	37,537			

Note 3: Rates Revenue

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
63,297	63,101	Gross Rates Revenue	64,793	65,595	65,329
Gross Rates Revenue Consists of :					
4,781	4,585	General Rates	4,659	4,704	4,438
15,482	15,482	Uniform Annual General Charge	15,328	15,406	15,406
39,647	39,647	Targeted Rates	41,808	42,036	42,036
3,387	3,387	Metered Water Rates	2,997	3,449	3,449
63,297	63,101	Gross Rates Revenue	64,793	65,595	65,329
639	639	Less Remissions¹	626	645	645
62,658	62,462	Net Rates Revenue	64,167	64,950	64,684

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

For the years ended 30 June 2021 and 2020, the annual rates income of the Council for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is the same as the total rates amount shown above in line with Deed 16.9(c).

Rating Base Information as at 30 June 2021

	2020/21	Rating Units	Total Capital Value \$000s	Total Land Value \$000s
Rateable Units	22,254		10,506,231	6,017,009
Non Rateable Units	1,299		633,077	230,093

Note 4: Revenue from Grants and Subsidies

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
REVENUE FROM GRANTS AND SUBSIDIES					
22,187	22,466	Central Government Grants	64	49,401	49,422
32,201	32,201	NZ Transport Agency Rooding Subsidies	49,497	28,389	28,389
1,966	1,966	Other Grants and Subsidies	16,801	6,391	6,391
56,355	56,634	Total Revenue from Grants and Subsidies	66,363	84,181	84,202

Revenue relating to capital work from grants and subsidies (and hence operating income) for Councils total \$45.3m (2020: \$27.5m).

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, Land Information New Zealand, Department of Internal Affairs, Ministry of Business Innovation and Employment, War Memorial Theatre Trust Gisborne, Waka Kotahi, NZ Lottery grants, National Library of NZ, and Crown Infrastructure Partners. Our main contributors were Waka Kotahi \$11.0m (2020: \$12.1m) and the Provincial Growth Fund \$30.9m (2020: \$14.3m) for recognised capital grants during the year for roading related work.

Some of the grants received but not fully spent during the period have therefore been recognised only to the extent that conditions have been fulfilled.

There are no other contingencies attached to grants received. Cash flows from grants and subsidies (and hence operating cash inflows) for Council with respect to these capital grants see the associated cash outflows recognised as investing activities.

Note 5: Revenue from Operating Activities

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
REVENUE FROM OPERATING ACTIVITIES					
814	814	Development Contributions	699	935	935
13	13	Capital Contributions	0	25	25
931	931	Rates Penalties	1,000	378	378
10,871	20,504	Activity Revenue	10,855	11,463	22,965
47	47	Interest	0	95	95
1,205	5	Dividends	1,800	1,283	33
341	341	Petroleum Tax	375	384	384
14,223	22,655	Total Revenue from Operating Activities	14,729	14,564	24,816

Note 6: Revenue from Other Gains

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
REVENUE FROM OTHER GAINS (LOSSES)					
(488)	(2,755)	Gain/(Loss) on Changes in Fair Value of Forestry Assets	0	1,229	2,845
0	(1,440)	Gain/(Loss) on Changes in Fair Value of Livestock	0	0	(977)
(202)	(202)	Gain/(Loss) on Disposal of Property, Plant and Equipment	50	(536)	(666)
0	0	Gain/(Loss) on Disposal of Intangible Assets	0	(46)	(46)
0	(73)	Net Emission Trading income	0	0	0
0	0	Gain on Derivates (Interest Rate Swaps)	0	2,514	2,514
410	410	Gain/(Loss) on Changes in Fair Value of Non-Current Receivables/Investment	0	3	3
(280)	(4,060)	Total Revenue from Other Gains (Losses)	50	3,164	3,673

Note 7: Employee Benefit Expenses

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
EMPLOYEE BENEFIT EXPENSE					
22,736	25,810	Salary and Wages	26,494	25,143	28,608
610	694	Defined Contribution Plans Expense	609	662	754
492	543	Increase/(Decrease) in Leave Liabilities	25	5	(8)
(1,519)	(1,519)	Less Recharged to Other Expense Categories ¹	(2,342)	(2,158)	(2,158)
22,319	25,528	Total Employee Benefit Expenses	24,786	23,652	27,196

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

Note 8: Depreciation and Amortisation Expenses

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
DEPRECIATION AND AMORTISATION EXPENSES					
639	1,739	Commercial Operations	641	644	1,662
918	918	Cultural Activities	864	845	845
1	1	Customer Engagement	1	1	1
16	16	Emergency Management	20	13	13
10	10	Enforcement	12	12	12
0	0	Environmental Health	0	7	7
2	2	Governance	2	2	2
1,072	1,072	Recreation and Amenity	1,147	1,082	1,082
149	149	Rivers, Land and Coastal	153	167	167
105	105	Science	131	122	122
351	351	Solid Waste	201	350	350
1,016	1,016	Stormwater	1,050	1,074	1,074
1,856	1,856	Support Services	1,685	1,783	1,783
11,657	11,657	Journeys	12,106	11,857	11,857
2,224	2,224	Wastewater	2,312	2,466	2,466
2,478	2,478	Water Supply	2,457	2,548	2,548
22,492	23,592	Total Depreciation and Amortisation Expense	22,782	22,972	23,990
21,193	22,292	Total Depreciation	22,782	21,884	22,902
1,299	1,299	Total Amortisation	0	1,088	1,088
22,492	23,592		22,782	22,972	23,990

Note 9: Expenditure on Operating Activities

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
OPERATING EXPENDITURE					
2,229	2,513	Administration Expenses	2,642	2,443	3,352
190	247	Audit Fees Financial Reporting (incl. Trustee reporting)	310	225	272
0	0	Audit Fees Long Term Plan	0	111	111
3	3	Audit of Registry	0	3	3
2,162	2,227	Consultants and Professional Services	1,825	3,119	3,290
752	946	Councillors and Director's Fees	787	767	964
220	247	Indirect Employment Costs	129	258	281
927	931	Grants and Donations	974	887	895
999	1,216	Insurance Costs	1,066	1,179	1,362
1,965	151	Rental and Operating Leases	2,112	1,939	230
12,652	13,233	Repairs and Maintenance	12,063	13,075	13,416
1,046	1,046	Bad Debts Written Off-Rates	740	1,631	1,631
454	458	Bad Debts Written Off-Other	100	30	30
132	132	IRD Compliance Costs	154	181	181
1,874	1,925	Litter bins and city cleaning	2,024	2,599	2,676
13,851	13,851	Emergency Works	4,511	9,043	9,043
27,032	29,402	Other Operating Expenditure ¹	22,644	37,449	39,627
66,488	68,527	Total Operating Expenditure	52,080	74,938	77,364

¹ Other operating expenses include such items as: electricity, operational contracts, treatment plants, pump stations, internal interest, vegetation planting contracts, facilities contracts and cleaning contracts.

Note 10: Finance Costs

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
FINANCE COSTS					
1,054	1,054	Interest on Debentures and Interest Rate Swaps	2,130	566	566
952	1,482	Interest on Bank Borrowings and Commercial Paper	2,023	1,464	1,695
58	58	Line Fee	60	60	60
1,270	1,270	Losses on Derivatives (Interest Rate Swaps)	0	0	0
47	47	Discount Unwind on Provisions	0	(370)	(370)
3,381	3,911	Total Finance Costs	4,213	1,721	1,952

In 2021, there was a gain on derivatives (interest rate swaps) of \$2.5m. This can be classified as revenue from other gains. See Note 6: Revenue from other gains on page 156.

Note 11: Income Tax

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
18,914	16,771	Surplus Before Tax	42,072	44,221	47,519
550	0	Subvention Payment	0	400	0
5,450	4,696	Tax @ 28%	11,780	12,494	13,305
Plus/(Less) Tax Effect of:					
(5,450)	(5,118)	Net Non Taxable and Non Deductible Items	(11,780)	(12,494)	(12,194)
	0	Imputation credits Utilised	0		0
0	0	Deferred Tax Adjustment	0	0	(4)
0	(422)	Tax Expense	0	0	1,107
Made up of -					
0	818	Current Tax Expense	0	0	847
0	(1,240)	Deferred Tax Expense	0	0	260
0	(422)		0	0	1,107

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 2019	(957)	(3,810)	46	19	(662)	(5,364)
Charged to surplus or deficit	731	466	26	(9)	20	1,234
Charged to Equity	40	0	0	0	0	40
Balance as at 30 June 2020	(186)	(3,344)	72	9	(642)	(4,090)
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)

Deferred tax has been calculated at 28%. Council (the parent) has recognised a deferred tax asset of \$18k (2020: \$9k) in relation to unused tax losses of \$64k (2020: \$34k). 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 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
RECONCILIATION OF REVENUE				
Sources of operating funding				
Total operating funding (A) as per Funding Impact Statement	98,655	105,435	94,775	119,549
Add Sources of capital funding				
Subsidies and grants for capital expenditure	28,426	27,534	50,410	47,511
Development and financial contributions	699	827	699	960
Profit / (Loss) on Sale of Assets	12	(202)	50	(516)
	127,792	133,595	145,934	167,504
As per Statement of Comprehensive Income - Total Operating Income	127,792	133,595	145,934	167,504
RECONCILIATION OF EXPENDITURE				
Applications of operating funding				
Total applications of operating funding (B) as per Funding Impact Statement	84,370	92,188	81,079	100,311
Add depreciation and amortisation expense	22,112	22,492	22,782	22,972
	106,481	114,681	103,862	123,283
As per Statement of Comprehensive Income - Total Operating Expenditure	106,481	114,681	103,862	123,283
RECONCILIATION OF TOTAL COMPREHENSIVE INCOME				
Surplus/(deficit) of operating funding (A-B)	14,285	13,247	13,696	19,238
Add Subvention Payment	0	550	0	400
Add Subsidies and grants for capital expenditure	28,426	27,534	50,410	47,511
Add Development and financial contributions	699	827	699	960
Add Profit / (Loss) on Sale of Assets	12	(202)	50	(516)
Less Depreciation and amortisation expense	(22,112)	(22,492)	(22,782)	(22,972)
Add Gains/(Loss) on Property Revaluation	15,473	136,913	15,882	73,475
	36,784	156,377	57,955	118,097
As per Statement of Comprehensive Income - Total Comprehensive Income	36,784	156,377	57,955	118,097

Note 13: Cash and Cash Equivalents

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
CASH AND CASH EQUIVALENTS					
9,967	9,969	Cash at the Bank and in Hand	3,964	19,575	19,577
9,967	9,969	Total Cash and Cash Equivalents	3,964	19,575	19,577

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

Note 14: Trade and Other Receivables

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
8,739	8,739	Rates Receivable	9,440	7,953	7,953
8,558	8,558	Roading Subsidy Due	11,749	5,817	5,817
53	53	Community Loans	62	13	13
9,826	10,137	Other Receivables	8,552	8,828	8,686
2,330	2,330	Prepayments	576	597	597
29,505	29,815		30,379	23,209	23,067
(6,295)	(6,295)	Provision for Impairment of Receivables	(6,824)	(5,532)	(5,532)
23,211	23,521	Total Trade and Other Receivables	23,555	17,677	17,535
Trade and Other Receivables Classified as:					
23,211	23,521	Current Receivables	23,555	17,677	17,535
23,211	23,521		23,555	17,677	17,535
11,469	11,468	Non Exchange Trade and Other Receivables	14,874	8,647	8,647
11,743	12,053	Exchange Trade and Other Receivables	8,681	9,029	8,887

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. Rounding subsidies, debtor control, GST receivable and GHL 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 2021 and 2020, 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 Councils 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 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
5,851	5,851	Beginning Balance	6,295	6,295
444	444	Charge for Year	(763)	(763)
6,295	6,295	Ending Balance	5,532	5,532

The status of Receivables as at 30 June 2021 and 2020 are detailed below:

Note 14B: Receivables

COUNCIL 2020				COUNCIL 2021		
Gross \$000s	Impaired \$000s	Net \$000s		Gross \$000s	Impaired \$000s	Net \$000s
SUNDRY INVOICE RECEIVABLES						
1,743	0	1,743	Current	1,761	0	1,761
0	0	0	Past Due 1 month	75	0	75
5	0	5	Past Due 2 months	66	0	66
1,193	23	1,170	Past Due 3 months	1,095	19	1,076
2,941	23	2,918		2,997	19	2,978

GROUP 2020				GROUP 2021		
Gross \$000s	Impaired \$000s	Net \$000s		Gross \$000s	Impaired \$000s	Net \$000s
SUNDRY INVOICE RECEIVABLES						
2,604	0	2,604	Current	2,021	0	2,021
4	0	4	Past Due 1 month	79	0	79
5	0	5	Past Due 2 months	67	0	67
1,195	23	1,172	Past Due 3 months	1,096	19	1,077
3,808	23	3,785		3,263	19	3,244

Note 14C: Rates Receivable

Council 2020			Council 2021		
No. Of Properties	Outstanding \$000s		No. Of Properties	Outstanding \$000s	
GENERAL LAND RATES					
1,088	1,618	Current <12 months	848	1,375	
92	426	Past Due 1 to 2 Years	149	625	
54	244	Past Due 2 to 3 years	51	270	
95	405	Past Due >3 years	101	412	
1,329	2,693	Total Outstanding	1,149	2,683	
MĀORI LAND RATES					
189	1,346	Current <12 months	194	992	
88	1,238	Past Due 1 to 2 Years	52	1,029	
54	1,029	Past Due 2 to 3 Years	70	999	
485	2,441	Past Due >3 Years	423	2,258	
816	6,054	Total Outstanding	739	5,278	
METERED WATER SUPPLY					
685	441	Current	660	398	
1	5	Past Due 1 month	0	0	
22	9	Past Due 2 months	13	4	
15	12	Past Due 3 months	11	6	
723	467	Total Outstanding	684	408	

Note 15: Inventories

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
INVENTORIES					
2	2	Te Puia/Bushmere Road	3	2	2
20	20	Olympic Pool	26	16	16
17	17	Drainage	27	17	17
62	62	Soil Conservation	5	3	3
0	6	Waikanae Holiday Park	0	0	5
0	10	Gisborne Vehicle Testing	0	0	7
0	113	Farming	0	0	183
101	231	Total Inventories	61	38	234

No inventories have been pledged as security for liabilities.

