



# 2014/15 ANNUAL REPORT TE RĪPOATA A TAU

Adopted by Council on 8 October 2015





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This Annual Report tells the story of our performance over the last financial year from 1 July 2014 to 30 June 2015. It's an important way of informing our communities about how we spent their rates. It also highlights the areas we performed well in, the areas we need to improve and provides context for where we need to head in the future. The report is divided into the following sections:

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

Understanding planning and reporting cycles

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

Long Term Plan

The Long Term Plan - LTP (previously called a Ten Year Plan) is a strategic planning document. It is Gisborne District Council's commitment to you and your community. It tells you what activities and projects the Council is planning over the period of the plan, how much they will cost and how we are going to pay for them. Government requires all councils to come up with a LTP and review it every three years to make sure we are accountable. This Annual Report covers Year Three of the 2012-2022 Ten Year Plan. Our new 2015-2025 Long Term Plan: Tairāwhiti First! was adopted in June 2015.

Annual Plan

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

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

Annual Report

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

The reporting cycle is illustrated below:



TŌ TĀTOU TAU

# OUR YEAR

Mayor and Chief Executive's District Highlights  
Finances at a Glance  
Audit Report





## Tairāwhiti tēnā koutou

### Ngā mihi nui ki a koutou katoa.

This year we've been successful in achieving a wide ranging work plan, all inside a tight budget. We've achieved our rates aim, giving more stability to our households and businesses. In our last Long Term Plan (LTP) we forecast rates to increase by 5.4% in 2015 - in the Annual Plan we managed to cut this down to only 1.9%. This brings the actual savings for ratepayers to \$4m over the last two years. Meanwhile we have maintained our service levels, in fact we have managed to achieve more with considerably less rates income.

Finishing the War Memorial Theatre, the Cenotaph, the Wainui and Oneroa cycleways and fixing filter systems at the Olympic Pool were big achievements this year. We harvested and replanted Tīfirangi and got the wetlands trial underway for the next stage of managing our wastewater. The Library redevelopment and Council buildings projects also progressed well.

A major focus for this year was creating an LTP that reflects the needs and wants of our community. Our new Vision, Values, Community Outcomes and Strategic Priorities better reflect our goals and are driving our work plans. We adopted the LTP in June and got a clear audit from the Auditor General.

Maintaining and upgrading our roads and water pipes continues to be a priority. We spent \$12.1m (net of NZTA subsidies) on roads and \$10.7m on water utilities. Townships didn't miss out - Tolaga Bay also got significant infrastructure improvements.

Simplifying our rates system from 140 targeted rates to approximately 40 was a hard task but we can now fully model rates impacts to better manage risk. We also reduced the differences between rates changes (increases and decreases) around the district so that the vast majority of ratepayers got a 2% or less increase. We've planned to keep the overall rates increase at 2% for the next three years.

We want to acknowledge councillors and staff for their hard work in achieving our legislative obligations, improving environmental standards and providing more action on community projects. We are looking towards an exciting future for us all.

### Ka mau te wehi!

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

## Keeping you safe and connected



### Cycling and walking from city to sea

We are getting closer to realising our vision of a network of cycle and walkways that showcase our beautiful coastal environment. The Oneroa walkway along Waikanāe beach has been completed, along with stage one of the Muriel Jones Cycle and Walkway from Kaiti to Wainui.

Oneroa Cycle and Walkway was opened on 1 August this year. The \$1.4m walkway includes 400 metres of concrete and 600 metres of boardwalk, traditional carvings and hundreds of native plants. The design tells local stories of navigation and early Māori settlement, tying in with the Tairāwhiti Navigations project.

The Muriel Jones Cycle and Walkway was completed in October 2014. Stage two, Wilson St to Rutene Rd, will begin in early 2016 and a further extension to this cycleway could begin as early as next year, thanks to a \$3.5m government funding boost.

The project, a partnership between the NZ Transport Agency and Council, will provide more than 10km of cycleways from the existing Wainui path through Kaiti and into the CBD. The cycleway will connect with employment areas and schools in the CBD and provide local road links to schools along route. There will also be a cycle path over Gladstone Bridge. Next in line is the Taruheru cycle and walkway.

### Safer speeds around schools

Eleven Tairāwhiti schools have had safety improvements to create 'safer speed environments' around their entranceways. Over February and March 2015 the schools received new line markings, fixed and electronic signs and minor adjustments to parking areas. The safety improvements, for schools on both state highways and local roads, cost \$275k.

There are also eight new school buses taking students to and from Gisborne Girls High, Gisborne Boys High, Lytton High, Nga Uri a Maui, Gisborne Intermediate, Campion College and St Mary's. The 57-seater low-floor easy

access buses, named 'Waka Kura' after our Facebook bus naming competition, hit the road on the first day of the 2015 school year.

### Understanding our natural hazards

Gisborne's proximity to the Hikurangi subduction zone makes it more susceptible to large earthquakes and liquefaction than many parts of New Zealand. To help mitigate the risks from the natural hazards in our area, Council commissioned two new regional hazard assessments on liquefaction and coastal erosion.

The new liquefaction assessment replaces the hazard mapping last completed in 1997, and covers Gisborne City, Poverty Bay Flats, Sponge Bay and Wainui Beach.

The second study identifies an area along the region's coastline that may be susceptible to coastal erosion by 2115. The study factored in potential sea level rise - expected to cause the coastline to retreat in some areas - as well as historic, short-term and long-term erosion trends.

The studies will have immediate implications for how Council assesses development in areas potentially prone to liquefaction or coastal erosion, and references to the studies will be included in Land Information Memorandums requested by prospective property buyers.

The studies will also contribute to our ongoing work around how risks from natural hazards are managed through building regulations, the RMA and other methods. The reports are available on our website. Further research is being commissioned on tsunami risk and coastal flooding.

### Replacing Turanganui River timber retaining walls

The banks of the shortest river in the Southern Hemisphere, the Turanganui River, have been bolstered with new retaining walls replacing the old timber supports that had done their dash.

The new retaining walls run along the riverbank from the Gladstone Road bridge to the Wi Pere bridge on the Cenotaph side, and from the Wi Pere bridge to Taruheru River on the Marina side towards the boat ramp. The new retaining walls are made of H6 marine treated pine and are expected to last about 35 years.

### Tairāwhiti Roads – spotlight on collaboration

In late 2013 the Transport Agency and Gisborne District Council embarked on a collaborative joint venture that would see a business unit comprising both Transport Agency and Gisborne District Council staff established in standalone Gisborne offices, to manage the maintenance operations of the combined regional roading network.

It was a long road gaining approval and finalising details to establish the Tairāwhiti Roads team, but with all staff



recruited and on-deck by January 2015 and the fit-out completed in March, the Minister of Transport officially opened the Tairāwhiti Roads office on 15 May 2015.

No chance to catch their breath, the team has been knee-deep in tendering two Network Outcomes Contracts, each comprising both highways and local roads. These are the first joint contracts and will commence 1 October. The first contract for the East Coast was awarded to Services South East that included a large chunk of work that will be sub-contracted locally. The second contract for city and Waikohu areas was awarded to Downer in August.

Council would like to thank HEB, Fulton Hogan and Downer for keeping Gisborne's road links safe and accessible in extremely challenging terrain and weather, over many years.

## Caring for our environment



### Freshwater plan update

Have your say on our Proposed Gisborne Regional Freshwater Plan. The Freshwater Plan is being developed to guide how we'll use and look after water in the Gisborne region. The project includes rewriting the Regional Policy Statement for Freshwater and developing a Waipaoa Catchment Plan.

The proposed Plan identifies the seven key issues for freshwater and what outcomes we propose to achieve. Issues include: ecosystem health, water quality, water quantity and availability, understanding our water resources, significant waterbodies, recognising tangata whenua values and integrated management.

New regulations for water will mainly affect farming and industry in the region. New rules for water quality and quantity will take effect when the plan is notified on 10 October 2015, even though the plan will still be proposed subject to formal consultation. Rules will apply for any new land development, such as:

- dairy farms

- intensive stocking of deer or cattle
- moving from pasture to vegetable cropping
- industrial development

The proposed Freshwater Plan has been developed with the Fresh Water Advisory Group and takes into account feedback from last year's consultation. The proposed plan is now available online in easy-to-follow sections at [www.gdc.govt.nz](http://www.gdc.govt.nz). We can also meet with you or your group to talk about the Plan and what it means for you. Email us at [freshwater@gdc.govt.nz](mailto:freshwater@gdc.govt.nz). The deadline for making a submission is 7 December 2015.

### Bringing environmental monitoring in-house

Council's new strategy for environmental monitoring includes bringing some functions back in-house and tendering lab testing to an external company. For 16 years we have contracted out monitoring and reporting to a local company but after weighing the pros and cons, found it was preferable to do the work ourselves, as many regional councils do.

Six new specialist jobs have been created that will increase our ability to respond to changing requirements from central government, as well as to meet our increased obligations for freshwater management.

With the added internal capability, we can now participate in the local authority monitoring group, increase the range of sampling we do at no extra cost, and get a better understanding of field work conditions. Council went out to tender for the laboratory testing work, which still needs to be provided externally, and selected Watercare Services Limited.

### Monitoring native fish passage on the Te Arai

Part of our environmental monitoring work involves surveying the effects of barriers such as vehicle crossings on the Te Arai River on the lifecycle and populations of native fish. There are two weirs and 14 concrete vehicle crossings on the Te Arai that act as bottlenecks, making it harder for many species to reach the pristine upper catchment waters to live in as adults.

Working with the Department of Conservation and the Tairāwhiti Environment Centre, Council staff on a spotlight survey expedition in the Te Arai River identified Crans bullies, Torrent fish, Koaro, Inanga, Koura, Longfin and Shortfin Eels, as well as a lone rare Shortjaw Kokopu – a fish that hasn't been found before in the Poverty Bay catchment.

With support from Horticulture New Zealand we are progressing plans to modify the Pykes weir to better allow for fish passage. Further works are planned to address barriers to fish passage from ford crossings further up the Te Arai River.

### Whitebait protection pilot project

Council has received \$65k from the Ministry for the Environment to run a community-based pilot project

within the Lower Waipaoa and Te Arai catchment areas, to identify, protect and enhance inanga (whitebait) spawning sites. The project aims to increase the numbers of native fish in our region's waterways.

Many Gisborne rivers are considered to have national significance for their native fish values. Protecting and restoring native fish spawning habitats has the potential to have an impact on New Zealand's overall native fish populations.

The project will involve identifying native fish spawning areas, building on those that have already been identified so they can be enhanced. It is expected to benefit people as well as fish, by providing an opportunity for Gisborne environmental, community and iwi groups to grow their knowledge of how to identify, protect, restore and monitor native fish spawning areas. The project aligns well with Council's focus on environmental stewardship and is being funded entirely by the Ministry for the Environment.

## Ongoing work to reduce wastewater into waterways

Work to replace old leaking wastewater pipes is ongoing. We're taking a holistic approach to reducing pressure on the wastewater system by looking at stormwater on private property. In heavy rain, stormwater flooding can enter the wastewater system through gully traps, so we're talking with homeowners about what they can do to provide channels for stormwater.

An integrated stormwater model is being developed for Kaiti that will identify 'hotspots' to focus on, and the model will be expanded for the rest of the city over the next two to three years. There is also budget for upsizing pipes in areas with the greatest need.

Parts of the old wastewater pipeline have been replaced in Richardson Avenue, Graham Road, De Lautour Road, Aberdeen Road and the pumping main from the Steele Road pump station. The Graham Road and De Lautour Road pipelines were upgraded to reduce discharges.

This work comes under the Wastewater Discharges Reduction Project, a 10-year project to reduce controlled discharges to waterways during wet weather and to prevent sewage overflowing on private property.

## Cleaning up Wainui Stream

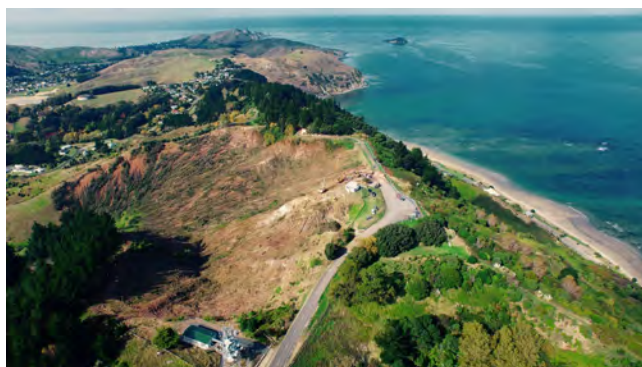
A mechanical inspection of the Steele Road sewer pump station by Council contractors led to wastewater entering the Wainui Stream on 29 March 2015. Investigations found the discharge was due to human error and Council's backup alarms also failed.

The Medical Officer of Health was contacted straight away and worked with us to notify the community. Signs were put up at access points to the stream and alerts put out on social media. People were advised not to go in the water in the area for five days while samples were taken at several points along the beach, the stream was

inspected and the river mouth cleared of debris. A week later tests confirmed the water was safe.

Council considered the accident a serious threat to the ecology of the Wainui stream that warranted a serious response. An Abatement Notice was issued from Council's Environmental Services arm to the Engineering and Works team, along with a financial penalty of \$50,000 and the requirement of a remedial action plan. The contractor agreed to pay half the fine for their part. Funds will go towards environmental projects in the Wainui area.

## Less pine and more native plants on Tīfirangi



Eight hectares of pine have been harvested on Tīfirangi Reserve in the first stage of a \$1.3m project to revitalise our city's largest landmark over three years. This year's pine harvest was carefully planned to lower the risk of damage to the landscape and preserve sites of cultural and historic value.

The first of 44,000 new native plants including Koromiko, Nikau and Kawakawa were planted by contractors and community in July 2015. The next phase will look at enhancing the walkways and viewing points.

The Tīfirangi Restoration Project is a partnership between Ngati Oneone and Council, and ties in with the Navigations project. We are finalising the co-management agreement with Ngati Oneone before going into planning for how the reserve will be managed and enhanced in the future.

## Bringing back biodiversity on private land

The Natural Heritage Fund helps property owners to protect or enhance natural habitats for plants, animals and invertebrates on their land. About \$30k is available each year for restorations or other practical measures that protect and enhance biodiversity.

A Wheatstone Road property received funding last year to complete stock proof fencing around a tributary of the Wainui Stream. In May this year, they planted over 100 native trees, flaxes and grasses.

At Kiriōa Station in Motu weeds, blackberry and willow were removed, and the first of two wetland areas for their Weka and Wetland Habitat Programme was created with the help of Motu School students and Council staff.



The 2015/16 fund has now been fully allocated to new projects. Look out for the next funding round at [www.gdc.govt.nz/natural-heritage-fund/](http://www.gdc.govt.nz/natural-heritage-fund/).

## Wetlands trial for wastewater

Council and the Wastewater Technical Advisory Group are investigating the feasibility of a wetland complex to better manage Gisborne's wastewater. Trials at the wastewater treatment plant are proving positive, with plants responding well to being fed wastewater from the biological trickling filter. Plants have been transplanted to lysimeters to test which growing medium they respond to best.

The city's Wastewater Treatment Plant has worked well since it began in 2010, but another treatment stage is needed to further remove bacteria and contaminants. Discharging treated wastewater onto wetlands is believed to be financially and environmentally superior to ultraviolet disinfection.

Council needs to make a decision on the wetlands option by December 2016. It then has two years to get the consents needed to build the wetlands. If it goes ahead, by 2020 the wetlands must be under construction and receiving treated wastewater.

The project team's first job is to determine the best type and arrangement of wetlands for Gisborne. After talking further with the public, it will recommend the preferred option to Council along with the type and amount of land needed. A decision will then be made on the final site or sites.

## Love Food, Hate Waste campaign

Avoidable food waste has been found to cost the average household \$563 a year. Along with local bodies across New Zealand, Council got behind the 'Love Food, Hate Waste' campaign in March 2015 to draw attention to the true cost and scale of food waste. The campaign highlights the importance of planning food purchases and meals, being smart about food storage and creative with leftovers.

The campaign is based on research that included surveying 1,365 people, examining the contents of 1,402 household rubbish bins and giving 100 families a diary to record food disposal for a week. It found New Zealanders throw away over 122,547 tonnes of food a year – enough to feed around 262,917 people or 6 times the population of our district.

Our display at the Lifestyle Expo showed the most commonly wasted food and we ran a recipe competition using the wasted ingredients. Gizzy Food month was an ideal time to draw attention to food waste; we gave out 3000 postcards highlighting the issue. Nine compost workshops and five worm-farming workshops happened over 2014/15 and over 150 compost bins were distributed.

Kids at Makauri Rural Kindergarten are showing how it's done too, and are creating next to no food waste at all.

Children are being taught waste minimisation practises, guided by the kindergarten's sustainability philosophy. Nice one Makauri!

## Working with our community



## Your say on the Long Term Plan

In 2014 we asked what you wanted to see in the Long Term Plan for our region. We wanted to make sure you had the chance to participate in planning our region's future. We ran a formal consultation in March and April 2015 followed by Council hearings in May 2015. We received 308 submissions, met with 395 people at community meetings, had 25,334 social media interactions, and 69 people presented to councillors.

The main feedback was to keep rates low, enhance the natural environment and improve the quality of waterways and coastal areas, continue to deliver improvements to community infrastructure, make public places unique, and keep doing the basics right.

Council considered feedback from all the submissions and made some changes to the Plan, which was adopted in June 2015. These included \$40k for a business case for the proposed Kaiti Sport and Recreation Community Hub (Papawhāriki) and agreement in principle to funding \$1m to support the project, providing a robust business case shows the project is sustainable.

## Whatatutu water supply granted

Clean and safe drinking water will soon be available to the Whatatutu community thanks to a \$386k subsidy from the Ministry of Health to upgrade the township's water supply. Whatatutu's current water supply doesn't meet New Zealand drinking water standards, with high levels of sediment from the bore unable to be sufficiently treated by the existing processing equipment. The upgrade will mean households can get up to 100% treated water that meets the drinking water standard.

Without the Ministry's funding an upgrade costing \$500k may have fallen on ratepayers, and if the existing system

stopped working residents would be fully reliant on rainwater and top-ups from tankers.

Council submitted an application for 85% of funding to the Ministry in February 2015. The remaining 15% is ratepayer funded by the wider community as well as Whatatutu residents. As part of the funding requirements, residents and property owners in Whatatutu had to agree that if it went ahead all houses would progress to the new system. Council staff met with people in Whatatutu to talk about the options and everyone who responded agreed the upgrade would be beneficial.

The funding contract will be finalised with the Ministry shortly, followed by a tender for design and construction. The new water supply is expected to be in place by June 2016.

### **Gigatown momentum continues**

Gisborne's digital strategy to improve our region's economy and living standards is still happening despite our narrow loss to Dunedin in the Gigatown competition late last year. The Chorus-run competition to be the most connected town in the southern hemisphere promised subsidised one-gigabit-per-second internet connections and prize funds worth \$700k.

The competition was launched in October 2013 and after an incredible community effort over a year, Gisborne beat 45 other towns to make the finals with Wanaka, Dunedin, Timaru and Nelson. Dunedin was crowned New Zealand's first Gigatown with Gisborne a close second.

Our competition entry comprised a Plan for Gig Success and video describing how Gisborne would activate the economic and social benefits of gigabit fibre internet. Our plan was judged the winner by a panel of experts, but wasn't enough to pip Dunedin overall as a large portion of the scores came from public votes.

A key success from the Plan is the opening of the first satellite Mindlab programme in Gisborne at Shed3. Mindlab will deliver a taste of advanced digital technology, such as robotics, design and 3D printing, to over 10,000 Tairāwhiti children within the next three years. It also is providing a Post Graduate Certificate in Applied Practice to teach the teachers how to use digital technologies in teaching and to support student learning in the technology sphere.

Activate Tairāwhiti has been diligently delivering the key projects from the Plan with work underway to establish business support services and a Digital Innovation Space. You can follow the strategy's progress at [Activatetairawhiti.co.nz](http://Activatetairawhiti.co.nz)

Our region and Council's huge Gigatown effort was recognised with Gisborne District Council winning the Community Relationship category for the 2015 McGredy Winder SOLGM Local Government Excellence Award for Council-Community Relations.

### **Gisborne District Youth Council established**

Gisborne now has an official youth council. The structure of the Gisborne District Youth Council (GDYC) mirrors that of the Council with 13 people representing each of the wards: nine for Gisborne city and one each for Matakaoa/Waipaoa, Uawa/Tawhiti, Patutahi/Taruheru and Waipaoa. GDYC will tell us what's important to young people and bring fresh ideas to help Council meet their needs.

Members are aged 12-24 years and were appointed to the inaugural Youth Council in November 2014 for one year. Members are selected by the Community Development and Services Committee at its final meeting each calendar year.

The Youth Council made a number of submissions to the draft Long Term Plan and presented at hearings. Their suggestions included installing outdoor gym equipment along walking and cycleways, creating a community garden, including a youth-oriented space in the library upgrade and improving Wi-Fi services around the city. If you're interested in finding out more about the Youth Council contact Customer Service.

### **Improving broadband and mobile coverage in Tairāwhiti**

Council has been working with key agencies in Tairāwhiti to try to get government funding for improving broadband coverage across the district and expanding mobile phone coverage for tourism and road safety hot spots where there is currently no 3G mobile coverage from any provider.

Council submitted a registration of interest for the next round of broadband and mobile blackspot funding in July 2015. The Government recently announced an increase in funding for three programmes:

- Ultra-Fast Broadband 2 – providing fibre to 80% of New Zealanders in urban areas
- Rural Broadband 2 – upgrading broadband services in rural townships and communities
- Mobile 'black spots' – increasing mobile services to tourist and priority areas on state highways where there is no broadband coverage.

Gisborne has already had government investment with ultra-fast fibre connection in the city and rural broadband to townships and communities, but there are connectivity gaps. We are asking for Makaraka to be hooked up with UFB and for additional funding for rural areas to enable repeaters to be installed in remote locations and for the speed and capacity of existing networks to be improved.

The Government wants to know where there's no mobile coverage and where there may be road safety and tourism issues from lack of coverage. We've prioritised sites such as Motu Trails, Rere Falls and Rockslide, Matawai and Waioeka, along State Highway 35 and towards the East Cape Light House. We have also put in a joint application with Opotiki District Council to improve mobile



phone coverage in the Waioeka Gorge and around the Motu Trails.

Applications from all over New Zealand will be assessed to identify projects before calls for proposals from companies who can provide the broadband infrastructure. As part of the process we also prepared a plan for MBIE that shows how we will use the improved broadband and mobile coverage to grow local businesses and strengthen communities. That plan was completed in September. MBIE decisions on which areas are successful are likely in early 2016.

## Sprucing up our townships



Tolaga Bay's main street was upgraded last year with footpath replacements, improved crossing points, kerb and channel restoration and new street lighting.

Te Karaka is next in line to have their community plans realised. Upgraded footpaths, traffic safety measures and an improved arrival into the township are on the cards, along with making the town hub more attractive.

The Te Karaka community has given strong support to the process and been instrumental in refining the design. Council has engaged Harrison Grierson to refine a preliminary design for the township's improvements, and the final design has gone out to tender. All going well the successful contractor will be onsite mid-October.

We'll be rolling out plans for other rural communities even faster as \$5.5m and a schedule of one community per year for the next 10 years was approved in the 2015-2025 Long Term Plan. Tokomaru Bay is next in 2016, followed by Manutuke and Muriwai in 2017.

## Destination playground for the Botanical Gardens

The new Botanical Gardens playground will soon be an even better destination for people of all ages. A new playground at the Gardens will be the first in a series of 'destination playgrounds' to be built around the district over the next few years.

Play space designer Tina Dyer, who also designed Eastwood Hill's new playground, was tasked with creating a new layout, features and play equipment around a garden and river theme, including art features, landscapes and structures that cater for both young and old.

She started with an initial design concept that we took to the community in February. We received a number of great ideas from kids and parents on what the new playground should include.

Elements like the basket swing, trampolines, slide and flying fox were inspired by drawings submitted by local school kids. The playground design was finalised, new equipment ordered and construction and landscaping got underway in October. A tender will be awarded for the installation of the new playground, and all going well the new playground will be ready for a grand opening in December.

## Creative Funding Scheme

The Creative Communities Scheme provides annual funding totalling \$20k for local community projects that encourage and increase arts participation. The scheme considers art to be 'all forms of creative and interpretative expression.' We administer the fund on behalf of Creative Communities NZ.

This year's grants have been awarded to:

- Adult Literacy Turanga (photo activity workshops and an exhibition)
- Michelle Collis (eight two-day workshops on traditional and contemporary Māori weaving for all ages)
- Federation Dance Academy (street dance workshops in the school holidays)
- Gisborne Home School Group (to stage 'How the Grinch Stole Christmas')
- Isobel Te Rauna (Māori storyteller workshops and performances for kids)
- St Andrews Presbyterian Parish (Publication of the 1915 book 'In Memoriam Chaplain Major William Grant. His Letters from the Front', and six or more concerts in the St Andrews lunchtime concert series)
- Gisborne EC Floral Art Society (Floral Art Society Designer of the Year competition)
- The Brown Family Collective (Family exhibition by 4 members of the Brown Family (Catherine, Romilly, Cat and Peter Brown))
- Tairāwhiti Multicultural Council (performances, cultural experiences and celebration of Diwali)
- Pacific Islanders Community Trust (workshops and activities to commemorate Tongan Language Week)
- Musical Theatre Gisborne (staging Cinderella pantomime)
- Te Ha 1769 Sestercentennial Trust (school holiday workshops and exhibition to enable tamariki to explore stories of first meetings and dual heritage).

If you have a great idea for an arts project, talk to our Contracts and Funding Advisor to find out how to apply for next year's fund.

## Improving our community facilities



### Ready in time for ANZAC Day

Gisborne's War Memorial Theatre was officially reopened on Anzac day 2015, with a distinctive "field of poppies" lighting feature reinforcing the theatre's status as a memorial of war.

The new theatre bears little resemblance to its former self and the increased capacity puts Gisborne on the radar for bigger and better shows to perform here. Nearly two years ago the theatre was leaky, not fit for purpose and falling short of acceptable health and safety standards. A rebuild on the current site was considered the most cost effective way to give the district a first class facility.

Now the capacity has increased to 500 seats, the stage and foyer have more than doubled, backstage areas have been revamped and there are new sound, lighting and curtaining facilities, along with a fully-rigged production tower. The \$9.6m revamp was a combination of Council (\$4.25m) and external funding (\$5.35m).

The Cenotaph, damaged in the 2007 earthquake, was also completed in time for ANZAC Day. The project received \$617k from a national fund available for restoring nationally significant monuments in time for the centennial commemoration of the Anzac landings at Gallipoli. Council's insurers covered \$130k of the repair work. The \$1m restoration included an extended riverside footpath to the William Petty Bridge, concrete, turf and timber terracing and new lighting.

### Inner harbour taking shape

Top of the list for the Navigations project this year has been finalising the urban design for the cultural heritage trail that will wind through the inner harbour and Tīfirangi Reserve. Auckland-based urban design team LandLAB have been awarded the contract to redesign the Inner Harbour and scoping work has begun.

Geotechnical investigations on the training wall walkway and slipway have also been underway. These found that in its current state, the training wall can't support a walkway and fixing it would cost much more than

budgeted. Other elements of the project are still progressing including a footbridge over the Turanganui River connecting the slipway to the Waikanae beach front and potentially a clip-on walkway for the railway bridge.

Due to the change in scope with the training wall walkway, a revised scope will be presented to Council and the Eastland Community Trust who are funding \$5m of the project. Eastland Community Trust's contribution will go towards infrastructure including the landscaping on the slipway and the Turanganui River bridge; along with the designs, artworks and stories that will be used to form the heritage trail.

The project team is working with tangata whenua to gather stories and interpretations and a Tairāwhiti Navigations brand will be launched in due course. Next is finding ways the stories could be told using art, technology installations and online resources.

### Regenerating the Waihire Domain

In April 2015 Council approved a new reserve management plan for the Waihire Domain. The plan sets out uses and values for the reserve, and is intended to guide its day-to-day management. Mana whenua and community played an important role in developing values for the plan, which focuses on preserving native wildlife, plants and water quality.

The last plan was drafted in 1987. Reserve management best practice has evolved and plans now need much greater detail on management policy and practice. The old plan also didn't clearly represent the interests of stakeholders including Ngati Wahia, who have a strong interest in how the Domain is used and its future.

Projects in the new plan will include:

- Formalising the relationship with mana whenua through a co-management agreement
- Fencing the reserve perimeter for stock-proofing
- Educating users through signage, tomokanga etc
- Carrying out an ecological stocktake/restoration priorities

The plan formally recognises the role of mana whenua as kaitiaki of the Domain and will provide greater certainty around the function and management of the reserve. Projects will be funded through the Long Term Plan and external sources as needed.

### Finalising funding for new Council offices

Council has been considering options for strengthening the Fitzherbert Street building or demolishing and rebuilding. The latter has been found to be most cost effective and a single story wooden building is proposed.

Our focus this year has been on how to pay for the rebuild without increasing rates. Four financing options were considered and the preferred option involves Council's trading subsidiary, Gisborne Holdings Ltd, building, owning



and leasing back the new administration building. This option was the preferred choice of Council's Commercial Investment Advisory Group and is recommended by the Chief Executive. Because it involves the transfer of a strategic asset it needed to be publicly consulted on.

Consultation began on 31 August and ran for a month, with a consultation document on our website and details in the Gisborne Herald and on social media. Next steps are to further develop the implementation plan - including detailed planning for temporary office accommodation and an agreed concept and costings for the permanent solution - before Council makes a final decision in November 2015.

### Sweet streets

Childers Road is looking good. Road work and paving between Grey and Peel Streets and a section on Bright Street was finished in time for the re-opening of the War Memorial Theatre. The new streetscape features Pohutukawa and native Oioi, with planted areas serving as mini rain-catchers for stormwater. Root barriers and a selection of a more compact variety of Pohutukawa mean the trees won't impede traffic or crack the paving in future.

Attractive and resourceful planting through winter provided bursts of colour and texture on Gladstone Road and the Fitzherbert Street roundabout. Kale, chard and stevia stole the show - and were occasionally picked by curious passers-by.

The plantings were a trial run for the 'Our Place' project that's looking to include edible gardens in public places elsewhere in the city. The edible plants were selected along with a combination of native and exotic annuals to add interest to the road islands and CBD planters.

### Improved water quality at the Olympic Pools

The Olympic pools were built over 40 years ago and the plan is to redevelop them in the next six years. The pool has had a lot of maintenance this year to ensure the current facility is as sound as it can be.

An asset condition assessment found a number of areas needed urgent attention, including the filtration system. The system has been upgraded to significantly improve water quality. There is also a repair and maintenance plan for the hydroslide.

Shades have been installed in the pool grounds and over some shallow areas, and the kiosk has been renovated as a snack and drink shop for summer to reduce congestion in the foyer. The daily 'CleanPatrol' in the peak season kept the complex spick and span at its busiest, and families appreciated the cost effective new family pass.

A business case will be prepared shortly outlining the preferred development approach, with a view to securing funding for concept design next year.

### East Coast wharves



Cyclone Pam wasn't the storm that some expected, but the wharves at Tolaga, Tokomaru and Hicks Bays still felt the effects. Engineers inspected all three and found that Hicks Bay and Tokomaru Bay wharves were unstable and unsafe after the storm. As a precaution both have been closed to the public until repairs can be made.

While further investigations need to be done for the Hicks Bay wharf, Tokomaru Bay could see restoration work starting sooner rather than later. The current wharf was built in the 1930s and the timber piles, decking and joists are severely decaying or missing altogether.

In 2014, working with the Tokomaru Bay Heritage Trust, Council had looked at options for a partial rebuild of a smaller wharf or full reconstruction at a cost of between \$3m and \$5m. A new wharf structure of similar design, with a more durable concrete deck that can accommodate boats up to 25m, is thought to be achievable on the same site. The Trust has made significant progress in securing the \$1.2m required to fully fund stage one of the project. All going well construction work may begin in January 2016.

### HB Williams Memorial Library redevelopment

Council has approved \$3.5m and enabled staff to seek further funding to meet the project's total budget of \$5.5m. The library is to be extended because the current space is often overcrowded and how the space is used is changing.

Grants totalling \$1.75m have already been received, with Council's contribution to match that, and a significant grant application is being considered currently. Concept plans have been revised and work has begun refining plans and time-lines. It is expected that earthquake proofing and construction will begin early next year.

# Mayor and Chief Executive's district highlights

## How did Council do this year?

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

The graph below shows how well Council met its performance targets during 2014/15. Compared to last year the percentage of performance targets achieved decreased from 58% to 56%. Details of all the measures and targets are included in Our Activities Page 34.