Note 16: Investments

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
Term Deposits < 12 Months					
0	0		0	0	0
ORDINARY SHARES					
32,455	0	Gisborne Holdings Ltd	32,455	32,455	0
92	92	Civic Financial Services Ltd	160	95	95
9	9	BOPLASS Ltd	9	9	9
0	497	Share held in unlisted Company	0	0	497
100	100	LGFA Shares	100	100	100
939	939	LGFA Notes	681	1,233	1,233
0	2	Top 10 Shares	0	0	2
33,595	1,639	Total Investments	33,406	33,893	1,937
Investments Classified as:					
0	0	Current Investments	0	0	0
33,595	1,639	Non-Current Investments	33,406	33,893	1,937
33,595	1,639		33,406	33,893	1,937

Civic Financial Services Ltd

The carrying amount of this investment is recorded at fair value. Movements in fair value are recognised in other comprehensive income.

All the other investments are classified as available for sale.

Group Information

The financial statements of the Group includes Gisborne Holdings Limited (GHL). GHL is a controlled entity and the Council has 100% equity interest in GHL. The carrying value of the Council's investment in GHL is \$32.4m (2020: \$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 liability of \$2.7m (2020: \$5.2m). These swaps are exposed to fair value movements as interest rates change.

The weighted average effective interest rate of the interest rate swaps was 3.36% (2020: 3.83%). Fair value of the Group's interest rate swaps is determined by bank valuations as at balance date.

The interest rate swaps are measured at fair value. As the Group does not apply hedge accounting, movements in fair value are taken directly to the statement of surplus or deficit.

For further information on the interest rate swaps, please refer to Note 29: Financial Instruments on page 177.

Note 18: Assets Held for Sale

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
112	112	Land	0	0	0
453	453	Buildings	684	80	80
565	565	Total Non Current Assets Held for Sale	684	80	80

Note 19: Deposits Held

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
19	19	General and Other Deposits	79	22	22
40	40	Resource Consent Bonds	17	44	44
358	358	Footpath Deposits	322	418	418
13	13	Gisborne Rural Volunteer Fire	13	13	13
431	431	Total Deposits Held	430	498	498

Note 20: Trade and Other Payables

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
ACCOUNTS PAYABLE					
1,659	1,808	Income in Advance	678	10,600	10,754
1,627	1,627	Rates in Advance	1,897	1,683	1,683
73	73	Gisborne District Council Disaster Relief Fund	72	73	73
999	999	Contract Retentions	722	1,085	1,085
0	24	Accruals - Loan Interest	0	0	0
153	199	Accruals - Audit Fees	107	155	201
2,734	2,734	Accruals - Other	10,632	818	818
23,442	24,552	Trade and other Payables	10,030	21,850	22,777
30,686	32,016	Total Trade and Other Payables	24,137	36,265	37,393

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 has increased in 2020/21 due to additional grant funding arrangements. Please refer to Note 4: Revenue from Grants and Subsidies on page 155.

Of the \$10.60m of Council's income in advance, \$5.45m relates to Three Waters Reform Programme funding received. During the year, \$5.52m of funding was received with \$69.9k recognised as revenue. This funding is recognised as income in advance until the substantive conditions in the grant funding agreement are met.

Note 21: Employee Benefit Liabilities

	Accrued Wages & Salaries	Annual Leave	Long Service Leave	Retirement Leave	Sick Leave	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
GROUP						
2020						
Balance at 1 July 2019	405	1,559	29	278	80	2,351
Additional leave accrued	690	2,117	1	26	35	2,869
Amounts Paid	(405)	(1,615)	(5)	0	0	(2,025)
Balance at 30 June 2020	690	2,061	25	304	115	3,195
2021						
Balance at 30 June 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
Current Portion	855	1,999	17	93	146	3,111
Non Current Portion	0	8	4	175	31	218
Total Provisions	855	2,007	21	268	177	3,329
COUNCIL						
2020						
Balance at 1 July 2019	405	1,325	29	278	80	2,117
Additional leave accrued	643	2,086	1	26	4	2,760
Amounts Paid	(405)	(1,615)	(5)	0	0	(2,025)
Balance at 30 June 2020	643	1,796	25	304	84	2,852
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
Current Portion	775	1,841	17	93	77	2,803
Non Current Portion	0	0	4	175	0	179
Total Provisions	775	1,841	21	268	77	2,982

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 1.12% (2020: 0.41%) and assumed salary inflation of 1.7% (2020: 1.9%). (Treasury discount rates: 1 year 0.38%, 2 years 0.81%, 5 years 1.12%).

Note 22: Borrowings

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
0	571	Bank Loans	9,680	0	102
0	0	Commercial Paper	6,000	0	0
5,000	5,000	Debenture	0	7,100	7,100
5,000	5,571	Total Current	15,680	7,100	7,202
0	15,900	Bank Loans	35,820	0	15,900
53,600	53,600	Debenture and FRN Debt Securities	42,600	61,500	61,500
53,600	69,500	Total Non Current	78,420	61,500	77,400
58,600	75,071	Total Borrowings	94,100	68,600	84,602

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 \$68.6m (2020: \$58.6m) of debentures and floating rate notes with maturities from April 2022 to April 2029. Interest is paid quarterly in arrears. The interest rates range as at 30 June 2021 varies from 0.94% to 1.99% (2020: 1.01% to 1.99%) and are subject to quarterly reset dates.

Bank Facilities

Council has \$25m (2020: \$25m) worth of committed funding facilities available. At reporting date the draw down under these facilities was nil (2020: 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 2021 was \$0.1m (2020: \$0.6m). GHL also has a term facility of \$15.9m which is fully drawn at at 30 June 2021. This facility is secured by way of a mortgage and a general security agreement which terminates on 31 July 2022.

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	Waiapu Landfill Aftercare \$000s	Other Provisions \$000s	Total \$000s
2020				
Balance at 1 July 2019	1,519	1,177	221	2,917
Additional Provisions Made/(Reversed)	104	43	0	147
Amounts Used	(52)	0	(61)	(113)
Discount unwind	16	21	0	36
Balance at 30 June 2020	1,587	1,241	160	2,987
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
Current Portion	93	0	186	279
Non Current Portion	1,211	1,081	160	2,452
Total Provisions	1,304	1,081	346	2,730

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 2021 provision:

- Future cash flows were indexed 1.88% each year before a discount rate of 2.21% was applied.

In 2020, a discount rate of 1.06% was applied, with future costs indexed each year at 1.50%.

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 2021 provision:

- Future cash flows were indexed 1.91% each year before a discount rate of 2.58% was applied.

In 2020, a discount rate of 1.17% was applied, with future costs indexed each year at 1.50%.

Other Provisions

Other provisions includes the Risk Pool liability. Please refer to Note 32: Contingent Liabilities on page 183. 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.

Also included in other provisions for legal claims of \$186k (2020: nil). Each legal claim made against the Council and the Group has been assessed based on the likelihood of any material payments to be made. A provision was recognised when it was deemed probable that the Council and Group will be held liable and costs could be reliably measured. Legal claim provisions are determined with the aid of legal counsel.

Note 24: Property, Plant and Equipment

COUNCIL 2021	Cost/Revaluation 1 July 2020 \$000s	Accumulated Depreciation and Impairment 1 July 2020 \$000s	Carrying Amount 1 July 2020 \$000s	Current Year Transfers \$000s	Current Year Additions \$000s	Current Year Disposals & other movements \$000s	Revaluation Current Year \$000s	Revaluation (accumulated depreciation reversed) \$000s	Current Year Depreciation \$000s	Recovered Depreciation \$000s	Other Adjustments \$000s	Cost/Revaluation 30 June 2021 \$000s	Accumulated Depreciation \$000s	Carrying Amount 30 June 2021 \$000s
OPERATIONAL ASSETS														
Land	216,443	–	216,443	(60)	138	(66)	65	–	–	–	–	216,520	–	216,520
Buildings/Land Improvements	87,693	(5,986)	81,707	424	2,943	–	–	105	(2,147)	–	(2,048)	89,012	(8,028)	80,984
Plant /Motor Vehicles	8,263	(4,282)	3,980	291	774	(477)	–	–	(738)	554	(520)	8,330	(4,466)	3,864
Office Equipment	7,075	(4,951)	2,124	–	85	(35)	–	–	(127)	35	–	7,124	(5,043)	2,081
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	(1,283)	405	–	149	(324)	–	–	(127)	370	–	1,513	(1,041)	472
Library Books - Permanent	336	(6)	330	–	–	–	–	–	–	–	–	336	(6)	330
Assets Under Construction	2,544	–	2,544	(794)	5,414	(213)	–	–	–	–	–	6,951	–	6,951
Total Operational Assets	331,738	(19,913)	311,825	(140)	9,987	(1,446)	65	105	(3,665)	1,278	(2,568)	337,635	(22,196)	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	44,567	–	46,222	11,686	(11,686)	–	–	1,731,286	0	1,731,286
Assets under Construction	9,591	–	9,591	(5,077)	12,453	(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	2,313,114	(26,321)	2,286,794	(80)	77,134	(1,820)	51,623	23,771	(21,884)	1,305	(2,568)	2,437,403	(23,130)	2,414,273

COUNCIL 2020	Cost/Revaluation 1 July 2019 \$000s	Accumulated Depreciation and Impairment 1 July 2019 \$000s	Carrying Amount 1 July 2019 \$000s	Current Year Transfers \$000s	Current Year Additions \$000s	Current Year Disposals & other movements \$000s	Revaluation Current Year \$000s	Revaluation (accumulated depreciation reversed) \$000s	Current Year Depreciation \$000s	Recovered Depreciation \$000s	Other Adjustments \$000s	Cost/Revaluation 30 June 2020 \$000s	Accumulated Depreciation \$000s	Carrying Amount 30 June 2020 \$000s
OPERATIONAL ASSETS														
Land	139,954	–	139,954	4	191	–	76,293	–	–	–	–	216,443	–	216,443
Buildings / Land Improvements	76,534	(11,800)	64,734	4,456	1,474	(6)	5,881	7,948	(2,238)	103	(645)	87,693	(5,986)	81,707
Plant / Motor Vehicles	7,025	(3,864)	3,161	677	800	(239)	–	–	(593)	175	–	8,263	(4,282)	3,980
Office Equipment	7,491	(4,818)	2,672	(742)	326	–	–	–	(133)	–	–	7,075	(4,951)	2,124
Other Equipment	3,786	(2,352)	1,435	–	562	(77)	–	–	(394)	77	–	4,271	(2,669)	1,602
Wharves	3,424	(667)	2,758	–	–	–	–	–	(68)	–	–	3,424	(735)	2,689
Library books - General	1,653	(1,213)	439	–	124	(89)	–	–	(128)	58	–	1,688	(1,283)	405
Library books - Permanent	336	(6)	330	–	–	–	–	–	–	–	–	336	(6)	330
Assets Under Construction	5,633	–	5,633	(4,393)	1,487	(182)	–	–	–	–	–	2,544	–	2,544
Total Operational Assets	245,836	(24,719)	221,116	2	4,964	(593)	82,174	7,948	(3,554)	413	(645)	331,738	(19,913)	311,824
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	61,741	(2,534)	59,207	499	501	(23)	(3,868)	2,529	(1,252)	2	–	58,849	(1,255)	57,594
Sewer and Wastewater Treatment Plant & Facilities	35,172	(1,712)	33,460	38	341	–	(614)	1,712	(953)	–	–	34,937	(953)	33,984
Stormwater	55,202	(1,816)	53,386	686	1,494	(26)	2,531	1,813	(1,016)	1	–	59,887	(1,018)	58,869
Water Supply Reticulation Systems	43,726	(2,187)	41,539	122	1,044	(19)	3,475	2,185	(1,276)	1	–	48,349	(1,277)	47,072
Water Supply Treatment Plant & Facilities	60,799	(2,257)	58,542	3	802	–	(1,270)	2,257	(1,160)	–	–	60,334	(1,160)	59,174
Solid Waste	3,001	(603)	2,398	–	18	(9)	(360)	603	(296)	2	–	2,651	(294)	2,356
Flood Control	63,355	(252)	63,103	289	2,317	(8)	2,918	252	(141)	0	–	68,872	(141)	68,731
Waiapu Aftercare Provision Deferred Expense Asset	575	(256)	319	–	–	–	–	–	(54)	–	–	575	(310)	265
Roading	1,585,844	–	1,585,844	1,542	27,791	–	22,156	11,491	(11,491)	–	–	1,637,333	–	1,637,333
Assets under Construction	5,672	–	5,672	(3,182)	7,101	–	–	–	–	–	–	9,591	–	9,591
Total Infrastructural Assets	1,915,087	(11,618)	1,903,468	(2)	41,409	(85)	24,967	22,843	(17,639)	6	0	1,981,377	(6,408)	1,974,969
Total Property Plant and Equipment	2,160,922	(36,338)	2,124,583	0	46,373	(678)	107,141	30,792	(21,193)	419	(645)	2,313,114	(26,321)	2,286,794

GROUP 2021	Cost/Revaluation 1 July 2020 \$000s	Accumulated Depreciation and Impairment 1 July 2020 \$000s	Carrying Amount 1 July 2020 \$000s	Current Year Transfers \$000s	Current Year Additions \$000s	Current Year Disposals & other movements \$000s	Revaluation Current Year \$000s	Revaluation (accumulated depreciation reversed) \$000s	Current Year Depreciation \$000s	Recovered Depreciation \$000s	Other Adjustments \$000s	Cost/Revaluation 30 June 2021 \$000s	Accumulated Depreciation \$000s	Carrying Amount 30 June 2021 \$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	(8,979)	110,942	424	4,318	(64)	–	105	(2,667)	–	(2,048)	122,550	(11,541)	111,009
Plant /Motor Vehicles	9,496	(5,183)	4,313	291	876	(498)	–	–	(873)	554	(520)	9,646	(5,504)	4,143
Office Equipment	8,777	(5,751)	3,026	–	748	(39)	–	–	(307)	35	–	9,485	(6,024)	3,462
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	(1,283)	405	–	149	(324)	–	–	(127)	370	–	1,513	(1,041)	472
Library Books - Permanent	336	(6)	330	–	–	–	–	–	–	–	–	336	(6)	330
Assets Under Construction	2,652	–	2,652	(794)	5,508	(305)	–	–	–	–	–	7,060	–	7,060
Total Operational Assets	432,682	(26,870)	405,812	(140)	12,221	(1,627)	65	105	(4,683)	1,278	(2,568)	440,633	(30,173)	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	44,567	–	46,222	11,686	(11,686)	–	–	1,731,286	0	1,731,286
Assets under Construction	9,591	–	9,591	(507)	12,453	(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	(933)	2,098,834
Total Property Plant and Equipment	2,414,058	(33,278)	2,380,781	(80)	79,369	(2,001)	51,623	23,771	(22,901)	1,305	(2,568)	2,540,402	(31,105)	2,509,294

GROUP 2020	Cost/Revaluation 1 July 2019 \$000s	Accumulated Depreciation and Impairment 1 July 2019 \$000s	Carrying Amount 1 July 2019 \$000s	Current Year Transfers \$000s	Current Year Additions \$000s	Current Year Disposals & other movements \$000s	Revaluation Current Year \$000s	Current Year Depreciation \$000s	Recovered Depreciation \$000s	Impairments \$000s	Other Adjustments \$000s	Cost/Revaluation 30 June 2020 \$000s	Accumulated Depreciation \$000s	Carrying Amount 30 June 2020 \$000s
OPERATIONAL ASSETS														
Land	194,287	(2,083)	192,204	4	191	–	87,634	–	(181)	–	–	282,117	(2,264)	279,854
Buildings/Land Improvements	106,158	(14,641)	91,516	4,456	1,987	(6)	7,971	7,948	(2,830)	545	(645)	119,920	(8,979)	110,942
Plant /Motor Vehicles	8,190	(4,623)	3,567	677	902	(273)	–	–	(737)	177	–	9,496	(5,183)	4,312
Office Equipment	9,039	(5,436)	3,603	(742)	480	–	–	–	(315)	–	–	8,777	(5,751)	3,026
Other Equipment	3,786	(2,352)	1,435	–	562	(77)	–	–	(394)	77	–	4,271	(2,669)	1,602
Wharves	3,424	(667)	2,758	–	–	–	–	–	(68)	–	–	3,424	(735)	2,689
Library Books - General	1,653	(1,213)	439	–	124	(89)	–	–	(128)	58	–	1,688	(1,283)	405
Library Books - Permanent	336	(6)	330	–	–	–	–	–	–	–	–	336	(6)	330
Assets Under Construction	5,683	–	5,683	(4,393)	1,592	(230)	–	–	–	–	–	2,652	–	2,652
Total Operational Assets	332,556	(31,021)	301,535	2	5,837	(674)	95,605	7,948	(4,654)	856	(645)	432,681	(26,870)	405,812
INFRASTRUCTURAL ASSETS														
Sewer and Wastewater Reticulation Systems	61,741	(2,534)	59,207	499	501	(23)	(3,868)	2,529	(1,252)	2	–	58,849	(1,255)	57,594
Sewer and Wastewater Treatment Plant & Facilities	35,172	(1,712)	33,460	38	341	–	(614)	1,712	(953)	–	–	34,937	(953)	33,984
Stormwater	55,202	(1,816)	53,386	686	1,494	(26)	2,531	1,813	(1,016)	1	–	59,887	(1,018)	58,869
Water Supply Reticulation Systems	43,726	(2,187)	41,539	122	1,044	(19)	3,475	2,185	(1,276)	1	–	48,349	(1,277)	47,072
Water Supply Treatment Plant & Facilities	60,799	(2,257)	58,542	3	802	–	(1,270)	2,257	(1,160)	–	–	60,334	(1,160)	59,174
Solid Waste	3,001	(603)	2,398	–	18	(9)	(360)	603	(296)	2	–	2,651	(294)	2,356
Flood Control	63,355	(252)	63,103	289	2,317	(8)	2,918	252	(141)	0	–	68,872	(141)	68,731
Waiapu Aftercare Provision Deferred Expense Asset	575	(256)	319	–	–	–	–	–	(54)	–	–	575	(310)	265
Roading	1,585,844	–	1,585,844	1,542	27,791	–	22,156	11,491	(11,491)	–	–	1,637,333	–	1,637,333
Assets under Construction	5,672	–	5,672	(3,182)	7,101	–	–	–	–	–	–	9,591	–	9,591
Total Infrastructural Assets	1,915,087	(11,618)	1,903,469	(2)	41,409	(85)	24,967	22,843	(17,639)	6	0	1,981,377	(6,408)	1,974,969
Total Property Plant and Equipment	2,247,643	(42,639)	2,205,004	0	47,247	(758)	120,571	30,792	(22,292)	862	(645)	2,414,058	(33,278)	2,380,781

Properties held for resale are recorded at net cost as at 30 June 2021. Refer to Note 18: Assets Held for Sale on page 162.

Roading Assets

The roading asset valuation was undertaken at 30 June 2021 by Pauline True, Kerryn Whitehead and Brian Smith independent valuers of Stantec Limited. The depreciated replacement cost of roading assets as at 30 June 2021 is \$1.7b (2020: \$1.6b).

Land and Buildings

Land and Buildings are externally revalued three yearly with the next revaluation scheduled for 30 June 2022.

Infrastructural Assets

Infrastructural assets, excluding roading, are externally revalued three yearly with the next revaluation due on 30 June 2022. An internal CGPI uplift is applied in interim years.

The Council revalued infrastructural assets twice during this financial year, once in July 2020 and once in June 2021 to bring a revaluation date back to 30 June.

Insurance Disclosure

Property, Plant and Equipment

The total value of assets covered by insurance contracts for these assets is \$259,545,468. 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. Councils limit of liability is \$1,000,000.

Forestry

The total value of assets covered by insurance contracts for forestry is \$1,229,412. 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 \$2,054,800 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 \$519,462,090. 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	
	2020 \$000s	2021 \$000s	2020 \$000s	2021 \$000s
Building/Land Improvements	0	5	107	114
Community Property Management	292	0	292	0
Conveniences	129	24	129	24
Information Management	362	323	362	323
Land	0	0	0	0
Library	0	0	0	0
Parks and Open Spaces	1,669	6,856	1,669	6,856
Plant	290	178	290	178
Rivers and Flood Control	260	1,300	260	1,300
Roading	3,707	2,318	3,707	2,318
Sewer and Wastewater	3,798	10,922	3,798	10,922
Solid Waste	92	0	92	0
Stormwater	1,693	1,595	1,693	1,595
Theatres	0	0	0	0
Water Supply	202	711	202	711
Total Assets Under Construction	12,493	24,232	12,600	24,341

Note 25: Intangible Assets

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
OTHER INTANGIBLE ASSETS					
10,381	10,381	Balance at 1 July - Cost	10,166	11,168	11,168
98	98	Balance at 1 July - WIP		360	360
(5,504)	(5,504)	Less Accumulated Amortisation and Impairment	(5,289)	(6,801)	(6,801)
4,975	4,975	Opening Carrying Amount	4,877	4,727	4,727
262	262	Additions/Disposals to WIP	0	(39)	(39)
787	787	Additions	0	1,114	1,114
0	0	Disposals	0	(1,099)	(1,099)
0	0	Transfers from WIP	0	141	141
0	0	Change in Fair Value	0	0	0
(1,298)	(1,298)	Less Amortisation Charge	0	(1,088)	(1,088)
0	0	Amortisation Recovered	0	1,053	1,053
4,727	4,727	Closing Carrying Amount	4,877	4,809	4,809
Balance at 30 June					
11,528	11,528	Cost	10,166	11,646	11,646
(6,801)	(6,801)	Less Accumulated Amortisation and Impairment/Change in Fair Value	(5,289)	(6,837)	(6,837)
4,727	4,727	Closing Carrying Amount	4,877	4,809	4,809
EMISSIONS TRADING SCHEME ASSETS					
1,653	4,849	Balance at 1 July - Cost	1,653	2,061	5,257
0	0	Less Impairment	0	0	0
1,653	4,849	Opening Carrying Amount	1,653	2,061	5,257
407	407	Additions	0	0	0
0	0	Disposals	0	0	0
0	0	Impairment	0	0	0
2,061	5,257	Closing Carrying Amount	1,653	2,061	5,257
Balance at 30 June					
2,061	5,257	Cost	1,653	2,061	5,257
0	0	Less Impairment	0	0	0
2,061	5,257	Closing Carrying Amount	1,653	2,061	5,257
6,787	9,983	Total Intangibles	6,531	6,869	10,065
EMISSIONS TRADING SCHEME LIABILITIES					
1,542	2,374	Balance at 1 July - Cost	1,542	1,950	2,855
407	481	Additions	0	0	0
0	0	Disposals	0	0	0
0	0	Impairment	0	0	0
1,950	2,855	Closing Carrying Amount	1,542	1,950	2,855
111	2,401	Net Emissions Trading Scheme Assets	111	111	2,401

At balance date Council recognised \$2,060,593 (2020: 2,060,593) of Emission Trading Scheme carbon units.

Note 26: Biological Assets – Livestock

Biological Assets

Council biological assets consist of forest only (\$3.5m). Group biological assets consist of sheep and cattle (livestock - \$10.1m) and forestry (\$15.6m). The Group farms livestock for the sale of sheep, lambs, cattle and calves. As at 30 June 2021 the Group had 31,116 sheep, 4,651 cattle (2020: 33,625 sheep, 5,524 cattle). During the year the Group sold 33,656 sheep, 2,907 cattle (2020: 30,210 sheep, 2,484 cattle).