Achieving our performance targets



Performance highlights	Areas for improvement
<ul style="list-style-type: none"><li><b>Liveability:</b> Those that think Gisborne is a better place to live than three years ago is up 14% (to 40%).</li><li><b>Biosecurity:</b> 100% of customers rated our response to their requests for service as excellent or good, up from 96% last year.</li><li><b>Dog control:</b> The percentage of known dogs that are registered has increased 12% from 85% last year to 97% this year. More advertising for the Ponline registration service could be making a difference.</li><li><b>Olympic Pool:</b> Percentage of time pool water quality meets NZ Standards increased to 98% this year (from 93% last year). The new filter systems are working as planned.</li><li><b>Resource Consents:</b> The percentage of resource consents processed within statutory timeframes has increased from 85% to 89%. While still below the target of 100%, all timeframes have been met since ConsentTV, a real time display of consent timeframes for staff, was initiated in January.</li><li><b>Roading:</b> There has been a big decrease in the number of residents who feel that riding a bicycle is dangerous - from 36% down to 24%. Our new cycleways are proving popular!</li><li><b>Tairāwhiti Museum:</b> The percentage of residents satisfied with Tairāwhiti Museum (76%) increased significantly from last year (65%). This was the first full year of having the new gallery spaces open.</li><li><b>Water Supply:</b> The Te Karaka water supply now complies with NZ Drinking Water Standards following the upgrades completed last year.</li></ul>	<ul style="list-style-type: none"><li><b>Governance:</b> Only 45% of residents were satisfied with how rates are spent, well below the 65% target. With the 2015-2025 Long Term Plan Council re-prioritised spending and focused on minimising rates increases.</li><li><b>HB Williams Memorial Library:</b> Households that have used the Library in the last 12 months decreased from 65% last year to 61% this year. Overcrowding has contributed to a less than ideal customer experience and fewer visitors. The building redevelopment project will address this.</li><li><b>Public Conveniences:</b> Satisfaction with public toilets is still well below target, but there was an increase from 26% last year to 34% this year. The main reasons stated for were <i>they are disgusting/dirty/ smelly</i>. We are reviewing our service delivery for public conveniences during 2015/16 and are hopeful this will lead to an improvement in satisfaction.</li><li><b>Soil conservation:</b> The Requests for Service resolved within target timeframes has gone from 76% last year to 62% (target 80%). Increasing numbers of resource consents have meant staff were prioritised to meet statutory timeframes. Additional resource is being applied to this area in order to lift achievement.</li><li><b>Water conservation:</b> Makauri aquifer static water levels have not been maintained – the level of the Makauri Aquifer is dropping. We worked with iwi and key stakeholders to develop a Managed Aquifer Recharge pilot proposal for the Makauri Aquifer.</li><li><b>Biosecurity:</b> Only 50% of sample lines assessed post possum control achieved the 5% residual trap target. Council trialled an alternative possum control toxin that proved less effective due to non-acceptance by target possum populations.</li></ul>



## Customer Satisfaction Surveys

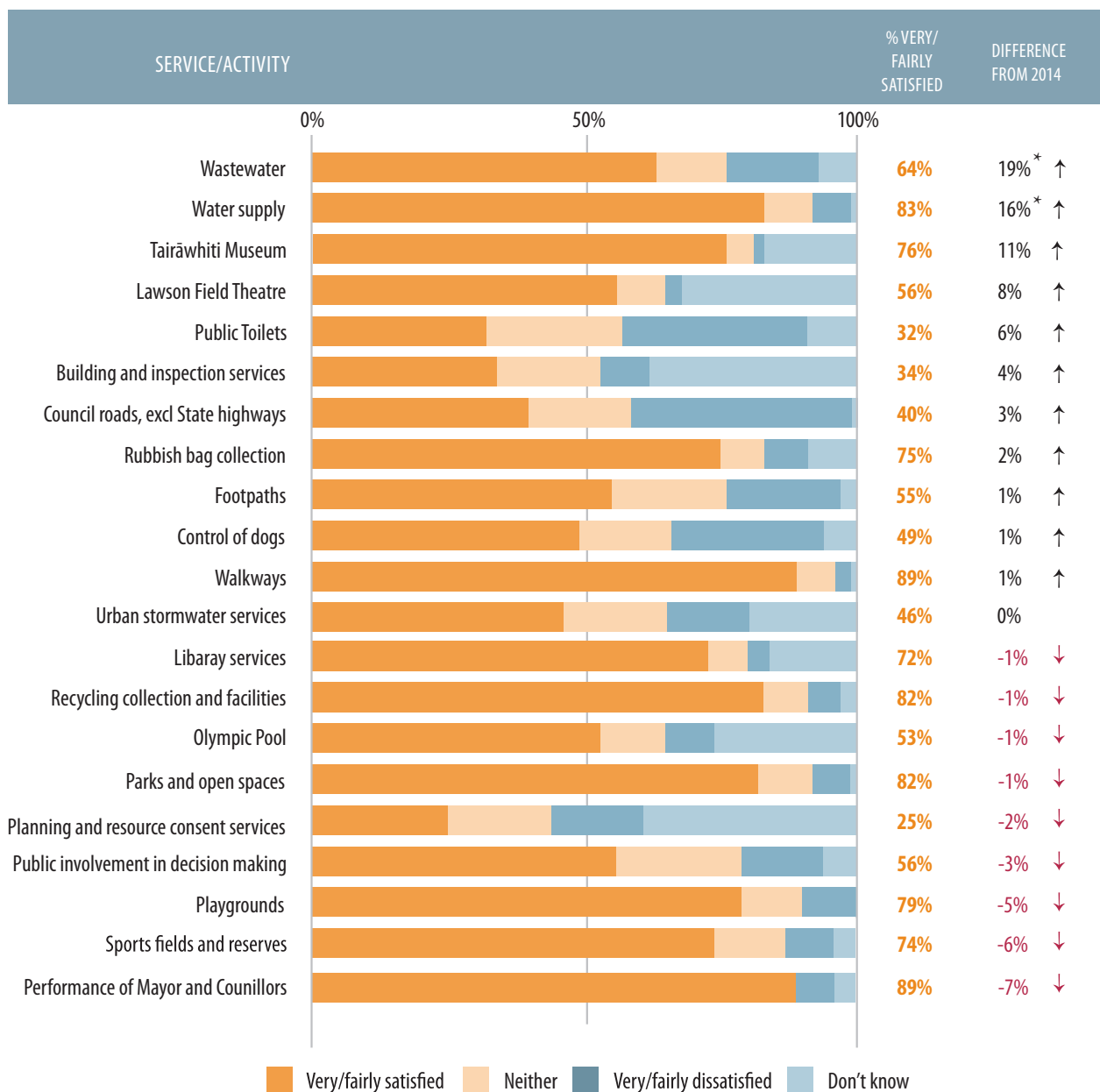
### Annual Resident Satisfaction Survey

Ensuring you are satisfied with the services and facilities we provide is a priority for Council. We undertake an independent resident satisfaction survey every year to find out how well the community thinks we are doing. The 2015 Resident Satisfaction Survey was a 30 minute phone survey of 401 residents in June. Respondents were

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

When we are measuring the level of residents' satisfaction, a five point scale is used: *very satisfied*, *fairly satisfied*, *neither satisfied nor dissatisfied*, *fairly dissatisfied*, and *very dissatisfied*. "Don't know" responses were recorded, but not given as an option.

### Annual Resident Satisfaction Survey



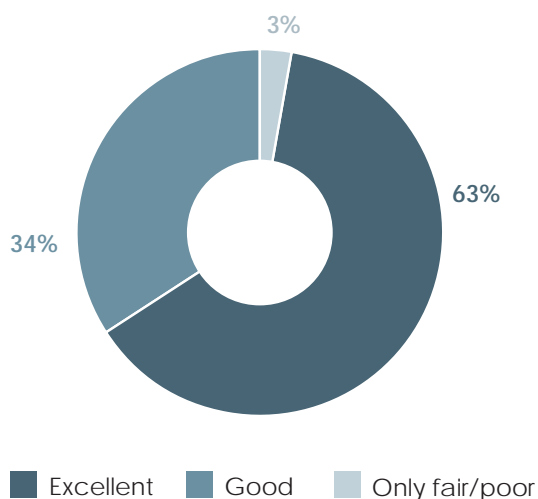
\* Results not directly comparable as the survey method changed.

## Requests for service

The Council has a Request for Service (RfS) system to manage and track all requests that members of the public make for various Council services. We received a total of 15,897 requests this year. We also survey at least 5% of all individuals who make an RfS to determine whether they felt our response to their request was 'poor', 'only fair', 'good' or 'excellent'. Overall our customers were satisfied with the service provided through the RfS process with 97% rating the quality of service received as either 'good' or 'excellent'.

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

### Request for service customer satisfaction







## Finances at a Glance

This section provides an overview of the Council's financial results for the 2014/15 year. For further detailed information on the Council and the Group's financial results, refer to the full financial statements in the 'Our Finances' section.

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

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

### Financial position overview

Council continues to be in a strong financial position with relatively low debt at \$32m (\$7m less than budget). The debt has increased \$3m since 2013/14. Forecast debt levels are expected to increase over the next 2-3 years as Council completes a number of major projects. The Council's capital expenditure for the year was \$31m; this is \$300k less than the budget of \$31.5m.

### Financial performance overview

The Council has made a surplus of \$2.4m<sup>(1)</sup>. This surplus includes funding received specifically for capital projects. This income cannot be used to offset rates or fund operational expenditure.

	Budget 2014/15 \$000s	Actual 2014/15 \$000s	Variance Favourable/ (Adverse) \$000s
Revenue from Rates	51,246	51,314	68
Revenue from Grants and Subsidies	17,486	20,360	2,874
Revenue from Operating Activities	14,400	14,501	101
Other Gains/(Losses)	12	241	229
<b>Total Operating Income</b>	<b>83,144</b>	<b>86,416</b>	<b>3,272</b>
Employee Benefit Expenses	16,234	17,415	(1,181)
Depreciation and Amortisation	20,177	19,619	558
Operating Activities	41,767	45,169	(3,402)
Finance Costs	2,177	1,818	359
<b>Total Operating Expenditure</b>	<b>80,355</b>	<b>84,022</b>	<b>(3,667)</b>
<b>Net surplus/(deficit) before taxation</b>	<b>2,789</b>	<b>2,395</b>	<b>(394)</b>
Subvention Income	0	1,068	1,068
Income Tax Expense (Benefit)	0	0	0
<b>Net Surplus/(Deficit) after Tax</b>	<b>2,789</b>	<b>3,463</b>	<b>674</b>

<sup>1</sup> Understanding the Council's reported accounting surplus for the year ended 30 June 2015 - Council's net surplus is calculated using the following formula: **Total income - Total expenses = Net Surplus**

# Finances at a glance

The Council has a negative variance of \$394k (before taxation) when comparing the budgeted surplus of \$2.8m to the actual surplus of \$2.4m. This surplus is in line with budget. Increased income from grants and subsidies of \$3m was offset by increased expenditure in operating activities. This was mainly repairs and maintenance costs of \$10.7m. This was \$2.2m above the \$8.5m budget. Council also had a negative movement in financial instruments of \$0.9m. The depreciation expense was \$558k less than budget mainly due to the timing of completion of capital projects. Employee benefit expenditure was \$1m above budget. More detailed analysis of all Council's activities are included in the "Our Activities" section of this report.

## Significant changes in revenue/expenditure compared to the 2014/15 Annual Plan

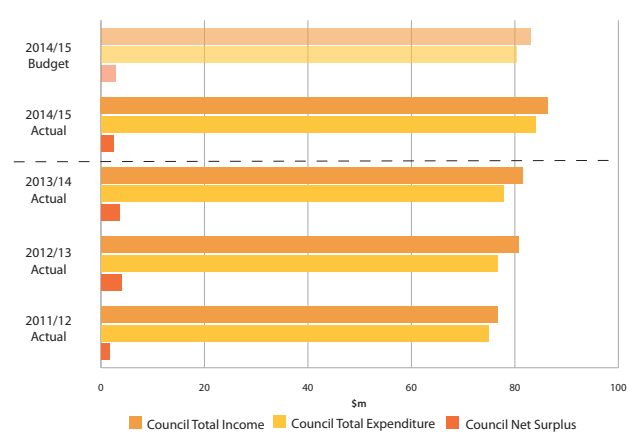
	\$000s
Higher than budgeted grants received	2,874
Higher than budgeted income from rates	68
Increase in gains	229
Lower than budgeted depreciation and amortisation	558
Lower than budgeted interest costs	359
Subvention Income from GHF (unbudgeted)	1,068
<b>Total Positive Variances</b>	<b>5,156</b>
<b>Less</b>	
Higher than budgeted employee benefit expenses	(1,181)
Lower revenue from operating activities	(840)
Higher than budgeted loss on derivatives	(941)
Higher than budgeted operating costs	(1,520)
<b>Total Negative Variances</b>	<b>(4,482)</b>
<b>Total Factors contribution to the underlying variance</b>	<b>674</b>

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

Council's budget and actual net surplus for 2012 - 2015 is shown below. In most years Council will achieve a small surplus, usually the result of income received for capital projects.

The total income for 2014/15 has increased \$5m from the 2013/14 year. Grants, activity income and rates income have all increased over the 2013/14 year income.

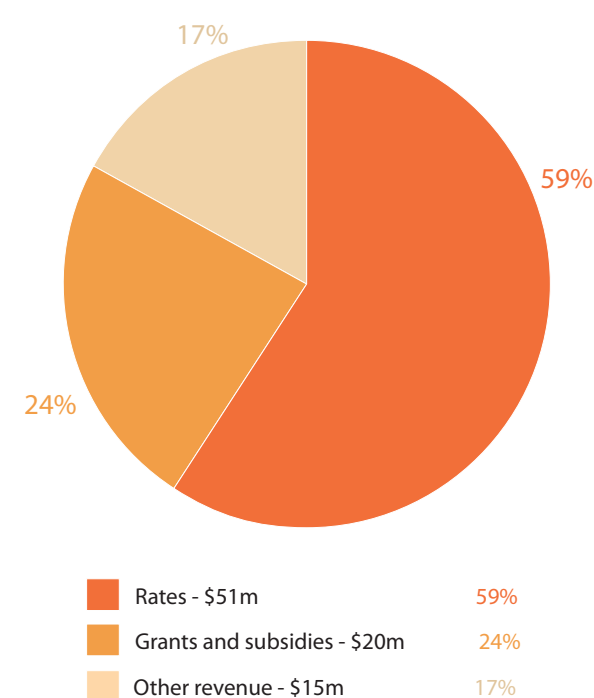
## Total Net Surplus 2012-2015



## Council income

In 2014/15 the Council received income of \$86m compared to a budget of \$83m.

## Council 2014/15 Income \$86m



Council mainly collects income through rates, this is 60% of total income. There have been no major changes to Council's sources of income recently, therefore the chart below is representative of the Council's funding source over a range of years. Council's strategy has a key direction to increase other income (not from rates). To pursue this key direction Council is reviewing the

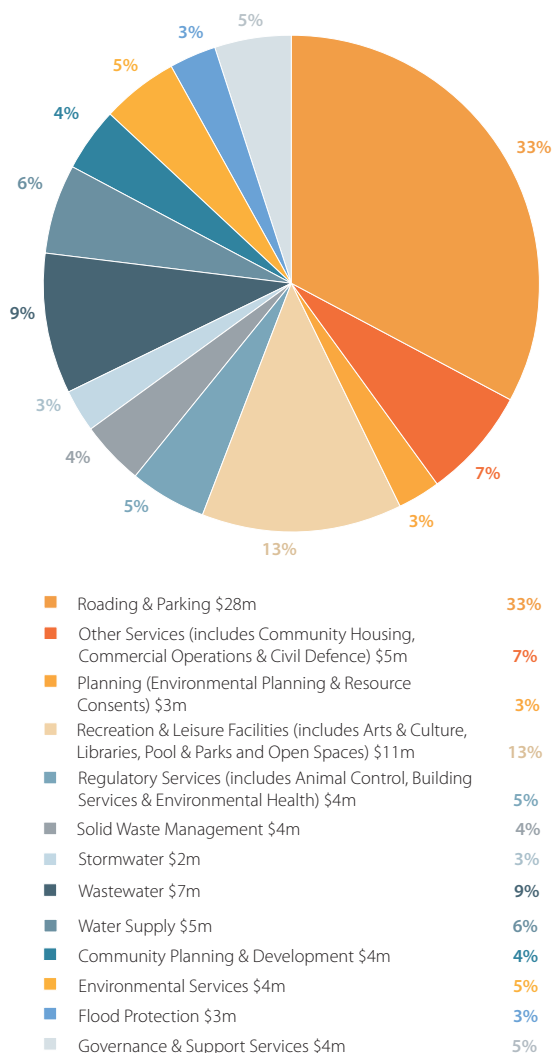


ownership structures of Council's investments and commercial operations to see if Council can increase income from these revenue streams in the long term to benefit Council, the community and rate payers.

## Council expenditure

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

### Council 2014/15 Expenditure \$84m



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

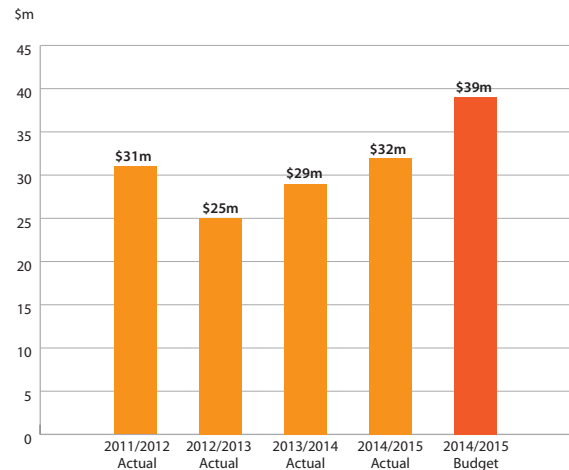
As shown by the above pie graph, the roading, wastewater, stormwater, solid waste and water supply made up 55% of total operating expenditure of the Council. The total cost of these services was \$46m.

The Council has \$1.9b invested in fixed assets. These are mainly used to provide essential services to our communities – roads, water, stormwater, wastewater, flood protection, parks, open spaces and community facilities. Council must ensure these assets are maintained and replaced if necessary so that the services they provide can continue now and into the future. The maintenance and depreciation on Council's assets are costly. In 2014/15 depreciation and amortisation charges totalled \$19.6m; this is 23% of our total costs. Repairs and maintenance costs were \$10.7m; this is 13% of our total costs.

## Council debt

Council continues to be in a strong financial position with relatively low debt at \$32m; this is \$7m less than the Annual Plan budget of \$39m. Forecast debt levels are expected to increase over the next few years as Council completes a number of major projects.

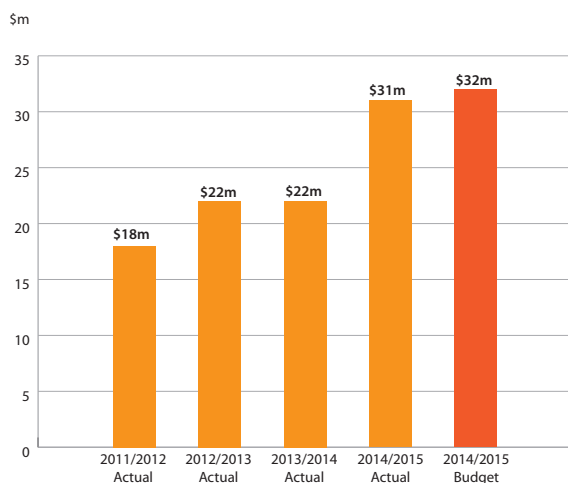
### Council Debt



## Council capital expenditure

The War Memorial Theatre upgrade and the Cenotaph earthquake remedial works were completed in 2014/15. The major capital projects planned for the next two years include HB Williams Memorial Library extension, Tairāwhiti Navigations and Inner Harbour development, Cycle and Walkways, and the replacement of the earthquake prone Council offices.

## Council Capital Projects 2012-2015



## Council's five year financial performance summary

	2011	2012	2013	2014	2015
Public Debt (\$'000)	33,874	30,850	25,016	29,032	31,830
Net Surplus/(Deficit)	7,669	3,580	4,648	4,620	3,463
Net debt as a % of equity <10%	1.89%	1.68%	1.34%	1.51%	1.65%
Net interest as a % of income <10%	3.23%	2.82%	2.24%	2.46%	1.98%
Total debt per capita <\$1700	\$762	\$694	\$563	\$665	\$729
Working Capital (excluding current portion of public debt)	(3,337)	(942)	(5,230)	(262)	(5,070)





Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT  
TO THE READERS OF GISBORNE DISTRICT COUNCIL AND GROUP'S ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2015**

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

- the financial statements of the District Council and group that comprise:
  - the statement of financial position as at 30 June 2015 on Page 102 to Page 103;
  - the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ending 30 June 2015 on Page 100 and Page 104 to Page 105;
  - the funding impact statement of the District Council on Page 153;
  - the statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on Page 153 to Page 164; and
  - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on Page 106 to Page 148;
- the statement of service provision of each group of activities carried out by the District Council on Page 35 to Page 96 and the funding impact statements in relation to each group of activities of the District Council on Page 153 to Page 164; and
- the disclosures of the District Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on Page 149 to Page 152.

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

- information about:
  - internal borrowing on Page 136;
  - council-controlled organisations on Page 106;
  - reserve funds on Page 137;
  - each group of activities carried out by the District Council on Page 35 to Page 96;
  - remuneration paid to the elected members and certain employees of the District Council on Page 148;
  - employee staffing levels and remuneration on Page 148;
  - severance payments on Page 148;
  - rating base units on Page 117; and
  - insurance of assets on Page 132;
- a report on the activities undertaken by the District Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on Page 45; and
- a statement of compliance signed by the Mayor of the Council, and by the District Council and group's Chief Executive on Page 99.

**Opinion**

**Audited information**

In our opinion:

- the financial statements of the District Council and group on Page 100 to Page 148:
  - present fairly, in all material respects:

- the District Council and group's financial position as at 30 June 2015;
  - the results of its operations and cash flows for the year ended on that date; and
- comply with generally accepted accounting practice in New Zealand.
- the funding impact statement of the District Council on Page 153, 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 statements about budgeted and actual capital expenditure in relation to each group of activities of the District Council on Page 153 to Page 164, present fairly, in all material respects, by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan.
- the statement of service provision of each group of activities of the District Council on Page 35 to Page 96:
  - presents fairly, in all material respects, the District Council's levels of service for the year ended 30 June 2015, including:
    - the levels of service as measured against the intended levels of service adopted in the long-term plan;
    - the reasons for any significant variances between the actual service and the expected service; and
  - complies with generally accepted accounting practice in New Zealand.
- the funding impact statements in relation to each group of activities of the District Council on Page 153 to Page 164, present fairly, in all material respects, by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.
- the disclosures on Page 149 to Page 152 represent a complete list of required disclosures and accurately reflects the information drawn from District Council's audited information.

## Compliance with the other requirements of schedule 10

The District Council and group's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 8 October 2015. This is the date at which our opinion is expressed.

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

## Basis of opinion

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

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and description used by the District Council for the statement of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

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

An audit also involves evaluating:

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



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

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not express an audit opinion on the District Council's compliance with the requirements of schedule 10.

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

## Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and description used by the District Council for the statement of service provision that:
  - comply with generally accepted accounting practice in New Zealand;
  - fairly reflect the District Council and group's financial position, financial performance and cash flows;
  - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that presents fairly 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;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that presents fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the District Council's long-term plan or annual plan;

- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

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

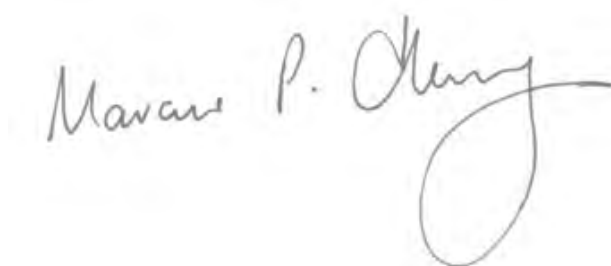
The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

## Responsibilities of the Auditor

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

## Independence

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the *Other Requirements* the audit of Long Term Plans and Long Term Plan amendments and the provision of other assurance services and accounting advice, we have no relationship with or interests in the District Council or any of its subsidiaries.



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

**TŌ TĀTOU ROHE ME TE ANGA WHAKAMUA**

**OUR  
DISTRICT,  
OUR  
DIRECTION**





# Our District

## Tairāwhiti Tangata (Our People)

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



## Population

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

Between 2006 and 2013, the district's usually-resident population decreased by 1.8%. That followed a 1.1% rise between 2001 and 2006. In the 7 years between 2006 and 2013, Gisborne city's population rose a little, but other parts of the district lost population.

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

Pacific peoples make up 4% of the local population and 2% identified as Asian in the 2013 Census. In 2013, around 6,240 Gisborne district residents reported being able to hold a conversation in te reo Māori (almost 16% of the district's population – four times the national percentage).

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

The latest population projections from Statistics New Zealand forecasts a population of 47,000 in the Gisborne district in 2021, falling to 45,900 by 2031. Projections for the Gisborne population are considered when planning ahead and is a key factor in Our Infrastructure Strategy included with the new 2015-2025 Long Term Plan.



## Tairāwhiti Taonga (Our Environment, Culture and Economy)

### Our Environment

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

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

### Our Culture

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

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

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

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

### Our Economy

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

Agriculture, forestry and fishing industries employ the most people in the district. Tourism has been targeted as an industry of high growth potential. The horticulture and wine industries continue to thrive. Gisborne is one of the four main grape-growing areas in New Zealand and supports 19 wineries.

Efficient and frequent transport services, by air and road, link Gisborne with the larger population areas of Auckland and Wellington. Besides the major city links, 1,893 kilometres of roading across our region allows access to some of the most remote areas of New Zealand.

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

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

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

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

## Tairāwhiti Wawata (Our aspirations realised)

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

We aspire to great things for our district and its people. Our 2015-2025 Long Term Plan reflects this and will help us to get there.

# Our Direction



This year we developed our 2015-2025 Long Term Plan. Through this process Council confirmed its new Vision, Values, Community Outcomes and Strategic Priorities to better reflect our work plans and the new purpose in the Local Government Act. However, as we are reporting on year three of the 2012-2022 Ten Year Plan, the following section outlines the key components of Council's Strategic Framework from that plan, as they are relevant to the reporting year.

## Community outcomes

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

Community Outcomes now mean the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good quality infrastructure, local public services and performance of regulatory services. The Community Outcomes are central to Council's strategic direction as they set out what we are aiming to achieve through the services and activities we provide. All of our strategies, policies, plans (all of which are available on our website), activities and services contribute to the achievement of our community outcomes. As you will see in "Our Activities" Page 34 all of our activities are linked to the Community Outcomes that they contribute to.

Community Outcomes	We aim to achieve...	Community Outcomes	We aim to achieve...
<b>Environmentally Sustainable Tairāwhiti</b> 	A district where natural environments are protected, restored and/or utilised sustainably in a way that enhances them for the future.	<b>Skilled and Educated Tairāwhiti</b> 	A district where infrastructure, leadership and advocacy supports our community to be highly skilled, educated and innovative.
<b>Healthy Tairāwhiti</b> 	A district that has a healthy environment, easy access to active lifestyle facilities, high quality infrastructure and effective planning for a healthy and active community.	<b>Vibrant Tairāwhiti</b> 	A district that is vibrant and values our unique and diverse art, culture and heritage.

Community Outcomes	We aim to achieve...	Community Outcomes	We aim to achieve...
<b>Connected Tairāwhiti</b> 	A district that has essential infrastructure that is well planned, affordable, equitable and meets the needs of our community now and in to the future.	<b>Safe Tairāwhiti</b> 	A district where communities are safe, caring and prepared.
<b>Prosperous Tairāwhiti</b> 	A district that is prosperous and an economy that is supported to sustainably grow, develop and diversify.	<b>Empowered Tairāwhiti</b> 	A district that leads and advocates for itself, encouraging and enabling all citizens to be actively involved in community life and participate in democratic processes.

## Vision, mission, values

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

Council's vision for the region is to be:

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

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

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

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

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

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

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

## Strategic challenges

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

The Challenges we face are	The Outcomes we seek
1. <b>Performance Culture:</b> Creating a culture of performance in a semi political organisation with a limited budget in a relatively remote location.	Council is a high performer within its preferred cultural framework.
2. <b>Governance Effectiveness:</b> Earning the confidence of the elected representatives and achieving aligned purpose.	A close and effective working relationship exists between elected members and staff that better contributes to community well-being.
3. <b>Community Engagement:</b> Engaging with the communities – especially Māori – within a demographically unique region.	We inter-connect with the community through collaboration and effective communication and there is effective Māori contribution to Council decision making.
4. <b>Major Projects:</b> Providing the district with the major community facility and infrastructure projects that are needed or desired.	The right projects are delivered at the right place, right price and the right time.
5. <b>Natural Resource Use:</b> Manage natural resources so that the aspirations for lifestyle, the economy and kaitiakitanga/stewardship are recognised and the needs of future generations are not compromised.	Natural resource use and development is supported to be sustainable through effective leadership, collaboration, advocacy, policy development and regulation.



The Challenges we face are	The Outcomes we seek
6. <b>Financial Sustainability:</b> Living within our means in the face of prevailing economic conditions, government policy changes, affordability and the limits on rates revenue.	Current and future Council commitments are funded in a way that the community can afford and which meets Council's stewardship obligations to the district.
7. <b>Community Viability and Functioning:</b> Improving community viability and functioning in light of economic, environmental and socio-demographic challenges affecting the district.	Communities are supported to be sustainable and prosperous so that they contribute to the district's well-being.
8. <b>Risk Management:</b> Identifying and managing risks to enable best use of resources.	Business objectives will continue to be met despite adverse events or changes in circumstances.
9. <b>Business Efficiency:</b> Improving the efficiency of processes to add value for the benefit of customers and the community.	Our business processes are optimised to produce high quality results within the political, regulatory and compliance environment.
10 <b>Customer Need:</b> Understanding and addressing customer and community needs in a proactive way while creating value.	An organisation that focuses on understanding current and future customer/community needs and addresses them in a way that increases value.

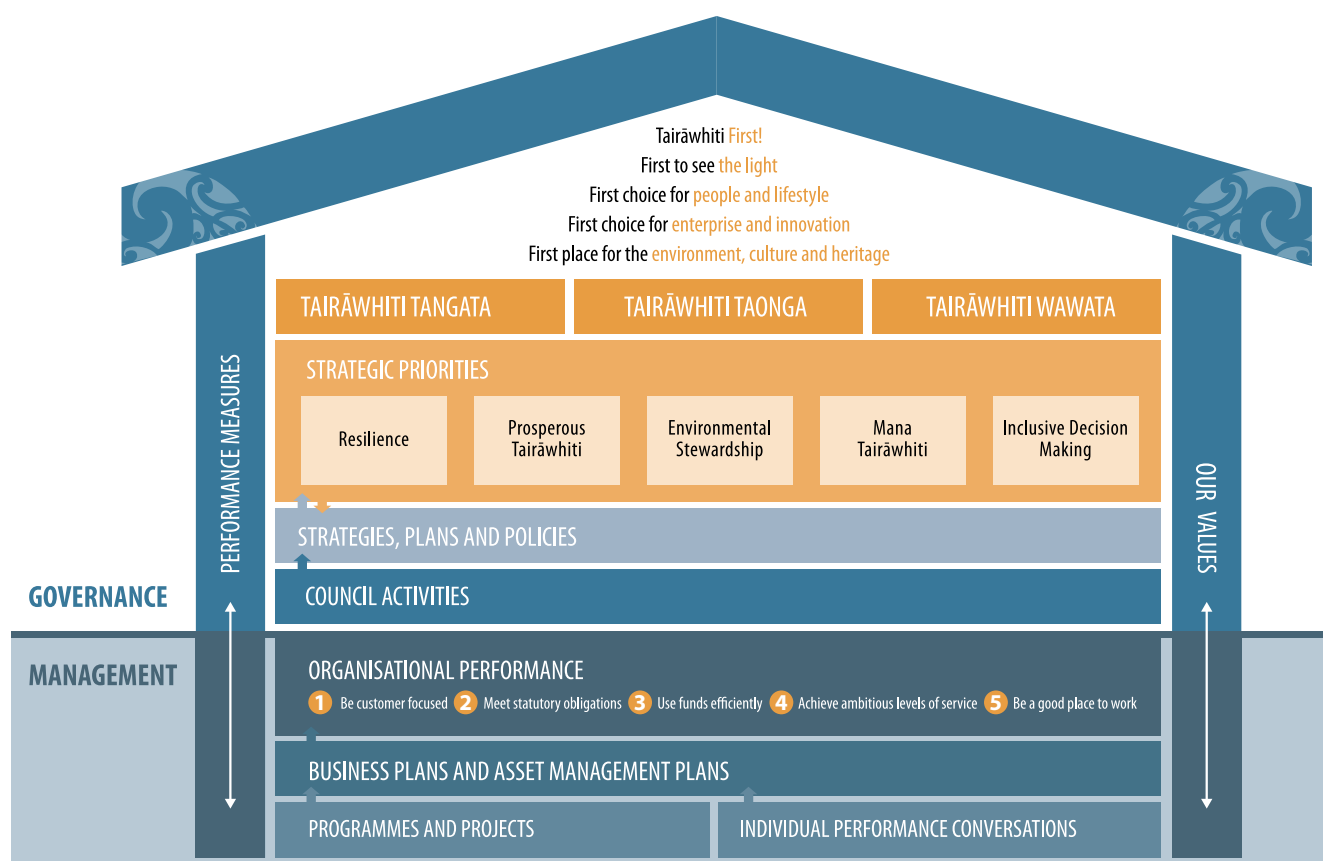
## A new direction

With our 2015-2025 Long Term Plan we revised the strategic framework used to guide our planning and delivery. Council's strategic framework features the components that inspires and directs our work and how we do things.

- Our new vision and values better reflect what we aspire to achieve and a fresh approach to the way we work.

- Our three Community Outcomes reflect our vision. They present an over-arching view of Council's activities that encourages integrated thinking and action across Council activities. They also keep us focused on what is important.
- Our strategic priorities are aligned to our vision and community outcomes. These sharpen Council's focus on its sphere of influence and where its activities can be most effective.

Our new Strategic Framework is illustrated below. More detail can be found in our 2015-2025 Long Term Plan.



## Our financial strategy

### What is Council's Financial Strategy?

The 2014/15 financial year was guided by the Financial Strategy set out in the 2012-2022 Ten Year Plan. This year we also reviewed the Financial Strategy as part of the 2015-2025 Long Term Plan. Our review found that the financial strategy serves our community well. However in some key directions we could be clearer or have a greater emphasis on our future financial direction.

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

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

### Financial Strategy Key Directions

#### 1. Minimise and smooth rates increases

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

The total rates increase for 2014/15 was 1.9% and Council's rates income made up 60% of our total income. Both of these figures are well below the targets we set in the 2012-2022 Ten Year Plan.

The new Financial Strategy includes lower targets for rates increases, which will be no more than 2% for the first three years of the 2015-2025 Long Term Plan.

#### 2. Minimise debt levels

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

Council has maintained relatively low external debt at \$32m; this is \$7m less than the 2014/15 Annual Plan budget of \$39m. We will continue to keep external debt in the low to medium band (\$18m-\$55m) and total debt will be kept below \$80m.

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

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

To date, in trying to be fair to all ratepayers Council has applied a 'user pays' philosophy - those who use or benefit from a service should be rated for it.

Council undertook a robust review of the Revenue and Financing Policy which was consulted on as part of the 2015-2025 Long Term Plan. The review aimed to produce a rating system that was less complex, more predictable and fair for ratepayers and our community. We simplified our rates system from 140 targeted rates to approximately 40 and reduced the differences between rates changes (increases and decreases) around the district so that the vast majority of ratepayers got a 2% or less increase.

Our new key direction retains the user pays philosophy but tries to balance it with "public good" - consideration of increasing the use of district-wide funding to spread the cost of infrastructure for small communities.