Reconciliation of Opening Balance to Closing Balance – 2021

GROUP	SHEEP		CATTLE		Total
	Quantity	\$000s	Quantity	\$000s	\$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

Reconciliation of Opening Balance to Closing Balance – 2020

GROUP	SHEEP		CATTLE		Total
	Quantity	\$000s	Quantity	\$000s	\$000s
Opening Balance as at 1 July 2019	32,980	6,016	5,478	6,505	12,521
Natural Increase	33,974	4,929	2,629	1,837	6,767
Purchases	56	60	47	166	226
Changes in Fair Value	0	(705)	0	(387)	(1,092)
Sales	(30,210)	(4,139)	(2,484)	(2,488)	(6,628)
Death and Killed	(3,175)	(530)	(146)	(183)	(713)
Closing Balance as at 30 June 2020	33,625	5,631	5,524	5,450	11,081

Note 26A: Biological Assets – Livestock

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

2019/20			2020/21	
Quantity	\$000s		Quantity	\$000s
SHEEP				
25,228	4,459	Mature	24,948	5,173
8,397	1,172	Immature	6,168	1,089
33,625	5,631	Total Sheep	31,116	6,262
CATTLE				
3,183	3,875	Mature	2,646	2,700
2,341	1,575	Immature	2,005	1,141
5,524	5,450	Total Cattle	4,651	3,841

Note 26B: Biological Assets – Livestock

2019/20			2020/21			
Quantity	Average Price \$	2020 \$000s		Quantity	Average Price \$	2021 \$000s
SHEEP						
30,210	137	4,139	Sales	33,656	123	4,133
Less Cost of Sales						
32,980	183	6,016	Opening Stock	33,625	167	5,631
56	1,071	60	Add Purchases	57	965	55
33,625	167	5,631	Less Closing Stock	31,116	201	6,263
		445	Total Cost of Sales			(577)
		<u>3,694</u>	Gross Profit from Sheep			<u>4,710</u>
CATTLE						
2,484	1,002	2,488	Sales	2,907	951	2,765
Less Cost of Sales						
5,478	1,187	6,505	Opening Stock	5,524	987	5,450
47	3,532	166	Add Purchases	39	6,949	271
5,524	987	5,450	Less Closing Stock	4,651	826	3,841
		1,221	Total Cost of Sales			1,880
		<u>1,267</u>	Gross Profit from Cattle			<u>885</u>

The fair value of livestock is determined by independent valuation as at 30 June 2021. 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 harvest. At time of harvest, wool is recorded as inventory.

No livestock or other inventories have been pledged as security for liabilities, nor are any inventories subject to retention of title clauses.

There is no financial risk management strategy for livestock.

Note 26C: Forestry

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
5,976	18,685	Balance at 1 July	5,976	3,833	14,275
0	0	Increases due to Purchases	0	0	0
(487)	(2,755)	Gains/(Losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	0	1,229	2,845
(1,655)	(1,655)	Harvest	0	(1,516)	(1,516)
3,833	14,275	Balance at 30 June	5,976	3,546	15,603

Harvesting was undertaken during the year; income received from log sales was \$1.5m (2020: \$1.7m).

Councils forestry holdings have been valued by PF Olsen and Company Limited. A post-tax discount rate of 6% (2020: 6.00%) has been used in discounting the present value of expected cash flows. The valuations are compliant with PBE IPSAS 27.

The valuation of the Pamoā forestry assets as at 30 June 2021 is \$3.1m. (2020: \$3.3m).

The valuation of the Councils forestry assets as at 30 June 2021 is \$0.5m. (2020: \$0.6m).

Tauwharepārae Forests

The fair value of the forest tree crop is determined by independent valuation. Independent forestry valuation as at 30 June 2021 was performed by PF Olsen and Company Limited, independent providers of professional forestry services. The fair value is assessed as follows:

- The maturity value of the existing tree crop and the future costs of realising that revenue are determined.
- Future costs and revenue are discounted

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% (2020: 6%)
Rate of Inflation - 1% (2020: 1%)
Rate of Tax - 28% (2020: 28.0%)

During the year there was no forestry development expenditure capitalised to the forest asset (2020: \$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 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
ACCUMULATED SURPLUS (RETAINED EARNINGS)					
422,044	428,736	Balance at 1 July	460,604	439,305	443,724
(2,658)	(2,658)	Transfers (to)/from Special Funds	7,983	(8,416)	(8,416)
455	455	Transfers from Asset Revaluation Reserve on Disposal of Property, Plant and Equipment	0	172	172
19,464	17,192	Surplus/(Deficit) for the year	42,072	44,621	46,412
439,305	443,724	Balance at 30 June	510,659	475,681	481,892
SPECIAL FUNDS AND RESERVES					
41,117	41,117	Balance at 1 July	36,216	43,776	43,775
2,658	2,658	Transfer (to)/from Retained Earnings	(7,983)	8,416	8,416
43,776	43,775	Balance at 30 June	28,233	52,192	52,191
ASSET REVALUATION RESERVES					
1,642,559	1,687,847	Balance at 1 July	1,658,032	1,779,017	1,838,217
136,913	150,360	Revaluations	15,882	73,475	73,475
(455)	(455)	Transfers to Retained Earnings on Disposal of Property, Plant and Equipment	0	(172)	(172)
0	465	Deferred Tax on building revaluations	0	0	0
1,779,017	1,838,217	Balance at 30 June	1,673,914	1,852,321	1,911,520

Note 27A: Asset Revaluation Reserve

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s	ASSET CLASSES 2019/21	ASSET CLASSES 2020/21	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
90	90	Investments	Investments	90	90
OPERATIONAL ASSETS					
194,848	248,180	Land	Land	195,126	248,458
37,584	43,851	Buildings/Land Improvements	Buildings/Land Improvements	35,770	42,036
INFRASTRUCTURAL ASSETS					
31,290	31,290	Sewer and Wastewater	Sewer and Wastewater	34,925	34,925
29,287	29,287	Stormwater	Stormwater	33,161	33,161
61,254	61,254	Water Supply	Water Supply	67,646	67,646
1,254	1,254	Solid Waste	Solid Waste	1,548	1,548
1,371,816	1,371,816	Roading	Roading	1,429,803	1,429,803
51,721	51,721	Flood Control	Flood Control	54,379	54,379
(126)	(523)	Deferred Tax Asset Revaluation	Deferred Tax Asset Revaluation	(126)	(523)
1,779,017	1,838,219			1,852,321	1,911,522

Note 27B: Internal Borrowings

	Opening Balance 1 July 2020 \$000s	New Borrowings \$000s	Interest \$000s	Repayments Principal \$000s	Closing Balance 30 June 2021 \$000s
Building Services	1	0	0	1	0
Civil Defence & Emergency Management	3	1	0	3	1
Commercial Operations	429	(1)	15	42	386
Cultural Activities	3,671	29	129	397	3,303
Customer Engagement	23	0	1	1	22
Environmental Health	17	122	4	2	137
Environmental Services & Protection	43	0	1	7	36
Governance	1	0	0	1	0
Land, Rivers & Coastal	7,806	5,398	310	219	12,985
Liveable Communities	0	0	457	0	0
Recreation and Amenity	11,712	3,966	0	744	14,934
Roading	11,950	1,811	448	803	13,062
Science	277	660	22	35	903
Solid Waste	3,802	0	128	465	3,338
Support Services	20,592	656	755	739	20,405
Urban Stormwater	7,265	2,177	292	555	8,887
Wastewater	22,545	8,941	857	1,838	29,648
Water Supply	1,982	293	76	140	2,134
	92,119	24,054	3,495	5,992	110,181

Note 27C: Special Funds and Other Reserves

	Opening Balance 1 July 2020 \$000s	Transfers to Reserves \$000s	Transfers from Reserves \$000s	Closing Balance 30 June 2021 \$000s	Description / Use
Municipal Theatre Project	29	0	29	0	Reserve held as a source of capital funding for the redevelopment of theatres
Waipaoa River Flood Control Scheme	760	3	0	762	Reserve is a funding source for minor and major capital work in relation to the Waipaoa River Flood Control Scheme
Wastewater Treatment Plant Reserve	100	250	0	350	
Civil Defence Disaster Relief	549	2	0	550	Reserve is to provide for civil defence emergency costs not covered by Government subsidies and for discretionary contributions to other district Civil Defence Disaster Relief activities
Capital Development Fund	2,262	867	4	3,125	Reserve is to hold proceeds of selected asset sales which are to be utilised for capital developments as determined by Council
Quarry Rehab	1,188	4	0	1,192	Reserve is to provide for the restoration and rehabilitation of the Patutahi Quarry
Olympic Pool Development	30	0	0	30	Reserve is to hold donations and bequests given in relation to the Olympic Pool. Funds will be utilised for the redevelopment of the Olympic Pool complex
Reserves Contributions	119	0	0	120	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	8	311	595	(276)	Reserve holds development contributions received in relation to Roothing. Funding is utilised for capital expenditure on Land Transport infrastructure resulting from growth due to developments within the district
Water Supply - Urban Development Contributions	(361)	214	72	(219)	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	747	265	0	1,012	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	(762)	117	319	(964)	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	275	29	0	304	Reserve holds development contributions received in relation to Parks and Open Spaces. Funding is utilised for capital expenditure on Parks and Open Spaces resulting from growth due to developments within the district
HMNZ Blackpool Scholarship Fund	7	0	0	7	Reserve holds funds that are distributed in accordance with the trust deed
GHL Forestry Reserve	(3,990)	155	(3,835)	0	The reserve was set up to receive revenue as a result of forestry harvesting at Tauwhareparae Farms Ltd. Due to the fact that we have not had revenue but have funded capital projects, therefore the deficit balance has been transferred to an internal loan.

	Opening Balance 1 July 2020 \$000s	Transfers to Reserves \$000s	Transfers from Reserves \$000s	Closing Balance 30 June 2021 \$000s	Description / Use
Pamoa Restoration Reserve	1,489	1,339	594	2,234	Funds from Pamoa harvest for the restoration around the Waingake water supply.
Roading FAR Reserve	2,185	630	0	2,815	Funds from increased subsidy from NZTA to be used on roading projects subject to approval by Council.
Land Subdivision	374	1	0	376	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	1,318	2,193	231	3,281	Operational Surplus to be used to fund organisational development
Depreciation	37,447	23,093	23,047	37,493	Reserve holds funds utilised on projects that replace the district's assets
Total Special Funds and Other Reserves	43,776	29,473	21,056	52,192	



Note 28: Reconciliation of Net Surplus to Operating Cash Flows

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
19,464	17,193	Reported Net Surplus after tax	44,621	46,412
		ADD/(DEDUCT) NON CASH ITEMS		
22,492	23,591	Depreciation & Amortisation	22,972	23,990
1,270	1,237	Unrealised (Gain)/Loss on Derivative Financial Instruments	(2,514)	(2,514)
67	67	Other Fixed and Investment Asset Changes/(Credits)	(3)	(3)
0	1,440	Livestock Holding (Gain)/ Loss	0	978
202	202	(Profit)/ Loss on Disposal of Assets	582	712
488	3,277	Forestry Value (Gain) / Loss	(1,229)	(2,845)
0	0	Loss on timber stock	0	0
70	70	Other provisions and deferred expense asset	(257)	(257)
0	(1,238)	Increase in Deferred Taxation	0	258
0	(449)	Carbon Credit Allocation	0	0
1,499	1,499	Bad Debts Written Off	1,652	1,652
(445)	(445)	Vested Assets	0	0
25,643	29,252		21,203	21,971
		ADD ITEMS CLASSIFIED AS INVESTING ACTIVITIES		
(2,525)	(2,525)	Movement of Plant, Property and Equipment included in Trade Payables	(6,319)	(6,319)
(2,525)	(2,525)		(6,319)	(6,319)
		INCREASE/(DECREASE) IN WORKING CAPITAL		
(1,044)	(1,056)	Trade & Other Receivables	3,733	4,336
(40)	25	Inventories	62	(5)
1	1	Deposits Held	66	66
7,066	6,480	Trade & Other Payables	5,799	5,621
0	0	Provision for Other Liabilities	0	0
735	837	Employee Benefit Liabilities	130	119
(147)	147	Subvention Payment Due	150	0
0	(115)	Taxation Payable	0	(102)
6,571	6,319		9,940	10,035
49,153	50,240	Net Cash Inflow from Operating Activities	69,445	72,098

Note 29: Financial Instruments

Financial Risk Management Objectives and Policies

The Group's financial instruments include the following financial assets and liabilities.

Cash and cash equivalents, trade and other receivables, available-for-sale financial assets, and the following financial liabilities.

Accounts payable and borrowings from bank funding and secured debentures, and derivative financial instruments.

Note 29A: Financial Instruments

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s		Council 2020/21 AP \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
FINANCIAL ASSETS					
Non Current Assets					
1,140	1,639	Investments - Non Current	951	1,437	1,936
1,140	1,639	Available for Sale Financial Assets	951	1,437	1,936
Current Assets					
0	0	Investments - Current	0	0	0
0	0	Available for Sale Financial Assets	0	0	0
9,967	9,969	Cash and Cash Equivalents	3,964	19,575	19,577
23,211	23,521	Trade and Other Receivables	23,555	17,677	17,535
33,178	33,490	Loans and Receivables at Amortised Cost	27,518	37,252	37,112
FINANCIAL LIABILITIES					
Non Current Liabilities					
0	15,900	Bank Loan	35,820	0	15,900
53,600	53,600	Secured Debentures	42,600	61,500	61,500
176	223	Trade Payables and Accruals	152	179	218
53,776	69,723	Financial Liabilities Measured at Amortised Cost	78,572	61,679	77,618
4,029	4,029	Derivative Financial Instruments	3,226	1,618	1,618
4,029	4,029	Financial Liabilities at Fair Value Through Surplus or Deficit	3,226	1,618	1,618
Current Liabilities					
1,219	1,219	Derivative Financial Instruments	752	1,116	1,116
5,000	5,000	Secured Debentures	0	7,100	7,100
0	0	Commercial Paper	6,000	0	0
0	571	Bank Loan	9,680	0	102
33,362	34,987	Trade Payables and Accruals	26,043	39,068	40,504
39,581	41,777	Financial Liabilities at Amortised Cost	42,475	47,284	48,822

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 2020					Year Ended 30 June 2021			
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	1,140	0	1,140	Unlisted Investments	0	1,437	0	1,437
0	1,140	0	1,140		0	1,437	0	1,437
FINANCIAL LIABILITIES								
0	(5,248)	0	(5,248)	Derivative Financial Instruments	0	(2,734)	0	(2,734)
0	(5,248)	0	(5,248)		0	(2,734)	0	(2,734)

GROUP

Year Ended 30 June 2020					Year Ended 30 June 2021			
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	1,639	0	1,639	Unlisted Investments	0	1,937	0	1,937
0	1,639	0	1,639		0	1,937	0	1,937
FINANCIAL LIABILITIES								
0	(5,248)	0	(5,248)	Derivative Financial Instruments	0	(2,734)	0	(2,734)
0	(5,248)	0	(5,248)		0	(2,734)	0	(2,734)

There were no transfers between the different levels of the fair value hierarchy.

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Group, causing the Group to incur a loss. The Group has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

The Group invests funds only in deposits with registered banks and its investment policy limits the amount of credit exposure to any one institution or organisation. The Group only invests funds with those entities which have a Standard and Poor's credit rating of at least A2 - for short term and A - for long-term investments. Accordingly, the Group does not require any collateral or security to support these financial instruments.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counter party default rates.

Council 2019/20 Actual \$000s	Group 2019/20 Actual \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
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COUNTER PARTIES WITH CREDIT RATINGS

Cash at Bank and Term Deposits

9,967	9,969	AA-	19,575	19,577
9,967	9,969	Total cash at bank and term deposits	19,575	19,577

COUNTER PARTIES WITHOUT CREDIT RATINGS

53	53	Existing counter party with no defaults in the past	13	13
53	53	Total Rates postponement and Community loans	13	13

FINANCIAL ASSETS

9,967	9,969	Cash and Cash Equivalents	19,575	19,577
23,211	23,521	Trade and Other Receivables	17,677	17,535
0	0	Current Investments	0	0
33,179	33,491	Total Financial Assets	37,252	37,112

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

Council 2020			Council 2021		
Gross \$000s	Impaired \$000s		Gross \$000s	Impaired \$000s	
Trade and Other Receivables					
17,758	0	Current	12,201	0	
132	0	Past Due 0 - 3 Months	179	0	
181	0	Past Due 3 - 6 Months	254	0	
11,434	6,295	Past Due More Than 6 Months	10,575	5,532	
29,505	6,295	Total Trade and Other Receivables	23,209	5,532	

Group 2020			Group 2021		
Gross \$000s	Impaired \$000s		Gross \$000s	Impaired \$000s	
Trade and Other Receivables					
18,068	0	Current	12,059	0	
132	0	Past Due 0 - 3 Months	179	0	
181	0	Past Due 3 - 6 Months	254	0	
11,434	6,295	Past Due More Than 6 Months	10,575	5,532	
29,815	6,295	Total Trade and Other Receivables	23,067	5,532	

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 163.

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 Councils Treasury Management Policy and Guidelines.

Contractual Maturity Analysis of Financial Assets

The table above analyses Councils financial assets into relevant maturity groupings based on the remaining period at the balance date to the contracted maturity date.

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

	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
COUNCIL 2021						
Cash and Cash Equivalents	19,575	19,575	19,575	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

	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
COUNCIL 2020						
Cash and Cash Equivalents	9,967	9,967	9,967	0	0	0
Trade and Other Receivables	29,505	29,505	29,452	0	0	53
Current Investments	0	0	0	0	0	0
Total Financial Assets	39,472	39,472	39,419	0	0	53

	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
GROUP 2021						
Cash and Cash Equivalents	19,577	19,577	19,577	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

	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
GROUP 2020						
Cash and Cash Equivalents	9,969	9,969	9,969	0	0	0
Trade and Other Receivables	29,815	29,815	29,762	0	0	53
Current Investments	0	0	0	0	0	0
Total Financial Assets	39,785	39,785	39,732	0	0	53

The table below summarises the maturity profile of Councils financial liabilities based on contractual payments.

	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
COUNCIL 2021						
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

	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
COUNCIL 2020						
Trade and Other Payables	33,362	33,362	33,362	0	0	0
Derivative Financial Instruments	5,248	5,248	1,219	1,214	2,297	518
Bank Loans	0	0	0	0	0	0
Commercial Paper	0	0	0	0	0	0
Debentures	58,600	58,600	5,000	7,100	25,500	21,000
Total Financial Liabilities	97,210	97,210	39,581	8,314	27,797	21,518

	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
GROUP 2021						
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

	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
GROUP 2020						
Trade and Other Payables	34,987	34,987	34,987	0	0	0
Derivative Financial Instruments	5,248	5,248	1,219	1,214	2,297	518
Bank Loans	16,471	16,471	571	15,900	0	0
Commercial Paper	0	0	0	0	0	0
Debentures	58,600	58,600	5,000	7,100	25,500	21,000
Total Financial Liabilities	115,306	115,306	41,777	24,214	27,797	21,518

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 Councils 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 2019/20 Actual \$000s	Group 2019/20 Actual \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
WEIGHTED EFFECTIVE INTEREST RATES			
n/a	n/a	n/a	1.67%
1.29%	1.29%	1.21%	1.21%
3.83%	3.83%	3.36%	3.36%

Interest Rate Sensitivity

At balance date, the group had \$48.6m of variable rate borrowings and \$42m 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 2019/20 Actual \$000s	Group 2019/20 Actual \$000s	Council 2020/21 Actual \$000s	Group 2020/21 Actual \$000s
NET SURPLUS HIGHER/(LOWER)			
1,882	1,882	984	984
(2,009)	(2,009)	(1,061)	(1,061)

Note 30: Commitments

	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
COUNCIL 2021			
Capital Commitments - Approved and Contracted	62,202	21,602	40,600
Total Commitments	62,202	21,602	40,600

	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
COUNCIL 2020			
Capital Commitments - Approved and Contracted	24,180	23,871	309
Total Commitments	24,180	23,871	309

	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
GROUP 2021			
Capital Commitments - Approved and Contracted	62,275	21,675	40,600
Total Commitments	62,275	21,675	40,600

	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
GROUP 2020			
Capital Commitments - Approved and Contracted	24,277	23,968	309
Total Commitments	24,277	23,968	309

Note 31A: Leases

	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s	5+ Years \$000s
GROUP 2021				
Operating Lease Payments	745	129	246	370
Total Non Cancellable Operating	745	129	246	370
GROUP 2020				
Operating Lease Payments	699	58	233	408
Total Non Cancellable Operating	699	58	233	408
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
COUNCIL 2020				
Operating Lease Payments	29,749	2,008	7,444	20,297
Total Non Cancellable Operating	29,749	2,008	7,444	20,297

Gisborne District Council leases buildings from Gisborne Holdings Ltd. This arrangement began 1 December 2015. In 2021 the annual lease amount was \$1.83m. 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 5 years from 1 January 2017.

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 \$66,628 (2020: \$199,883).

Note 31B: Residential Lease

Council leases its residential property assets to tenants. The terms of each tenancy are governed by the Residential Tenancies Act 1986. Rent is charged at less than market value. The leases are cancellable by the tenants and this is provided by the Residential Tenancies Act. A minimum notice period of 21 days applies or, if cancelled by Council, 90 days' notice is required.

The future aggregate minimum lease payments to be received under operating leases are as follows:

	Total \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s
COUNCIL 2021				
Operating Lease Commitments	75	75	0	0
Total Operating Lease Commitments	75	75	0	0
COUNCIL 2020				
Operating Lease Commitments	65	65	0	0
Total Operating Lease Commitments	65	65	0	0

Note 32: Contingent Liabilities

Paokahu Consent Bond

As a condition of the Paokahu landfill resource consent the Council entered into a bond with the Paokahu owners for the sum of \$100,000. This acts as security for the performance of any of the conditions of the resource consent, including any conditions relating to aftercare and post closure remediation.

RiskPool Liability

Gisborne District Council was a member of the NZ Mutual Liability Riskpool between 2003 and 2010. During this time there were unprecedented adverse liability findings against New Zealand local authorities, particularly as a result of the leaky building epidemic. As this exposure was unforeseen, the amount of contributions collected and reinsurance placed was insufficient to meet the claims turn out with the result being calls for additional funds on members. While the risk of further calls diminishes with each year as limitation periods expire, liability remains for the Council for those years where it was a Riskpool member. Should there be adverse claims developments, the Riskpool Board will advise affected members of the call and their share of the liability at the earliest possible time.

New Zealand Emissions Trading Scheme Obligations

The Group has a contingent liability in respect of both its pre-1990 and post-1989 forests which are part of the New Zealand Emissions Trading Scheme.

Should the Group deforest all of its pre-1990 forests, it would have a liability under the ETS to surrender New Zealand emissions units of approximately \$40.0m determined at 30 June 2021 (2020: \$29.2m).

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 \$9.9m determined at 30 June 2021 (2020: \$7.2m). The amount and timing of any liability is uncertain and is dependent on the occurrence of the circumstances described above and the price of emissions units at the time of deforestation.

If these contingencies were to arise, emissions units held may be utilised to settle these obligations.

New Zealand Local Government Funding Agency Limited

Gisborne District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AAA.

Gisborne District Council is one of 30 local authority shareholders and 64 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 2021, NZLGFA had borrowings totalling \$13.609m (2020: \$11,907m).

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.

Gold Kiwifruit

The Council is the defendant in judicial review proceedings brought in the High Court related to the valuation of gold kiwifruit land in the Councils district. There is also a connected objection before the Land Valuation Tribunal (LVT) to the valuation of gold kiwifruit land. The judicial review hearing has now been deferred until the LVT objection has been heard.

New Zealand Kiwifruit Growers Incorporated are claiming that including gold kiwifruit licences in the land valuation is invalid.

Councils position is that the rates have been correctly and validly set.

It is not possible to quantify the potential financial impact of the litigation on the Council because the ultimate outcome of the valuation and rating issues and the effect of any change in valuation on the Councils rates is unknown.

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). As at 30 June 2021, GHL amalgamated with its subsidiary Tauwharepārae Farms Ltd. Tauwharepārae Farms Ltd was involved in the ownership and operation of farming activities.

All subsidiaries have a 30 June balance date.

	2020 \$000s	2021 \$000s
TRANSACTIONS WITH GHL		
Services Provided to Council	260	240
Services Provided by Council	246	315
Lease Provided by GHL	1,972	1,882

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

	2020 \$000s	2021 \$000s
Salaries and Other Short Term Employees Benefit;		
Governance	781	812
Chief Executive and Senior Leadership Team	1,662	1,756

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 2021 the total remuneration received by or payable to the Mayor, other councillors and Chief Executive of the Council were as follows:

	2020	2021
R Stoltz, Mayor	\$134,464	\$163,666
J Wharehinga, Deputy Mayor	\$58,310	\$65,833
WS Burdett	\$63,498	\$60,562
P Seymour	\$55,968	\$59,609
A Cranston	\$50,700	\$53,131
M. Akuhata-Brown	\$44,007	\$43,889
L Foster	\$47,869	\$52,666
A Dunn	\$47,768	\$8,826
S Dowsing	\$42,342	\$43,889
S Faulkner	\$32,498	\$47,480
D Gregory	\$29,058	\$43,889
A Robinson	\$29,058	\$43,889
T Sheldrake	\$29,331	\$46,409
K Worsnop	\$31,497	\$50,832
I Hughes	\$0	\$25,079
L Pardoe	\$0	\$2,387
N Thatcher-Swann, Chief Executive	\$321,950	\$322,374

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

Salary Bands	Number of Employees	
	2020	2021
\$140,000 - \$340,000 ¹	11	14
\$120,000 - \$140,000	9	16
\$100,000 - \$120,000	34	34
\$ 80,000 - \$100,000	52	57
\$ 60,000 - \$ 80,000	94	104
Less than \$ 60,000	185	183
	385	408
	2020	2021
Full Time Employees ²	316	304
Full Time Equivalent Employees ³	19	23

¹ If the number of employees in any band is 5 or fewer, the number for that band must be combined with the next-highest band.

² Full time employees: the total number of people employed full time (30 hours or more per week) excluding casual staff as at 30 June 2021.