#### 4. Increase other income (not from rates)

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

Most of our fees and charges increased slightly by inflation to reflect the increased costs to Council.

While fees and charges will continue to increase by inflation throughout the Long Term Plan, more emphasis will be placed on increasing grants and subsidies and income from commercial investments. Council reviewed its investment strategy as part of the Long Term Plan. As a result over the next year Council will review the ownership structures of the investments and commercial activities.

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

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

Council has made no changes to the existing levels of service for all activities in 2014/15.

We will continue to focus on delivering and maintaining essential services and infrastructure (community and network infrastructure) at levels that are appropriate to meet community needs.

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

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

Council has been working on the long standing issue of Māori land rates arrears, which is closely linked to the productivity of Māori land. Three new rates remission policies for Māori Freehold Land were adopted with the 2015-2025 Long Term Plan.

We continue to focus on core infrastructure, including infrastructure to support and attract businesses. Community infrastructure will be provided that attracts people to the district to live, work and play. Council's capital spend for 2014/15 was \$31.2m. This was mainly for core infrastructure.

In addition to reducing costs, increasing our rating base and improving the district's economic performance continues to be a key direction in our new Financial Strategy.



NGĀ TŪMAHI TOMUA

# OUR ACTIVITIES



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## How to read this section

This section describes Council's activities. Each activity summary includes a description of the activity and why we do it (including a link to relevant community outcomes), what Council did during 2014/15, how well we performed against our targets and what it cost.

Sections are structured as follows:

### Why we do it

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

### What we do

Provides a brief description of what the activity involves.

### Contribution to community outcomes

The community outcomes the activity contributes to are listed (see Page 27 for a full list of our community outcomes).

### Our strategic challenges

The strategic challenge areas that the activity contributes to are listed (see Page 28 for a full list of our strategic challenges).

### What we did

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

### Our progress

We set out the levels of service we aim to reach, the performance measure targets for the 2014/15 year as well as our actual results for the year.

The levels of service, performance measures and targets were outlined in the 2012-2022 Ten Year Plan. The previous results are taken from the 2013/14 Annual Report.

### Requests for service performance measures

Council has a Request for Service (RfS) system to manage and track all requests from the public for our various services. Different request types have varying timeframes for when Council is required to respond to and/or resolve the request. These range from urgent matters that must be resolved within hours to ongoing requests that can take up to a year depending on work plans and budgets. Those interested may contact Customer Services to find out any of the specific RfS timeframes.

We also survey at least 5% of all individuals who make a request for service to determine whether they felt our response to their request was poor, only fair, good or excellent.

## Annual Residents' Satisfaction Survey

The 2015 Residents' Satisfaction Survey was a 30 minute phone survey of 401 residents in June, which asked respondents for their level of satisfaction with Council's activities, facilities and performance. This is a subjective judgement based on the individual's interpretation of satisfaction. The survey is designed to be fully representative of the district's wards as well as gender, age and ethnicity of its citizens. It has a maximum margin of error +/-4.87% at the 95% confidence level.

Where we are measuring the level of resident satisfaction, the five point scale used is: *very satisfied, fairly satisfied, neither satisfied nor dissatisfied, fairly dissatisfied, and very dissatisfied*. "Don't know" responses were recorded, but not given as an option. Please see Page 15 for details.

### What was different

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

### What it cost

Under 'What it cost' we present the net cost to the ratepayer for the services provided by each activity and compare the cost to what Council had budgeted for the activity in the Ten Year Plan.

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

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

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

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

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

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

### What was different from the budget

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

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



## Commercial Operations



### Why we do it

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

### What we do

The Commercial Operations Group includes:

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

Our Commercial Operations are made up of a number of commercial investments. The investment portfolio contains a range of mostly locally run businesses and services; some are run on a commercial basis for the

benefit of Council operations, while others are run to supplement Council's rates income.

**This activity contributes to the following community outcome**



Prosperous  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Financial Sustainability
- Business Efficiency

### What we did

- Reviewed the ownership structure of Council's Commercial operations. A preferred structure of operation will be consulted on as part of the 2015/16 Annual Plan process.
- Continued to build the profitability of the various activities in line with Council expectations including diversification of revenue streams where appropriate.
- Began the implementation of the Fitzherbert Administration Centre earthquake prone building solution including assessing relocation options for council's administration and customer facing activities that remain on the Fitzherbert street site.

### Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
These operations contribute to a Prosperous Tairāwhiti as income generated from these assets is an important income stream for Council and is used to reduce the level of rates. The primary focus of Commercial Operations is to operate profitably and increase their returns to Council.				
Gisborne Vehicle Testing	<b>Expected return (Operations)</b> - Return on Revenue (ROR) in the range (before contribution to Council overheads) of 5% - 10% pa.	20% Achieved	5-10%	15% Achieved
	<b>Expected return (Property)</b> - Return on assets employed in the range 2% to 4%.	5% Achieved	2-4%	6% Achieved
Waikanae Beach Top 10 Holiday Park	<b>Expected return</b> - Return on Revenue (ROR) (before contribution to Council overheads) in the range 12% to 16%.	17% Achieved	12-16%	16% Achieved
Commercial Property	<b>Expected return</b> - Market based returns 4%-6% return on investment	4% Achieved	4-6%	4% Achieved
	Municipal Buildings - small return 1%-2% to offset future capital requirements and to smooth fluctuations in operating costs.	0% Not achieved	1-2%	0% Not achieved <sup>1</sup>

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
	Properties supporting Council business units (e.g. Gisborne Vehicle Testing (GVT), Holiday Park) market based returns after taking into account encumbrances on the land.	Achieved	Achieved	Achieved
	All disposals at current market rates based on independent valuation.	Achieved	Achieved	Achieved
Commercial Forestry	<b>Expected return</b> - Forestry Joint Venture with Juken NZ Ltd net proceeds on harvest 16.75% to GDC 83.25% to Juken Nissho.	Not achieved	Achieved	Not achieved <sup>2</sup>
	Other forestry blocks - the Internal Rate of Return (IRR) 5%-7% (excluding CPI inflation).	Not Measured	Achieved	Not Measured <sup>3</sup>
	Proceeds from sale of excess carbon credits.	Not achieved	Achieved	Not achieved <sup>4</sup>
Council Controlled Organisations	<b>Expected return (Gisborne Holdings Ltd)</b> - An interim dividend of \$500k paid in February each year. The final dividend making a total of 70% of the net distributable income will be paid in October. Estimated dividends disclosed in the 2014 Statement of Intent (SOI) are \$800k per annum.	Achieved	Achieved	Achieved

## What was different

1. Municipal buildings did not make a return in 2014/15. This is primarily due to increased costs related to earthquake strengthening issues at the Fitzherbert street site.
2. Forestry joint venture with Juken NZ Ltd net proceeds on harvest were 16.47% to GDC and 83.53% to Juken Nissho, no harvest has been undertaken.
3. The Internal Rate of Return was not measured this year. This measurement will vary significantly from year to year as, with forestry, there are several years of maintenance costs which are then ultimately offset when the property is harvested.
4. There were no proceeds from the sale of excess carbon credits as no sales were made.

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	2,598	2,384	214	2,911
Expenses	3,946	3,623	(323)	3,832
<b>Net Cost of Service</b>	<b>1,348</b>	<b>1,239</b>	<b>(109)</b>	<b>921</b>
<b>Capital Expenditure</b>				
Capital Projects	654	848	194	685
<b>Funded By:</b>				
Other Capital Revenue	0	0	0	0
Depreciation or Other Reserves (Renewals)	266	832	(566)	165
Internal Loans	388	16	372	520
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from the budget

1. Operating revenue was \$214k above budget. This is mainly due to a gain in forestry fair value of \$182k increase in Waikanae Holiday Park revenue.
2. Operating Expenses of \$323k was above budget. Gisborne Vehicle Testing expenses were \$80k under budget offset by unfavourable variances to budget in the Holiday Park of \$134k, Commercial Forestry of \$209k and Commercial Property \$57k.
3. Capital annual plan budget was revised to \$737k as part of cost savings making the variance \$83k under budget due to delays in capital projects.

## Aquatic and Recreation Facility (Olympic Pool)



### Why we do it

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

### What we do

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

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

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

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

### This activity contributes to the following community outcomes



Healthy  
Tairāwhiti

Prosperous  
Tairāwhiti

Safe  
Tairāwhiti

Vibrant  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

### What we did

- Conducted a comprehensive asset condition assessment, which identified a number of areas in need of urgent attention e.g. the filtration system upgrade.
- Completed a major renewal/upgrade project to separate filtration systems for individual pools and improve filtration and sanitation rates.
- Conducted a condition assessment report for the Hydroslide and developed a repair and maintenance plan to address issues.
- Installed high quality shade structures throughout the pool grounds.
- Renovated and re-activated the pool kiosk as a snack and drink shop for Summer season. This was well received by customers and reduced congestion in the main foyer/shop area.
- Operated a permanent 'Clean Patrol' service over the Summer period, resulting in a consistently clean and tidy facility during busy Summer days.
- Introduced a 'Family Pass' admission option to reduce the barrier of high admission fees for whanau; this proved to be extremely popular.
- Deferred the proposal to establish an in-house 'Learn-to-Swim' operation.



## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Healthy, Prosperous and Vibrant Tairāwhiti by providing a range of sustainable, quality aquatic and recreational opportunities for Gisborne district's residents and visitors.	Percentage of residents satisfied with the Olympic Pool as found in our Annual Resident Satisfaction Survey.	54% Not achieved	70%	53% Not achieved <sup>1</sup>
	Percentage of households who have used the pool in the last 12 months as found in our Annual Resident Satisfaction Survey.	54% Not achieved	55%	54% Not achieved <sup>2</sup>
	Number of pool admissions per annum.	140,246 Not achieved	150,000	112,702 Not achieved <sup>2</sup>
	Percentage of external revenue from users versus expenditure.	41% Achieved	40%	29% Not Achieved <sup>2</sup>
We contribute to a Safe and Healthy Tairāwhiti by providing a safe place for aquatic and recreational activities in a managed healthy environment.	Percentage of customers who are satisfied that the pool provides a safe environment for aquatic recreation as found in annual user survey.	95% Achieved	95%	Not measured <sup>3</sup>
	Percentage of customers who are satisfied that the pool water is clean and pleasant as found in annual user survey.	97% Achieved	90%	Not measured <sup>3</sup>
	Percentage of time pool water quality meets NZ Standard 5826:2010.	93% Achieved	90%	98% Achieved <sup>4</sup>
	Compliance with PoolSafe Management Scheme – an independent assessment of pools management and operation in accordance with industry standards.	Achieved	Achieved	Achieved

### What was different

1. The Annual Resident's Survey result includes "don't know" responses. If these are removed, the percentage of residents satisfied with the Olympic Pool is 71% (achieves our target). The planned pool development will seek to improve satisfaction and attendance performance measures.
2. Due to the urgent need for an upgrade of the filtration and sanitation systems for a number of individual pools, the outdoor pools and Therapy pool unit were unavailable for the public from October through to late December. This resulted in a significant drop in visitor numbers. In addition, the resident swimming club (Comet) used an alternative venue for their squad training sessions from January to April; this resulted in a further decrease in overall visitor numbers.
3. The annual in-house Customer Satisfaction Survey was not conducted. We will be reviewing the methodology used for all of Council's customer satisfaction based measures this year.
4. Based on in-house analysis of 11,050 individual water tests for 2014/15.

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	1	(1)	0
Revenue from Exchange Transactions	408	563	(155)	515
Expenses	1,419	1,670	251	1,147
<b>Net Cost of Service</b>	<b>1,011</b>	<b>1,106</b>	<b>95</b>	<b>632</b>
This activity was funded 66% from rates and 33% from fees and charges				
<b>Capital Expenditure</b>				
Capital Projects	922	56	866	7
<b>Funded By:</b>				
Grants and Subsidies	0	0	0	0
Depreciation or Other Reserves (Renewals)	62	56	6	4
Internal Loans	860	0	860	3
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from the budget

1. Operating revenue was \$155k lower than budget. This was mainly due to lower than anticipated income due to pool closures from October through late December while the filtration system was upgraded and a reduction in lease income attributable to the Comet club using an alternate training venue for 4 months during the year.
2. Operating expense was \$251k lower than budget. This was mainly due to depreciation costs \$106k lower than budget, professional services \$55k under and, special projects \$134k under budget due to deferred planning for the pool redevelopment project.
3. Capital expenditure was higher than budget by \$866k due to costs for redevelopment of the Olympic Pool Complex that had not been included as part of the original annual plan budget.

## Arts and Culture



### Why we do it

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

### What we do

Arts and Culture includes:

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

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

### Theatres and Community Halls

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

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

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

### Art in Public Places and Art and Cultural Heritage Facilitation

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

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

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

Council also has an Arts and Culture Strategy which it adopted in May 2011.

### Museum Grants

#### • Tairāwhiti Museum

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

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

#### • East Coast Museum of Technology

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

#### • Tairāwhiti Navigations Project

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



## This activity contributes to the following community outcomes



Prosperous  
Tairāwhiti



Vibrant  
Tairāwhiti

## Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Community Engagement.

## What we did

### Theatres

- Redeveloped the War Memorial Theatre. The new theatre opened ANZAC day 2015 with a special choral performance of The Armed Man.
- Utilised the Lawson Field Theatre to extend Council staff meeting spaces - 76 of the bookings at the theatre were from Gisborne District Council.
- Deferred maintenance of Lawson Field Theatre to pursue earthquake strengthening.

### Art in Public Places

- Turanga iwi received full funding for the Hawaiiki Turanga art piece in 2014 and work has begun to create the piece.

- Completed the Cenotaph restoration in time for Anzac Day 2015.
- Secured funding for the establishment of a Wal and Dog statue celebrating the work of Murray Ball. The design is complete and ready for casting.
- Boosted vibrancy in the Gisborne CBD with designed plantings including innovative use of colours and atypical landscape plants (such as kale and chard).
- Completed the Oneroa Cycle and Walkway between Waikanae and Midway. The Walkway incorporates multiple public art elements in telling the stories of navigation and settlement that are relevant to the area and acknowledging the region's sea-faring traditions.

### Museum Grants

- Nga Taonga a Nga Tama Toa Trust's C Company 28<sup>th</sup> Battalion Center opened 15<sup>th</sup> November 2014
- Continued to support the Tairāwhiti Museum to implement the Museum Development Plan 2011-19.

### Tairāwhiti Navigations

- Secured funding of \$5M for the Navigations projects from Eastland Community Trust. This money will go towards infrastructure including the landscaping on the slipway and the Turanganui River bridge; along with the designs, artworks and stories that will be used to form the heritage trail.
- Developed a Tairāwhiti Navigations Brand, which will be launched at an appropriate time.
- Awarded Landlab the contract to redesign the Inner Harbour and scoping work on this has begun.

## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Vibrant and Prosperous Tairāwhiti by providing facilities and services that help create a strong sense of community mana, pride and identity, reflecting the heritage and culture of the region.	Number of booking days per annum:			
	Lawson Field Theatre War Memorial Theatre	231 N/A Achieved	203 79	193 Not achieved <sup>1</sup> 32 (9 week period) Not achieved <sup>2</sup>
	Percentage of residents satisfied (according to our Annual Residents' Satisfaction Survey) with:			
	Lawson Field Theatre War Memorial Theatre	48% N/A Not achieved	75% 55%	83% N/A <sup>2</sup> Achieved
	Percentage of revenue return on operational cost. (Theatres)	36% Achieved	40%	36% Not achieved <sup>3</sup>
	Compliance with Health & Safety codes of practice.	Achieved	Achieved	Achieved
	Number of publicly displayed artwork projects worked on that contribute to	6 Achieved	3	6 Achieved <sup>4</sup>

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
	enhancing arts and culture in the district.			
We contribute to a Vibrant Tairāwhiti by providing adequate facilities and contracted management of the distinctive museum collection and displays.	Number of visitors per annum to Tairāwhiti Museum.	35,354 Not achieved	40,000	41,473 Achieved
	Percentage of residents satisfied with Tairāwhiti Museum as found in our Annual Residents' Satisfaction Survey.	65% Not achieved	81%	76% Not achieved <sup>5</sup>

## What was different

1. Booking numbers at Lawson Field Theatre decreased following the re-opening of War Memorial Theatre.
2. The War Memorial Theatre remained closed for 10.5 months and therefore is non applicable in regards to 12 month reporting of performance measures. The WMT was therefore not included in the Annual Resident's Survey this year.
3. The War Memorial Theatre has not been included in this measure this year because it was under construction for 10.5 months of the year. If the WMT were included in the calculation the percentage of revenue return on operational cost would be 29%.
4. Hawaiiki Turanga (funding and creation); Oneroa (3 – Roberts Road, Grey Street and Beacon Street); Gisborne Cenotaph; Wal and Dog Statue (design and funding).
5. The percentage of residents satisfied with Tairāwhiti Museum increased significantly from last year, although we still do not achieve our target. This was the first full year of operation following the building redevelopment project, with a number of exhibitions being held in the new spaces. The Annual Resident's Survey result includes "don't know" responses. If these are removed, the percentage of residents satisfied with the Tairāwhiti Museum is 91% (achieves our target).

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	93	117	(24)	87
Expenses	1,209	1,294	85	1,048
<b>Net Cost of Service</b>	<b>1,116</b>	<b>1,177</b>	<b>61</b>	<b>961</b>
This activity was funded 97% from rates and 3% from fees and charges				
<b>Capital Expenditure</b>				
Capital Projects	6,144	6,278	134	299
<b>Funded By:</b>				
Grants and Subsidies	4,755	2,877	1,878	0
Other Capital Revenue	0	0	0	(0)
Depreciation or Other Reserves (Renewals)	222	87	135	(98)
Internal Loans	1,167	3,314	(2,147)	397
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from the budget

1. Operating revenue was \$24k lower than budget. This was due to reduced revenues from theatre hire while the War Memorial Theatre was being constructed.
2. Operating expenses were \$85K lower than budget. This was mainly due to Interest on Loans \$64k under budget due to the receipt of grant funds for the War Memorial Theatre rather than loans.
3. Capital Expenditure was \$134k under budget due to War memorial Theatre costs under budget \$27k and delays in the Lawson Theatre renewals under \$55k, these were offset by cost overage of \$193k associated with the Tairāwhiti Navigations Project that were not part of the original annual plan budget.

## Community Housing



### Why we do it

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

### What we do

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

### Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Safe and Healthy Tairāwhiti by providing housing suitable for the elderly who have difficulty providing it themselves.	Percentage of customer satisfaction with standard of accommodation and services as found in our annual inspection survey.	97% Achieved	95%	96% Achieved
	No cost to ratepayers for Council's housing services.	\$(94,354) Achieved	\$0	\$(160,188) Achieved
	Annual occupancy rate.	98% Achieved	95%	99% Achieved
	Rent as a percentage of market rate (lower quartile) not to exceed 90%.	Achieved	Achieved	Achieved

This activity contributes to the following community outcomes



Healthy  
Tairāwhiti



Safe  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

### What we did

- Continued the wider programme of building component replacements and improvements to current building standard requirements.
- Reviewed the current ownership structure for Community housing. A preferred option will be consulted on as part of 2016/17 Annual Plan process in line with other commercial operations.



## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	1,001	958	43	968
Expenses	742	710	(32)	737
<b>Net Cost of Service</b>	<b>(259)</b>	<b>(248)</b>	<b>11</b>	<b>(231)</b>
This activity was funded 100% from fees and charges				
<b>Capital Expenditure</b>				
Capital Projects	275	185	(90)	118
<b>Funded By:</b>				
Depreciation or Other Reserves (Renewals)	275	185	90	118
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from the budget

1. Operating revenue \$43k higher than budget mainly due to increased rental income.
2. Operating expenses were \$32k higher than budget. A reduction in depreciation of \$35k was offset by under-budgeted salaries of \$23k, operational costs \$26k over budget, and repairs and maintenance \$20k over budget.
3. Capital Expenditure was \$90k over budget due to expense related to upgrades to community houses.

## Community Planning and Development



### Why we do it

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

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

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

### What we do

The Community Planning and Development Group includes the following activities:

- Planning and Performance
- Community Policy and Resources
- Māori Engagement
- Area Liaison

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

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

### Planning and Performance

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

This activity enables Council to formulate and manage processes to set the strategic direction of the organisation and to report to ratepayers and residents on the

performance of Council in terms of its direction and objectives.

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

### Community Policy and Resources

This activity assists the Council and the community to:

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

### Māori Engagement

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

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

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

## Area Liaison

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

## This activity contributes to the following community outcomes



## Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

## What we did

### Planning and Performance

- Oversaw the development and preparation of the 2015-2025 Long Term Plan. This organisation-wide project included an extensive programme of community engagement.
- Worked to ensure the successful delivery of the 2013/14 Annual Report, including a summary booklet that was distributed to all households.

- Continued to provide communications support to ensure that communication and engagement activities can be coordinated across the whole organisation in line with our strategic direction.
- Continued to manage Council's website and social media, to issue media releases and provide design expertise for Council publications.

### Community Policy and Resources

- Reviewed the Urban Development Strategy to address challenges and opportunities including use of urban coastal spaces.
- Supported and funded the establishment of a regional economic development agency (Activate Tairāwhiti) to foster economic growth in Gisborne district.
- Reviewed Council's Walking and Cycling Strategy and merged it into the Urban Development Strategy to ensure integrated land use and transport planning. Identified our priorities for building active transport infrastructure (walk and cycleways) for the next 30 years.
- Prepared a management plan for 30 of the district's sports parks so we can move towards sports grounds that are fit for purpose and affordable.
- Prepared a Provisional Local Alcohol Policy to support decisions on alcohol licensing that reduce alcohol-related harm.
- Completed a Psychoactive Substances Policy regulating location of sites selling 'legal highs'.
- Reviewed and updated the local bylaw for freedom camping.
- Reviewed Council's policy and regulations around cemeteries and crematoria to make these facilities more user-friendly.
- Established and supported the Gisborne District Youth Council.
- Sourced \$5.265 million in external funding to support major projects in the district.
- Worked with the community, particularly hapu, to develop a management plan for Waihirere Domain.
- Completed a Te Reo me ona Tikanga Policy to reflect the importance of Te Reo Māori in our district and to guide staff in use of Te Reo Māori in Council publications.
- Developed the policy Tairāwhiti Piritahi: Fostering Māori Participation in Council Decision-Making.



## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
<b>Planning and Performance</b>				
We contribute to all Council outcomes by supporting Council and the community to formulate the region's direction by coordinating Council's strategic planning and reporting documents that take into account the community's views and preferences.	Council's planning and reporting documents meet compliance standards.	Achieved	Achieved	Achieved
	Percentage of residents satisfied with the way Council involves the public in the decisions it makes as found in the Annual Residents' Satisfaction Survey.	59% Not achieved	65%	56% Not achieved <sup>1</sup>
	Percentage of respondents' satisfaction with Council's long term planning consultation and direction as found in a biannual survey of key internal and external stakeholders.	To be measured 2014/15	70%	Consultation 70% Achieved Direction 64% Not achieved <sup>1</sup>
	Percentage of residents who have seen or read the Annual Plan Summary or Annual Report Summary as found in the Annual Residents' Satisfaction Survey.	Annual Plan 49% Annual Report 36%  (54% total) Not achieved	60%	LTP Consultation Document 44% Annual Report 42% Not achieved <sup>2</sup>
We contribute to all Council Outcomes by supporting the organisation to provide good quality information to the public.	Percentage of residents (as found in the Annual Residents' Satisfaction Survey) who in the last twelve months have seen or read:	Achieved		Achieved
	- Information with their rates invoice	Information sent with rates invoice 68%	63%	Information sent with rates invoice 63%
	- A Council brochure	A Council brochure 58%	52%	A council brochure 54%
	Percentage of residents who rate the content in Council publications as informative as found in the Annual Residents' Satisfaction Survey:	Not achieved		Not achieved <sup>3</sup>
	- Information with their rates invoice	Information sent with rates invoice 74%	80%	Information sent with rates invoice 71%
	- A Council brochure	A Council brochure 86%	88%	A Council brochure 83%
	Number of page views on website.	816,153 Achieved	Increasing	910,953 Achieved
	Percentage of residents who rate the content on the Council website as excellent/good as found in the Annual Residents' Satisfaction Survey.	70% Achieved	Increase from Yr 1 baseline	77% Achieved

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
<b>Community Policy and Resources</b>				
We contribute to a Prosperous and Connected Tairāwhiti by providing and contracting services that enhance and promote the city centre and region in order to attract people and businesses.	Contracted organisations meet agreed performance targets.	100% Achieved	Achieved	100% Achieved
	Percentage of stakeholders satisfied with district and city centre promotion and marketing as found in two yearly stakeholder survey.	To be measured 2014/15	Establish baseline	Not measured <sup>4</sup>
We contribute to a Prosperous Tairāwhiti by working collaboratively with organisations and community groups to support and/or enhance economic development opportunities in the region.	Percentage of stakeholders satisfied with Council's participation in economic development as found in two yearly stakeholder survey.	To be measured 2014/15	Establish baseline	Not measured <sup>4</sup>
	Percentage of residents satisfied with Council's efforts to expand business within the region as found in the Annual Residents' Satisfaction Survey.	33% Not achieved	60%	26% Not achieved <sup>4</sup>
We contribute to an Empowered Tairāwhiti by supporting communities to participate in decision making processes.	Stakeholder surveys show that interventions have improved targeted community understanding of, and participation in, decision making processes.	76% (improved understanding) 94% (participation) Achieved	70%	67% Not achieved <sup>5</sup>
	Number of workshops between targeted community groups and Council that address participation in decision making.	11	10	14 <sup>6</sup> Achieved
We contribute to an Empowered, Prosperous, Skilled and Educated, Vibrant and Safe Tairāwhiti by working with communities and government agencies to deliver and/or coordinate resources and programmes into the community so that they are supported to find their own solutions to issues.	Key stakeholder satisfaction with Council's contribution to community development as found in bi-annual stakeholder survey.	84% Achieved	65%	92% Achieved
	Number of partnerships maintained with government/non-government agencies and community groups.	18	42	24 <sup>7</sup> Not achieved
	Number of external funding programmes supported to assist collaborative/community initiatives.	4	4	5 <sup>8</sup> Achieved
We contribute to a Vibrant, Safe, Prosperous, and Empowered Tairāwhiti by developing and facilitating the implementation of non-statutory environmental and urban design plans that ensure the needs and aspirations of our communities are recognised.	Percentage of Township Plan reviews completed to ensure currency of implementation plans feeding into Ten Year Plan processes.	100%	100% 3 Yearly	100% Achieved
	Percentage of plans developed that have specific and deliverable action plans.	100%	75%	100% Achieved
	Percentage of stakeholders who are at least satisfied with community engagement on plan development as measured through feedback forms.	91%	75%	67% Not achieved <sup>5</sup>
<b>Māori Engagement</b>				
We contribute to an Empowered Tairāwhiti by supporting and encouraging effective Māori participation in Council processes and by meeting the obligation to the Local Leadership Body as set out in the statute.	Level of service agreements (or Memorandums of Understanding) are in place with Māori entities.	Not achieved	Achieved	Not achieved <sup>9</sup>
	Council's obligations to the Local Leadership Body as set out in the statute are met.	N/A	Achieved	N/A <sup>10</sup>
	Relationships are working as evidenced by the Local Leadership Body annual satisfaction survey.	N/A	Achieved	N/A <sup>10</sup>

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
<b>What was different</b>				
1.	We acknowledge that we have not achieved our targets for how we involve the community in our decision making processes. We will take on board the comments received from the Annual Residents Survey and stakeholder surveys and work to improve results in this area.			
2.	A Consultation Document for the Long Term Plan was prepared this year instead of an Annual Plan Summary. The Consultation Document was not distributed to all households, which may have contributed to fewer people seeing it. Also, the distinction between an Annual Plan Summary and a Consultation Document was not made during the survey, which may have contributed to a lower result.			
3.	How we communicate with our communities continues to be reviewed and improved. We are developing a Communications Strategy for the organisation this year, which will look at all the different ways we engage the public.			
4.	The way Council supports economic development in the region has changed; we no longer take a direct role in this area. Instead Council has established, in partnership with Eastland Community Trust, an economic development agency - Activate Tairāwhiti. These measures have been reviewed for the 2015-2025 Long Term Plan as they are no longer relevant to this activity.			
5.	We acknowledge that we have not achieved our targets for community understanding of; participation in; and satisfaction with engagement for; our decision making processes. We will take on board the comments received from the stakeholder surveys and work to improve results in this area.			
6.	Te Karaka Community Workshops (4); Urban Development Strategy Workshop (1); Funding Workshops (2); Waihirere Reserve Management Plan (2); Active Transport Priorities (1); Psychoactive Substances Policy (2); Gisborne District Youth Council workshops (2).			
7.	Te Aitanga a Mahaki; Kopututea Trust; Ngai Tamanuhiri Trust; TROTAK; Rongowhakaata Iwi Trust; Tairāwhiti Environment Centre; Department of Conservation; Te Puni Kokiri; TAIN; Nga Uri a Parihimanihi (Waihirere); Activate Tairāwhiti; Tourism Eastland; Heart of Gisborne; Chamber of Commerce; Eastland Community Trust; Sport Gisborne Tairāwhiti; Eastern and Central Community Trust; Lotteries; Creative New Zealand; Gisborne Volunteer Centre; Tu Ake Te Karaka; Gisborne Police; Tairāwhiti District Health; Gisborne District Youth Council.			
8.	Creative Communities Scheme; Rural Travel Fund; Ministry of Justice Safer Communities; Community-led Development Matching Fund; Events Contestable Fund (administered by Tourism Eastland).			
9.	Council developed the policy Tairāwhiti Pirihati: Fostering Māori Participation in Council Decision-Making as part of the Long Term Plan during 2014/15. This measure was also reviewed as part of this process and is no longer considered relevant to how we measure Māori engagement.			
10.	Council is not able to establish the Local Leadership Body at this stage.			

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	179	125	54	292
Revenue from Exchange Transactions	64	11	53	(14)
Expenses	2,907	2,442	(465)	2,085
<b>Net Cost of Service</b>	<b>2,664</b>	<b>2,306</b>	<b>(358)</b>	<b>1,807</b>

This activity was funded 86% from rates and 14% from grants and subsidies

## What was different from the budget

1. Non-exchange revenue was \$54k higher than budget mainly attributable to Regional Partner Network revenue \$44k higher than budget. Exchange revenue was also higher than budget by \$53k, due to funding from Eastland Community Trust for the Gigatown Finale.
2. Operating expenses are \$465k higher than budgeted due to special project budget relating to Gigatown \$118k higher than budget, Professional Services \$62K higher, salary expense \$122k higher, Tourism Management \$50k higher due to Cruise Funding not budgeted this year and Community Consultation related to Long Term Plan \$30k higher than budget.



## HB Williams Memorial Library



### Why we do it

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

### What we do

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

- Matawai
- Motu
- Tolaga Bay
- Rere
- Tokomaru Bay

### Our Progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Vibrant, Empowered, Connected, Skilled and Educated Tairāwhiti by providing a range of accessible, quality library services tailored to meet the needs of Gisborne district residents.	Percentage of households that have used the HB Williams Memorial Library in the last 12 months as found in the Annual Residents' Satisfaction Survey.	65% Not achieved	66%	61% Not achieved <sup>1</sup>
	Number of visitors to HB Williams Memorial Library per annum.	232,770 Achieved	230,000	216,507 Not achieved <sup>1</sup>
	Number of registered members as a percentage of total population	55% Achieved	50%	58% Achieved

This activity contributes to the following community outcomes



Connected  
Tairāwhiti



Empowered  
Tairāwhiti



Skilled and  
Educated  
Tairāwhiti



Vibrant  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

### What we did

- Progressed the Library Redevelopment major project, including developing a detailed concept design for the expanded Library space and gaining Council approval to action the project.
- Grew our e-book library by sharing resources with several other North Island libraries.
- Improved group activities with children, often featuring interactive digital storytelling sessions.
- Completed a full upgrade of Library Management software as part of Council's business transformation programme.
- Hosted the Te Rōpu Whakahau, Māori Librarians Network national hui a tau, featuring a number of key note speakers, workshops and activities around the district.
- Launched the 'Write Bite' edible book competition in conjunction with Gizzy Food Month.

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
	according to Library Information Association of New Zealand Aotearoa (LIANZA) standard E.3.1 - 35% of total population.			
	To provide new book and non-book items including e-books according to LIANZA standard D.1.3.	209 per 1000 capita Not achieved	350 per 1000 capita	198 per 1000 capita Not achieved <sup>2</sup>
	Percentage of residents satisfied with Gisborne district's library services as found in the Annual Residents' Satisfaction Survey.	74% Not achieved	80%	73% Not achieved <sup>3</sup>
	Compliance with LIANZA Guidelines for library opening hours per week.	47 Hours per week Achieved	47 hours per week	47 Hours per week Achieved
	Number of key literacy / education programmes run each year.	37 with 378 group sessions Achieved	30	43 Achieved

#### What was different

1. Overcrowding has contributed to a less than ideal customer experience resulting in continuation of fewer visitors. This issue is being addressed through the building redevelopment project and review of services.
2. Availability of 24/7 free wi-fi has meant customers are using it outside the Library walls at all hours, day and night.
3. The Annual Resident's Survey result includes all responses. When only the users of the Library are included, the percentage of those satisfied with Library Services is 88% (achieves target). Also, the complexity of client enquiries has increased resulting in increased time spent by staff with individual clients and a shift in focus to more reader's advisory and user education services.

#### What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	113	133	(20)	94
Expenses	1,355	1,511	156	1,161
<b>Net Cost of Service</b>	<b>1,242</b>	<b>1,378</b>	<b>136</b>	<b>1,067</b>
This activity was funded 93% from rates, 7% from fees and charges				
<b>Capital Expenditure</b>				
Capital Projects	219	212	(7)	168
<b>Funded By:</b>				
Grants and Subsidies	5	21	(17)	1
Depreciation or Other Reserves (Renewals)	176	191	(15)	140
Internal Loans	38	0	38	27
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### What was different from the budget

1. Operating revenue was \$20 below budget mainly driven by a reduction in user fees.
2. Operating expenses were \$156k below budget. This was due to salary savings of \$71k, operational costs savings of \$26k and delays to the project for expansion of the library.

## Parks and Open Spaces



### Why we do it

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

### What we do

The Parks and Open Spaces Group includes:

- Parks, Reserves and Open Spaces
- Cemeteries
- Public Conveniences.