³ Full time equivalents: the total number of contracted hours for all part time (less than 30 hours per week) staff and all casual staff, divided by the full time equivalent hours (40 hours).

Severance Payments

One severance payment was made during the 2021 financial year. The value of this severance payment in 2021 was \$8,000. One severance payment was made in the 2020 financial year. The value of this severance payment in the 2020 financial year was \$3,250.

Note 36: Events After Balance Date

COVID-19

On 17 August 2021 New Zealand went into alert level 4 lockdown, following detection of the COVID-19 Delta variant in the country. On 31 August, this alert level dropped to level 3 for all regions outside of Auckland, followed by a further drop to alert level 2 on 8 September 2021 for these same regions. This is a developing situation, and no further information is available at this stage. The impact of this on Council is unknown.

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 Councils actual rates income with quantified limits on rates contained in the financial strategy included in Councils Long Term Plan.

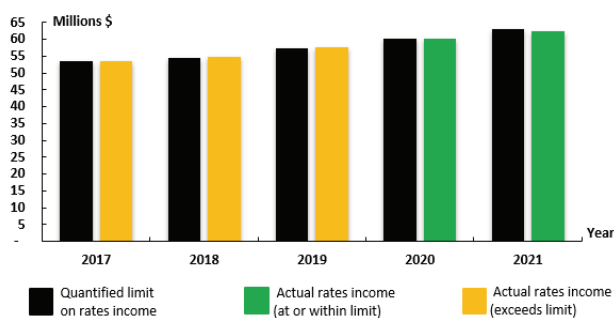
Quantified Limits on Rates

The quantified limit is for actual rates to be no more than 5% more than was adopted for the preceding year of the Long Term Plan.

Rates Increases Affordability

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

Rates Affordability Benchmark

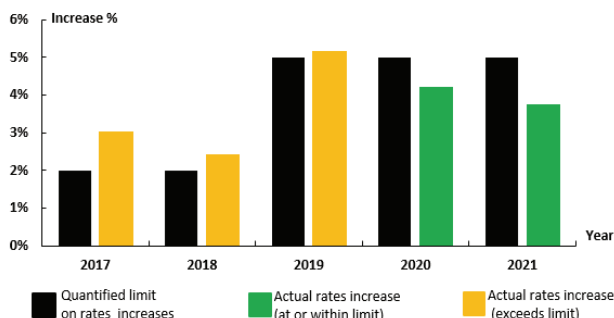


Quantified Limit on Rates Increases

For the current 10 year plan, the annual increase in total rates has been forecast to be between 2.44% and 4.95%.

2018-2028 Long Term Plan aims for a maximum rates increase of 5% plus growth in the rating base over the ten year period.

Rates Increases Benchmark



Debt Affordability Benchmark

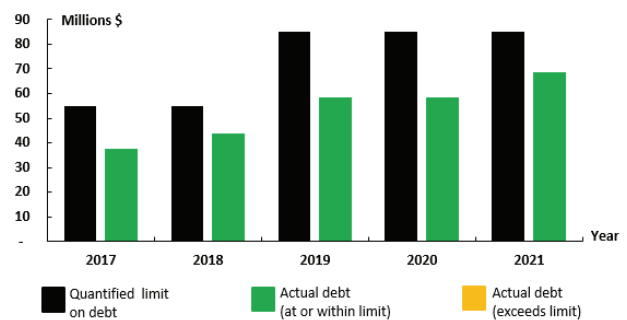
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

Our Limits for Debt

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

The quantified limit is for total debt to be capped at \$85m for years 1 to 3. From year 4, the quantified limit is \$105m.

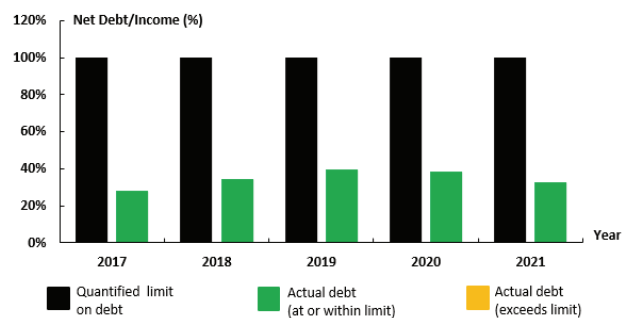
Debt Affordability Benchmark



Our Limit on Net Debt as a Percentage of Income

The following graph compares the Councils net debt as a percentage of income which is the first quantified limit on borrowing stated in the Liability Management Policy included in the Councils Long Term Plan. The quantified limit is equal to or less than 100% of income.

Debt Affordability Benchmark

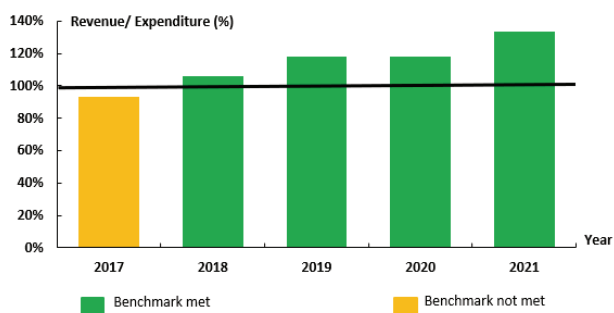


Balanced Budget Benchmark

The following graph displays the Councils 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



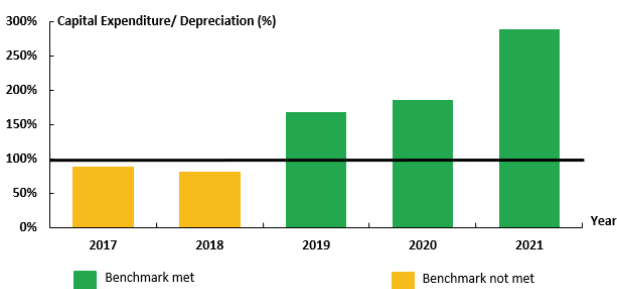
Essential Services Benchmark

The following graph displays the Councils 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

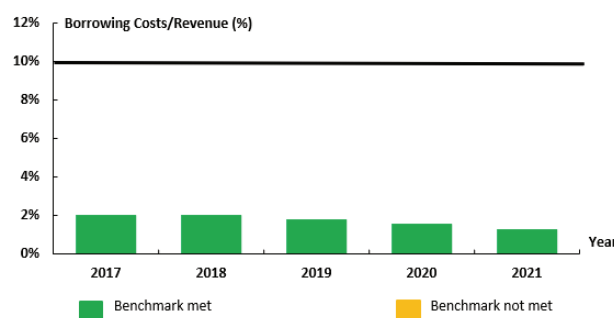


Debt Servicing Benchmark

The following graph displays the Councils 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

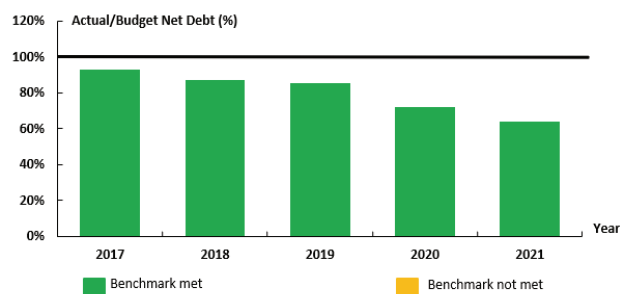


Debt Control Benchmark

The following graph displays the Councils 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



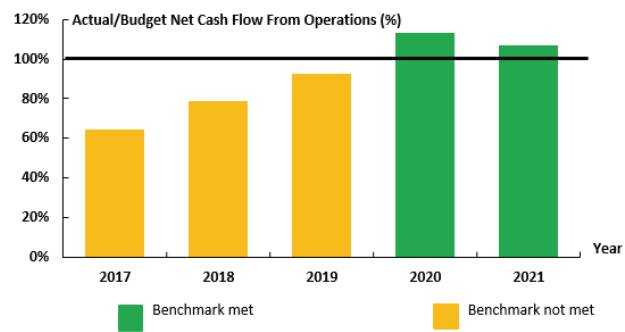
Operations Control Benchmark

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

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

Council did not meet this benchmark in 2019 due to a decrease in grants revenue as a result of the delay in planned major projects.

Operations Control Benchmark



Funding Impact Statements

Council

Funding Impact Statement for the Year ended 30 June (whole of Council)	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	21,218	21,216	20,987	20,715
Targeted Rates	42,536	43,012	44,806	45,258
Subsidies and grants for operating purposes	22,917	28,821	15,953	36,670
Fees and Charges	8,054	8,424	8,817	10,946
Interest and dividends from investments	1,800	1,252	1,800	1,378
Local authorities fuel tax, Infringement Fees and other receipts	2,130	2,711	2,413	4,581
Total operating funding (A)	98,655	105,435	94,775	119,549
Applications of operating funding				
Payments to staff and suppliers	80,464	88,831	76,866	98,602
Finance costs	3,906	3,357	4,213	1,709
Other operating funding applications	(0)	(0)	0	0
Total applications of operating funding (B)	84,370	92,188	81,079	100,311
Surplus (deficit) of operating funding (A-B)	14,285	13,247	13,696	19,238
Sources of capital funding				
Subsidies and grants for capital expenditure	28,426	27,534	50,410	47,511
Development and financial contributions	699	827	699	960
Increase/(decrease) in debt	10,071	4,066	22,727	18,062
Gross proceeds from sale of assets	12	(104)	50	466
Lump sum contributions	(0)	(0)	0	0
Total sources capital funding (C)	39,208	32,324	73,885	67,000
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,504	562	2,013	1,523
- to improve the level of service	30,035	15,345	50,809	39,148
- to replace existing assets	28,764	31,520	43,404	37,932
Increase/ (decrease) in reserves	(6,809)	(1,857)	(8,644)	7,634
Increase/ (decrease) of investments	(0)	(0)	0	0
Total applications of capital funding (D)	53,494	45,571	87,581	86,238
Surplus (deficit) of capital funding (C-D)	(14,285)	(13,247)	(13,696)	(19,238)
Funding balance ((A-B)+(C-D))	0	0	0	0

Commercial Operations

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	4	4	44	44
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	1,450	1,326	1,665	1,360
Internal charges and overheads recovered	(11)	18	(8)	(5)
Local authorities fuel tax, fines, infringement fees and other receipts	112	(345)	125	1,474
Total operating funding (A)	1,556	1,002	1,826	2,873
Applications of operating funding				
Payments to staff and suppliers	829	1,019	965	1,187
Finance costs	19	17	20	15
Internal charges and overheads applied	316	226	321	371
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,164	1,262	1,306	1,573
Surplus (deficit) of operating funding (A-B)	392	(260)	520	1,300
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)	(10)	(22)	(42)
Gross proceeds from sale of assets	0	0	0	1,105
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(22)	(10)	(22)	1,063
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	26	0	0
- to replace existing assets	266	178	200	254
Increase/ (decrease) in reserves	104	(475)	298	2,108
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	370	(270)	498	2,363
Surplus (deficit) of capital funding (C-D)	(392)	260	(520)	(1,300)
Funding balance ((A-B)+(C-D))	0	0	0	0

Enforcement

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	25	25	328	328
Targeted Rates	357	357	417	417
Subsidies and grants for operating purposes	180	229	180	46
Fees and Charges	1,525	1,960	1,719	1,902
Internal charges and overheads recovered	237	237	237	237
Local authorities fuel tax, fines, infringement fees and other receipts	907	815	1,231	566
Total operating funding (A)	3,232	3,623	4,112	3,496
Applications of operating funding				
Payments to staff and suppliers	2,143	3,101	2,743	3,002
Finance costs	1	2	1	1
Internal charges and overheads applied	1,039	1,050	1,314	1,362
Other operating funding applications	(0)	(0)	0	0
Total applications of operating funding (B)	3,183	4,153	4,058	4,365
Surplus (deficit) of operating funding (A-B)	49	(530)	54	(869)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	(7)	0	(7)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	(0)	(0)	0	0
Total sources capital funding (C)	0	(7)	0	(7)
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	10	29	0	0
Increase/ (decrease) in reserves	39	(566)	10	49
Increase/ (decrease) of investments	(0)	(0)	44	(924)
Total applications of capital funding (D)	49	(537)	54	(875)
Surplus (deficit) of capital funding	(49)	530	(54)	869
Funding balance ((A-B)+(C-D))	0	0	0	0

Building Services

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	724	724	659	659
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	1,028	1,122	1,153	1,569
Internal charges and overheads recovered	15	15	26	26
Local authorities fuel tax, fines, infringement fees and other receipts	0	61	15	50
Total operating funding (A)	1,766	1,921	1,853	2,304
Applications of operating funding				
Payments to staff and suppliers	1,071	1,115	1,122	1,277
Finance costs	0	0	0	0
Internal charges and overheads applied	695	693	731	724
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,766	1,808	1,853	2,001
Surplus (deficit) of operating funding (A-B)	0	113	0	303
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(1)	(1)	(1)	(1)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(1)	(1)	(1)	(1)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	(1)	112	(1)	302
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	(1)	112	(1)	302
Surplus (deficit) of capital funding	0	(113)	0	(303)
Funding balance ((A-B)+(C-D))	0	0	0	0

Environmental Health

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,766	1,766	1,804	1,804
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	444	456	444	460
Internal charges and overheads recovered	1,810	1,810	1,546	1,546
Local authorities fuel tax, fines, infringement fees and other receipts	9	17	60	71
Total operating funding (A)	4,029	4,049	3,854	3,881
Applications of operating funding				
Payments to staff and suppliers	1,444	988	1,193	1,083
Finance costs	0	0	0	4
Internal charges and overheads applied	2,585	2,588	2,660	2,664
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	4,029	3,576	3,854	3,751
Surplus (deficit) of operating funding (A-B)	0	473	0	131
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	17	0	120
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	17	0	120
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	17	0	122
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	0	473	0	129
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	0	490	0	251
Surplus (deficit) of capital funding	0	(473)	0	(131)
Funding balance ((A-B)+(C-D))	0	0	0	0

Science

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates	4,152	4,152	4,078	4,078
Subsidies and grants for operating purposes	425	672	518	609
Fees and Charges	683	489	493	552
Internal charges and overheads recovered	5,310	5,310	5,467	5,467
Local authorities fuel tax, fines, infringement fees and other receipts	366	33	279	38
Total operating funding (A)	10,936	10,656	10,834	10,743
Applications of operating funding				
Payments to staff and suppliers	4,553	4,151	5,298	4,615
Finance costs	26	9	34	22
Internal charges and overheads applied	6,233	6,217	6,049	6,049
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	10,812	10,376	11,380	10,686
Surplus (deficit) of operating funding (A-B)	125	280	(546)	58
Sources of capital funding				
Subsidies and grants for capital expenditure	0	83	0	401
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	511	59	1,827	626
Gross proceeds from sale of assets	0	(6)	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	511	136	1,827	1,027
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	286	165	1,855	1,043
- to replace existing assets	302	108	84	90
Increase/ (decrease) in reserves	48	143	(658)	(48)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	636	416	1,281	1,084
Surplus (deficit) of capital funding	(125)	(280)	546	(58)
Funding balance ((A-B)+(C-D))	0	0	0	0

Resource Consents

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,072	1,072	1,379	1,379
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	150	0	150	0
Fees and Charges	558	698	864	1,092
Internal charges and overheads recovered	12	12	327	327
Local authorities fuel tax, fines, infringement fees and other receipts	0	8	0	0
Total operating funding (A)	1,792	1,790	2,720	2,797
Applications of operating funding				
Payments to staff and suppliers	1,310	2,024	2,041	2,276
Finance costs	0	0	0	0
Internal charges and overheads applied	481	495	679	718
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	1,792	2,519	2,720	2,994
Surplus (deficit) of operating funding (A-B)	0	(729)	0	(197)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	0	0	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	0	(729)	0	(197)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	0	(729)	0	(197)
Surplus (deficit) of capital funding	0	729	0	197
Funding balance ((A-B)+(C-D))	0	0	0	0

Emergency Management (CDEM)

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	634	634	675	675
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	0	(1)	0	976
Internal charges and overheads recovered	21	21	21	21
Local authorities fuel tax, fines, infringement fees and other receipts	72	1,017	21	(958)
Total operating funding (A)	728	1,671	718	715
Applications of operating funding				
Payments to staff and suppliers	463	1,671	509	547
Finance costs	0	0	0	0
Internal charges and overheads applied	234	241	258	300
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	697	1,912	767	847
Surplus (deficit) of operating funding (A-B)	31	(241)	(49)	(132)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	42	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(3)	(1)	0	(2)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(3)	40	0	(2)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	42	0	5
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	28	(242)	(49)	(139)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	28	(201)	(49)	(134)
Surplus (deficit) of capital funding	(31)	241	49	132
Funding balance ((A-B)+(C-D))	0	0	0	0

Governance

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	2,649	2,649	2,538	2,538
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	61	64	0	0
Fees and Charges	13	0	13	29
Internal charges and overheads recovered	11	11	11	40
Local authorities fuel tax, fines, infringement fees and other receipts	2	27	2	4
Total operating funding (A)	2,736	2,750	2,564	2,610
Applications of operating funding				
Payments to staff and suppliers	1,334	1,274	1,271	1,244
Finance costs	0	0	0	0
Internal charges and overheads applied	1,400	1,399	1,398	1,401
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,734	2,672	2,669	2,645
Surplus (deficit) of operating funding (A-B)	2	78	(105)	(34)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(1)	(1)	0	(1)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(1)	(1)	0	(1)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	1	77	(105)	(35)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1	77	(105)	(35)
Surplus (deficit) of capital funding	(2)	(78)	105	34
Funding balance ((A-B)+(C-D))	0	0	0	0

Support Services

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,167	1,160	163	(114)
Targeted Rates	(1,896)	(1,896)	(1,044)	(1,044)
Subsidies and grants for operating purposes	0	0	0	46
Fees and Charges	49	65	59	57
Internal charges and overheads recovered	20,380	19,973	21,038	21,535
Interest and Dividends from Investments	1,800	1,252	1,800	1,378
Local authorities fuel tax, fines, infringement fees and other receipts	439	380	489	3,002
Total operating funding (A)	21,938	20,934	22,504	24,859
Applications of operating funding				
Payments to staff and suppliers	13,418	12,936	13,992	13,613
Finance costs	117	577	(170)	(661)
Internal charges and overheads applied	7,168	7,406	7,315	7,680
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	20,703	20,919	21,136	20,633
Surplus (deficit) of operating funding (A-B)	1,235	15	1,368	4,226
Sources of capital funding				
Subsidies and grants for capital expenditure	595	606	0	374
Development and financial contributions	699	814	699	935
Increase/(decrease) in debt	(655)	(846)	(135)	(82)
Gross proceeds from sale of assets	12	128	50	183
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	651	703	614	1,409
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	1,076	610	58	1,149
- to replace existing assets	2,579	1,442	2,870	1,260
Increase/ (decrease) in reserves	(1,769)	(1,333)	(946)	3,226
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1,886	718	1,981	5,635
Surplus (deficit) of capital funding	(1,235)	(15)	(1,368)	(4,226)
Funding balance ((A-B)+(C-D))	0	0	0	0

Flood Protection

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,875	1,875	1,891	1,891
Targeted Rates	1,203	1,203	1,221	1,221
Subsidies and grants for operating purposes	0	225	0	234
Fees and Charges	265	276	265	274
Internal charges and overheads recovered	369	250	404	273
Local authorities fuel tax, fines, infringement fees and other receipts	12	20	12	30
Total operating funding (A)	3,724	3,849	3,793	3,922
Applications of operating funding				
Payments to staff and suppliers	1,939	1,820	1,931	1,915
Finance costs	388	277	430	310
Internal charges and overheads applied	1,212	1,079	1,268	1,097
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	3,539	3,176	3,629	3,321
Surplus (deficit) of operating funding (A-B)	186	673	164	601
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	2,489
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	1,307	1,022	1,331	5,179
Gross proceeds from sale of assets	0	(7)	0	(35)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	1,307	1,015	1,331	7,632
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	651	58	1,303	3,420
- to replace existing assets	2,178	2,132	1,387	1,441
Increase/ (decrease) in reserves	(1,336)	(501)	(1,196)	3,372
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1,493	1,688	1,495	8,233
Surplus (deficit) of capital funding	(186)	(673)	(164)	(601)
Funding balance ((A-B)+(C-D))	0	0	0	0

Tairāwhiti Roads

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	250	250	250	250
Targeted Rates	12,192	12,192	11,976	11,976
Subsidies and grants for operating purposes	22,046	26,708	14,958	34,220
Fees and Charges	0	0	0	135
Internal charges and overheads recovered	2,233	2,249	1,948	1,951
Local authorities fuel tax, fines, infringement fees and other receipts	46	53	46	135
Total operating funding (A)	36,767	41,452	29,179	48,667
Applications of operating funding				
Payments to staff and suppliers	26,368	32,002	19,192	39,167
Finance costs	640	480	643	448
Internal charges and overheads applied	4,904	4,677	4,836	4,830
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	31,912	37,159	24,672	44,444
Surplus (deficit) of operating funding (A-B)	4,855	4,293	4,507	4,223
Sources of capital funding				
Subsidies and grants for capital expenditure	24,082	26,425	49,559	41,856
Development and financial contributions	0	13	0	0
Increase/(decrease) in debt	1,064	700	984	1,008
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	25,147	27,138	50,543	42,864
Applications of capital funding				
Capital expenditure				
- to meet additional demand	715	289	952	626
- to improve the level of service	16,198	10,143	26,592	21,645
- to replace existing assets	13,895	21,700	28,953	24,824
Increase/ (decrease) in reserves	(807)	(701)	(1,446)	(9)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	30,001	31,431	55,050	47,087
Surplus (deficit) of capital funding	(4,855)	(4,293)	(4,507)	(4,223)
Funding balance ((A-B)+(C-D))	0	0	0	0

Solid Waste Management

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	2,664	2,664	2,386	2,386
Targeted Rates	1,971	1,971	1,983	1,983
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	210	197	210	274
Internal charges and overheads recovered	114	269	121	341
Local authorities fuel tax, fines, infringement fees and other receipts	10	7	10	6
Total operating funding (A)	4,968	5,108	4,711	4,991
Applications of operating funding				
Payments to staff and suppliers	3,363	3,483	3,424	3,908
Finance costs	205	204	190	(242)
Internal charges and overheads applied	420	561	445	697
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	3,988	4,248	4,059	4,363
Surplus (deficit) of operating funding (A-B)	981	861	651	628
Sources of capital funding				
Subsidies and grants for capital expenditure	0	12	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(440)	(509)	(128)	(465)
Gross proceeds from sale of assets	0	(7)	0	(0)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	(440)	(504)	(128)	(465)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	166	51	0	0
- to replace existing assets	85	151	390	5
Increase/ (decrease) in reserves	290	154	133	159
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	541	356	523	163
Surplus (deficit) of capital funding	(981)	(861)	(651)	(628)
Funding balance ((A-B)+(C-D))	0	0	0	0

Urban Stormwater Services

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates	2,988	2,988	3,251	3,251
Subsidies and grants for operating purposes	0	0	0	4
Fees and Charges	0	0	0	32
Internal charges and overheads recovered	188	195	188	192
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	30
Total operating funding (A)	3,176	3,183	3,439	3,510
Applications of operating funding				
Payments to staff and suppliers	1,207	1,310	1,323	1,242
Finance costs	401	250	423	292
Internal charges and overheads applied	627	609	643	687
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,235	2,169	2,389	2,221
Surplus (deficit) of operating funding (A-B)	941	1,014	1,050	1,289
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	1,886	1,789	2,211	1,622
Gross proceeds from sale of assets	0	(25)	0	(46)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	1,886	1,765	2,211	1,576
Applications of capital funding				
Capital expenditure				
- to meet additional demand	14	48	30	319
- to improve the level of service	2,356	1,606	2,351	1,879
- to replace existing assets	447	1,092	1,205	534
Increase/ (decrease) in reserves	9	33	(325)	133
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	2,826	2,779	3,261	2,865
Surplus (deficit) of capital funding	(941)	(1,014)	(1,050)	(1,289)
Funding balance ((A-B)+(C-D))	0	0	0	0

Wastewater

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	110	110	373	373
Targeted Rates	7,082	7,082	7,921	7,921
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	358	506	405	608
Internal charges and overheads recovered	1,108	1,108	1,168	1,166
Local authorities fuel tax, fines, infringement fees and other receipts	8	3	8	3
Total operating funding (A)	8,666	8,810	9,875	10,071
Applications of operating funding				
Payments to staff and suppliers	3,613	3,858	3,952	4,274
Finance costs	1,118	858	1,483	857
Internal charges and overheads applied	2,204	2,209	2,205	2,240
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	6,934	6,925	7,640	7,372
Surplus (deficit) of operating funding (A-B)	1,732	1,885	2,235	2,699
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	25
Increase/(decrease) in debt	2,598	924	10,874	7,103
Gross proceeds from sale of assets	0	(22)	0	(193)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	2,598	902	10,874	6,935
Applications of capital funding				
Capital expenditure				
- to meet additional demand	361	0	987	510
- to improve the level of service	3,117	167	11,458	5,998
- to replace existing assets	2,783	1,388	2,985	2,951
Increase/ (decrease) in reserves	(1,931)	1,185	(2,321)	176
Increase/ (decrease) of investments	0	47	0	0
Total applications of capital funding (D)	4,330	2,787	13,110	9,635
Surplus (deficit) of capital funding (A-B)	(1,732)	(1,885)	(2,235)	(2,699)
Funding balance ((A-B)+(C-D))	0	0	0	0