Council provides a range of parks and open space areas, amenities, services and venues for both active and passive recreation across the district. These include parks and open spaces that are categorised according to their primary purpose:

- Sport and Recreation
- Neighbourhood Parks
- Public Gardens
- Cultural Heritage (including cenotaphs, memorials and cemeteries)
- Nature Parks (including coastal and esplanade, natural or semi-natural areas, boat ramps and jetties)
- Outdoor Adventure

- Civic Space
- Recreation and Ecological Linkages (including walking and cycling access ways).

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

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

### This activity contributes to the following community outcomes



Connected  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Healthy  
Tairāwhiti



Vibrant  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Community Engagement.

### What we did

- Completed the London Street Reserve Revitalisation Project
- Upgraded walking tracks in Waihirere Domain
- Completed construction of the Tatapouri Seawall
- Completed soft fall upgrades to the Te Karaka and Tyndall Road playgrounds
- Continued district-wide park furniture upgrades and renewals
- Conducted a district wide playground asset and safety report to inform future planning of these assets.



## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
<b>PARKS and OPEN SPACES</b>				
We contribute to a Healthy Vibrant and Environmentally Sustainable Tairāwhiti by providing a parks and open spaces network that protects landscape amenity values and biodiversity while promoting leisure and recreational opportunities that meet the needs of the district.	Percentage of residents satisfied with our local parks as found in the Annual Residents' Satisfaction Survey.	83% Not achieved	86%	82% Not achieved <sup>1</sup>
	Percentage of Requests for Service regarding Parks and Open Spaces resolved within target timeframes ranging from 2 days for emergency public convenience matters to 60 days for ongoing street tree issues.	78% Not achieved	95%	79% Not achieved <sup>1</sup>
	Percentage of customers who rate Request for Survey responses as excellent/good.	97% Not achieved	100%	96% Not achieved <sup>1</sup>
	User satisfaction with sports field surface conditions and maintenance.	Not measured	82%	Not measured <sup>2</sup>
	User satisfaction with park cleanliness and lack of litter and graffiti.	Not measured	Increasing	Not measured <sup>2</sup>
	Percentage of playgrounds that meet relevant New Zealand safety standards.	Not measured	Increasing	58% Not achieved <sup>3</sup>
	Percentage of operating costs recovered from user charges per annum.	2% Not achieved	5%	4% Not Achieved <sup>4</sup>
	Number of collaborative projects undertaken with community groups that maintain or improve Parks and Open Spaces.	12 Achieved	10	7 Not achieved <sup>5</sup>
<b>CEMETERIES</b>				
We contribute to a Connected Tairāwhiti by ensuring cemeteries and crematoria are accessible, affordable and cater for the cultural, spiritual and burial needs of the district.	Compliance with the Burials and Cremation Act 1964 to achieve safe and hygienic burials and cremations.	Achieved	Achieved	Achieved
	Percentage of operating costs recovered from operating income per annum.	52% Not achieved	80%	65% Not achieved <sup>6</sup>
<b>PUBLIC CONVENIENCES</b>				
We contribute to a Connected Tairāwhiti by providing safe, fit for purpose and appropriately located public conveniences that meet the needs of the district.	Percentage of residents satisfied with public conveniences as found in the Annual Residents' Satisfaction Survey.	26% Not achieved	Increasing (from Yr 1 - 65%)	32% Not achieved <sup>7</sup>
<b>What was different</b>				
<ol style="list-style-type: none"> <li>Vacant staff positions for much of the year resulted in some reduction in responsiveness to the requests for service.</li> <li>The parks and sports ground user survey was not conducted due to resourcing issues. We will be reviewing the methodology used for all of Council's customer satisfaction based measures this year.</li> <li>An independent safety audit of our playgrounds was completed this year. Some of the old wooden playground equipment did not meet current safety standards. 23 of the 40 playgrounds had some equipment that was not compliant. While some items may not be compliant, they do not automatically pose a high risk to users. Council will remove or upgrade non-compliant equipment.</li> <li>Freedom camping \$17,357 under budget &amp; Rents \$44,175 under budget.</li> </ol>				

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
5.	Projects include; London Street, Learn to Ride bike track, the softball diamond, Alfred Cox skatepark, Ormond reserve skate ramp, dune care at Kopututea and Wainui.			
6.	More people are choosing cremation over burial resulting in reduced income from user charges. Also the budgeted income is set slightly higher than it should be.			
7.	Although the <i>percentage of residents satisfied with public conveniences</i> is still well below target, there is an upward trend. Of the 34% of respondents that were dissatisfied with public toilets, 83% stated the reason as <i>they are disgusting/dirty/smelly</i> . We are reviewing our service delivery for public conveniences during 2015/16 and are hopeful this will lead to an improvement in satisfaction.			

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	35	8	27	263
Revenue from Exchange Transactions	644	358	286	0
Expenses	5,550	4,579	(971)	4,827
<b>Net Cost of Service</b>	<b>4,871</b>	<b>4,213</b>	<b>(658)</b>	<b>4,564</b>
This activity was funded 72% from rates, 28% from fees and charges				
<b>Capital Expenditure</b>				
Capital Projects	2,104	1,114	(990)	4,385
<b>Funded By:</b>				
Grants and Subsidies	158	35	123	935
Depreciation or Other Reserves (Renewals)	256	610	(354)	892
Internal Loans	1,690	469	1,221	2,558
Asset Sales	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from the budget

1. Non-exchange operating revenue was \$27k higher than budget due to receipt of additional grant funding. Revenue from exchange transactions were higher than expected attributable to Forestry sales \$315k and Interment fees \$36k higher than budget.
2. Operating expenses are \$971k higher than budget caused by increased parks repairs and maintenance \$561k and stumpage costs of \$539k offset by savings in other operational costs \$129k.
3. Capital annual plan 2014/15 budget was revised to \$2,261k making the variance \$157k under.

## Animal Control



### Why we do it

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

### What we do

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

- Investigating complaints received in relation to dog and stock behaviour.
- Encouraging dog registration compliance through education, microchip compliance and the maintenance of a district dog database to assist in identifying and processing unregistered dogs. Dog registration data is also added to the National Dog database.
- Controlling stock on all district roads and on State Highways 2 and 35 on behalf of the New Zealand Transport Agency.
- Maintaining a service and facilities for the impounding and care of stray and seized dogs and

### Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Safe and Healthy Tairāwhiti by providing a service that controls dogs and stock to minimise risk to the public.	Percentage of Requests for Service resolved within target timeframes (ranging from 1 day for "person attacked" to 60 days for "ongoing fouling").	96% Achieved	95%	95% Achieved
	Percentage of customers who rate Requests for Service responses as excellent/good.	99% Achieved	95%	97% Achieved

stock. The new dog pound in Dunstan Road is working well and an upgrade of the Te Puia Service Centre dog pound has recently been completed.

- Providing education on dog and stock control, ownership and safety.
- Monitoring and enforcing regulations and bylaws.

### This activity contributes to the following community outcomes



Healthy  
Tairāwhiti

Safe  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

### What we did

- Conducted an education programme regarding safety around dogs at several rural schools during the year. It is intended to extend this programme to all schools in the district.
- Implemented proactive patrolling of beach areas and the central business area for roaming dogs. Targeted patrolling to risk areas and identified areas of complaints is a priority.



Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
	Percentage of residents satisfied with Council's efforts in controlling dogs as found in Annual Residents' Satisfaction Survey.	48% Not achieved	70%	49% Not achieved <sup>1</sup>
	Percentage of known dogs that are registered.	85% Not achieved	97%	97% Achieved
	Percentage of properties with known dogs visited per year.	Not measured	90%	Not measured <sup>2</sup>

## What was different

- Residents are again not satisfied with control of dogs due to concern that there are too many strays/dogs roaming around. Proactive patrolling of beach areas and the central business area for roaming dogs was implemented. Targeted patrolling to risk areas and identified areas of complaints will be a priority.
- An operational decision was made to not visit every property with known dogs but rather conduct spot checks for compliance. This measure has been removed from the 2015-2025 Long Term Plan. The responsibility of registering dogs remains the responsibility of the dog owner.

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	50	50	0	50
Revenue from Exchange Transactions	659	677	(18)	645
Expenses	463	563	100	465
<b>Net Cost of Service</b>	<b>(246)</b>	<b>(164)</b>	<b>82</b>	<b>(230)</b>

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

## What was different from the budget

- Operating revenue was \$18k under budget. This is primarily due to less income from fees.
- Operating expenses were \$100k below budget. This was due to salary savings of \$39k and lower than budgeted Stock Control expenditure of \$41k.

## Building Services



### Why we do it

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

### What we do

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

- Issuing and monitoring building consents which ensure new structures meet the NZ Building Code.
- Issuing Code Compliance Certificates (CCCs) for building works that have been completed in accordance with the building consent.
- Issuing Land Information Memoranda (LIMs) which identify and disclose information about the property or surrounding properties including which consents have been issued for the property.
- Providing accurate and up to date information to members of the public in relation to the building consent process.
- Issuing compliance schedules and monitoring the currency of building warrants of fitness.
- Responding to requests for service on building related matters, unfenced swimming pools, and drainage on private property.
- Provide a building management and overview service for the Parks and Open Spaces section for public conveniences.
- Ensure all new pools comply with the provisions of the Fencing of Swimming Pools Act and monitor the district for pools without building consent or

non-compliant pool fences for compliance with this Act.

- Assess buildings constructed before 1976 (the implementation of New Zealand Standard 4203) against the definition of earthquake prone as defined in the Building Act.
- Assess building consent applications against the development contribution policy and invoice accordingly.

### This activity contributes to the following community outcomes



Healthy  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Prosperous  
Tairāwhiti



Safe  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

### What we did

- Continued to offer fast track processing for certain types of building consent. These consents have a guaranteed five working-day processing timeframe. The average completion time for these consents was one and a half working days.
- Worked with Policy and Soil Conservation to develop better hazard identification with the initial focus on liquefaction zones and the requirements for subdivisions and building consents in areas identified as high liquefaction risk.
- Continued to work as part of a national advisory group for changes to the Earthquake Prone Building legislation.
- Continued to enforce the earthquake prone building policy for identified at-risk buildings in the CBD. Buildings in Gisborne are consistently strengthened to between 67% and 100% of the new

building standard which is well above the 34% requirement of the Building Act.

## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Safe, Healthy, Environmentally Sustainable and Prosperous Tairāwhiti by promoting the safety of people living and working in buildings through processing and monitoring building consent applications.	Percentage of Requests for Service resolved within target timeframes.	64% Not achieved	90%	75% Not achieved <sup>1</sup>
	Percentage of customers who rate Request for Service responses as excellent / good.	100% Achieved	90%	100% Achieved
	Percentage of Building Consents processed within target timeframes.	98% Achieved	95%	99% Achieved
	Percentage of Land Information Memorandums (LIM) processed within target timeframes.	99% Achieved	95%	99% Achieved
	Advise building owners / occupiers of the expiry date of their Warrant of Fitness one month before the expiry date.	100% Achieved	95%	100% Achieved
	Percentage of Code Compliance Certificates that remain unresolved annually.	10% Achieved	<14%	9% Achieved

### What was different

- Results for requests for service resolved within target timeframes have improved significantly this year. This will be investigated further, measures put in place if necessary and results are expected to be further improved for 2015/16.

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	744	884	(140)	720
Expenses	826	888	62	841
<b>Net Cost of Service</b>	<b>82</b>	<b>4</b>	<b>(78)</b>	<b>121</b>

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

## What was different from the budget

- Operating Revenue was \$140K lower than budget. This is mainly driven by fewer building consents being requested and processed.
- Operating Expenses were \$62K lower than budget due to less operational costs being incurred with less activity.

## Emergency Management



### Why we do it

#### Civil Defence Emergency Management (CDEM)

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

#### Rural Fires

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

#### Marine Oil Spill

To protect our marine environment from pollution accidents.

### What we do

#### Civil Defence Emergency Management

In accordance with the CDEM Act 2002, the Council:

- Ensures there is organisational capability to provide overall leadership for the response to, and the recovery from, an emergency.
- Has established and maintains a network of volunteers.
- Promotes and raises awareness of hazards and levels of preparedness.

- Provides the necessary planning and advice to the community for the management of response to, and recovery from, an emergency.
- Establishes and maintains systems for effective emergency communication (including radio links) with communities and other service providers.

There is a requirement under the Act for Council to carry out and lead CDEM in the Gisborne district. The outcome of this requirement is detailed in the CDEM Group Plan and its supporting documents.

There are several other national documents that direct the activity, including the National Strategy, with which the Group Plan cannot be inconsistent. The National Director of Emergency Management's guidelines must also be taken into account.

#### Rural Fires

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

The Gisborne District Council Rural Fire Authority works closely with other partners to ensure the most effective response to fires within the district. This includes the establishment and operation of Volunteer Rural Fire Forces (Hicks Bay, Gisborne and Tiniroto), the co-locating of rural fire authority tankers in New Zealand Fire Service Stations (Ruatoria, Tolaga Bay and Patutahi) and a joint operational response and fire management partnership with the Eastland Rural Fire District which is responsible for fire management of commercial forests. A close working relationship also exists with the Department of Conservation and Wairoa District Council.

#### Marine Oil Spill

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

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



## This activity contributes to the following community outcomes



Connected  
Tairāwhiti



Empowered  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Healthy  
Tairāwhiti



Safe  
Tairāwhiti

## Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Risk Management.

## What we did

- Reviewed the Gisborne District Council Rural Fire Plan - approved in September 2014 by Council.
- Reviewed the Marine Oil Spill Tier 2 Plan – approved in November 2014 by the Director Maritime New Zealand.
- Held a district wide civil defence exercise in November 2014 – Exercise NIVA.

## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
<b>CIVIL DEFENCE AND EMERGENCY MANAGEMENT (CDEM)</b>				
We contribute to a Safe, Connected and Empowered Tairāwhiti by helping to build a more resilient district where communities understand and manage their hazards and risks.	Percentage of residents able to manage for 2-3 days without access to normal day to day services (i.e. having 2-3 days of emergency food, water and supplies) in the event of a natural disaster as found in our Annual Residents' Satisfaction Survey.	91% Achieved	80%	96% Achieved
	The percentage of residents aware of the risks of natural hazards (i.e. earthquakes, flooding/heavy rainfall and tsunamis). This will be measured by a four yearly survey.	86% Achieved	Establish baseline	86% Achieved <sup>1</sup>

- Commenced the review of the Civil Defence Group Plan in November 2014.
- Held two Marine Oil Spill exercises – a beach clean-up exercise in December 2014 and an equipment deployment exercise in March 2015.
- Four members of the Marine Oil Spill Team are part of Maritime New Zealand National Response Team – this is the initial team required to attend any national Tier 3 oil spill.
- Held a capability assessment of the Civil Defence Emergency Manager Office and Group roles and responsibilities in September/October 2014. The capability assessment tool used creates a standard throughout New Zealand of the emergency management capability. This assessment is done every four years. The target set by the Ministry Director was 76% and the GDC score for 2014 was 78% compared with the 2010 score of 70.5%.
- Prepared for Cyclone PAM in March sending out key messages and pre-planning for when the cyclone impacted the area. The public took the message seriously, getting prepared as they had seen the damage that had occurred in Vanuatu. Thankfully the storm was not as intense here however the East Coast and coastal areas of Gisborne were impacted with severe winds, rain and sea swells resulting in damage to properties and homes. The Minister for Civil Defence, Nikki Kaye, acknowledged the contribution of staff and volunteers who prepared for and responded to the event.
- Richard Steele retired after more than 25 years working with Civil Defence.
- A New Manager and Training Assistant started in June 2015.

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
	CDEM partner relationships are actively maintained and enhanced. Measured by annual survey of Coordinating Executive Group (CEG) on partnership readiness.	Achieved	Achieved	Achieved <sup>2</sup>
	CDEM response and recovery is carried out in accordance with established plans and procedures in order to minimise harm or damage to people and property. This is measured by event logs, reports and debrief notes.	100% Achieved	100%	100% Achieved
	Communication systems that support business as usual systems in emergencies maintain reliability in events and are tested regularly so that any breakdowns are repaired as soon as practical. This is measured through check logs.	Achieved	Achieved	Achieved
<b>RURAL FIRES</b>				
We contribute to a Healthy, Safe and Connected Tairāwhiti by protecting life and property from rural fires with trained personnel within the Gisborne District Council rural fire authority area.	Percentage of customers who rate Requests for Service responses as excellent/good.	100% Achieved	94%	100% Achieved
	Mutual response and assistance agreements in place with other fire authorities.	Achieved	Achieved	Achieved
	Initial investigations of all fires which are to be claimed from the National Rural Fire fund.	100% Achieved	100%	100% Achieved
	Percentage of fire fighters who meet the National Rural Fire Authority Training Standards.	94% Achieved	80%	80% Achieved
<b>MARINE OIL SPILL</b>				
We contribute to a Safe and Environmentally Sustainable Tairāwhiti by protecting the environment from pollutants spilled in marine accidents.	The Marine Oil Spill Plan is current and staff lists are updated annually.	Achieved	Achieved	Achieved
	Quarterly maintenance of equipment is completed.	Achieved	Achieved	Achieved
	Maritime New Zealand requirements for staff training are met.	Achieved	Achieved	Achieved
<b>What was different</b>				
<ol style="list-style-type: none"> <li>This result is from the last survey completed in 2013/14. The next four yearly survey will be carried out in 2017/18.</li> <li>Partner relationships are actively maintained by twice yearly meetings of the Coordinating Executive Group (CEG) Partner readiness is surveyed at these meetings.</li> </ol>				

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	1	(1)	0
Revenue from Exchange Transactions	207	84	123	91
Expenses	836	727	(109)	659
<b>Net Cost of Service</b>	<b>629</b>	<b>642</b>	<b>13</b>	<b>568</b>
This activity was funded 91% from rates and 9% from fees and charges				
<b>Capital Expenditure</b>				
Capital Projects	107	130	23	12
<b>Funded By:</b>				
Other Capital Revenue	0	0	0	7
Depreciation or Other Reserves (Renewals)	107	130	(23)	5
Internal Loans	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from the budget

1. Operating revenue was \$123k above budget. There was an unfavourable variance in Maritime New Zealand income of \$36k. This was offset by increase in funding from Ministry of Civil Defence and Emergency Management \$91k and Marine Pollution Response Services \$59k.
2. Operating expense were \$109k above budget. This was due to an increase in employee benefit expenses of \$35k, hazard research \$26k and conference expenses \$59k.
3. Capital expenditure budget was revised to \$122k leaving a variance \$15k due to cost savings related to the replacement of the Tolaga Bay water tanker.

## Environmental Health



### Why we do it

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

### What we do

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

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

Environmental Health is primarily concerned with bringing about community well-being in a healthy environment through planning, education, surveillance, regulation, enforcement and response.

### This activity contributes to the following community outcomes



Healthy  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Safe  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

### What we did

#### Food and Alcohol

- Completed licensing of premises and monitoring for compliance with legislation.
- Continued to report on applications for manager's certificates and premises alcohol licences as well as special licences for events.
- Continued to promote the Voluntary Implementation Programme with food premises as a precursor to implementation of the Food Act 2014.

#### Public Environmental Health

- Continued to monitor, administer, educate and enforce within our service areas for food premises, camping grounds, offensive trades, public swimming pools, mobile traders, stalls and healthy environments for public events, recreational bathing water, Council's drinking water supplies and rural premises drinking water supplies.
- Continued to respond to noise related problems and nuisance.
- Responded to minor spills in the Inner Harbour.
- Responded with public notification to sewage discharges into city rivers from heavy rainfall and dry weather events.
- Worked with emergency services on multi-level agency incidents.
- Continued with the background air quality monitoring in Gisborne city.

#### Bylaws and Public Safety

- Continued a review of the Freedom Camping Bylaw in response to the introduction of the Freedom Camping Act 2011.



- Continued reviews of bylaws to comply with the statutory requirements.
- Continued to respond, enforce and educate on matters under bylaws.

## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Safe, Healthy and Environmentally Sustainable Tairāwhiti by regulating commercial operations and responding to environmental health issues in the interest of protecting public and environmental health.	Percentage of applications for liquor licences and food certificates processed within target timeframes.	Not available	95%	Liquor 97% Achieved Food not available <sup>1</sup>
	Percentage of registered and licensed premises that undergo a compliance inspection annually.	100% Achieved	100%	100% Achieved
	Compliance with Building Act standards notice within specified timeframe.	100% Achieved	100%	100% Achieved
	Percentage of Requests for Service resolved within target timeframes ranging from 5 days for urgent animal nuisance matters to 60 days for ongoing abandoned vehicle issues.	98% Not achieved	99%	98% Not achieved
	Percentage of customers who rate Requests for Service responses as excellent/good.	98% Achieved	93%	99% Achieved
	Percentage of noise complaints to be assessed within half an hour of receiving a complaint.	98% Achieved	95%	98% Achieved
	Percentage of pollution incidents to be responded to within one hour.	100% Achieved	98%	100% Achieved

### What was different

- This was unable to be measured this year due to reporting and data sorting issues. This will be sorted before the first year of reporting on the 2015-2025 Long Term Plan.

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	362	287	75	289
Expenses	1,201	1,164	(37)	1,139
<b>Net Cost of Service</b>	<b>839</b>	<b>877</b>	<b>38</b>	<b>850</b>

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

## What was different from the budget

- Operating revenue was \$75k more than budget and was a result of increased licences and registered premises.
- Operating expenses were \$36k over budget mainly due to salary costs \$26K higher than budget.

## Environmental Policy



### Why we do it

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

### What we do

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

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

The activity involves:

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

In preparing resource management policy and assessing applications for private plan changes, we must ensure policy is robust and evidence based, the costs of policy

initiatives are borne equitably, and community perspectives and aspirations are reflected in policy outcomes.

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

To be effective, the Environmental Policy activity needs to consider a range of tools for achieving desired outcomes including regulations and education and advocacy programmes along with developing realistic implementation programmes.

### This activity contributes to the following community outcomes



Connected  
Tairāwhiti



Empowered  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Healthy  
Tairāwhiti



Prosperous  
Tairāwhiti



Safe  
Tairāwhiti



Vibrant  
Tairāwhiti

### Our strategic challenges

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

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

### What we did

- Initiated project planning for the development of a single resource management plan for Gisborne district. Council is progressing the RPS review by topic with freshwater the first priority.
- Progressed the development of a Freshwater Management Plan, with region-wide objectives and policies (at RPS level) for managing the quality and allocation of freshwater.
- Prepared a draft Waipaoa Catchment Plan including water quality standards and water allocation limits for the Waipaoa area.

- Initiated discussions with iwi on the implementation of the Waiapu Accord and the development of a Waiapu Catchment Plan for managing freshwater.
- Continued to implement the Urban Development Strategy by developing a Design Guide for Commercial Development in Urban Areas.
- Progressed natural hazard research on coastal flooding, coastal erosion and liquefaction.
- Reviewed Council's Development Contributions Policy to deal with the costs of development better.

## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to an Environmentally Sustainable, Healthy and Connected Tairāwhiti by preparing statutory plans and policies to protect and enhance the quality of the Gisborne district's natural and physical environment, now and into the future.	Percentage of high priority Environmental Policy projects completed as outlined in the Activity Management Plan.	In progress (multi-year projects)	80%	50% Not achieved <sup>1</sup>
	Percentage of private and Council-initiated plan change processes completed as per requirements under the First Schedule to the Resource Management Act.	100% Achieved	100%	100% Achieved <sup>2</sup>
	Number of efficiency and effectiveness reports completed in accordance with Council's nominated plan monitoring framework and published.	3+ assessments incorporated into 1 report Achieved	0 (3 yearly)	0 Achieved <sup>3</sup>
	Percentage of residents satisfied with Council's management of the natural and built environment as found in Annual Residents' Satisfaction Survey.	Built: 72% Natural: 57% Not achieved	75%	Built: 66% Natural: 64% Not achieved

### What was different

- There are only two high priority projects listed for completion under the Activity Management Plan (AMP) for 2014/15: Notify objectives and policies for regional freshwater management (incomplete); complete Design Guide for Commercial Development in Urban Areas (complete). Suggest that for future years the project phases/milestones are included in the AMP so progress can be better tracked.
- There have been no plan changes fully completed in the last 12 months.
- This measure is for one report every three years. No report required in 2014/15 as was completed in 2013/14.
- Satisfaction with Council's management of the built environment (66%) has decreased compared to the 2014 survey (72%), but that of the natural environment (64%) has increased (57% in 2014). Work has been primarily focused around two major areas: freshwater management and natural hazard management. Significant progress has been made in these two areas. Council has also started planning to pull all resource management plans together into one document to coincide with reviews of the District and Coastal Plans. This is a long-term project.

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	1	0	1	40
Revenue from Exchange Transactions	50	15	35	(6)
Expenses	1,013	910	(103)	706
<b>Net Cost of Service</b>	<b>962</b>	<b>895</b>	<b>(67)</b>	<b>672</b>

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

## What was different from the budget

- Operating revenue was \$36k above budget attributable to Ministry of Environment revenue for Native Fish Spawning Identification project that was not part of the budget.
- Operating expense annual plan budget was revised to add \$100k for special projects therefore this activity's operating expenses are on track.

## Environmental Services



### Why we do it

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

### What we do

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

The Environmental Services Group includes the following activities:

#### Environmental Data Management

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

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

#### Biosecurity

The principal goal is to limit the adverse effects of unwanted plants and animals. Effects may be on human

health, indigenous flora and fauna, our heritage or the economy. To achieve this we undertake:

- Implementation of Regional Pest Management Strategy rules requiring control or eradication of pest populations. This includes compliance monitoring and enforcement.
- Direct control of specific low incidence, high threat pests and possums (on account of the district's Tuberculosis free status).
- Introduction and spread of biological control agents for pests.
- Surveillance for introduction of new pests.

#### Soil Conservation

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

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

#### Water Conservation

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

- Surface water and groundwater quality and quantity monitoring.
- Coastal water quality monitoring.
- Beach and river sand and gravel monitoring.



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

## Monitoring and Reporting

Environmental monitoring and annual progress towards desired environment outcomes are reported in the district's State of the Environment report.

## This activity contributes to the following community outcomes



Environmentally  
Sustainable  
Tairāwhiti



Healthy  
Tairāwhiti



Prosperous  
Tairāwhiti



Safe  
Tairāwhiti

## Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

## What we did

### Environmental Data Management

- Reviewed the Environmental Monitoring function. While we were meeting the needs of our community and regulatory requirements, we decided to bring the water quality sampling and field hydrology component back in house.
- Reviewed the freshwater quality monitoring parameters being tested and put in place an amended regime which better meets national water quality monitoring requirements.
- Continued the upgrade of our river monitoring systems so that more sites have real time

telemetered data from reliable monitoring equipment.

- Provided hydrological expertise as part of the Civil Defence response to Cyclone Pam.

### Biosecurity

- Undertook possum control operations on 133 properties including trapping, poisoning and nightshooting.
- Monitored 249 properties for Total Control pest plants.
- Undertook an Effectiveness Review of the Regional Pest Management Strategy 2010-2015.
- Worked with Tolaga Bay community on weed management initiatives along the banks of the Uawa River by practical demonstration of control methods, information transfer and weed identification.
- Continued Argentine and Darwins ant awareness programme in the city and Manutuke community, and visited outlying communities to raise awareness.
- Recovered and re-distributed the Woolly nightshade biological agent (Lace Bug) to sites on Ormond Road for control of Woolly nightshade.
- Established an initial Privet support and control initiative with the Ruatoria community.
- Implemented the Ministry of Primary Industries funded Didymo awareness programme.

### Soil conservation

- Progressed sustainable hill country workplans on Overlay 3A land with a major focus on the Waiapu catchment.
- Completed Waerenga-o-kuri Soil Conservation Reserve plant and animal pest control and forest re-planting.
- Increased monitoring of forestry harvest consents.
- Worked with the forestry sector through the Forestry Environmental Focus Group to put in place measures to better manage forestry slash.
- Increased the number of sustainable hill country/Overlay 3A plans being developed in the Waiapu Catchment through strong engagement with MPI and the Waiapu landowners. This has also resulted in greater numbers of applications to the ECFP funding.

### Water Conservation

- Provided the technical information required to develop the Regional Freshwater Management Plan.
- Implemented the Resource Management (Measurement and Reporting of Water Takes) Regulations.
- Set limits and allocation caps for surface and groundwater takes in the Waipaoa and Te Arai Rivers.
- Developed the Gisborne District Council part of the [www.LAWA.org.nz](http://www.LAWA.org.nz) website – a national environmental data website that now contains information on Gisborne's water quality and quantity, within a national context.
- Brought an increased focus on water efficiency and good practice irrigation management into the water take consenting process.

### Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
<b>Environmental Data Management</b>				
We contribute to an Environmentally Sustainable Tairāwhiti by ensuring resource management decisions are made using sound data.	Number of valid physical environmental data measure points.	100% Achieved	85%	99% Achieved
	Hits received on environmental data pages (river levels, rainfall etc) on Council website.	49,613 Achieved	7,500	36,394 Achieved <sup>1</sup>
<b>Soil Conservation</b>				
We contribute to a Safe and Environmentally Sustainable Tairāwhiti by managing land resources to conserve natural values, prevent or mitigate adverse effects and sustain productive capability.	Percentage of Requests for Service resolved within target timeframes ranging from 5 days for urgent matters and within 60 days for ongoing matters.	76% Not achieved	80%	62% Not achieved <sup>2</sup>
	Percentage of customers who rate Requests for Service responses as excellent/good.	100% Achieved	93%	95% Achieved
	Number of issues of Conservation Quorum published per annum.	4 Achieved	4	3 Not achieved <sup>2</sup>
	Number of farm properties visited per annum for environmental advocacy purposes.	174 Achieved	150	176 Achieved
<b>Water Conservation</b>				
We contribute to a Safe, Prosperous and Environmentally Sustainable Tairāwhiti by managing natural water resources, river and lake beds and coastal areas to conserve natural values and sustain consumptive usage.	Percentage of Requests for Service resolved within target timeframes ranging from 5 days for urgent matters and within 60 days for ongoing matters.	93% Achieved	80%	93% Achieved
	Percentage of customers who rate Requests for Service responses as excellent/good.	100% Achieved	90%	100% Achieved
	Makauri aquifer static water levels are maintained with respect to three year rolling average.	Not Achieved	100%	Not achieved – the level of the Makauri Aquifer is dropping <sup>3</sup>
	Percentage of compliance with consent conditions under recorded rectification or enforcement within 20 working days.	100% Achieved	100%	100% Achieved
<b>Biosecurity</b>				
We contribute to a Healthy and Environmentally Sustainable Tairāwhiti by managing animal and plant pests for human health and to reduce impacts on indigenous fauna and flora and primary production.	Percentage of Requests for Service resolved within target timeframes ranging from 5 days for urgent matters and within 60 days for ongoing matters.	98% Achieved	97%	95% Not achieved

Percentage of customers who rate Requests for Service responses as excellent/good.	96% Not achieved	98%	100% Achieved
All 5 random sample lines assessed post possum poisoning, trapping or night shooting achieves 5% residual trap, catch or less.	50% Not achieved	100%	50% Not achieved <sup>4</sup>
Percentage of known significant noxious plants sites visited and all plants controlled.	100% Achieved	100%	100% Achieved
Percentage of known active rookeries controlled.	No active rookeries	100%	N/A <sup>5</sup>

## What was different

1. Cyclone Pam and ongoing community engagement around the Freshwater Plan have generated significant interest in the environmental data pages and Council's environmental monitoring programme.
2. Increasing numbers of resource consents in the soil conservation area have led to staff resources being prioritised to meet statutory requirements. This meant we did not meet targets in relation to requests for service and Conservation Quorum. As a result additional resource is being applied to this area in order to lift achievement.
3. We worked with iwi and key stakeholders to develop a Managed Aquifer Recharge pilot proposal for the Makauri Aquifer.
4. Council trialled an alternative possum control toxin that proved less effective due to non-acceptance by target possum populations.
5. There were no active rookeries.

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	491	547	(56)	619
Expenses	3,413	3,320	(93)	2,906
<b>Net Cost of Service</b>	<b>2,922</b>	<b>2,773</b>	<b>(149)</b>	<b>2,287</b>
This activity was funded 89% from rates and 11% from grants and subsidies				
<b>Capital Expenditure</b>				
Capital Projects	86	77	(9)	68
<b>Funded By:</b>				
Grants and Subsidies	0	0	0	0
Depreciation or Other Reserves (Renewals)	86	77	9	68
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from the budget

1. Operating revenue was \$56K below budget. There were increases in Government grants of \$55k and pole sales and rentals of \$53k. This was offset by an unfavourable forestry sales in Waerenga-o-kuri reserve of \$158k.
2. Operating expenses were \$93k above budget. Within Environmental Services Management there was a decrease in operational costs \$41k but there have been increased salaries of \$97k and soil conservation advocacy education of \$219k. There was a reduction in expenditure for Waerenga-o-kuri reserve of \$174k.

## Resource Consents



### Why we do it

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

### What we do

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

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

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

Management Act 1991, the resource consent process and the District Plan rules.

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

### This activity contributes to the following community outcomes



Empowered  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Healthy  
Tairāwhiti



Safe  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

### What we did

- Implemented ConsenTV – a real time display of consent timeframes with a traffic light colour coded time remaining display to dynamically show consents where the timeframe is approaching 20 working days. There has been 100% compliance with timeframes since this was initiated.
- Researched Council and other historical records to identify the majority of the properties in the city which have had a HAIL (hazardous activity & industry list) activity in the past. These have been



added to the GIS as a layer of potentially contaminated sites to aid in the search of Council records as required by the National Environmental

Standards for the Assessing and Managing Contaminants in Soil to Protect Human Health.

- Continued to schedule industry/stakeholder forums to keep interested parties abreast of changes in the RMA and other Council records.

## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Safe, Vibrant, Empowered and Environmentally Sustainable Tairāwhiti by promoting the sustainable management of natural and physical resources through processing and monitoring resource consent applications.	Percentage of Requests for Service (RfS) resolved within target timeframes.	92% Not achieved	98%	96% Not achieved <sup>1</sup>
	Percentage of customers who rate RfS responses as excellent/good.	96% Achieved	91%	100% Achieved
	Availability of the duty planner for public enquiries.	8.00am – 5.00pm Achieved	9.00am - 5.00pm	8.00am – 5.00pm Achieved
	Resource Consents are processed within statutory timeframes.	85% <sup>2</sup> Not achieved	100%	89% Not achieved <sup>1</sup>
	Percentage of Resource Consents monitored within one month of monitoring date.	Not measured	100%	Not measured <sup>2</sup>
	Percentage of reported non-compliance with Plan rules rectified or subject to enforcement action within three months.	100% Achieved	100%	100% Achieved
<b>What was different</b> <ol style="list-style-type: none"> <li>Resourcing constraints may have contributed to not achieving targets for requests for service and statutory timeframes for resource consents, although both results are trending upwards. Planned resourcing and process changes, including Consen-TV, are expected to improve both performance measures results in the future.</li> <li>The Annual Reporting process has highlighted a need to improve the quality of monitoring information statistics. This review is underway.</li> </ol>				

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	293	192	101	193
Expenses	982	806	(176)	654
<b>Net Cost of Service</b>	<b>689</b>	<b>614</b>	<b>(75)</b>	<b>461</b>

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

## What was different from the budget

- Operating revenue was \$101k higher than budget. This is mainly due to increase revenue from Land Use Consents, Subdivision Fees, and Resource Consents.
- Operating expenses were \$176k higher than budget. Savings in salaries of \$103K was offset by increased professional service costs of \$259k and commissioner hearings of \$23K.

## Governance



### Why we do it

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

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

### What we do

The Governance activity exists to provide for:

#### Representation and Democracy

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

#### Civic Duties

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

#### Stewardship

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

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

Councils are required to ensure that:

- The role of democratic governance and expected conduct of elected members is clear and understood.
- Governance arrangements are effective, open and transparent.
- Responsibility for decision-making for regulatory and non-regulatory matters is kept separate.
- They are good employers.
- The relationship between elected members and management is effective.

How this occurs is set out in Council's Local Governance Statement and Code of Conduct for Effective Governance as well as in the Chief Executive's performance agreement.

### This activity contributes to the following community outcomes



Connected  
Tairāwhiti



Empowered  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Healthy  
Tairāwhiti



Prosperous  
Tairāwhiti



Safe  
Tairāwhiti



Skilled and  
Educated  
Tairāwhiti



Vibrant  
Tairāwhiti

## Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to all Council outcomes by providing for the representation of the community in open, democratically accountable decision making.	Percentage of residents satisfied with the way Council involves the public in the decisions it makes as found in the Annual Residents' Satisfaction Survey.	59% Not achieved	60%	56% Not achieved <sup>1</sup>
	Percentage of residents who rate the performance of the Mayor and Councillors as good as found in the Annual Resident's Satisfaction Survey.	65% Achieved	60%	58% Not achieved <sup>2</sup>
	Percentage of residents satisfied with how rates are spent on services and facilities provided by the Council as found in the Annual Residents' Satisfaction Survey.	44% Not achieved	65%	45% Not achieved <sup>3</sup>
	The requirements of the Local Government Act 2002, Local Government Official Information and Meetings Act 1987, Standing Orders and other appropriate legislation are met, as measured by complaints upheld by the Ombudsman.	1 complaint upheld Not achieved	No complaints upheld by the Ombudsman	No complaints upheld by the Ombudsman Achieved
	Agendas for meetings (other than extraordinary meetings) of council and its committees are publicly available (either via the internet or in Council service centres or at Council libraries), as measured by Committee Secretary's checklist.	Achieved	All agendas are publicly available two clear working days before each meeting	Achieved

## What we did

- Held a by-election in July 2014 for the Gisborne City Ward.
- Conducted 5 Citizenship Ceremonies on behalf of the Department of Internal Affairs.
- Held in conjunction with the RSA a Commemorative Civic Service on ANZAC Day.
- Received 83 Official Information Act Requests and resolved 81 of those, 93% within target.
- Received and considered 308 submissions on the Draft 2015 - 2025 Long Term Plan and then following hearings adopted the plan in June 2015.
- Successfully submitted two minor boundary adjustments for the city ward.
- Hosted the 5<sup>th</sup>/7<sup>th</sup> Battalion Charter and City of Gisborne Cadet Unit Charter Parade.

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Connected, Prosperous and Environmentally Sustainable Tairāwhiti by providing for the stewardship of corporation assets and by implementing laws that deal with the district's physical and natural resources and the issues that arise in communities.	Approve the Statements of Intent for Council Controlled Organisations (CCOs) in agreed time frames.	Achieved	60 days from receipt (1 March)	Achieved
	Appoint directors of CCOs according to the respective Constitution or Trust Deed.	Achieved	In line with constitutional and Trust Deed requirements	Achieved

## What was different

1. We acknowledge that we have not achieved our targets for how we involve the community in our decision making processes. We will take on board the comments received from the Annual Residents Survey and stakeholder surveys, and work to improve results in this area.
2. The percentage of residents who rate the performance of the Mayor and Councillors as good has decreased below target. It is noted the percentage of residents who rated Councillor performance as "fair" increased from 26% last year to 31% this year, while the percentage who rated the performance as "poor/very poor" remained similar (5% last year and 7% this year). The comments from survey respondents did not clarify the reasons for these increases. We will continue to provide our elected members with opportunities for learning and training to enhance their ability to perform to the standards ratepayers expect.
3. The percentage of residents satisfied with how rates are spent on services and facilities provided by the Council continues to be below target. Example comments from ratepayers who felt dissatisfied with the way their rates are spent include; *Council need to prioritise/use rates better and be more efficient* and *Rates too high/don't get what we pay for*. With the development of the 2015-2025 Long Term Plan Council focused on reducing the projected rates increases, and has committed to no more than 2% increases for the first three years. A comprehensive review of our rating system was also carried out to reduce complexity and improve transparency.

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	1	(1)	0
Revenue from Exchange Transactions	3	12	(9)	(21)
Expenses	928	964	36	954
<b>Net Cost of Service</b>	<b>925</b>	<b>951</b>	<b>26</b>	<b>975</b>

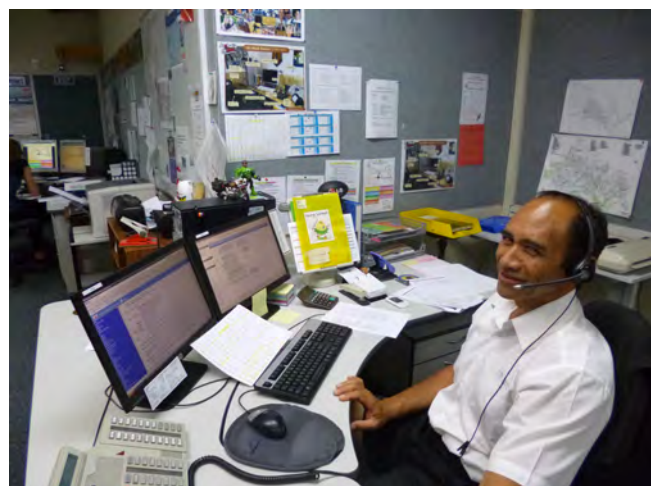
This activity was funded 100% from rates

## What was different from the budget

1. Operating revenue was \$10k lower than budget because there was no Hearing Recovery income this year.
2. Operating expenses were \$37k below budget mainly due to an election budget of \$30k that was not spent this year.



## Support Services



### Why we do it

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

### What we do

Council's internal support activities comprise:

#### Finance and Treasury Operations

Finance provide smart, easy values driven business processes and technology solutions to empower Gisborne District Council to deliver a high performance culture and superior customer services.

These services provide a framework by which we set our plans and budgets for future years. Well performing organisations routinely track and improve their organisational performance, as well as having financial, internal control, risk management and governance processes in place.

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

#### Democracy and Support Services

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

#### Information Services

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

#### Plant and Vehicles

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

#### Legal Services

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

#### Human Resources

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

#### Customer Services

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

### This activity contributes to the following community outcomes



Connected  
Tairāwhiti



Empowered  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Healthy  
Tairāwhiti



Prosperous  
Tairāwhiti



Safe  
Tairāwhiti



Skilled and  
Educated  
Tairāwhiti



Vibrant  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

- Performance Culture
- Governance Effectiveness
- Community Engagement
- Major Projects
- Natural Resource Use

- Financial Sustainability
- Community Viability and Functioning
- Risk Management.

## What we did

### Customer Services

- Assisted the Revenue section to decrease the level of Rate Debt by engaging with customers and making payment arrangements.
- Continued improvements to the quality of our Contact Database (names & addresses) which will make implementation of online services easier. This is part of the Business Transformation Programme.
- Gave contractors receiving Requests for Service direct access to the database to schedule and complete for themselves. This frees up time for the Call Centre staff to give better service to our customers.

### Finance

- Completed a comprehensive review of the Council's Revenue and Finance Policy. This review was in response to ongoing issues with Council's complex rating policy that had resulted in large rates increases for some ratepayers. It aims to reduce the complexity and administration costs of Council's rates, increase transparency and predictability.
- Consulted on new rates remissions policies. These were for:
  - redevelopment of Māori Freehold Land
  - targeted pests plants, rural fire and soil conservation
  - transitional rates remission.
- Significantly reduced rates and sundry invoicing debt as a result of a focused programme approach.
- Reviewed all Council's funding and financial policies.
- Created a financial business intelligence (FBI) solution for statutory financial reporting to be used for the Annual Report, Annual Plan and Long Term Plan.
- Continued to develop and improve the FBI system with forecast view, salary view, project view and planning view.

### Legal Services

- Completed and put in place a review of Committee and Chief Executive delegations. An ongoing review of Council delegations was also undertaken.
- Launched a customer service improvement project for the team and completed a review of resourcing.

### Information Services

- Continued to progress the Information Services Strategic Plan (ISSP) and Business Transformation Portfolio (BTP), including:
  - Significantly extended the FBI system and progressed development of non financial analysis and reporting.
  - Successfully replaced our ageing telephone system with the Microsoft Lync telephony and desktop video-conferencing.
  - Released Version 2 of Tairāwhiti Maps mapping system on Council's website.
- Continued with implementing the CAMMS project to implement a system for organisational performance, risk and project management.
- Implemented significant process improvements in Finance, Biosecurity and Liquor Licensing sections.
- Upgraded asset management systems as phase 1 of an integrated asset management programme.
- Progressed the Decipher programme of analysis and management of environmental data, including integrating live regional data with the LAWA (Land, Air, Water Aotearoa) website.

### Human Resources

- Developed Tairāwhiti Tangata, a document that provides direction for staff on how we will work together and develop a culture that we and our community can be proud of.
- Developed and rolled out a new Performance management process.
- Delivered an ongoing leadership development programme focused on building leadership capability within Council.

## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to all Council Outcomes by supporting the organisation to deliver Council services and to provide good quality information to the public.	Compliance with statutory requirements for the Annual Plan, Annual Report and Ten Year Plan processes, including audit requirements and specified timeframes.	Achieved	Achieved	Achieved
	Percentage of residents who rate the ease of getting hold of a staff member who could assist them with their inquiry as excellent/good as found in the Annual Residents' Satisfaction Survey.	78% Not achieved	85%	76% Not achieved <sup>1</sup>
	Percentage of residents who are satisfied with Council customer service at first point of contact:			
	In person Email/Website Phone	91% 83% / 78% 75% Not achieved	95% 85% 90%	92% 75% / 63% 81% Not achieved <sup>1</sup>
	Percentage of residents who rate helpfulness of staff as excellent/good as found in the Annual Residents' Satisfaction Survey.	80% Not achieved	90%	75% Not achieved <sup>1</sup>

### What was different

- The Customer Services Strategy was put on hold to allow other organisation projects to be completed. Small projects have been completed or started from its objectives. When reactivated it will have a wider organisational focus. The introduction of Lync & Espera as Council phone and Call Centre solutions actually slowed down the call process for customers. There is increased call volume going through the Call Centre because staff are not calling a direct dial number like they would an extension. There was impact on call handling times and customer frustration with Customer Service handling more rates enquiries in response to changes to the Debt Collections Policy, these enquiries take longer and Revenue staff did not want calls transferred where possible, preferring Requests for Service to be entered.

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	1,093	1,097	(4)	2,487
Revenue from Exchange Transactions	627	929	(302)	0
Expenses	12,215	11,460	(755)	10,378
<b>Net Cost of Service</b>	<b>10,495</b>	<b>9,434</b>	<b>(1,061)</b>	<b>7,891</b>
<b>Capital Expenditure</b>				
Capital Projects	2,358	2,543	185	1,487
<b>Funded By:</b>				
Grants and Subsidies	0	0	0	50
Other Capital Revenue	17	817	(800)	527
Depreciation or Other Reserves (Renewals)	335	(561)	896	(100)
Internal Loans	1,954	2,286	(332)	989
Asset Sales	52	0	52	21
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from budget

- Operational revenue was \$306 less than budget. Due mainly to \$750k over-budgeted for dividends offset by \$359k penalties collected over budget.
- Operational expenses were \$755k over budget due to over budget spends of \$398k in Financing costs, \$165k salaries, and Operating costs \$298K (due mainly to interest rate recovery). These overages were offset by \$106k under budget in depreciation.
- Capital expenditure was \$185k below budget and is related to ongoing Business Transformation Projects.

## Flood Control



### Why we do it

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

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

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

### What we do

The Flood Control Group includes the following activities:

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

### Rivers Asset Management

Council has a statutory requirement to minimise and prevent damage within its district by floods and erosion.

This is achieved by monitoring changes to river/stream channels or the coast which could affect the community and by providing advice on preventative maintenance for river/stream channel integrity. The activity also includes advocating on behalf of flood control, coastal and land erosion protection, land drainage and foredune protection to stakeholders.

River monitoring also provides flood warnings to the community for specified rivers in a timely and effective manner.

### Flood Control Schemes

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

- Waipaoa River Flood Control Scheme (WRFCs).
- Te Karaka Flood Control Scheme (TKFCS).
- Turanganui-Taruheru Rivers Scheme (TTRS).
- The Protection of Ruatōria Scheme.

Together these river schemes include 47km of river channel, 67.3km of stop banks, 649.3 hectares of floodway land plus associated bank protection works and drainage culverts. The scheme assets are maintained to their design standards using the most cost-effective, long-term asset management options.

### Land Drainage Schemes

Council constructs, administers and maintains a network of open drains across private farmland within specific areas (generally land drainage schemes).

A total network of 330km of drains are maintained spanning 14 drainage districts. Council undertakes this work due to landowner requests via legislation.

Currently the serviced areas are:

- |                    |                     |
|--------------------|---------------------|
| • Ormond/Mahunga   | • Waikanae/Mākaraka |
| • Ngātapa          | • Wharekākā         |
| • Eastern Taruheru | • City/Wainui       |
| • Manutuke         | • Taruheru River    |
| • Western Taruheru | • Waipaoa           |
| • Muriwai          | • Waiapu General    |
| • Cook General     | • Willows           |
| • Waikohu General  | • Patutahi          |

### Wainui Beach Foredune Protection

To maintain the existing foredune protection infrastructure in the defined area along Wainui beach. To provide new foredune protection infrastructure in alignment with the Wainui Beach Management Strategy (WBMS).

This Wainui Beach Management Strategy is currently being revised, through partnership with the community.

Issues of beach foredune erosion and property protection, Environment Court appeals, increased beach and dune/reserve usage and the growing community at Wainui, are all part of the need for an integrated management strategy.

### River Channel Maintenance

To provide essential river channel maintenance and infrastructure works for identified rivers to protect land, properties and roads from erosion. A total of 206km of rivers and streams are maintained within the district.

Council undertakes this work due to landowner requests via legislation.



## This activity contributes to the following community outcomes



Connected  
Tairāwhiti



Empowered  
Tairāwhiti



Healthy  
Tairāwhiti



Prosperous  
Tairāwhiti



Safe  
Tairāwhiti

## Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Healthy, Prosperous, Connected, Safe and Environmentally Sustainable Tairāwhiti by monitoring drainage of rivers and streams to minimise flood risk and coastal erosion to ensure communities are safe and prepared.	Percentage of Requests for Service resolved within target timeframes.	90% Achieved	81%	91% Achieved
	Percentage of customers who rate Requests for Service responses as excellent/good.	84% Not Achieved	93%	92% Not Achieved
	Land drains contain a 1 in 5 year flood whereby at least 90% of all drains within the network will, at any given time without overtopping, contain a flood discharge up to a five year return period flood event for each particular drain.	100% Achieved	100%	100% Achieved
	25% of flood control stopbank length is inspected annually and maintained to 70-year protection standard.	100% Achieved	Achieved	100% Achieved
	Percentage of identified river flow impediments corrected, or remedial works included in approved annual budgets for following year.	100% Achieved	83%	100% Achieved
	Resource and Building Consents including Coastal, Land Use & Discharge are processed within the agreed timeframes.	Not measured	78%	Not measured <sup>1</sup>

## What we did

- Completed the Waipaoa River Flood Control Scheme investigation resulting in a major project to improve the resilience of the scheme for the future.
- Completed the capital works project to replace failing Turanganui River timber revetments below the Cenotaph.
- Improved land drainage capacity (drain widening/deepening) for numerous drains in the district.
- Completed a review of our Beach Profile Monitoring activities.
- Completed a review of our Stopbank Monitoring & Sandbagging Manual.
- Constructed new civil and electrical works for the Church Lane land drainage pump station with additional telemetry gear.
- Commenced the capital works project to replace failing Taruheru/Turanganui River timber revetments near the marina carpark.
- Erosion protection structures (rock & rail iron groynes) were installed in the Mangahauini River, Tokomaru Bay to combat ongoing erosion issues.

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
<b>What was different</b>				
1. This measure has been reviewed as part of the 2015-2025 Long Term Plan and is no longer being used.				

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	197	175	22	183
Expenses	1,756	1,752	(4)	1,792
<b>Net Cost of Service</b>	<b>1,559</b>	<b>1,577</b>	<b>18</b>	<b>1,609</b>
This activity was funded 91% from rates and 9% from fees and charges				
<b>Capital Expenditure</b>				
Capital Projects	222	325	103	208
<b>Funded By:</b>				
Other Capital Revenue	10	10	0	10
Depreciation or Other Reserves (Renewals)	47	315	(268)	90
Internal Loans	165	0	165	108
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from budget

1. Operating revenue was \$22k over budget. This is a result of an increase of river lease income of \$26k.
2. Operating expenses were on budget.
3. Capital expenditure is \$103k below budget due to delayed completion of the Marina Revetment Repairs project (to be completed in 2016).

## Land Transport and Parking



### Why we do it

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

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

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

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

### What we do

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

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

- Road asset maintenance and renewal
- Road safety engineering and education
- Transportation planning
- Traffic management
- Road asset design and construction
- Public transport provision
- Pedestrian and cycling provision
- Parking provision and control.

This activity contributes to the following community outcomes



Connected  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Healthy  
Tairāwhiti



Prosperous  
Tairāwhiti



Safe  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

### What we did

- Completed the Tolaga Bay township upgrade – replaced footpaths, improved crossing points and restored the kerb and channel from Monkhouse Street to Solander Street.
- Completed small carpark improvements at the Potae/Lytton West Shopping Centre in 2014 with more improvements planned for 2015/16 in consultation with the shopping centre community.
- Completed a safety works programme around several city schools including Cobham, Ilminster, Makaraka, Lytton High, Riverdale, Makauri, Wainui Beach, Elgin and Kaiti School.
- Started strengthening of Mata (Huiaua) Bridge in November 2014 but this was suspended as forestry

owners wanted to remove further trees from the catchment. Work will continue in October 2015. Strengthening of Horoeoka and Te Pahi Bridges on Waimata Valley Road and Gaddums Bridge is planned for 2015/16.

- Continued support in 2014/15 with road safety programmes like the DARE Foundation and Students

Against Drunk Driving (SADD) to reduce road trauma incidences.

Prepared for the outcomes of the NZTA funding assistance rate (FAR) review, these were released in October 2014. The normal funding assistance rates for the 2015-2018 NLP will start at 61% for 2015/16 and increase by 1% yearly with end of transition target funding at 67%.

## Our progress

Level of Service	Performance Measure	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Connected and Prosperous Tairāwhiti by operating and maintaining a reliable roading network that is up to date, in good condition and fit for purpose	Percentage of Requests for Service resolved within target timeframes for the following: Roading Parking in the CBD	78% Not achieved 95% Achieved	95% 95%	82% Not achieved <sup>1</sup> 99% Achieved
	Percentage of customers who rate Requests for Service responses as excellent/good for: Roading Parking in the CBD	94% Not achieved 100% Achieved	95% 95%	95% Achieved 100% Achieved
	Percentage of residents satisfied with Council roads (excluding state highways) as found in Annual Residents' Satisfaction Survey: Urban residents Rural residents	Urban - 38% Rural - 34% Not achieved	85% 85%	Urban 39% Rural 39% Not achieved <sup>2</sup>
	Percentage of residents satisfied with footpaths as found in Annual Residents' Satisfaction Survey.	54% Not achieved	85%	55% Not achieved <sup>3</sup>
	Percentage of sealed roads that fit within the recommended industry smoothness counts - according to NAASRA (National Association of Australian State Roading Authorities) guidelines.	Urban 52% Achieved  Rural 72% Achieved	50% to have NAASRA count of 110 or better	Urban 59% Achieved  Rural 78% Achieved
		Urban 22% Not achieved  Rural 10% Achieved		Urban 16% Achieved  Rural 4% Achieved
We contribute to a Safe Tairāwhiti by ensuring the roading network is designed and managed for safe use with low crash and injury rates.	Percentage of residents who feel that riding a bicycle is dangerous as found in Annual Residents' Satisfaction Survey.	36% Not achieved	Decreasing from baseline set in Year 1	24% Achieved
	Annual number of roading fatalities.	3 Achieved	Maintain or decrease	1 (decrease) <sup>4</sup> Achieved
	Annual number of serious injury crashes.	19 Not achieved	Maintain or decrease	10 (decrease) <sup>4</sup> Achieved
	Annual number of pedestrian and cyclist injury accidents.	20 Achieved	Maintain or decrease	12 (decrease) <sup>4</sup> Achieved
	Annual total number of registered road crashes.	320 Achieved	Maintain or decrease	160 (decrease) <sup>4</sup> Achieved



Level of Service	Performance Measure	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Connected, Healthy and Environmentally Sustainable Tairāwhiti by providing and maintaining affordable and accessible transportation services that balance the needs of all users.	The number of bus passengers per annum.	139,474 Not achieved	1.8% increase per annum	138,531 (-0.7% decrease) Not achieved <sup>5</sup>
	Percentage of customers who rate the passenger transport system as excellent/very good.	Not measured	80%	Not measured <sup>6</sup>
	The availability of Council carparks within the CBD during business hours.	Not measured	5%	Not measured <sup>7</sup>
	Number of residents using walking and cycling networks	Not measured	Increase from baseline set in Year 1	Not measured <sup>8</sup>

## What was different

- Many of the requests are not just requests for service but are becoming more Annual Plan issues, asking for new or major improvements, placing resourcing issues on staff and contractors. Request for Service measures and targets have been reviewed as part of the preparation of the 2015-2025 Long Term Plan.
- The results may reflect when the survey is undertaken - in Winter when the roads are in their worst state. There has been a lot of expenditure in the rural network in particular forestry roads and fixing flood damaged roads. The urban network has many patch repairs along several main arterial routes which provides a trafficable but rough ride which may contribute to the low results.
- Over the last 2 years, Ultra-Fast Broadband installation and the deterioration of the Central Business District pavers may have contributed to this result. Damaged pavers in the CBD will be replaced in the 2015/16 financial year.
- Data extracted from the Crash Analysis System for local roads only from 01/07/14 to 30/06/15.
- Data collated and provided by the bus operator which is the total number of passengers on city and school buses for the 2014/15 financial year. Due to poor patronage, the number of bus routes were reduced and not incorporated into the new bus contract.
- The NZ Transport Agency has changed the format of questions which does not rate excellent and good. The methodology used for this measure will be reviewed before the first year of reporting for the 2015-2025 Long Term Plan.
- This work was intended to be carried out by students during the Summer holidays, however Tairāwhiti Roads was still in the process of recruiting staff. The work could not be carried out due to staff being unavailable to manage this project.
- The number of residents using walking and cycling networks will be measured from monthly traffic counts of walkways and cycleways which are planned for the Summer and Winter months. This work has commenced and the data will be reviewed before the first year of reporting for the 2015-2025 Long Term Plan.

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$'000)</b>				
Revenue from Non-Exchange Transactions	9,425	8,428	997	9,522
Revenue from Exchange Transactions	817	842	(25)	655
Expenses	26,050	24,025	(2,025)	25,124
<b>Net Cost of Service</b>	<b>15,808</b>	<b>14,755</b>	<b>(1,053)</b>	<b>14,947</b>
This activity was funded 48% from rates, 7% from fees and charges and 45% from grants and subsidies				
<b>Capital Expenditure</b>				
Capital Projects	13,039	12,703	(336)	11,401
<b>Funded By:</b>				
Grants and Subsidies	6,448	6,401	47	6,231
Depreciation or Other Reserves (Renewals)	5,881	5,434	447	4,719
Internal Loans	710	868	(158)	451
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from the budget

- Operating revenue was \$972k above budget. This is mainly due to an increase in subsidy from NZTA of \$875k.
- Operating expenses were \$2,025k above budget. A reduction in depreciation and interest of \$205k, was offset by an increase in bad debts of \$44k, salaries of \$460k, Repairs & Maintenance of \$172k and operational costs of \$1,540k.
- Capital expenditure was \$336k over budget. This was mainly due to the cost associated with relocating to the BNZ building, \$333k.

## Solid Waste Management



### Why we do it

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

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

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

### What we do

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

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

### Collection

The Council provides a kerbside refuse and recycling collection in Gisborne, parts of the Poverty Bay flats and Ruatoria. This is a user-pays service which is paid for by

a targeted rate. Households are issued with enough stickers to have a 5kg rubbish bag collected per week; additional stickers can be purchased through retail outlets if needed. Up to two 60 litre recycling crates of mixed recyclables are collected per week in conjunction with the rubbish collection.

Areas not serviced by a kerbside collection have access to a transfer station. Users of the Waste Management Resource Recovery Centre in Gisborne have to pay a disposal charge for non-recyclable items and green waste. For rural transfer stations, those living within a 15km radius of the transfer stations are rated for the service and receive stickers quarterly to allow a 5kg bag of refuse to be disposed of at the transfer stations per week.

### Disposal

Residual waste collected from the areas south of Tolaga Bay is taken to the Gisborne Resource Recovery Transfer Station under a contractual agreement with Waste Management who own and operate the facility. Disposal of waste collected at the Gisborne transfer station is the responsibility of Waste Management and is currently trucked to a landfill outside the district. Residual waste collected from areas north of Tolaga Bay is trucked to the Waiapu Landfill near Ruatoria for disposal.

### Litter Collection and Street Cleaning

A network of 265 litterbins and 28 recycling bins, located in public spaces throughout the district is regularly serviced and maintained by contract personnel. Street cleaning services are undertaken in the Gisborne city central business district, commercial areas and other townships.

### Waste Minimisation

Council uses an integrated system of education, incentives and penalties in combination with appropriate facilities to encourage the community to reduce, reuse, recycle and recover as methods to minimise waste. Council runs programmes targeted at either sectors of the community or waste components including school education, the Rethink Environmental Education Centre, an organic waste programme with an education component, subsidies and community outreach, Secondhand Sunday and supporting recycling initiatives.

### This activity contributes to the following community outcomes



Connected  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Healthy  
Tairāwhiti

## Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

## What we did

- Awarded the Contestable Waste Fund to Para Kore for a marae based recycling programme on the East Coast. This has had mixed success with only a limited amount of waste data collected.

- Supported the Wastewise parenting programme which offers subsidised reusable nappies.
- Continued the home composting programme. This was supported by a Love Food Hate Waste campaign.
- Supported the rural sector to safely dispose of obsolete agrichemicals.
- Awarded a new contract for waste management and minimisation services to Waste Management with a start date of 1 July 2015.
- Continued monitoring of waste streams, which showed very little change.

## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Connected and Environmentally Sustainable Tairāwhiti by providing community recycling facilities and regular kerbside collections to encourage recycling and waste reduction.	Percentage of Requests for Service (RfS) resolved within target timeframes.	87% Not achieved	95%	91% Not achieved <sup>1</sup>
	Percentage of customers who rate RfS responses as excellent/good.	99% Achieved	95%	98% Achieved
	Resident satisfaction with rubbish bag collections as found in the Annual Residents' Satisfaction Survey.	74% Not achieved	89%	75% Not achieved <sup>2</sup>
	Resident satisfaction with Council's recycling collection and facilities as found in the Annual Residents' Satisfaction Survey.	83% Not achieved	90%	82% Not achieved <sup>2</sup>
	Reduction in waste to landfill. Measured in kg per head of population.	283kg Achieved	292kg	293kg Not achieved
We contribute to a Healthy Tairāwhiti by providing clean, safe footpaths and litter free public spaces with a network of litter bins.	Percentage of litter on city streets compared to 2011 base level as found in Annual Litter Reduction Survey.	2% increase on baseline Not achieved	Decreasing	2% increase on baseline Not achieved <sup>3</sup>
	Total waste received as illegal dumping.	33 tonnes Not achieved	Decreasing	18 tonnes Achieved

### What was different

1. We are continuing to work with contractors to improve our response times, and completion within target timeframes has trended upward for the last three years.
2. Rural respondents in the Annual Residents Satisfaction Survey are likely to be less satisfied with both the recycling collection and facilities, and the rubbish bag collections, than those respondents living in urban areas, or in the outskirts of town with comments such as *They don't provide those services for rural people, we have to go in and give them our rubbish*. However as a result of consultation these communities opted to not be rated for any service.
3. The percentage of litter on city streets has not decreased from the previous year, as targeted, but this is not significant as there are a lot of factors like rain, wind, areas cleaned prior to surveys etc. The fact that litter has not increased is positive.

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	163	149	14	179
Expenses	3,689	4,068	379	3,995
<b>Net Cost of Service</b>	<b>3,526</b>	<b>3,919</b>	<b>393</b>	<b>3,816</b>

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

## What was different from the budget

1. Operating revenue was \$14k above budget. This was the result of additional income received for waste minimisation.
2. Operating expenses were \$379k below budget. Operating expenditures were \$488k under budget, with the biggest savings in Litter Bin Contract Collection \$417k under budget but this was offset with salary costs higher than budget by \$81k.



## Urban Stormwater Services



### Why we do it

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

### What we do

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

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

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

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

The key components of the stormwater system are the provision of cesspits, open drains and piped reticulation

into drainage courses/streams and eventually into rivers and/or the sea.

### This activity contributes to the following community outcomes



Connected  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Healthy  
Tairāwhiti



Prosperous  
Tairāwhiti



Safe  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

### What we did

- Widened stormwater drains to improve capacity along the Mangapapa Stream near Massey Road.
- Completed scoping, investigations and detailed design for proposed work in the Hapara Stream to undertake capacity improvements.
- Installed erosion protection structures (rock material) in the Matokitoki Stream to prevent ongoing erosion issues near Charteris Rise.
- Began developing an integrated stormwater model for the Kaiti area. The model will be a critical tool to assist with the improvements required to ensure that the Wastewater Discharges Project is successful.
- Completed a structure plan for the Lloyd George Road stormwater catchment area. This structure plan considers the long term implications of future roading and stormwater infrastructure.

- Installed new stormwater pipes along Grey Street to redirect stormwater runoff from Salisbury Road into the Waikanae Stream.
- Installed new stormwater pipes between Turenne Street and Owen Road in Kaiti. This work will address localised stormwater drainage issues and eliminate stormwater entry into the wastewater system.
- Installed stormwater 'rain gardens' at the end of Grey Street as part of the Oneroa walkway project.

## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Healthy, Prosperous, Safe Connected and Environmentally Sustainable Tairāwhiti by providing high quality infrastructure and by ensuring a healthy community through the removal of stormwater and contaminants to protect dwellings, the environment and people.	Number of Requests for Service regarding blockages.	63 Achieved	<65	29 Achieved
	The percentage of blockage Requests for Service resolved within target timeframes ranging from 1 day for emergency work to 480 days for 2 year scheduled work.	87% Achieved	86%	76% Not achieved <sup>1</sup>
	Number of Requests for Service regarding emergency repairs.	17 Achieved	<45	8 Achieved
	The percentage of emergency repair Requests for Service resolved within target timeframes ranging from 1 day for emergency flooding work to 5 days for emergency covers/grates collapses.	82% Not Achieved	90%	88% Not Achieved <sup>1</sup>
	Percentage of customers who rate Request for Service responses as excellent / good.	100% Achieved	92%	91% Not achieved
	Percentage of residents satisfied with the district's urban stormwater services as found in Annual Residents' Satisfaction Survey.	46% Not Achieved	61%	46% Not Achieved <sup>2</sup>
	Number of residential buildings flooded during the year. (This includes habitable parts of residential buildings only).	0 Achieved	<5	0 Achieved
	A 24/7 call out service is available for reporting stormwater problems.	100%	100%	100% Achieved
	All consents are processed in accordance with the Engineering and Works Code of Practice.	Achieved	Achieved	Achieved

### What was different

- There have been some resourcing issues with our maintenance contractor that require improvement.
- The Annual Resident's Survey result includes "don't know" responses. If these are removed, the percentage of residents satisfied with Urban Stormwater is 57%. There could also be an issue with when the survey is taken (in Winter). We will be reviewing the methodology used for all of Council's customer satisfaction based measures this year.

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	0	0	0
Revenue from Exchange Transactions	0	0	0	(25)
Expenses	2,407	2,763	356	1,957
<b>Net Cost of Service</b>	<b>2,407</b>	<b>2,763</b>	<b>356</b>	<b>1,982</b>
This activity was funded 100% from rates				
<b>Capital Expenditure</b>				
Capital Projects	234	962	728	543
<b>Funded By:</b>				
Other Capital Revenue	0	0	0	0
Depreciation or Other Reserves (Renewals)	229	755	(526)	515
Internal Loans	5	207	(202)	28
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from budget

1. In 2015 there was no revenue budgeted or generated.
2. Operating expenses were \$356k lower than budget. The main areas of reduced expenditure were salary costs \$142k under budget, Investigation expenses \$71k under, insurance \$38k under and Interest on loans \$100k under budget.
3. Capital expenditure was \$728k below budget and relates to stormwater renewals and upgrades that were delayed in 2015.

## Wastewater



### Why we do it

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

### What we do

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

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

### Key Components

- The collection and conveyance of wastewater from its sources (commercial, industrial and domestic residences) in Gisborne and Te Karaka to its point of treatment.
- Treatment and disposal of sewage for commercial and domestic users for Gisborne and Te Karaka.
- Provision of septage disposal points and treatment for some others.

Within Gisborne city certain industries are served by a separate industrial wastewater network. This network discharges to the Wastewater Treatment Plant and eventually the marine outfall, but the industrial wastewater does not go through the biological trickling filter.

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

Factor	Gisborne City	Te Karaka	Total
Number of Connections (approx)	14,750	168	14,911
Length of Reticulation (km) (including Industrial system)	223	6	229
Number of Manholes (including Industrial system)	2,806	61	2,867
Number of Pumping Stations (including Industrial system)	39	5	44
Value (DRC) \$,000	108,021	1,358	109,379
Approximate Discharge Volumes (Average per day) m3/day (including Industrial system)	13,000	140	13,140
Treatment Method	Biological Tricking Filter Plant	Oxidation Ponds	
Discharge	Poverty Bay via marine outfall	Waipaoa River	

### Non-Reticulated Areas

The remainder of communities in the Gisborne district are served by non-Council administered private septic tank systems. The Wastewater activity does not include the administration and monitoring of the onsite wastewater systems.

Council has facilities for the disposal of septage from private septic tank systems at the Gisborne Wastewater Treatment Plant and Te Karaka Oxidation Pond. In addition to this there are dedicated sites for the disposal of septage located at the following communities:

- Te Puia Springs
- Tikitiki
- Ruatoria (at the Waiapu landfill)
- Te Araroa.

### This activity contributes to the following community outcomes



Connected  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Healthy  
Tairāwhiti



Prosperous  
Tairāwhiti



Safe  
Tairāwhiti



## Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

## What we did

- Progressed the Wastewater Discharges Reduction Project, a ten year project to reduce controlled discharges to waterways during wet weather. Work this year included calibration of the wastewater model to identify under capacity with the piped network and target future upgrades. A reduction case study was also started to identify and prioritise opportunity to reduce gross stormwater entering the sewer network both on private property and within the public system.
- Replaced old sewer pipeline in parts of Richardson Avenue, Graham Road, De Lautour Road, Aberdeen Road and the pumping main from the Steele Road pump station. The Graham Road and De Lautour Road pipelines were upgraded to reduce discharges.
- Installed permanent flow monitoring equipment in Wainui Road to better manage the system and support the Wastewater Discharges Reduction Project.
- Replaced pumps and control mechanisms at pump stations in Gisborne and Te Karaka as part of our continued renewals programme.
- Continued to investigate alternative use and disposal options for the city's wastewater once it has been treated at the Wastewater Treatment Plant by running trials of various options.
- Developed a robust methodology for prioritising future pipe and pump station renewals.

## Our progress

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Healthy, Safe, Prosperous, Environmentally Sustainable and Connected Tairāwhiti through the provision of a well managed wastewater reticulation system which protects public health and the physical environment.*	Number of Requests for Service regarding odours.	13 Achieved	<14	7 Achieved
	The percentage of odour requests resolved within target timeframes.	100% Achieved	91%	86% Not achieved <sup>1</sup>
	Number of Requests for Service regarding blockages.	106 Not achieved	<95	75 Achieved
	The percentage of blockage requests resolved within target timeframes.	94% Achieved	91%	97% Achieved
	Percentage of customers who rate Request for Service responses as excellent/good.	98% Achieved	91%	100% Achieved
	Percentage of residents satisfied with the Gisborne district's sewerage system as found in Annual Resident's Satisfaction Survey.	45% Not achieved	60%	64% Achieved <sup>2</sup>
	Percentage of samples that are compliant with outfall waste consent conditions for suspended solids (measured in accordance with consent requirements).	91% Not achieved	98%	100% Achieved <sup>3</sup>
	Percentage of samples that are compliant with outfall waste consent conditions for total oil and grease (measured in accordance with consent requirements).	91% Not achieved	98%	100% Achieved <sup>3</sup>
	The annual number of events where sewerage is discharged from Council's reticulation into rivers or streams (based on a 1 in 10 year event).	4 Achieved	4	1 Achieved <sup>4</sup>

Level of Service	Performance Measures	Results 2013/14	Targets 2014/15	Results 2014/15
What was different				
1.	The odour requests resolved within target timeframes being below target represents one RfS completed after target. This RfS was part of an ongoing series of complaints which we worked with the customer to resolve. Thus even though it was not resolved until after the set target there was no detriment to customer satisfaction.			
2.	Public satisfaction with wastewater has increased significantly, however, the results are not directly comparable with previous years' as the survey method was changed. The result only including responses from people within Council reticulation areas this year. There is ongoing public concern with wastewater being discharged into streams and rivers during heavy rain events. Council has funded a 10 year programme to reduce the amount of overflows occurring. There is also concern about treated wastewater being discharged to sea. This is being addressed as part of Council investigating further treatment and alternative disposal options in accordance with the treatment plant consent. Low satisfaction may also have been exacerbated by the overflow from the Steele Road pump station to the Wainui Stream, Council has rectified the issues and is now exceeding best practice in the control of its pump stations.			
3.	Compliance with the Resource Consent conditions for Suspended Solids and Total Oil and Grease have been achieved due to Council entering into discussions with Cedenco, and all our other major trade waste customers, to ensure compliance.			
4.	There was only one significant rain event during 2014/15 that forced Council to open wastewater valves and release diluted wastewater into the city's rivers.			
*This level of service applies only to Gisborne city. There are no performance measures specific to Te Karaka or the septage sites.				

## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	0	55	(55)	0
Revenue from Exchange Transactions	351	323	28	127
Expenses	6,164	6,186	22	6,419
<b>Net Cost of Service</b>	<b>5,813</b>	<b>5,808</b>	<b>(5)</b>	<b>6,292</b>
This activity was funded 98% from rates and 2% from fees and charges				
<b>Capital Expenditure</b>				
Capital Projects	3,588	5,381	1,793	1,888
<b>Funded By:</b>				
Other Capital Revenue	400	0	400	0
Depreciation or Other Reserves (Renewals)	445	4,324	(3,878)	550
Internal Loans	2,743	1,057	1,686	1,338
Asset Sales	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from budget

- Operating revenue was \$27k below budget due to expected grant income budgeted for \$55k but not received.
- Operating expenses were \$22k lower than budget, which resulted from a general underspend across operating accounts.
- The capital projects budget was revised in 2015 from \$5,381k to \$2,708k to help meet the budget for the 2% rate increase. Performance compared to the revised budget is an overspend of \$879k due to work associated with a number of unbudgeted capital projects.

## Water Supply



### Why we do it

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

Key components:

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

### What we do

The following communities are reticulated by Council administered supplies:

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

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

- Collection of raw water.
- Treatment of raw water to produce suitable quality and quantities of drinking water.
- Distribution of treated water to the point of supply to the customer, where it consistently meets appropriate flow, pressure and quality standards. This includes water required for the city's emergency fire-fighting services.

Te Puia Springs is reticulated by a non-Council administered supply.

All other areas are non-reticulated private supply systems, sourced from roof catchments, ground water

bores/springs or surface water. These other water supplies are not Council owned or administered.

### Gisborne City Water Supply

The Council maintains and/or owns the Gisborne water supply from its source supply, via water treatment infrastructure to the water reticulation network, including the connections from the street mains to all serviced property boundaries.

At commercial metered connections Council owns the water meter and backflow preventer and charges for actual water used.

The Gisborne city system provides water to communities adjacent to the Waingake bulk water main, which includes the communities of Manutuke. Parts of the Poverty Bay flats adjacent to the Waipaoa bulk water main are also supplied.

The water quality grading of Gisborne's potable water supply is continuously being reviewed by the Ministry of Health in accordance with the NZ Drinking Water Standards.

### Te Karaka Water Supply

Te Karaka Water Treatment Station is located on the township side of the Waipaoa River stop bank and provides a water supply that is supplementary to the rainwater collected by each individual consumer during extended dry periods. This system was installed in December 1982 and was be upgraded in 2013/14 with funding from the Ministry of Health.

### Whatatutu Water Supply

The Whatatutu Water Treatment Station is located adjacent to the Mangatu River and provides a water supply that is supplementary to the rainwater collected by each individual consumer during extended dry periods. Installation took place in 1979. A Ministry of Health Capital Assistance Programme grant was awarded in August 2015 to help fund planned Treatment Station upgrades.

### This activity contributes to the following community outcomes



Connected  
Tairāwhiti



Environmentally  
Sustainable  
Tairāwhiti



Healthy  
Tairāwhiti



Prosperous  
Tairāwhiti

### Our strategic challenges

The strategic challenge areas that this activity contributes to are:

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

### What we did

- Completed water main renewals located within the Gisborne city reticulated services boundary. Streets with upgraded pipes and improved Level
- of Service are Taruheru Crescent, Atkinson Street, Valley Road, Bryce Street and George Street.
- Refurbished Trunk water mains including above ground repairs and reviewed the effectiveness of the cathodic protection system.
- Planned the Whatatutu Township Water Treatment upgrades. Capital assistance funding from the Ministry of Health was granted in August 2015, so this project will proceed this year.

### Our progress

Level of Service	Performance Measure	Results 2013/14	Targets 2014/15	Results 2014/15
We contribute to a Healthy, Prosperous, Environmentally Sustainable and Connected Tairāwhiti by providing water supply infrastructure that meets the needs of our community now and into the future by delivering safe, clean water in a sustainable manner.	Number of complaints per annum regarding water quality.	11 Achieved	<15	6 Achieved
	Compliance with NZ Drinking Water Standards (excluding P2 determinants until Capital Assistance Programme funding is decided). Gisborne city Te Karaka Whatatutu	Achieved Not Achieved Not Achieved	Achieved Achieved Achieved	Achieved Achieved Not Achieved <sup>1</sup>
	Number of public advisory notices issued to boil water.	0 Achieved	0	0 Achieved
	Number of Requests for Service regarding water leaks.	80 Achieved	85	81 Achieved
	The percentage of water leak Requests for Service resolved within target timeframes.	89% Achieved	84%	78% Not achieved
	Number of events regarding no water/ or low pressure (less than 300 kilopascals).	15 Achieved	50	8 Achieved
	Percentage of residents satisfied with the water supply system as found in the Annual Residents Satisfaction Survey.	67% Not Achieved	75% - 82%	83% Achieved <sup>2</sup>
	Water provided continuously and without restriction in compliance with the maintenance contract for up to a 50-year drought in the Gisborne region.	Achieved	Achieved	Achieved

#### What was different

1. Whatatutu was found to have not complied with the protozoa requirements as this plant lacks appropriate treatment units. The plant should achieve compliance once water treatment upgrades are completed this year.
2. Public satisfaction with water supply has increased significantly, however, the results are not directly comparable with previous years' as the survey method was changed. The result only including responses from people within Council reticulation areas this year. We will be reviewing the methodology used for all of Council's customer satisfaction based measures this year.



## What it cost

	2014/15 Actual	2014/15 AP Budget	2014/15 Variance	2013/14 Actual
<b>Operating Expenditure (\$000)</b>				
Revenue from Non-Exchange Transactions	4	0	4	1
Revenue from Exchange Transactions	2,300	2,340	(40)	2,100
Expenses	4,951	4,929	(22)	5,061
<b>Net Cost of Service</b>	<b>2,647</b>	<b>2,589</b>	<b>(58)</b>	<b>2,960</b>
This activity was funded 53% from rates and 47% from fees and charges				
<b>Capital Expenditure</b>				
Capital Projects	1,286	710	(576)	697
<b>Funded By:</b>				
Grants and Subsidies	344	0	344	44
Depreciation or Other Reserves (Renewals)	1,199	588	611	393
Internal Loans	(257)	122	(379)	260
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What was different from the budget

1. Operating revenue was \$36k below budget, mainly due to a reduction in metered water.
2. Operational expenses were \$22k over budget, mainly due to general ongoing operational costs.
3. Capital expenditure was \$576k over budget and relates to water renewals projects.



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# OUR FINANCES

Financial Statements

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2014/15 ANNUAL REPORT



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# 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.

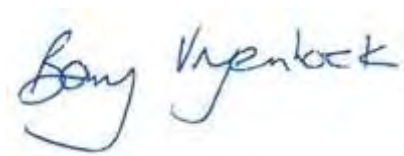
In the opinion of Council and Management, the annual financial statements for the year ended 30 June 2015 fairly reflect the financial position, results of operations and service performance achievements of the Gisborne District Council.



Meng Foon  
**Mayor**



Judy Campbell  
**Chief Executive**



Barry Vryenboek  
**Operations Group Manager**



## Statement of Comprehensive Income for the year ended 30 June 2015

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Note	Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>						
9,348	9,528	Grants and Subsidies - Operational	4	8,152	8,827	8,987
6,823	6,823	Grants, Donations, Subsidies and Contributions - Capital	4	9,334	11,533	11,533
2,676	2,676	Other Non Exchange Revenue	5	1,349	1,959	1,974
15,258	15,158	General Rates And Uniform Annual General Charge	3	15,703	15,713	15,610
35,335	35,335	Targeted Rates (other than a targeted rate for water supply)	3	35,543	35,601	35,601
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>						
403	403	Development and Financial Contributions	5	817	16	16
11,378	16,473	Other Revenue	5 & 7	11,470	12,408	18,700
6	6	Dividends	5	750	7	48
99	121	Interest Received	5	14	111	118
148	2,994	Other Gains/(Losses) - Profit on Sale of Assets	6	12	241	359
<b>81,474</b>	<b>89,517</b>	<b>Total Revenue</b>		<b>83,144</b>	<b>86,416</b>	<b>92,946</b>
<b>EXPENSES</b>						
15,797	16,716	Employee Benefit Expenses	8	16,234	17,415	18,355
40,943	43,999	Expenditure on Operating Activities	10	41,767	45,169	47,566
19,041	19,406	Depreciation and Amortisation	9	20,177	19,619	20,001
2,105	2,251	Financing Costs	11	2,177	1,818	1,911
0	0	Internal Transfers		0	0	0
<b>77,886</b>	<b>82,372</b>	<b>Total Expenses</b>		<b>80,355</b>	<b>84,022</b>	<b>87,834</b>
<b>3,588</b>	<b>7,145</b>	<b>Net Surplus/(Deficit) before Taxation</b>		<b>2,789</b>	<b>2,395</b>	<b>5,112</b>
1,032	0	Subvention Payment from GHL		0	1,068	0
(126)	(940)	Income Tax Expense	12	0	0	417
<b>4,746</b>	<b>8,085</b>	<b>Net Surplus/(Deficit) after Taxation</b>		<b>2,789</b>	<b>3,463</b>	<b>4,695</b>
<b>Other Comprehensive Income</b>						
49,546	52,296	Gains/(Losses) on Property Revaluation		678	9,454	11,228
(126)	(527)	Deferred Tax on Building Revaluations	12	0	0	(10)
<b>49,420</b>	<b>51,769</b>	<b>Total Other Comprehensive Income</b>		<b>678</b>	<b>9,454</b>	<b>11,218</b>
<b>54,166</b>	<b>59,854</b>	<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES</b>		<b>3,467</b>	<b>12,917</b>	<b>15,913</b>

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 2015

Council 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s
81,474	Operating Income	83,144	86,416
77,886	Operating Expenditure	80,355	84,021
1,032	Subvention Payment	0	1,068
126	Income Tax Expense/(Benefit)	0	0
<b>4,746</b>	<b>Net Operating Surplus/(Deficit) After Taxation</b>	<b>2,789</b>	<b>3,463</b>
	<b>Less</b>		
449	Capital Rates Income	478	478
6,823	Capital Grants and Subsidies	9,334	11,533
1,094	Other Capital Grants, Donations and Contributions	817	600
231	Operations funded by Reserve funds	235	275
	<b>Plus</b>		
6,945	Depreciation not Funded	7,311	6,535
(3,094)	(Decrease)/increase in Council deficit	764	2,888
<b>0</b>	<b>Balanced Budget - Operating income agrees to operating expenditure</b>	<b>0</b>	<b>0</b>

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

### Explanation of Council's Balanced Budget Requirement

Council is required under the provisions of the LGA 2002 (s.101) to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of its community. The LGA 2002 (s.100) requires that local authorities "balance the books". This means Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (break even). This is to ensure that there is access to enough funding to enable the services to continue to be provided long term. There are activities where this approach may not be practical or prudent due to the activity's long term nature or where the activity is partially funded by surpluses built up over time.

## Statement of Financial Position as at 30 June 2015

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Note	Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>CURRENT ASSETS</b>						
4,589	5,534	Cash and Cash Equivalents	14	171	293	655
5,121	5,121	Non Exchange and Other Receivables	15	4,253	4,095	4,095
5,543	4,903	Exchange Trade and Other Receivables	15	4,325	5,724	5,032
184	308	Inventories	16	136	105	291
1,272	1,272	Investments	17	5	1,279	1,279
50	50	Non-current Assets Held for Sale	19	687	50	50
<b>16,759</b>	<b>17,188</b>	<b>Total Current Assets</b>		<b>9,579</b>	<b>11,546</b>	<b>11,404</b>
<b>CURRENT LIABILITIES</b>						
380	380	Deposits Held	20	371	463	463
14,042	14,631	Trade and Other Payables	21	13,022	14,186	14,832
2,553	2,661	Employee Benefit Liabilities	22	2,616	1,839	1,958
14,032	14,032	Borrowings	23	10,984	14,830	15,460
78	78	Provision for Other Liabilities	24	0	78	78
489	504	Derivative Financial Instruments	30A	1,035	535	535
<b>31,574</b>	<b>32,286</b>	<b>Total Current Liabilities</b>		<b>28,028</b>	<b>31,930</b>	<b>33,326</b>
<b>(14,815)</b>	<b>(15,098)</b>	<b>Net Working Capital</b>		<b>(18,450)</b>	<b>(20,384)</b>	<b>(21,923)</b>
<b>NON-CURRENT ASSETS</b>						
1,924,553	1,958,457	Property Plant and Equipment	25	1,901,135	1,945,216	1,981,078
1,668	1,743	Intangible Assets	26	988	2,080	2,776
2,185	19,337	Biological Assets	27	1,936	2,368	19,823
20,560	631	Investments	17	20,478	20,680	815
<b>1,948,966</b>	<b>1,980,168</b>	<b>Total Non-Current Assets</b>		<b>1,924,537</b>	<b>1,970,344</b>	<b>2,004,492</b>

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Note	Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>NON-CURRENT LIABILITIES</b>						
15,000	16,733	Borrowings	23	27,731	17,000	17,000
255	255	Employee Benefit Liabilities	22	264	303	303
1,528	1,528	Provision for Other Liabilities	24	1,482	1,476	1,476
0	2,087	Deferred Tax Liability	12	0	0	2,514
1,136	1,136	Derivative Financial Instruments	30A	1,860	2,031	2,031
<b>17,919</b>	<b>21,739</b>	<b>Total Non-Current Liabilities</b>		<b>31,337</b>	<b>20,810</b>	<b>23,324</b>
<b>1,916,232</b>	<b>1,943,331</b>	<b>Net Funds Employed</b>		<b>1,874,749</b>	<b>1,929,149</b>	<b>1,959,245</b>
<b>EQUITY</b>						
401,199	396,150	Accumulated Surplus	28	416,240	404,031	400,214
35,888	35,888	Special Funds	28	27,468	36,519	36,519
1,479,145	1,511,294	Revaluation Reserves	28	1,431,041	1,488,599	1,522,512
<b>1,916,232</b>	<b>1,943,331</b>	<b>Total Equity</b>		<b>1,874,749</b>	<b>1,929,149</b>	<b>1,959,245</b>

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

Authorised for and on behalf of Gisborne District Council on 08 October 2015.



Meng Foon  
Mayor



Judy Campbell  
Chief Executive



## Statement of Changes in Equity for the year ended 30 June 2015

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Note	Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>EQUITY OPENING BALANCES</b>						
399,689	391,301	Accumulated Funds and Retained Earnings		410,747	401,199	396,150
32,645	32,645	Special Funds and Reserves		30,172	35,888	35,888
1,429,732	1,459,532	Revaluation Reserves		1,430,363	1,479,145	1,511,294
<b>1,862,066</b>	<b>1,883,478</b>	<b>Total Equity Opening Balance</b>		<b>1,871,282</b>	<b>1,916,232</b>	<b>1,943,332</b>
<b>CHANGES IN EQUITY</b>						
<b>Accumulated Surplus (Retained Earnings)</b>						
(3,236)	(3,243)	Transfer (to)/from Special Funds and Reserves		2,704	(631)	(631)
0	0	Transfer to Restricted Funds Liability movement		0	0	0
54,166	59,854	Total Comprehensive Income		3,467	12,917	15,913
<b>Special Funds and Reserves</b>						
3,236	3,243	Transfer (to)/from Retained Earnings		(2,704)	631	631
<b>54,166</b>	<b>59,854</b>	<b>Total Changes in Equity</b>		<b>3,467</b>	<b>12,917</b>	<b>15,913</b>
<b>EQUITY CLOSING BALANCES</b>						
401,199	396,150	Accumulated Funds and Retained Earnings	28	416,240	404,031	400,214
35,888	35,888	Special Funds and Reserves	28	27,468	36,519	36,519
1,479,145	1,511,294	Revaluation Reserves	28	1,431,041	1,488,599	1,522,512
<b>1,916,232</b>	<b>1,943,332</b>	<b>Total Equity Closing Balance</b>		<b>1,874,749</b>	<b>1,929,149</b>	<b>1,959,245</b>
<b>Attributable to:</b>						
<b>1,916,232</b>	<b>1,943,332</b>	<b>Gisborne District Council</b>		<b>1,874,749</b>	<b>1,929,149</b>	<b>1,959,245</b>

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

## Statement of Cash Flow for the year ended 30 June 2015

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Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Note	Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>Cash Flow from Operating Activities</b>						
49,734	49,645	Receipts from Rates		49,710	50,781	50,678
12,134	17,000	Receipts from Activities		13,376	14,345	20,121
16,114	16,294	Receipts from Government Grants and Subsidies		17,486	21,222	21,382
97	124	Interest received		14	111	118
0	0	Dividends received		750	7	7
900	0	Subvention payment received		0	800	0
(54,224)	(58,221)	Payments to Suppliers and Employees		(56,327)	(61,699)	(65,504)
(734)	(734)	Grants paid		0	(839)	(839)
(735)	(726)	Net GST paid		0	(162)	6
(2,147)	(2,293)	Interest paid		(2,169)	(1,818)	(1,920)
<b>21,139</b>	<b>21,089</b>	<b>Net Cash Flows Operating Activities</b>	<b>29</b>	<b>22,840</b>	<b>22,748</b>	<b>24,049</b>
811	868	Sale of Property Plant and Equipment		12	52	87
1,272	1,272	Sale of Investments		0	1,272	1,272
0	511	Sale of Carbon Credits		0	0	0
(20,238)	(20,580)	Purchase of Property Plant and Equipment		(31,522)	(29,703)	(30,296)
(1,222)	(1,222)	Purchase of Intangible Assets		0	(71)	(71)
(1,359)	(1,359)	Purchase of Investments		0	(1,392)	(1,392)
0	(97)	Purchase of Carbon Credits		0	0	(3)
0	(322)	Forestry expenditure		0	0	(220)
<b>(20,736)</b>	<b>(20,929)</b>	<b>Net Cash from Investing Activities</b>		<b>(31,510)</b>	<b>(29,842)</b>	<b>(30,623)</b>
<b>Cash Flow from Financing Activities</b>						
4,015	4,015	Increase/(Decrease)in Borrowings		8,670	2,798	1,695
<b>4,015</b>	<b>4,015</b>	<b>Net Cash Flow from Financing Activities</b>		<b>8,670</b>	<b>2,798</b>	<b>1,695</b>
4,418	4,175	<b>Net Increase/(decrease) in Cash</b>		0	(4,296)	(4,879)
171	1,359	Cash at beginning of the year		166	4,589	5,534
<b>4,589</b>	<b>5,534</b>	<b>Cash and Cash Equivalents at Year End</b>		<b>166</b>	<b>293</b>	<b>655</b>

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

## Statement of Involvement in CCOs and Other Companies

The Council has control of the following entities:

### The Gisborne Disaster Relief Trust

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

### Gisborne Holdings Ltd

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

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

	Dividends 2015 \$000s	Dividends 2014 \$000s	Subvention 2015 \$000s	Subvention 2014 \$000s
Gisborne Holdings Ltd	0	0	1,068	1,032

### Total Cost

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

### Performance Targets

The Council's objective in establishing Gisborne Holdings Ltd and its subsidiaries was to provide a commercial vehicle for operating its commercial activities. Council has an obligation under the LGA to undertake regular performance monitoring of its CCOs. The purpose of that monitoring is to ensure they are making the expected contribution to Council objectives, meeting performance targets in their SOI and Council's overall aims and outcomes. CCO financial statements and performance targets and other measures are audited annually by an independent auditor.

### Achievements

After making a tax deductible subvention payment of \$1.07m to the Council, Gisborne Holdings Ltd reported a net profit after tax of \$1.51m for the year. The total income for the year included an increase in the value of land and buildings of \$1.8m. Net assets increased \$3.3m from \$45.9m to \$49.2m.

## Notes to the Financial Statements

### Note 1 : Statement of Accounting Policies

#### Reporting Entity

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

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

The primary objective of Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council and Group are public benefit entities for the purpose of financial reporting.

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

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

The financial statements of the Group are for the year ended 30 June 2015. The financial statements were authorised for issue by Council on 08 October 2015.

#### Basis of Preparation

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

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

This is the first set of financial statements of the Council and Group that is presented in accordance with PBE standards. The Council and Group have previously reported in accordance with NZ IFRS (PBE).

The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except for instances when the accounting or reporting requirements of a PBE standard are different to requirements under NZ IFRS (PBE) as outlined below.

The changes to accounting policies and disclosures caused by first time adoption of PBE accounting standards are as follows:

#### PBE IPSAS 1: Presentation of Financial Statements

There are minor differences between PBE IPSAS1 and the equivalent NZ IFRS (PBE). These differences have an effect on disclosure only. The main changes in disclosure resulting from the application of PBE IPSAS 1 are the following:

Receivables from exchange and non-exchange transactions:

In the financial statements of the previous financial year, receivables were presented as a single total in the statement of financial position. However, PBE IPSAS 1 requires receivables from non-exchange transactions to be presented separately in the statement of financial position. This requirement affected the presentation of both current and comparative receivables figures.

#### PBE IPSAS 23: Revenue from Non-Exchange Transactions

PBE IPSAS 23 prescribes the financial reporting requirements for revenue arising from non-exchange transactions. There is no equivalent financial reporting standard under NZ IFRS. The application of this standard affected the Group's accounting for grant revenue. In the previous financial year, grants received in relation to the provision of a service were recognised as revenue on a percentage of completion basis. However, PBE IPSAS 23 requires revenue from non-exchange transactions, such as grants, to be recognised as revenue as soon as the inflow of resources can be recognised as an asset in the financial statements, unless the inflow of resources meets the definition of and recognition criteria for a liability. Non-exchange revenue from grants can only be deferred and recognised as a liability if there is a condition attached to the grant that require an entity to use the grant as specified by the grantor or return of the cash (or other resources transferred under the grant) if the entity does not perform as specified.

In the previous financial year, council received various grant monies which were recognised as deferred revenue to the extent that the projects had not been completed. There were no adjustments to prior year numbers required as all monies received had an obligation to return.

There has been no changes in numbers as a result of transition to PBE standards however there has been changes in disclosures as noted above.

### Specific Accounting Policies

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

### Basis of Consolidation

#### Subsidiaries

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

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

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

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

The group has an interest in a joint venture that is 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. The following specific recognition criteria must be met before revenue is recognised:

#### Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.



## Government Grants and Subsidies

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

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

## Other Revenue

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

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

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

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

## Borrowing Costs

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

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

## Grant Expenditure

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

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

## Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

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

## Leases

### Finance Leases

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

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

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

### Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

### Trade and Other Receivables

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

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

### Inventories

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

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

### Financial Assets

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

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

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

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

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance

sheet date. The quoted market price is the current bid price.

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

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

### Derecognition of Financial Assets

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

The Group presently has the following categories of financial assets:

#### a. Loans and Receivables

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

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

#### b. Available-for-Sale Financial Assets

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

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

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

## Impairment of Financial Assets

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

## Accounting for Derivative Financial Instruments and Hedging Activities

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

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

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

## Non-Current Assets Held for Sale

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

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

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

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

## Property, Plant and Equipment

Property, Plant and Equipment consists of:

### Operational Assets

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

### Infrastructural Assets

Infrastructural assets are the fixed utility systems owned by Council and comprise the sewer, water, stormwater,

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

## Biological Assets

### Livestock

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

### Forestry Assets

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

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

## Intangible Assets

Intangible assets predominately comprise computer software and carbon credits.

### Software Acquisition and Development

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

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

### Amortisation

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

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

- Computer software 6 years

## Emissions Trading Scheme

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

Tauwhareparae Farms Ltd (TFL), a subsidiary of Gisborne Holdings Limited (GHL) has voluntarily entered the New Zealand Emissions Trading Scheme (ETS) in respect of 1,181.6 hectares of forest land located in the Tauwhareparae area. This entitles TFL to receive emission units (units) for carbon stored in the specified area from a 1 January 2008 baseline.

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

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

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

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

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

## Property, Plant and Equipment Valuation

The Group has elected to revalue property, plant and equipment on an asset class basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Income.

Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

## Additions

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

## Disposals

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

## Subsequent Costs

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

## Operational Assets Valuations

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

### Operational Land

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

### Operational Buildings

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

### Library Books - General Collections

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



## Library Books – Permanent Collection

The permanent collection is carried at deemed cost.

## Infrastructure Assets Valuations

### Infrastructural Assets

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

### Roading Assets

Roading assets are independently revalued annually.

### Airport Assets

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

### Assets Under Construction

Assets under construction are valued at cost.

## Depreciation

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

### Infrastructural Assets

#### Roads

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

#### Water Reticulation

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

#### Sewerage Reticulation

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

#### Stormwater Systems

*Pipes	62 – 100 years
*In-drain structures	25 – 100 years

#### Flood Control Systems

<b>Solid Waste</b>	25 – 100 years
<b>Operational Assets</b>	4 – 25 years

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

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

## Impairment of Non-Financial Assets

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

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

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

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

## Trade and Other Payables

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

## Financial Liabilities : Borrowings

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

## Employee Entitlements

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

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

## Long Service Leave and Retirement Leave

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

## Provisions

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

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

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

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

## Public Equity

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

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

## Accumulated Funds

Comprise accumulated surpluses over the years.

## Special Funds and Reserves

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

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

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

## Asset Revaluation Reserve

Comprise accumulated revaluations increments or decrements.

Detail on the movement of reserves held by Council can be found in Note 28.

## 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 2046.

## Infrastructural Assets

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

- The physical deterioration and condition of asset, for example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition-modelling assessments of underground assets.

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

Experienced independent valuers perform Council's infrastructural asset revaluations.

## GST

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

## Budget Figures

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

## Cost Allocation

Expenditure has been reported by the nature of the expense.

## Capital Management

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

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing

revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

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



## Note 2 : Summary Cost of Services by Activity for the year ended 30 June 2015

Council 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s				
<b>Revenue From Exchange Transactions</b>							
645	Animal Control	677	659	0	Governance	1	0
87	Arts & Culture	117	93	0	Libraries	0	0
720	Building Services	884	744	263	Parks & Open Spaces	8	35
91	Civil Defence & Emergency Managment	84	207	0	Pools	1	0
2,911	Commercial Operations	2,384	2,598	0	Resource Consents	0	0
968	Community Housing	958	1,001	9,522	Roading	8,528	9,425
(14)	Community Planning & Development	11	64	0	Solid Waste	0	0
289	Environmental Health	287	362	0	Stormwater	0	0
(6)	Environmental Planning	15	51	2,487	Support Services	733	1,093
619	Environmental Services	547	491	0	Wastewater	55	0
183	Flood Protection	175	197	1	Water Supply	0	4
(21)	Governance	12	3				
94	Libraries	133	114	<b>12,655</b>	<b>Total Revenue From Non-Exchange Transactions</b>	<b>9,502</b>	<b>10,787</b>
0	Parks & Open Spaces	358	645	<b>Expenses</b>			
515	Pools	563	408	844	Animal Control	981	876
193	Resource Consents	192	299	1,534	Arts & Culture	1,650	1,536
655	Roading	742	989	1,236	Building Services	1,651	1,561
179	Solid Waste	149	163		Civil Defence & Emergency Managment	1,066	1,162
(25)	Stormwater	0	0	1,464	Commercial Operations	2,954	3,428
0	Support Services	1,292	628	947	Community Housing	938	990
127	Wastewater	323	351	921	Community Planning & Development	3,096	3,546
2,100	Water Supply	2,340	2,300	2,325	Environmental Health	1,719	1,740
<b>10,310</b>	<b>Total Revenue From Exchange Transactions</b>	<b>12,243</b>	<b>12,367</b>	3,365	Environmental Planning	1,296	1,377
	<b>Revenue From Non-Exchange Transactions</b>			3,128	Environmental Services	3,925	3,963
50	Animal Control	50	50	1,604	Flood Protection	2,675	2,662
0	Arts & Culture	0	0	1,001	Governance	2,213	2,151
0	Building Services	0	0	2,629	Libraries	2,106	1,921
0	Civil Defence & Emergency Managment	1	0	2,294	Parks & Open Spaces	5,127	6,079
0	Commercial Operations	0	0	26,718	Pools	1,930	1,622
0	Community Housing	0	0	1,528	Resource Consents	1,248	1,425
292	Community Planning & Development	125	179	1,017	Roading	25,765	27,896
0	Environmental Health	0	0	4,012	Solid Waste	4,128	3,697
40	Environmental Planning	0	1	1,809	Stormwater	2,758	2,355
0	Environmental Services	0	0	2,723	Support Services	723	1,890
0	Flood Protection	0	0	6,996	Wastewater	7,330	7,346
				4,581	Water Supply	5,077	4,798
				<b>77,887</b>	<b>Total Expenses</b>	<b>80,355</b>	<b>84,021</b>
				<b>54,922</b>	<b>Net Cost of service</b>	<b>58,610</b>	<b>60,867</b>

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

### Note 3 : Rates Revenue

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
50,593	50,493	<b>Gross Rates Revenue</b>	51,246	51,314	51,211
		<b>Gross Rates Revenue Consists of :</b>			
3,570	3,470	General Rates	4,295	4,303	4,200
12,967	12,967	Uniform Annual General Charge	13,017	13,013	13,013
34,056	34,056	Targeted Rates	33,934	33,999	33,999
<b>50,593</b>	<b>50,493</b>	<b>Gross Rates Revenue</b>	<b>51,246</b>	<b>51,314</b>	<b>51,212</b>
		Less			
468	468	Remissions <sup>1</sup>	917	500	500
<b>50,125</b>	<b>50,025</b>	<b>Net Rates Revenue</b>	<b>50,329</b>	<b>50,814</b>	<b>50,712</b>

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

#### Rating Base Information as at 30 June 2014

2014/15	Rating Units	Total Capital Value	Total Land Value
Rateable Units	22,241	8,745,452,500	4,842,110,000
Non Rateable Units	1,260	489,394,400	130,183,800

### Note 4 : Revenue from Grants and Subsidies

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
		<b>Revenue from Grants and Subsidies</b>			
164	344	Central Government Grants	147	12	172
15,226	15,226	NZ Transport Agency Rooding Subsidies	14,363	14,880	14,880
781	781	Other Grants and Subsidies	2,975	5,468	5,468
<b>16,171</b>	<b>16,351</b>	<b>Total Revenue from Grants and Subsidies</b>	<b>17,485</b>	<b>20,360</b>	<b>20,520</b>

Revenue from grants and subsidies (and hence operating income) for Council includes \$11,532,568 (2014: \$6,822,374) relating to grants for capital work. Expenditure relating to these projects will be recognised (primarily as depreciation) over the life of the assets. Included in these capital grants was \$6,267,204 (2014: \$6,223,886) received from the NZ Transport Agency for roading related work. Also included was \$490,000 (2014: \$250,000) received from New Zealand Lottery Community Facilities Fund for the War Memorial Theatre rebuild. There are no unfulfilled conditions or other contingencies attached to grants received.