Water Supply

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	5	0	6
Targeted Rates	6,383	6,858	6,639	7,090
Subsidies and grants for operating purposes	0	0	0	0
Fees and Charges	80	143	80	286
Internal charges and overheads recovered	796	1,035	796	878
Local authorities fuel tax, fines, infringement fees and other receipts	0	5	0	14
Total operating funding (A)	7,259	8,045	7,515	8,275
Applications of operating funding				
Payments to staff and suppliers	3,210	3,559	3,212	3,611
Finance costs	94	77	103	76
Internal charges and overheads applied	1,720	1,680	1,743	1,759
Total applications of operating funding (B)	5,023	5,316	5,058	5,445
Surplus (deficit) of operating funding (A-B)	2,236	2,730	2,457	2,829
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	24
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(6)	3	173	153
Gross proceeds from sale of assets	0	(17)	0	(67)
Total sources capital funding (C)	(6)	(14)	173	110
Applications of capital funding				
Capital expenditure				
- to meet additional demand	34	0	33	68
- to improve the level of service	101	133	136	169
- to replace existing assets	1,926	1,849	3,134	3,217
Increase/ (decrease) in reserves	169	734	(674)	(514)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	2,230	2,716	2,630	2,939
Surplus (deficit) of capital funding (A-B)	(2,236)	(2,730)	(2,457)	(2,829)
Funding balance ((A-B)+(C-D))	0	0	0	0

Cultural Activities

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	3,576	3,576	3,668	3,668
Targeted Rates	334	334	206	206
Subsidies and grants for operating purposes	0	59	0	63
Fees and Charges	426	310	497	358
Internal charges and overheads recovered	649	656	601	604
Local authorities fuel tax, fines, infringement fees and other receipts	10	6	10	13
Total operating funding (A)	4,994	4,941	4,982	4,913
Applications of operating funding				
Payments to staff and suppliers	2,546	2,525	2,692	2,498
Finance costs	141	144	164	129
Internal charges and overheads applied	1,516	1,519	1,490	1,528
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	4,203	4,188	4,347	4,155
Surplus (deficit) of operating funding (A-B)	791	753	636	758
Sources of capital funding				
Subsidies and grants for capital expenditure	2,130	69	10	74
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(308)	327	(348)	(368)
Gross proceeds from sale of assets	0	(22)	0	46
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	1,822	374	(337)	(249)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	1,880	387	0	56
- to replace existing assets	524	460	375	245
Increase/ (decrease) in reserves	209	281	(77)	209
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	2,613	1,127	298	510
Surplus (deficit) of capital funding	(791)	(753)	(636)	(758)
Funding balance ((A-B)+(C-D))	0	0	0	0

Customer Engagement

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates	0	0	0	0
Subsidies and grants for operating purposes	0	21	0	23
Fees and Charges	66	67	66	87
Internal charges and overheads recovered	1,954	1,954	2,150	2,150
Local authorities fuel tax, fines, infringement fees and other receipts	60	58	29	35
Total operating funding (A)	2,080	2,100	2,244	2,295
Applications of operating funding				
Payments to staff and suppliers	1,977	1,994	2,109	2,234
Finance costs	1	1	1	1
Internal charges and overheads applied	101	84	134	121
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	2,079	2,079	2,244	2,356
Surplus (deficit) of operating funding (A-B)	1	21	1	(61)
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	(1)	0	(1)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	(1)	0	(1)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	1	20	1	(63)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	1	20	1	(63)
Surplus (deficit) of capital funding	(1)	(21)	(1)	61
Funding balance ((A-B)+(C-D))	0	0	0	0

Recreation and Amenity

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	3,069	3,069	3,249	3,249
Targeted Rates	5,082	5,082	5,392	5,392
Subsidies and grants for operating purposes	0	806	0	1,293
Fees and Charges	898	810	883	847
Internal charges and overheads recovered	1,640	1,567	1,657	1,693
Local authorities fuel tax, fines, infringement fees and other receipts	77	540	77	69
Total operating funding (A)	10,766	11,874	11,257	12,542
Applications of operating funding				
Payments to staff and suppliers	6,134	7,190	6,196	7,949
Finance costs	755	459	890	457
Internal charges and overheads applied	2,977	2,977	3,165	3,182
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	9,865	10,627	10,251	11,588
Surplus (deficit) of operating funding (A-B)	901	1,247	1,006	954
Sources of capital funding				
Subsidies and grants for capital expenditure	1,618	297	840	2,293
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	4,141	599	5,959	3,222
Gross proceeds from sale of assets	0	(125)	0	(526)
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	5,759	771	6,800	4,989
Applications of capital funding				
Capital expenditure				
- to meet additional demand	380	59	10	0
- to improve the level of service	4,204	721	6,036	3,663
- to replace existing assets	3,768	1,190	2,830	3,063
Increase/ (decrease) in reserves	(1,691)	49	(1,071)	(783)
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	6,660	2,019	7,806	5,943
Surplus (deficit) of capital funding	(901)	(1,247)	(1,006)	(954)
Funding balance ((A-B)+(C-D))	0	0	0	0

Strategic Planning and Performance

Funding Impact Statement for the Year ended 30 June	AP 2019/20 \$000s	Actual 2019/20 \$000s	AP 2020/21 \$000s	Actual 2020/21 \$000s
Sources of operating funding				
General Rates, uniform annual general charges, rates penalties	1,634	1,634	1,580	1,580
Targeted Rates	2,689	2,689	2,766	2,766
Subsidies and grants for operating purposes	55	36	146	132
Fees and Charges	0	1	0	47
Internal charges and overheads recovered	494	494	523	523
Local authorities fuel tax, fines, infringement fees and other receipts	0	7	0	0
Total operating funding (A)	4,872	4,861	5,015	5,048
Applications of operating funding				
Payments to staff and suppliers	3,543	2,811	3,701	2,962
Finance costs	0	0	0	0
Internal charges and overheads applied	1,499	1,478	1,566	1,554
Other operating funding applications	0	0	0	0
Total applications of operating funding (B)	5,042	4,289	5,267	4,516
Surplus (deficit) of operating funding (A-B)	(170)	572	(252)	532
Sources of capital funding				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Total sources capital funding (C)	0	0	0	0
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	(170)	572	(252)	532
Increase/ (decrease) of investments	0	0	0	0
Total applications of capital funding (D)	(170)	572	(252)	532
Surplus (deficit) of capital funding	170	(572)	252	(532)
Funding balance ((A-B)+(C-D))	0	0	0	0



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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

Whakamārama mō ngā kaikaunihera

Schedule of Councillors

 <p>REHETTE STOLTZ Mayor Gisborne mayor@gdc.govt.nz 06 868 5382 021 279 7948</p>	 <p>JOSH WHAREHINGA Deputy Mayor Gisborne josh.wharehinga@gdc.govt.nz 027 512 5195</p>
 <p>ISAAC HUGHES Gisborne Isaac.Hughes@gdc.govt.nz 022 176 8920</p>	 <p>ANDY CRANSTON Gisborne andy.cranston@gdc.govt.nz 06 868 1160 027 273 3192</p>
 <p>DEBBIE GREGORY Gisborne debbie.gregory@gdc.govt.nz 027 319 4300</p>	 <p>MEREDITH AKUHATA-BROWN Gisborne meredith.akuhata-brown@gdc.govt.nz 06 867 7496 027 200 5605</p>
 <p>SHANNON DOWSING Gisborne shannon.dowsing@gdc.govt.nz 021 222 2571</p>	 <p>TERRY SHELDRAKE Gisborne terry.sheldrake@gdc.govt.nz 021 645 503</p>
 <p>TONY ROBINSON Gisborne tony.robinson@gdc.govt.nz 022 085 0902</p>	 <p>LARRY FOSTER Gisborne larry.foster@gdc.govt.nz 06 868 8927 027 450 8814</p>
 <p>PAT SEYMOUR Tawhiti-Uawa pat.seymour@gdc.govt.nz 06 862 2697 027 472 5997</p>	 <p>BILL BURDETT Waiapu bill.burdett@gdc.govt.nz 06 864 8966 027 686 4968</p>
 <p>KERRY WORSNOP Waipaoa kerry.worsnop@gdc.govt.nz 027 863 9002</p>	 <p>SANDRA FAULKNER Taruheru-Patutahi sandra.faulkner@gdc.govt.nz 06 862 2697 027 472 59 97</p>

Tō Mātau Tira Whakaū
Our Leadership Team

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 the Central Organising Rōpū (COR). As a unitary authority, territorial and regional Council, with around 300 staff we provide advice to Council to make decisions and carry out the day-to-day operations of the activities.



Chief Executive - Nedine Thatcher Swann

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.



Chief Financial Officer - Pauline Foreman

The hub supports the social, cultural, economic and environmental development of our communities – Mōtātou te Tairāwhiti.



Director Community Lifelines - David Wilson

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

The hub 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.



Director Internal Partnerships - James Baty

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

The hub works 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 - Michèle Frey

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

The hub provides specialist skills in strategy and policy, science, monitoring and research, and multifunction project management.



Schedule of Agents

BANKERS

Westpac Banking Corporation

101 Gladstone Road, Gisborne

ANZ National Bank Ltd

36 Gladstone Road, Gisborne

SOLICITORS

Simpson Grierson

195 Lambton Quay, Wellington

Cooney Lees Morgan

247 Cameron Road, Tauranga

Buddle Findlay

1 Willis Street, Wellington

Nolans

1st Floor, 180 Palmerston Road, Gisborne

INSURANCE BROKERS

Aon New Zealand

Aon House, 85 Tristram Street, Hamilton

AUDITORS

Ernst & Young

21/100 Willis St Wellington

(on behalf of the Auditor General)

Awards

The Gisborne Botanical Gardens are among 24 green spaces in New Zealand to receive an internal mark of quality and was awarded the prestigious internal Green Flag Award.

For our work on the Provincial Growth Fund programme, we were finalists for the Kāinga Ora Homes and Communities Excellence Award for Social Wellbeing.

For our work on the Puhi Kaiti Cook Landing Site Redevelopment, we were finalists for the Creative New Zealand Excellence Award Cultural Wellbeing.



Abbreviations

AP	Annual Plan	LGNZ	Local Government New Zealand
AR	Annual Report	LIM	Land Information Memorandum
AUD	Alternate Use Disposal	LLB	Local Leadership Body
BAU	Business as Usual	LoS	Level of Service
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.	LTP	2018–2028 Long Term Plan
GDC	Gisborne District Council	MBIE	Ministry of Business, Innovation and Employment
CCC	Code Compliance Certificate	MCI	Macroinvertebrate Community Index
CBD	Central Business District	MFE	Ministry for the Environment
CDEM	Civil Defence and Emergency Management	MPI	Ministry for Primary Industry
CLS	Cook Landing Site	MOU	Memorandum of Understanding
CME	Compliance Monitoring and Enforcement	NAASRA	National Association of Australian State Road Authorities
CCTO	Council-Controlled Trading Organisations	NES	National Environmental Standards
COR	Central Organising Rōpū (Leadership Team/Directors)	NPS	National Planning Standards
DIA	Department of Internal Affairs	NES-PF	National Environmental Standard for Plantation Forestry
ECC	Emergency Coordination Centre	NPS – FW	National Policy Statement for Freshwater
ECFP	Erosion Control Funding Programme	NZIER	New Zealand Institute for Economic Research
ETS	Emissions Trading Scheme	NZLPP	New Zealand Libraries Partnership Programme
FEP	Farm Environmental Plans	NZTA	New Zealand Transport Agency
GDP	Gross Domestic Product	OPC	Olympic Pool Complex
GHL	Gisborne Holdings Limited	PBE	Public Benefit Entity
GIS	Geographic Information System	PGF	Provincial Growth Fund
IFRS	International Financial Reporting Standard	QMS	Quality Management System
IPAS	Inflation Protected Annuity	RfS	Request for Service
IPSAS	International Public Sector Accounting Standards	RLTP	Regional Land Transport Plan
JAS-ANZ	Joint Accreditation System of Australia and New Zealand	RMA	Resource Management Act
JMA	Joint Management Agreement	RPMP	Regional Pest Management Plan
KPI	Key Performance Indicators	RSS	Resident Satisfaction Survey
L2	Level 2 COVID-19 restrictions	SOE	State of Environment
L3	Level 3 COVID-19 restrictions	SOI	Statement of Intent
L4	Level 4 COVID-19 restrictions	TEMO	Tairāwhiti Emergency Management Office
LAWA	Land, Air, Water Aotearoa	TRMP	Tairāwhiti Resource Management Plan
LGA	Local Government Act	TRONPhui	Te Rūnanganui o Ngāti Porou
LGFA	Local Government Funding Agency	UCP	Urban Cycleways Programme
		VE2	Valued Engineering 2
		WMC	Wastewater Management Committee
		WMMP	Waste Management and Minimisation Plan
		WWTP	Wastewater Treatment Plant





Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

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