Cash flows from grants and subsidies (and hence operating cash inflows) for Council includes \$12,389,152 (2014: \$6,765,004) with respect to these capital grants where the associated cash outflows are recognised as investing activities.

Tauwhareparae Farms Limited (TFL) received \$160k (2014: \$180k) from the Ministry for Primary Industries which subsidised the cost of forestry establishment, silviculture and thinning. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

### Note 5 : Revenue from Operating Activities

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
		<b>Revenue from Operating Activities</b>			
122	122	Reserve Contributions	0	6	6
403	403	Development Contributions	817	16	16
437	437	Capital Contributions	0	178	178
836	836	Rates Penalties	733	1,096	1,096
11,078	16,123	Activity Revenue	11,734	12,399	18,691
99	121	Interest	14	111	118
6	6	Dividends	750	7	48
311	311	Petroleum Tax	352	288	288
1,270	1,320	Gains on Derivatives (Interest Rate Swaps)	0	0	15
<b>14,562</b>	<b>19,679</b>	<b>Total Revenue from Operating Activities</b>	<b>14,400</b>	<b>14,101</b>	<b>20,456</b>

## Note 6 : Revenue from Other Gains

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>Revenue from Other Gains (Losses)</b>					
249	907	Gain/(Loss) on Changes in Fair Value of Forestry Assets and Stock	0	182	649
0	2,483	Gain/(Loss) on Changes in Fair Value of Livestock	0	0	(384)
(96)	(109)	Gain/(Loss) on Disposal of Property, Plant and Equipment	12	51	42
(5)	(287)	Gain/(Loss) on Changes in Fair Value of Non-Current Receivables/Investment	0	8	52
<b>148</b>	<b>2,994</b>	<b>Total Revenue from Other Gains (Losses)</b>	<b>12</b>	<b>241</b>	<b>359</b>

## Note 7 : Vested Assets

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>Revenue from Operating Activities</b>					
0	0	Stormwater Systems	0	0	0
0	0	Water Systems	0	0	0
0	0	Wastewater Systems	0	400	400
0	0	Reserves	0	0	0
0	0	Roading Network	0	0	0
<b>0</b>	<b>0</b>	<b>Total Assets Vested</b>	<b>0</b>	<b>400</b>	<b>400</b>

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

## Note 8 : Employee Benefit Expense

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>Employee Benefit Expense</b>					
16,383	17,293	Salary and Wages	17,686	18,525	19,426
379	398	Defined Contribution Plans Expense	433	430	450
109	99	Increase/(Decrease) in Leave Liabilities	(265)	(667)	(648)
(1,074)	(1,074)	Less Recharged to Other Expense Categories**	(1,619)	(872)	(872)
<b>15,797</b>	<b>16,716</b>	<b>Total Employee Benefit Expense</b>	<b>16,234</b>	<b>17,415</b>	<b>18,355</b>

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

## Note 9 : Depreciation and Amortisation Expense

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
		<b>Depreciation and Amortisation Expense</b>			
50	50	Aquatic and Recreation Facility (Olympic Pool)	271	164	164
176	176	Arts and Culture	188	184	184
2	2	Building Services	2	2	2
43	43	Civil Defence, Emergency Management and Rural Fires	46	44	44
384	384	Community Housing	408	373	373
0	0	Community Planning and Development	0	0	0
29	29	Environmental Services	37	35	35
940	1,305	Enterprise Operations	1,000	971	1,353
11	11	Environmental Health	11	6	6
1	1	Environmental Policy & Planning	1	1	1
100	100	Flood Control	204	100	100
2	2	Governance	2	2	2
10,487	10,487	Land Transport and Parking	11,004	10,856	10,856
156	156	Libraries	318	258	258
821	821	Reserves and Open Spaces	573	532	532
264	264	Solid Waste Management	233	261	261
809	809	Storm water	843	824	824
631	631	Support Services	952	847	847
2,027	2,027	Wastewater	2,050	2,032	2,032
2,108	2,108	Water Supply	2,034	2,128	2,128
<b>19,041</b>	<b>19,406</b>	<b>Total Depreciation and Amortisation Expense</b>	<b>20,177</b>	<b>19,619</b>	<b>20,001</b>
18,654	19,019	Total Depreciation as per Note 25	19,603	19,045	19,427
387	387	Total Amortisation as per Note 26	574	574	574
<b>19,041</b>	<b>19,406</b>		<b>20,177</b>	<b>19,619</b>	<b>20,001</b>

## Note 10 : Expenditure on Operating Activities

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
		<b>Operating Expenditure</b>			
2,082	2,268	Administration Expenses	21	1,991	2,180
194	231	Audit Fees Financial Reporting	204	189	227
0	0	Audit Fees Long Term Plan	106	106	106
9	0	Other fees paid to auditor <sup>1</sup>	0	0	0
1,272	1,425	Consultants and Professional Services	1,199	1,596	1,730
397	480	Elected Members and Director's Fees	539	591	666
227	246	Indirect Employment Costs	121	186	187
734	736	Grants and Donations	890	839	841
875	916	Insurance Costs	1,087	737	788
230	230	Rental and Operating Leases	630	408	408
9,429	9,768	Repairs and Maintenance	8,554	10,733	11,012
455	455	Bad Debts Written Off-Rates	292	870	870
(242)	(242)	Bad Debts Written Off-Other	1,257	874	874
439	439	Change to Impairment of Receivables	86	3	3
140	140	IRD Compliance Costs	239	199	199
2,405	2,405	Litter bins and City Cleaning	2,387	2,004	2,004
3,606	3,606	Emergency Works	2,010	2,474	2,474
0	0	Loss on Derivatives (Interest Rate Swaps)	0	941	941
18,700	20,896	Other Operating Expenditure <sup>2</sup>	22,145	20,428	22,057
<b>40,952</b>	<b>43,999</b>	<b>Total Operating Expenditure</b>	<b>41,767</b>	<b>45,169</b>	<b>47,566</b>

<sup>1</sup> \$9k expense in 2014 was for PBE accounting standards review.

<sup>2</sup> Other operating expenses include such items as: electricity, operational contracts, treatment plants, pump stations, vegetation planting contracts, facilities contracts and cleaning contracts and internal interest expense.



## Note 11 : Finance Costs

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>Finance Costs</b>					
680	680	Interest on Debentures and Interest Rate Swaps	1,008	769	769
1,336	1,482	Interest on Bank Borrowings and Commercial Paper	1,053	1,034	1,127
89	89	Line Fee	116	15	15
<b>2,105</b>	<b>2,251</b>	<b>Total Finance Costs</b>	<b>2,177</b>	<b>1,818</b>	<b>1,911</b>

## Note 12 : Income Tax

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
3,588	7,145	Surplus Before Tax	2,789	2,395	5,112
1,032	0	Subvention Payment	0	1,068	0
1,294	2,001	Tax @ 28%	781	970	1,431
<b>Plus/(Less) Tax Effect of:</b>					
(1,294)	(1,223)	Net Non Taxable and Non Deductible Items	(781)	(970)	(1,077)
0	(1,356)	Utilisation of Losses Brought Forward	0	0	0
0	0	Group Loss Offset	0	0	0
0	0	Imputation credits Utilised	0	0	(11)
(126)	(362)	Deferred Tax Adjustment	0	0	74
<b>(126)</b>	<b>(940)</b>	<b>Tax Expense</b>	<b>0</b>	<b>0</b>	<b>417</b>

## Deferred Tax Asset/(Liability) - Group

	Property, Plant and Equipment Livestock \$000s	Forestry \$000s	Employee Entitlements and Other Tax Loss \$000s	Recognised NZ Emission Units \$000s	Total \$000s		
<b>Balance 1 July 2013</b>	<b>(448)</b>	<b>(54)</b>	<b>(1,958)</b>	<b>33</b>	<b>0</b>	<b>(73)</b>	<b>(2,500)</b>
Charged to surplus or deficit	99	(307)	(253)	(23)	1,372	52	940
Charged to Equity	(527)	0	0	0	0	0	(527)
<b>Balance as at 30 June 2014</b>	<b>(876)</b>	<b>(361)</b>	<b>(2,211)</b>	<b>10</b>	<b>1,372</b>	<b>(21)</b>	<b>(2,087)</b>
Charged to surplus or deficit	(20)	215	(192)	14	(259)	(174)	(417)
Charged to Equity	(10)	0	0	0	0	0	(10)
<b>Balance as at 30 June 2015</b>	<b>(906)</b>	<b>(146)</b>	<b>(2,403)</b>	<b>24</b>	<b>1,113</b>	<b>(195)</b>	<b>(2,514)</b>

Deferred tax has been calculated at 28%. Council (the Parent) has recognised a deferred tax asset of \$1,112,597 (2014: 1,356,283) in relation to unused tax losses of \$3,973,559 (2014: \$4,843,868). Generally local authorities are exempt from income tax, except for income derived from any Council Controlled Organisation or port activity as per section CW32 Income Tax Act 2007.

### Note 13 : Reconciliation of Funding Impact Statement with Prospective Statement of Comprehensive Revenue and Expenses

RECONCILIATION OF REVENUE	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
<b>Total operating funding (A) as per Funding Impact Statement</b>	<b>72,125</b>	<b>73,557</b>	<b>72,993</b>	<b>74,684</b>
<b>Add Sources of capital funding</b>				
Subsidies and grants for capital expenditure	15,204	6,955	9,334	11,533
Development and financial contributions	814	962	817	200
Lump sum contributions	0	0	0	0
	<b>88,143</b>	<b>81,474</b>	<b>83,144</b>	<b>86,416</b>
<b>As per Statement of Comprehensive Income - Total Operating Income</b>	<b>88,143</b>	<b>81,474</b>	<b>83,144</b>	<b>86,416</b>
<b>RECONCILIATION OF EXPENDITURE</b>				
<b>Applications of operating funding</b>				
<b>Total applications of operating funding (B) as per Funding Impact Statement</b>	<b>59,086</b>	<b>58,845</b>	<b>60,178</b>	<b>64,402</b>
<b>Add depreciation and amortisation expense</b>	<b>19,605</b>	<b>19,041</b>	<b>20,177</b>	<b>19,619</b>
	<b>78,691</b>	<b>77,886</b>	<b>80,355</b>	<b>84,021</b>
<b>As per Statement of Comprehensive Income - Total Operating Expenditure</b>	<b>78,691</b>	<b>77,886</b>	<b>80,355</b>	<b>84,022</b>
<b>RECONCILIATION OF TOTAL COMPREHENSIVE INCOME</b>				
<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>13,039</b>	<b>14,712</b>	<b>12,815</b>	<b>10,282</b>
Add subvention payment	0	1,032	0	1,068
Add Subsidies and grants for capital expenditure	15,203	6,955	9,334	11,533
Add Development and financial contributions	814	962	817	200
Less Depreciation and amortisation expense	(19,605)	(19,041)	(20,177)	(19,619)
Add Gains/(Loss) on Property Revaluation	634	54,021	678	9,454
	<b>10,086</b>	<b>58,641</b>	<b>3,467</b>	<b>12,918</b>
<b>as per Statement of Comprehensive Income - Total Comprehensive Income</b>	<b>10,086</b>	<b>58,641</b>	<b>3,467</b>	<b>12,918</b>

### Note 14 : Cash and Cash Equivalents

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
		<b>Cash and Cash Equivalents</b>			
4,589	5,534	Cash at the Bank and in Hand	171	293	655
<b>4,589</b>	<b>5,534</b>	<b>Total Cash and Cash Equivalents</b>	<b>171</b>	<b>293</b>	<b>655</b>

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

### Note 15 : Trade and Other Receivables

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
7,222	7,222	Rates Receivable	6,683	7,932	7,932
1,625	1,625	Roading Subsidy Due	1,745	763	763
11	11	Community Loans	132	60	60
89	89	Rates Postponement	0	0	0
5,365	4,724	Other Receivables	4,102	5,623	4,930
78	79	Prepayments	91	41	42
<b>14,390</b>	<b>13,750</b>		<b>12,753</b>	<b>14,419</b>	<b>13,727</b>
(3,726)	(3,726)	Provision for Impairment of Receivables	(4,175)	(4,600)	(4,600)
<b>10,664</b>	<b>10,024</b>	<b>Total Trade and Other Receivables</b>	<b>8,579</b>	<b>9,819</b>	<b>9,127</b>
		<b>Trade and Other Receivables Classified as:</b>			
10,664	10,024	Current Receivables	8,579	9,819	9,127
0	0	Non-Current Receivables	0	0	0
<b>10,664</b>	<b>10,024</b>		<b>8,579</b>	<b>9,819</b>	<b>9,127</b>

#### Fair Value

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

#### Impairment

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

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

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

As at 30 June 2015 and 2014, all overdue receivables had been assessed for impairment and appropriate provisions applied. Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

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

## Note 15A : Impairment

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
3,286	3,286	Beginning Balance	3,726	3,726
440	440	Charge for Year	874	874
<b>3,726</b>	<b>3,726</b>	<b>Ending Balance</b>	<b>4,600</b>	<b>4,600</b>

The status of Receivables as at 30 June 2015 and 2014 are detailed below:

## Note 15B : Receivables

COUNCIL 2014						COUNCIL 2015					
Gross \$000s	Impaired \$000s	Net \$000s				Gross \$000s	Impaired \$000s	Net \$000s			
<b>Sundry Invoice Receivables</b>											
772	0	772	Current			807	0	807			
50	0	50	Past Due 1 month			221	0	221			
63	0	63	Past Due 2 months			150	0	150			
841	163	678	Past Due 3 months			252	100	152			
<b>1,726</b>	<b>163</b>	<b>1,563</b>				<b>1,430</b>	<b>100</b>	<b>1,330</b>			

GROUP 2014						GROUP 2015					
Gross \$000s	Impaired \$000s	Net \$000s				Gross \$000s	Impaired \$000s	Net \$000s			
<b>Sundry Invoice Receivables</b>											
874	0	874	Current			1,110	0	1,110			
50	0	50	Past Due 1 month			221	0	221			
63	0	63	Past Due 2 months			150	0	150			
841	163	678	Past Due 3 months			252	100	152			
<b>1,828</b>	<b>163</b>	<b>1,665</b>				<b>1,733</b>	<b>100</b>	<b>1,633</b>			

## Note 15C : Rates Receivable

Council 2014			Council 2015		
No. Of Properties	Outstanding \$000s		No. Of Properties	Outstanding \$000s	
<b>General Land Rates</b>					
1,709	2,347	Current <12 months	1,920	2,169	
247	483	Past Due 1 to 2 Years	524	716	
84	178	Past Due 2 to 3 years	103	251	
76	127	Past Due >3 years	94	180	
<b>2,116</b>	<b>3,135</b>	<b>Total Outstanding</b>	<b>2,641</b>	<b>3,316</b>	
<b>Māori Land Rates</b>					
322	1,145	Current <12 months	281	1,259	
77	877	Past Due 1 to 2 Years	234	986	
72	691	Past Due 2 to 3 Years	72	794	
401	1,374	Past Due >3 Years	468	1,577	
<b>872</b>	<b>4,087</b>	<b>Total Outstanding</b>	<b>1,055</b>	<b>4,616</b>	
<b>Metered Water Supply</b>					
585	323	Current	623	370	
0	0	Past Due 1 month	22	2	
18	5	Past Due 2 months	9	1	
9	39	Past Due 3 months	24	12	
<b>612</b>	<b>367</b>	<b>Total Outstanding</b>	<b>678</b>	<b>385</b>	

## Note 16 : Inventories

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>Inventories</b>					
15	15	Te Puia/Bushmere Road	15	10	10
10	10	Olympic Pool	14	11	11
10	10	Drainage	36	36	36
139	139	Soil Conservation	61	38	38
10	10	Waikanae Holiday Park	10	10	10
0	124	Farming	0	0	186
<b>184</b>	<b>308</b>	<b>Total Inventories</b>	<b>136</b>	<b>105</b>	<b>291</b>

No inventories have been pledged as security for liabilities.

## Note 17 : Investments

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Number	Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
1,272	1,272	Term Deposits < 12 Months		0	1,279	1,279
<b>Ordinary Shares</b>						
20,178	0	Gisborne Holdings Ltd		20,178	20,178	0
111	111	Local Government Insurance Corporation Ltd		111	119	119
9	9	BOPLASS Ltd		9	9	9
0	249	Available for sale financial assets held by Tauwhareparae Farms Limited		0	0	313
100	100	LGFA Shares		100	100	100
160	160	LGFA Notes		160	272	272
2	2	Top 10 Shares		2	2	2
<b>21,832</b>	<b>1,903</b>	<b>Total Investments</b>		<b>20,560</b>	<b>21,959</b>	<b>2,094</b>
<b>Investments Classified as:</b>						
1,272	1,272	Current Investments		0	1,279	1,279
20,560	631	Non-Current Investments		20,560	20,680	815
<b>21,832</b>	<b>1,903</b>			<b>20,560</b>	<b>21,959</b>	<b>2,094</b>

## Gisborne Holdings Limited

This investment is carried at cost.

## Local Government Insurance Corporation Limited trading as Civic Assurance

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



## Note 18 : Derivatives

The Group has interest rate swap contracts with a fair value liability of \$2,566,094 (2014: \$1,639,940). Council's interest rate swaps have a fair value liability of \$2,566,094 (2014: \$1,625,359). These swaps are exposed to fair value movements as interest rates change.

The weighted average effective interest rate of the interest rate swaps was 5.87% (2014: 5.91%). Fair value of the Group's interest rate swaps is determined by bank valuations as at balance date.

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

For further information on the interest rate swaps please refer to Note 30 : Financial Instruments.

## Note 19 : Non Current Assets Held for Sale

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
50	50	Land	50	50	50
<b>50</b>	<b>50</b>	<b>Total Non Current Assets Held for Sale</b>	<b>50</b>	<b>50</b>	<b>50</b>

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

## Note 20 : Deposits Held

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
8	8	General and Other Deposits	18	39	39
96	96	Resource Consent Bonds	98	130	130
263	263	Footpath Deposits	241	280	280
0	0	Tender Deposits	1	0	0
13	13	Gisborne Rural Volunteer Fire	13	13	14
<b>380</b>	<b>380</b>	<b>Total Deposits Held</b>	<b>371</b>	<b>463</b>	<b>463</b>

## Note 21 : Trade and Other Payables

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>Accounts Payable</b>					
308	308	Income in Advance	(163)	405	405
1,258	1,258	Rates in Advance	1,340	1,385	1,385
68	68	Gisborne District Council Disaster Relief Fund	68	67	67
705	705	Contract Retentions	718	933	933
147	155	Accruals - Loan Interest	0	145	145
127	146	Accruals - Audit Fees	0	129	149
564	591	Accruals - Other	991	466	479
10,865	11,400	Trade Payables	10,068	10,656	11,269
<b>14,042</b>	<b>14,631</b>	<b>Total Trade and Other Payables</b>	<b>13,022</b>	<b>14,186</b>	<b>14,832</b>

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

## Note 22 : Employee Benefit Liabilities

COUNCIL	Accrued Wages & Salaries \$000s	Annual Leave \$000s	Long Service Leave \$000s	Retirement Leave \$000s	Sick Leave \$000s	Total \$000s
<b>2014</b>						
Balance at 1 July 2013	594	1,610	74	317	104	2,699
Additional Provisions Made	738	1,287	15	14	0	2,054
Amounts Used	(594)	(1,319)	(9)	0	(23)	(1,945)
<b>Balance at 30 June 2014</b>	<b>738</b>	<b>1,578</b>	<b>80</b>	<b>331</b>	<b>81</b>	<b>2,808</b>
<b>2015</b>						
Balance at 1 July 2014	738	1,578	80	331	81	2,808
Additional Provisions Made	134	1,435	(4)	16	0	1,582
Amounts Used	(738)	(1,469)	(12)	0	(29)	(2,248)
<b>Balance at 30 June 2015</b>	<b>134</b>	<b>1,544</b>	<b>64</b>	<b>348</b>	<b>52</b>	<b>2,142</b>
<b>Current Portion</b>	<b>134</b>	<b>1,544</b>	<b>55</b>	<b>54</b>	<b>52</b>	<b>1,839</b>
<b>Non Current Portion</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>294</b>	<b>0</b>	<b>303</b>
<b>Total Provisions</b>	<b>134</b>	<b>1,544</b>	<b>64</b>	<b>348</b>	<b>52</b>	<b>2,142</b>

GROUP	Accrued Wages & Salaries \$000s	Annual Leave \$000s	Long Service Leave \$000s	Retirement Leave \$000s	Sick Leave \$000s	Total \$000s
<b>2014</b>						
Balance at 1 July 2013	608	1,694	74	317	104	2,797
Additional Provisions Made	772	1,287	15	14	0	2,088
Amounts Used	(608)	(1,329)	(9)	0	(23)	(1,969)
<b>Balance at 30 June 2014</b>	<b>772</b>	<b>1,652</b>	<b>80</b>	<b>331</b>	<b>81</b>	<b>2,916</b>
<b>2015</b>						
Balance at 1 July 2014	772	1,652	80	331	81	2,916
Additional Provisions Made	160	1,454	(4)	16	0	1,626
Amounts Used	(772)	(1,469)	(12)	0	(29)	(2,282)
<b>Balance at 30 June 2015</b>	<b>160</b>	<b>1,637</b>	<b>64</b>	<b>348</b>	<b>52</b>	<b>2,261</b>
<b>Current Portion</b>	<b>160</b>	<b>1,637</b>	<b>55</b>	<b>54</b>	<b>52</b>	<b>1,958</b>
<b>Non Current Portion</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>294</b>	<b>0</b>	<b>303</b>
<b>Total Provisions</b>	<b>160</b>	<b>1,637</b>	<b>64</b>	<b>348</b>	<b>52</b>	<b>2,261</b>

## Sick Leave

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

## Long Service Leave and Retirement Leave

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

Retirement leave calculations have been calculated at future rates of pay and been discounted to present value using a discount rate of 3.05% (2014: 4.09%) and assumed salary inflation of 2.0% (2014: 2.0%). (Treasury discount rates: 1 year 2.93%, 2 years 2.81%, 3+ years 4.39%).

## Note 23 : Borrowings

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
5,000	5,000	Bank Loans	984	6,830	7,460
5,000	5,000	Commercial Paper	10,000	3,000	3,000
4,000	4,000	Debenture	0	5,000	5,000
32	32	EECA Loan	0	0	0
<b>14,032</b>	<b>14,032</b>	<b>Total Current</b>	<b>10,984</b>	<b>14,830</b>	<b>15,460</b>
0	1,733	Bank Loans	13,731	0	0
0	0	EECA Loan	0	0	0
15,000	15,000	Debenture and FRN Debt Securities	14,000	17,000	17,000
<b>15,000</b>	<b>16,733</b>	<b>Total Non Current</b>	<b>27,731</b>	<b>17,000</b>	<b>17,000</b>
<b>29,032</b>	<b>30,765</b>	<b>Total Borrowings</b>	<b>38,715</b>	<b>31,830</b>	<b>32,460</b>

## Note 23A : Fair Value

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

### Debenture and Floating Rate Note (FRN) Debt Securities

Council has issued \$22m (2014 : \$19m) of debentures and floating rate notes with maturities from August 2015 to April 2023. Interest is paid quarterly in arrears. The interest rate range as at 30 June 2015 varies from 3.81% to 4.26% (2014: 3.10% and 4.51%) and are subject to quarterly reset dates

### Energy Efficiency and Conservation Authority (EECA) Loan

This is an interest free loan for a term of 5 years from EECA as part funding towards the construction of a wood boiler plant for the Olympic Pool Complex. This loan was repaid during the 2015 financial year.

### Bank Facilities

Council has \$20m (2014: \$20m) worth of committed funding facilities available. Interest is payable at wholesale market rates. The interest rate as at 30 June 2015 varies from 4.04% and 5.0% (2014 : 5.0%). There is \$6.8m drawn down under these facilities (2014: NIL).

Tauwhareparae Farms Limited has a wholesale advance facility with a limit of \$3 million. There is \$630k drawn down under this facility (2014: NIL). Interest rates payable on Tauwhareparae Farms Limited's facility are 4.55% (2014: 6.1%).

### Commercial Paper

The Council had \$3m of commercial paper on issue at 30 June 2015 with an interest rate of 3.82%.

### Security

Council borrowings are secured by way of a Debenture Trust Deed over Council rates revenue. Tauwhareparae Farms Limited (TFL) loans are secured by way of general security agreement including a mortgage over TFL's freehold land.

## Note 24 : Provision for Other Liabilities

COUNCIL and GROUP	Paokahu Landfill Aftercare \$000s	Waiaapu Landfill Aftercare \$000s	Waiaapu Landfill Closure \$000s	Chrisp Family Trust \$000s	Risk Pool \$000s	Total \$000s
<b>2014</b>						
Balance at 1 July 2014	1,239	223	0	20	160	1,642
Additional Provisions Made/(Reversed)	34	7	0	0	0	41
Amounts Used	(77)	0	0	0	0	(77)
<b>Balance at 30 June 2014</b>	<b>1,196</b>	<b>230</b>	<b>0</b>	<b>20</b>	<b>160</b>	<b>1,606</b>
<b>2015</b>						
Balance at 1 July 2014	1,196	230	0	20	160	1,606
Additional Provisions Made/(Reversed)	59	6	0	0	0	65
Amounts Used	(97)	0	0	(20)	0	(117)
<b>Balance at 30 June 2015</b>	<b>1,158</b>	<b>236</b>	<b>0</b>	<b>0</b>	<b>160</b>	<b>1,554</b>
<b>Current Portion</b>	<b>78</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>78</b>
<b>Non Current Portion</b>	<b>1,079</b>	<b>236</b>	<b>0</b>	<b>0</b>	<b>160</b>	<b>1,476</b>
<b>Total Provisions</b>	<b>1,157</b>	<b>236</b>	<b>0</b>	<b>0</b>	<b>160</b>	<b>1,554</b>

### Landfill closure and aftercare liability

The long-term nature of these liabilities means that there are inherent uncertainties in estimating costs to be incurred. To provide for the estimated costs a charge is made each year against each landfill.

Council has a legal obligation under its resource consent to provide ongoing maintenance and monitoring services at the Paokahu and Waipu landfills after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. Each separate landfill provision includes all costs associated with landfill post-closure.

The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the cash flows associated to the aftercare.

#### Paokahu Landfill

The landfill closed on 31 December 2002 and aftercare costs started six months after the closure of the site. It is expected that future costs will be incurred until 2037.

The following major assumptions have been made in calculating this provision:

- Future cash flows were indexed 2.5% each year before a discount rate of 5.5% was applied.

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

#### Waipu Landfill

A provision of \$236,249 is provided, based upon present value of expected cash outflows to occur at Waipu Landfill aftercare. The landfill is expected to close on 30 June 2045 with aftercare costs expected to occur six months after closure. The future costs have been estimated to be incurred for 30 years, until 2075.

The following major assumptions have been made in calculating this provision:

- Future cash flows were indexed 2.5% each year before a discount rate of 5.5% was applied.

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

#### RiskPool Liability

Please refer to Note 33 : Contingent Liabilities.



## Note 25 : Property Plant and Equipment

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

COUNCIL 2014	Cost/Valuation 1 July 2013 \$000s	Accumulated Depreciation and Impairment 1 July 2013 \$000s	Carrying Amount 1 July 2013 \$000s	Current Year Transfers \$000s	Current Year Additions \$000s	Current Year Disposals \$000s	Revaluation Current Year \$000s	Current Year Depreciation and Impairment \$000s	Cost/Revaluation 30 June 2014 \$000s	Accumulated Depreciation and Impairment 30 June 2014 \$000s	Carrying Amount 30 June 2014 \$000s
<b>Operational Assets</b>											
Land - Major	163,356	0	163,356	0	0	0	(23,768)	0	139,588	0	139,588
Land - Minor	23,099	0	23,099	(59)	5	0	(754)	0	22,291	0	22,291
Buildings/Land Improvements	55,415	4,070	51,346	(866)	865	0	(6,760)	2,082	42,502	0	42,502
Buildings Not Revalued	3,156	778	2,378	924	632	0	0	108	4,712	886	3,826
Plant /Motor Vehicles	3,931	2,421	1,509	0	252	(7)	0	237	4,177	2,659	1,518
Office Equipment	4,715	3,234	1,481	0	266	(11)	0	248	4,970	3,482	1,488
Other Equipment	1,373	784	589	0	108	(45)	0	123	1,436	907	529
CBD	1,673	516	1,157	58	836	0	0	12	2,567	528	2,039
Wharves	3,369	257	3,112	0	56	0	0	68	3,424	324	3,100
Library Books - General	3,227	3,053	174	0	140	0	0	88	3,366	3,140	226
Library Books - Permanent	336	6	330	0	0	0	0	0	336	6	330
Assets Under Construction	2,922	0	2,922	(1,472)	5,782	0	0	0	7,232	0	7,232
<b>Total operational assets</b>	<b>266,572</b>	<b>15,119</b>	<b>251,453</b>	<b>(1,415)</b>	<b>8,942</b>	<b>(63)</b>	<b>(31,282)</b>	<b>2,966</b>	<b>236,601</b>	<b>11,932</b>	<b>224,669</b>
<b>Infrastructure Assets</b>											
Sewer and Wastewater	99,787	6,011	93,776	260	1,844	0	482	2,027	94,335	0	94,335
Stormwater	53,465	2,389	51,076	152	539	0	506	809	51,464	0	51,464
Water Supply	106,230	5,636	100,594	22	16	0	159	2,069	98,722	0	98,722
Solid Waste	3,485	668	2,817	0	0	0	142	264	2,695	0	2,695
Waiapu Aftercare Provision Deferred expense Asset	255	156	99	0	0	0	0	0	255	156	99
Roading	1,320,656	0	1,320,656	0	10,107	0	69,344	10,420	1,389,687	0	1,389,687
Flood Control	52,958	397	52,561	272	2	0	10,146	99	62,882	0	62,882
<b>Total infrastructural assets</b>	<b>1,636,836</b>	<b>15,257</b>	<b>1,621,579</b>	<b>706</b>	<b>12,508</b>	<b>0</b>	<b>80,779</b>	<b>15,688</b>	<b>1,700,040</b>	<b>156</b>	<b>1,699,884</b>
<b>Total Property Plant and Equipment</b>	<b>1,903,408</b>	<b>30,376</b>	<b>1,873,032</b>	<b>(709)</b>	<b>21,450</b>	<b>(63)</b>	<b>49,497</b>	<b>18,654</b>	<b>1,936,641</b>	<b>12,088</b>	<b>1,924,553</b>

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

GROUP 2014	Cost/Valuation 1 July 2013 \$000s	Accumulated Depreciation and Impairment 1 July 2013 \$000s	Carrying Amount 1 July 2013 \$000s	Current Year Transfers \$000s	Current Year Additions \$000s	Current Year Disposals \$000s	Revaluation Current Year \$000s	Current Year Depreciation and Impairment \$000s	Cost/Revaluation 30 June 2014 \$000s	Accumulated Depreciation and Impairment 30 June 2014 \$000s	Carrying Amount 30 June 2014 \$000s
<b>Operational Assets</b>											
Land - Major	188,911	0	188,911	0	0	0	(21,136)	0	167,528	0	167,775
Land - Minor	23,099	0	23,099	(59)	5	0	(754)	0	22,291	0	22,291
Buildings/Land Improvements	60,658	4,070	56,588	(866)	985	0	(6,643)	2,318	47,993	0	47,746
Buildings Not Revalued	3,156	778	2,378	924	632	0	0	108	4,712	886	3,826
Plant /Motor Vehicles	4,273	2,421	1,852	0	541	(45)	0	363	4,769	2,785	1,984
Office Equipment	4,717	3,234	1,483	0	273	(11)	0	251	4,979	3,484	1,495
Other Equipment	1,373	784	589	0	108	(45)	0	123	1,436	907	529
CBD	1,673	516	1,157	58	836	0	0	12	2,567	528	2,039
Wharves	3,369	257	3,112	0	56	0	0	68	3,424	324	3,100
Library Books - General	3,227	3,053	174	0	140	0	0	88	3,366	3,140	226
Library Books - Permanent	336	6	330	0	0	0	0	0	336	6	330
Assets Under Construction	2,922	0	2,922	(1,472)	5,782	0	0	0	7,232	0	7,232
<b>Total operational assets</b>	<b>297,714</b>	<b>15,119</b>	<b>282,595</b>	<b>(1,415)</b>	<b>9,358</b>	<b>(101)</b>	<b>(28,533)</b>	<b>3,331</b>	<b>270,633</b>	<b>12,060</b>	<b>258,573</b>
<b>Infrastructure Assets</b>											
Sewer and Wastewater	99,787	6,011	93,776	260	1,844	0	482	2,027	94,335	0	94,335
Stormwater	53,465	2,389	51,076	152	539	0	506	809	51,464	0	51,464
Water Supply	106,230	5,636	100,594	22	16	0	159	2,069	98,722	0	98,722
Solid Waste	3,485	668	2,817	0	0	0	142	264	2,695	0	2,695
Waiapu Aftercare Provision Deferred expense Asset	255	156	99	0	0	0	0	0	255	156	99
Roading	1,320,656	0	1,320,656	0	10,107	0	69,344	10,420	1,389,687	0	1,389,687
Flood Control	52,958	397	52,561	272	2	0	10,146	99	62,882	0	62,882
<b>Total infrastructural assets</b>	<b>1,636,836</b>	<b>15,257</b>	<b>1,621,579</b>	<b>706</b>	<b>12,508</b>	<b>0</b>	<b>80,779</b>	<b>15,688</b>	<b>1,700,040</b>	<b>156</b>	<b>1,699,884</b>
<b>Total Property Plant and Equipment</b>	<b>1,934,550</b>	<b>30,376</b>	<b>1,904,174</b>	<b>(709)</b>	<b>21,866</b>	<b>(101)</b>	<b>52,246</b>	<b>19,019</b>	<b>1,970,673</b>	<b>12,216</b>	<b>1,958,457</b>

Properties held for resale are recorded at cost as at 30 June 2015. Refer to Note 19 Non Current Assets Held for Resale.

Freehold land (including forestry land) and improvements (including buildings) for Tauwhareparae Farms Limited were valued as at 30 June 2015 by Bruce Cowper, an independent valuer of Lewis Wright Valuation & Consultancy Ltd. The fair value of land and improvements was \$35,260,000 (2014: \$33,325,000).

### Roading Assets

The roading asset valuation was undertaken at 30 June 2015 by Pauline True, Lachlan Crawford, Brian Smith and Wayne Fix, independent valuers of MWH Limited, Hastings. The fair value of roading assets as at 30 June 2015 is \$1,399,276,060 (2014: \$1,389,687,100).

### Impairment

Three Council buildings have been identified as not meeting current minimum earthquake standards. An investigation determined that the offices will need to be



rebuilt. In 2014 an impairment of \$8.3m was made to the carrying value of these buildings, in 2015 an additional \$201k has been made to the carrying value of these buildings and has been recognised in the Statement of Comprehensive Income.

## Insurance Disclosure

### Property, Plant and Equipment

The total value of assets covered by insurance contracts for these assets is \$206,083,892. The following summarises our different insurance contracts for these assets:

1. Material Damage and combined Business Interruption Excluding Fire. This covers all risk including earthquake but excluding fire. Council's limit of liability is \$206,083,892.
2. Material Damage including Fire caused by natural disaster. This covers for fire caused by natural disaster. Council's limit of liability is \$100,000,000.
3. Machinery Breakdown Coverage. This covers breakdown of insured plant and machinery. Council's limit of liability is \$3,303,090.

### Forestry

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

### Motor Vehicles

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

### Water, Wastewater, Stormwater

The total value of these assets covered by insurance contracts is \$70,000,000. Our insurance cover for these assets covers physical loss caused by a natural catastrophe event. Council has a limit of liability of \$70,000,000.

## Note 25A : Assets Under Construction

	Council		Group	
	2014 \$000s	2015 \$000s	2014 \$000s	2015 \$000s
Building/Land Improvements	923	0	923	0
Information Management	675	1,175	675	1,175
Sewer and Wastewater	277	0	277	0
Water Supply	878	0	878	0
Stormwater	0	0	0	0
Roading	463	1,312	463	1,312
Rivers and Flood Control	206	359	206	359
Theatres	3,810	3	3,810	3
Parks and Open Spaces	0	732	0	732
Conveniences	0	18	0	18
Library	0	76	0	76
<b>Total Assets Under Construction</b>	<b>7,232</b>	<b>3,676</b>	<b>7,232</b>	<b>3,676</b>

## Note 26 : Intangible Assets

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
2,224	3,928	<b>Balance at 1 July - Cost</b>	3,292	3,292	3,208
(1,236)	(2,680)	Less Accumulated Amortisation and Impairment	(1,624)	(1,624)	(1,465)
988	1,248	Opening Carrying Amount	1,668	1,668	1,743
1,067	652	Additions/(Disposals)	71	985	1,563
0	230	Change in Fair Value	0	0	44
(387)	(387)	Less Amortisation Charge	(574)	(574)	(574)
1,668	1,743	<b>Closing Carrying Amount</b>	1,165	2,079	2,776
		<b>Balance at 30 June</b>			
3,292	3,208	Cost	3,363	4,277	4,771
(1,624)	(1,465)	Less Accumulated Amortisation and Impairment/Change in Fair Value	(2,198)	(2,198)	(1,995)
1,668	1,743	<b>Closing Carrying Amount</b>	1,165	2,079	2,776

## Note 27 : Biological Assets – Livestock

## Biological Assets

Biological assets consist of sheep and cattle (livestock) and forestry. The Group farms livestock for the sale of sheep, lambs, cattle and calves. As at 30 June 2015 the Group had 32,081 sheep, 5,091 cattle (2014: 32,045 sheep, 5,312 cattle). During the year the Group sold 27,581 sheep, 2,279 cattle (2014: 25,411 sheep, 1,748 cattle).

## Reconciliation of Opening Balance to Closing Balance – 2015

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

## Reconciliation of Opening Balance to Closing Balance – 2014

GROUP	SHEEP		CATTLE		Total
	Quantity	\$000s	Quantity	\$000s	\$000s
<b>Opening Balance as at 1 July 2013</b>	<b>30,092</b>	<b>3,083</b>	<b>4,915</b>	<b>3,689</b>	<b>6,772</b>
Natural Increase	29,837	3,273	2,235	1,520	4,793
Purchases	63	54	54	293	347
Changes in Fair Value	0	1,081	0	1,044	2,125
Sales	(25,411)	(2,694)	(1,748)	(1,622)	(4,316)
Death and Killed	(2,536)	(323)	(144)	(143)	(466)
<b>Closing Balance as at 30 June 2014</b>	<b>32,045</b>	<b>4,474</b>	<b>5,312</b>	<b>4,781</b>	<b>9,255</b>

## Note 27A : Biological Assets – Livestock

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

2014			2015		
Quantity	\$000s		Quantity	\$000s	
<b>SHEEP</b>					
17,810	2,513	Mixed Aged Ewes	17,759	2,140	
6,521	1,016	Two Tooth Ewes	5,817	745	
228	57	Breeding Rams	242	60	
7,196	849	Ewe Hoggets	6,530	640	
290	39	Ram and Wether Hoggets	1,733	131	
<b>32,045</b>	<b>4,474</b>	<b>Total Sheep</b>	<b>32,081</b>	<b>3,716</b>	
<b>MATURE CATTLE</b>					
1,507	1,650	Mixed Aged Cows	1,591	1,905	
485	552	Rising three year Heifers	600	775	
898	793	Rising two year Heifers	620	597	
0	0	Rising three year and Older Steers	0	0	
161	151	Rising two year Steers and Bulls	44	41	
101	315	Breeding Bulls	99	355	
<b>IMMATURE CATTLE</b>					
1,097	617	R1 Heifers	1,065	677	
1,063	703	R1 Steers and Bulls	1,072	805	
<b>5,312</b>	<b>4,781</b>	<b>Total Cattle</b>	<b>5,091</b>	<b>5,155</b>	

## Note 27B : Biological Assets – Livestock

GROUP				2014/15			
Quantity	Average Price \$	2014 \$000s		Quantity	Average Price \$	2015 \$000s	
25,411	106	2,694	Sales	27,581	101	2,789	
Less Cost of Sales							
30,092	102	3,083	Opening Stock	32,045	140	4,474	
63	852	54	Add Purchases	94	955	90	
32,045	140	4,474	Less Closing Stock	32,081	116	3,716	
		(1,337)	Total Cost of Sales			848	
		4,031	Gross Profit from Sheep			1,941	
CATTLE							
1,748	928	1,622	Sales	2,279	1,085	2,473	
Less Cost of Sales							
4,915	750	3,689	Opening Stock	5,312	900	4,781	
54	5,433	293	Add Purchases	40	5,308	213	
5,312	900	4,781	Less Closing Stock	5,091	1,013	5,155	
		(799)	Total Cost of Sales			(161)	
		2,421	Gross Profit from Cattle			2,634	

The fair value of livestock is determined by independent valuation as at 30 June 2015. The independent livestock valuation was performed by Gisborne East Coast Farmers Ltd, independent livestock agents, in accordance with the Group's accounting policy detailed in Note 1.

The independent valuation used the quoted price in an active market, less costs to sell, as the appropriate basis for determining fair value. Where there is more than one active market that the company has access to, the most relevant market has been used. The gain on initial recognition of livestock sold is recognised in the Statement of Comprehensive Income in the year of harvest. At time of harvest, wool is recorded as inventory.

No livestock or other inventories have been pledged as security for liabilities, nor are any inventories subject to retention of title clauses.

## Note 27C : Forestry

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
1,936	8,928	Balance at 1 July	2,185	2,185	10,082
0	247	Increases due to Purchases	0	0	220
249	907	Gains/(Losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	183	183	650
0	0	Decreases due to Harvest	0	0	0
<b>2,185</b>	<b>10,082</b>	<b>Balance at 30 June</b>	<b>2,368</b>	<b>2,368</b>	<b>10,952</b>

No forests have been harvested during the period (2014: Nil).

Council's forestry holdings have been valued by Theo Vos, NZ Institute of Forestry Registered Forestry Consultant, of PF Olsen and Company Limited. A post-tax discount rate of 7.00% has been used in discounting the present value of expected cash flows (2014: 7.00%).

The valuation of the Pamoia forestry assets as at 30 June 2015 is \$2,000,000. (2014: \$1,683,825).

The valuation of the Council's forestry assets as at 30 June 2015 is \$369,000. (2014: \$501,812).

### Tauwhareparae Forests

The fair value of the forest tree crop is determined by independent valuation. Independent forestry valuation as at 30 June 2015 was performed by PF Olsen and Company Limited, independent providers of professional forestry services. The fair value is assessed as follows:

- The maturity value of the existing tree crop and the future costs of realising that revenue are determined.
- Future costs and revenue are discounted from the year in which they occur to the date of the valuation by applying an appropriate discount rate.

The appropriate discount rate is determined by considering the recent sales of forests and the relative sensitivity of the value of the forest to future log prices.

Significant assumptions applied in this determination of fair value are:

Appropriate Discount Rate (post-tax)	7.0%
Rate of Inflation	2.0%
Rate of Tax	28.0%

During the year \$220,278 (2014: \$246,963) of forestry development expenditure was capitalised to the forest asset.

### Financial Risk Management Strategies

The Group is exposed to financial risks arising from changes in timber prices. The Group is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore has not taken any measures to manage the risks of a decline in timber prices.

## Note 28 : Equity

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
		<b>Accumulated Surplus (Retained Earnings)</b>			
399,689	391,301	Balance at 1 July	410,747	401,199	396,150
(3,243)	(3,243)	Transfers (to)/from Special Funds	2,704	(631)	(631)
7	7	Transfers from Asset Revaluation Reserve on Disposal of Property, Plant and Equipment	0	0	0
4,746	8,085	Surplus/(Deficit) for the year	2,789	3,463	4,695
<b>401,199</b>	<b>396,150</b>	<b>Balance at 30 June</b>	<b>416,240</b>	<b>404,031</b>	<b>400,214</b>
		<b>Special Funds and Reserves</b>			
32,645	32,645	Balance at 1 July	30,172	35,888	35,888
3,243	3,243	Transfer (to)/from Retained Earnings	(2,704)	631	631
<b>35,888</b>	<b>35,888</b>	<b>Balance at 30 June</b>	<b>27,468</b>	<b>36,519</b>	<b>36,519</b>
		<b>Asset Revaluation Reserves</b>			
1,429,726	1,459,532	Balance at 1 July	1,430,363	1,479,145	1,511,294
49,547	52,296	Revaluations	678	9,454	11,228
(2)	(7)	Transfers to Retained Earnings on Disposal of Property, Plant and Equipment	0	0	0
(126)	(527)	Deferred Tax on building revaluations	0	0	(10)
<b>1,479,145</b>	<b>1,511,294</b>	<b>Balance at 30 June</b>	<b>1,431,041</b>	<b>1,488,599</b>	<b>1,522,512</b>



## Note 28A : Asset Revaluation Reserve

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
90	85	Investments	90	85
<b>Operational Assets</b>				
126,977	156,782	Land - Major	126,977	161,120
13,131	15,763	Land - Minor	13,131	13,131
24,807	24,925	Buildings/Land Improvements	24,807	24,992
102	102	CBD	102	102
465	465	Office Equipment	465	465
499	499	Other Equipment	499	499
<b>Infrastructural Assets</b>				
32,968	32,968	Sewer and Wastewater	32,968	32,968
21,300	21,300	Stormwater	21,300	21,300
48,863	48,863	Water Supply	48,863	48,863
1,100	1,100	Solid Waste	1,100	1,100
1,157,909	1,157,909	Roading	1,167,363	1,167,363
51,060	51,060	Flood Control	51,060	51,060
(126)	(527)	Deferred Tax Asset Revaluation	(126)	(537)
<b>1,479,145</b>	<b>1,511,294</b>		<b>1,488,599</b>	<b>1,522,511</b>

## Note 28B : Internal Borrowings

	Opening Balance 1 July 2014 \$000s	New Borrowings \$000s	Interest \$000s	Repayments Principal \$000s	Closing Balance 30 June 2015 \$000s
Aquatic and Recreation Facility	338	860	22	27	1,171
Arts and Culture	793	1,225	33	58	1,960
Building Services	7	0	0	1	6
Civil Defence, Emergency Management and Rural Fires	30	0	2	9	21
Community Planning & Development	0	0	0	0	0
Enterprise Operations	2,816	388	174	135	3,069
Environmental Health	0	0	0	0	0
Environmental Policy & Planning	1	0	0	1	0
Flood Control	3,889	165	237	10	4,044
Governance	0				
Roading	3,897	710	251	253	4,354
Libraries	104	38	6	7	135
Reserve and Open Spaces	3,419	1,690	338	191	4,918
Solid Waste Management	6,981	0	411	468	6,513
Stormwater	6,428	5	377	504	5,929
Support Services	16,330	1,954	1,013	678	17,606
Wastewater	18,372	2,743	1,103	1,181	19,934
Water Supply	1,655	(257)	99	100	1,298
	<b>65,060</b>	<b>9,521</b>	<b>4,066</b>	<b>3,623</b>	<b>70,958</b>

## Note 28C: Special Funds and Other Reserves

	Opening Balance 1 July 2014 \$000s	Transfers to Reserves \$000s	Transfers from Reserves \$000s	Closing Balance 30 June 2015 \$000s	Description / Use
Municipal Theatre Project	25	1	0	26	Reserve held as a source of capital funding for the redevelopment of theatres
Library Building	1,727	63	29	1,761	Reserve is to hold donations and bequests given in relation to the HB Williams Memorial Library. These funds can only be utilised in accordance with the donation or bequest
Waipaoa River Flood Control Scheme	665	24	0	689	Reserve is a funding source for minor and major capital work in relation to the Waipaoa River Flood Control Scheme
Civil Defence Disaster Relief	480	18	0	498	Reserve is to provide for civil defence emergency costs not covered by government subsidies and for discretionary contributions to other district Civil Defence Disaster Relief activities
Capital Development Fund	3,067	112	(1)	3,178	Reserve is to hold proceeds of selected asset sales which are to be utilised for capital developments as determined by Council
Quarry Rehab	1,041	38	0	1,079	Reserve is to provide for the restoration and rehabilitation of the Patutahi Quarry
Olympic Pool Development	26	1	0	27	Reserve is to hold donations and bequests given in relation to the Olympic Pool. Funds will be utilised for the redevelopment of the Olympic Pool complex
Rates Postponement Fidelity	1	0	0	1	Reserve is to cover rates postponement fidelity issues. The retention of this reserve is a compliance issue
Reserves Contributions	1,386	47	1,219	214	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	(283)	(5)	50	(337)	Reserve holds development contributions received in relation to Roading. Funding is utilised for capital expenditure on Land Transport infrastructure resulting from growth due to developments within the district
Water Supply - Urban Development Contributions	(607)	(32)	80	(720)	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	229	(42)	45	142	Reserve holds development contributions received in relation to Wastewater. Funding is utilised for capital expenditure on Wastewater infrastructure resulting from growth due to developments within the district
Storm water - Urban Development Contributions	(550)	36	50	(563)	Reserve holds development contributions received in relation to Storm water. Funding is utilised for capital expenditure on Storm water infrastructure resulting from growth due to developments within the district
Reserves - District Development Contributions	168	17	11	174	Reserve holds development contributions received in relation to Parks and Open Spaces. Funding is utilised for capital expenditure on Parks and Open Spaces resulting from growth due to developments within the district
HMNZ Blackpool Scholarship Fund	6	0	0	6	Reserve holds funds that are distributed in accordance with the trust deed
Land Subdivision	327	12	0	340	Reserve predates Gisborne District Council. Further investigation is required into what the funds were set aside for. It is likely to relate to Financial Contributions received as a result of subdivision
Roading Flood Damage Reserve	0	6	0	6	Reserve holds funds for roading flood damage.
Depreciation	28,176	19,456	17,640	29,997	Reserve holds funds utilised on projects that replace the districts assets
<b>TOTAL RESERVES</b>	<b>35,884</b>	<b>19,753</b>	<b>19,123</b>	<b>36,519</b>	

## Note 29 : Reconciliation of Net Surplus to Operating Cash Flows

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
0	0	Reported Net Surplus	3,463	4,695
		<b>Add/(Deduct) Non Cash Items</b>		
19,041	19,374	Depreciation & Amortisation	19,619	19,992
(1,270)	(1,320)	Unrealised (Gain)/Loss on Derivative Financial Instruments	941	926
5	5	Other Fixed and Investment Asset Changes/(Credits)	(7)	(59)
0	(2,483)	Livestock Holding (Gain)/ Loss	0	384
96	109	(Profit)/ Loss on Disposal of Assets	(52)	(43)
(249)	(907)	Forestry Value (Gain) / Loss	(182)	(649)
0	0	Loss on timber stock	0	0
(36)	(36)	Riskpool and other provisions	(52)	(52)
0	824	Increase in Deferred Taxation	0	417
0	(230)	Carbon credits allocated	0	(578)
0	0	Impairment - carbon credits value	0	(44)
0	0	Subvention Payment	0	0
0	0	Bad debts written off	0	0
<b>17,587</b>	<b>15,336</b>		<b>20,267</b>	<b>20,294</b>
		<b>Add Items classified as Investing Activities</b>		
(506)	(503)	Movement of Plant, Property and Equipment included in Trade Payables	(1,464)	(1,464)
0	0	Biological Assets purchases included in Trade Payables	0	0
<b>(506)</b>	<b>(503)</b>		<b>(1,464)</b>	<b>(1,464)</b>
		<b>Increase/(Decrease) in Working Capital</b>		
(1,763)	(1,630)	Trade & Other Receivables	1,111	910
(48)	(140)	Inventories	79	17
9	9	Deposits Held	83	83
1,263	1,585	Trade & Other Payables	143	184
0	0	Provision for Other Liabilities	0	0
109	109	Employee Benefit Liabilities	(666)	(666)
(132)	0	Subvention Payment Due	(268)	0
0	2	Taxation Payable	0	(4)
<b>(562)</b>	<b>(65)</b>		<b>482</b>	<b>524</b>
<b>16,519</b>	<b>14,768</b>	<b>Net Cash Inflow from Operating Activities</b>	<b>22,748</b>	<b>24,049</b>

## Note 30 : Financial Instruments

### Financial Risk Management Objectives and Policies

The Group's financial instruments include the following financial assets and liabilities:

Cash and cash equivalents, trade and other receivables, available-for-sale financial assets, and the following financial liabilities:

Accounts payable and borrowings from bank funding and secured debentures, and derivative financial instruments.

### Note 30A : Financial Instruments

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>FINANCIAL ASSETS</b>					
<b>Non Current Assets</b>					
0	0	Trade and Other Receivables	0	0	0
<b>0</b>	<b>0</b>	<b>Loans and Receivables at Amortised Cost</b>	<b>0</b>	<b>0</b>	<b>0</b>
382	631	Investments - Non Current	20,478	502	815
<b>382</b>	<b>631</b>	<b>Available for Sale Financial Assets</b>	<b>20,478</b>	<b>502</b>	<b>815</b>
<b>Current Assets</b>					
1,272	1,272	Investments - Current	5	1,279	1,279
<b>1,272</b>	<b>1,272</b>	<b>Available for Sale Financial Assets</b>	<b>5</b>	<b>1,279</b>	<b>1,279</b>
4,589	5,534	Cash and Cash Equivalents	171	293	655
10,664	10,024	Trade and Other Receivables	8,579	9,819	10,122
<b>15,253</b>	<b>15,558</b>	<b>Loans and Receivables at Amortised Cost</b>	<b>8,750</b>	<b>10,112</b>	<b>10,777</b>
<b>FINANCIAL LIABILITIES</b>					
<b>Non Current Liabilities</b>					
0	1,733	Bank Loan	13,731	0	0
0	0	EECA Loan	0	0	0
15,000	15,000	Secured Debentures	14,000	17,000	17,000
<b>15,000</b>	<b>16,733</b>	<b>Financial Liabilities Measured at Amortised Cost</b>	<b>27,731</b>	<b>17,000</b>	<b>17,000</b>
1,136	1,136	Derivative Financial Instruments	1,860	2,031	2,031
<b>1,136</b>	<b>1,136</b>	<b>Fair Value Through Statement of Comprehensive Income - Held for Trading</b>	<b>1,860</b>	<b>2,031</b>	<b>2,031</b>
<b>Current Liabilities</b>					
489	504	Derivative Financial Instruments	1,035	535	535
4,000	4,000	Secured Debentures	0	5,000	5,000
5,000	5,000	Commercial Paper	10,000	3,000	3,000
5,000	5,000	Bank Loan	984	6,830	7,460
32	32	EECA Loan	0	0	0
16,595	17,292	Trade Payables and Accruals	15,638	16,025	16,790
<b>31,116</b>	<b>31,828</b>	<b>Financial Liabilities at Amortised Cost</b>	<b>27,657</b>	<b>31,390</b>	<b>32,785</b>

As part of its normal operations, the Group is exposed to credit risk, interest rate risk and liquidity risk. The Group's exposure to these risks and the action taken to minimise the impact of these risks is outlined below:

## Fair Value

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair values of all financial instruments equate to the carrying amount recognised in the Statement of Financial Position.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 - The fair value is calculated using quoted prices in active markets.
- Level 2 - The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 - The fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

### COUNCIL

Year Ended 30 June 2014 Valuation Technique				Year Ended 30 June 2015 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
<b>Financial Assets</b>							
0	0	0	0	0	0	0	0
0	0	382	382	0	0	502	502
<b>0</b>	<b>0</b>	<b>382</b>	<b>382</b>	<b>0</b>	<b>0</b>	<b>502</b>	<b>502</b>
<b>Financial Liabilities</b>							
0	(1,625)	0	(1,625)	0	(2,566)	0	(2,566)
<b>0</b>	<b>(1,625)</b>	<b>0</b>	<b>(1,625)</b>	<b>0</b>	<b>(2,566)</b>	<b>0</b>	<b>(2,566)</b>

### GROUP

Year Ended 30 June 2014 Valuation Technique				Year Ended 30 June 2015 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
<b>Financial Assets</b>							
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	631	631	0	0	815	815
<b>0</b>	<b>0</b>	<b>631</b>	<b>631</b>	<b>0</b>	<b>0</b>	<b>815</b>	<b>815</b>
<b>Financial Liabilities</b>							
0	(1,640)	0	(1,640)	0	(2,566)	0	(2,566)
<b>0</b>	<b>(1,640)</b>	<b>0</b>	<b>(1,640)</b>	<b>0</b>	<b>(2,566)</b>	<b>0</b>	<b>(2,566)</b>



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 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>COUNTER PARTIES WITH CREDIT RATINGS</b>				
<b>Cash at Bank and Term Deposits</b>				
5,859	6,804	AA-	1,572	1,934
<b>5,859</b>	<b>6,804</b>	<b>Total cash at bank and term deposits</b>	<b>1,572</b>	<b>1,934</b>
<b>COUNTER PARTIES WITHOUT CREDIT RATINGS</b>				
100	100	Existing counter party with no defaults in the past	60	60
<b>100</b>	<b>100</b>	<b>Total Rates postponement and Community loans</b>	<b>60</b>	<b>60</b>
<b>Financial Assets</b>				
4,589	5,534	Cash and Cash Equivalents	293	655
10,664	10,024	Trade and Other Receivables	9,819	10,122
1,272	1,272	Current Investments	1,279	1,279
<b>16,525</b>	<b>16,830</b>	<b>Total Financial Assets</b>	<b>11,391</b>	<b>12,056</b>

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

Council 2014			Council 2015		
Gross \$000s	Impaired \$000s		Gross \$000s	Impaired \$000s	
<b>Trade and Other Receivables</b>					
5,918	0	Current	5,309	0	
133	0	Past Due 0 - 3 Months	134	0	
97	0	Past Due 3 - 6 Months	96	0	
8,242	3,726	Past Due More Than 6 Months	8,880	4,600	
<b>14,390</b>	<b>3,726</b>	<b>Total Trade and Other Receivables</b>	<b>14,419</b>	<b>4,600</b>	

Group 2014			Group 2015		
Gross \$000s	Impaired \$000s		Gross \$000s	Impaired \$000s	
<b>Trade and Other Receivables</b>					
5,278	0	Current	4,617	0	
133	0	Past Due 0 - 3 Months	134	0	
97	0	Past Due 3 - 6 Months	96	0	
8,242	3,726	Past Due More Than 6 Months	8,880	4,600	
<b>13,750</b>	<b>3,726</b>	<b>Total Trade and Other Receivables</b>	<b>13,727</b>	<b>4,600</b>	

The concentration of receivables past due more than six months primarily relates to rates and fines receivable. Due to their nature, the collection pattern for rates and fines receivable is longer than that for trade.

## Liquidity Risk

Liquidity risk is the risk arising from unmatched cash flows and maturities. To provide flexibility in the management of the Group's liquidity, the Group has committed bank advance facilities available (for details refer to Note 23: Borrowings).

On a cash flow basis, the Council maintains sufficient funds to cover all obligations as they fall due. Facilities are maintained in accordance with the Council's Treasury Management Policy and Guidelines.

## Contractual Maturity Analysis of Financial Assets

The table above analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contracted maturity date.

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

<b>COUNCIL 2015</b>	<b>Statement of Financial Position \$000s</b>	<b>Total Contractual Cash Flows \$000s</b>	<b>0 - 12 Months \$000s</b>	<b>1 - 2 Years \$000s</b>	<b>2 - 5 Years \$000s</b>	<b>&gt; 5 Years \$000s</b>
Cash and Cash Equivalents	293	293	293	0	0	0
Trade and Other Receivables	14,419	14,419	14,359	0	0	60
Current Investments	1,279	1,279	1,279	0	0	0
<b>Total Financial Assets</b>	<b>15,991</b>	<b>15,991</b>	<b>15,931</b>	<b>0</b>	<b>0</b>	<b>60</b>

<b>COUNCIL 2014</b>	<b>Statement of Financial Position \$000s</b>	<b>Total Contractual Cash Flows \$000s</b>	<b>0 - 12 Months \$000s</b>	<b>1 - 2 Years \$000s</b>	<b>2 - 5 Years \$000s</b>	<b>&gt; 5 Years \$000s</b>
Cash and Cash Equivalents	4,589	4,589	4,589	0	0	0
Trade and Other Receivables	14,390	14,390	14,290	0	0	100
Current Investments	1,272	1,272	1,272	0	0	0
<b>Total Financial Assets</b>	<b>20,251</b>	<b>20,251</b>	<b>20,151</b>	<b>0</b>	<b>0</b>	<b>100</b>

<b>GROUP 2015</b>	<b>Statement of Financial Position \$000s</b>	<b>Total Contractual Cash Flows \$000s</b>	<b>0 - 12 Months \$000s</b>	<b>1 - 2 Years \$000s</b>	<b>2 - 5 Years \$000s</b>	<b>&gt; 5 Years \$000s</b>
Cash and Cash Equivalents	655	655	655	0	0	0
Trade and Other Receivables	13,727	13,727	13,667	0	0	60
Current Investments	1,279	1,279	1,279	0	0	0
<b>Total Financial Assets</b>	<b>15,661</b>	<b>15,661</b>	<b>15,601</b>	<b>0</b>	<b>0</b>	<b>60</b>

<b>GROUP 2014</b>	<b>Statement of Financial Position \$000s</b>	<b>Total Contractual Cash Flows \$000s</b>	<b>0 - 12 Months \$000s</b>	<b>1 - 2 Years \$000s</b>	<b>2 - 5 Years \$000s</b>	<b>&gt; 5 Years \$000s</b>
Cash and Cash Equivalents	5,534	5,534	5,534	0	0	0
Trade and Other Receivables	13,750	13,750	13,650	0	0	100
Current Investments	1,272	1,272	1,272	0	0	0
<b>Total Financial Assets</b>	<b>20,556</b>	<b>20,556</b>	<b>20,456</b>	<b>0</b>	<b>0</b>	<b>100</b>

## Contractual Maturity Analysis of Financial Liabilities

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

COUNCIL 2015	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
Trade and Other Payables	16,025	16,025	16,025	0	0	0
Derivative Financial Instruments	2,566	2,566	535	521	1,030	480
Bank Loans	6,830	6,830	6,830	0	0	0
Commercial Paper	3,000	3,000	3,000	0	0	0
EECA Loan	0	0	0	0	0	0
Debentures	22,000	22,000	5,000	0	7,000	10,000
<b>Total Financial Liabilities</b>	<b>50,421</b>	<b>50,421</b>	<b>31,390</b>	<b>521</b>	<b>8,030</b>	<b>10,480</b>

COUNCIL 2014	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
Trade and Other Payables	16,595	16,595	16,595	0	0	0
Derivative Financial Instruments	1,625	1,625	489	292	578	266
Bank Loans	5,000	5,000	5,000	0	0	0
Commercial Paper	5,000	5,000	5,000	0	0	0
EECA Loan	32	32	32	0	0	0
Debentures	19,000	19,000	4,000	5,000	5,000	5,000
<b>Total Financial Liabilities</b>	<b>47,252</b>	<b>47,252</b>	<b>31,116</b>	<b>5,292</b>	<b>5,578</b>	<b>5,266</b>

GROUP 2015	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
Trade and Other Payables	16,790	16,790	16,790	0	0	0
Derivative Financial Instruments	2,566	2,566	535	521	1,030	480
Bank Loans	7,460	7,460	7,460	0	0	0
Commercial Paper	3,000	3,000	3,000	0	0	0
EECA Loan	0	0	0	0	0	0
Debentures	22,000	22,000	5,000	0	7,000	10,000
<b>Total Financial Liabilities</b>	<b>51,816</b>	<b>51,816</b>	<b>32,785</b>	<b>521</b>	<b>8,030</b>	<b>10,480</b>

GROUP 2014	Statement of Financial Position \$000s	Total Contractual Cash Flows \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s	> 5 Years \$000s
Trade and Other Payables	17,292	17,292	17,292	0	0	0
Derivative Financial Instruments	1,640	1,640	504	292	578	266
Bank Loans	6,733	6,733	5,000	0	1,733	0
Commercial Paper	5,000	5,000	5,000	0	0	0
EECA Loan	32	32	32	0	0	0
Debentures	19,000	19,000	4,000	5,000	5,000	5,000
<b>Total Financial Liabilities</b>	<b>49,697</b>	<b>49,697</b>	<b>31,828</b>	<b>5,292</b>	<b>7,311</b>	<b>5,266</b>

## Market Risk

The Group enters into derivative financial instruments to manage interest rate risk. A treasury committee, headed by senior management personnel, provides oversight for risk management and derivatives activities and ensures any activities comply with the Treasury Management Policy which is formally approved by Council as part of the Council's Long Term Plan (Ten Year Plan).

## Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk from its interest-earning financial assets and interest-bearing liabilities. The Group is risk averse and seeks to minimise exposure from its treasury activities.

It does not undertake unnecessary investment or borrowing activity, nor is any speculation permitted in the activity it undertakes.

The Group manages its interest rate risk by maintaining the ratio of borrowing between fixed and floating interest rates and by maintaining portions of its borrowings in a range of maturity profiles.

The effective interest rates of financial instruments are as follows:

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>Weighted Effective Interest Rates</b>				
4.47%	4.89%	Bank Loan	5.38%	5.57%
3.48%	3.48%	Debentures	3.81%	3.81%
5.91%	5.91%	Derivative Financial Instruments	5.87%	5.87%
3.70%	3.70%	Commercial Paper	3.82%	3.82%

## Interest Rate Sensitivity

At balance date the Group had fixed interest rate liabilities in the form of interest rate swaps. If interest rates at that date had been 100 basis points higher/lower with all other variable held constant, net surplus for the year would have adjusted by the amounts in the table below:

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
<b>Net Surplus Higher/(Lower)</b>				
1,040	1,041	+ 100 Basis Points	1,068	1,069
(1,113)	(1,114)	- 100 Basis Points	(1,145)	(1,146)

## Note 31 : Commitments

COUNCIL 2015	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
Capital Commitments - Approved and Contracted	3,215	3,215	0
Operational Contract Commitments - Approved and Contracted	2,385	8,283	17,582
<b>Total Commitments</b>	<b>2,900</b>	<b>11,498</b>	<b>17,582</b>

COUNCIL 2014	Total \$000s	0 - 12 Months \$000s	1 - 5 Years \$000s
Capital Commitments - Approved and Contracted	9,461	9,378	83
Operational Contract Commitments - Approved and Contracted	3,104	13,693	16,411
<b>Total Commitments</b>	<b>3,565</b>	<b>23,071</b>	<b>16,494</b>



## Note 32A : Leases

	Total \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s
<b>COUNCIL 2015</b>				
Operating Lease Payments	497	225	119	154
<b>Total Non Cancellable Operating</b>	<b>497</b>	<b>225</b>	<b>119</b>	<b>154</b>
<b>COUNCIL 2014</b>				
Operating Lease Payments	734	321	257	156
<b>Total Non Cancellable Operating</b>	<b>734</b>	<b>321</b>	<b>257</b>	<b>156</b>

The Council leases photocopiers for which there is no monthly lease obligation. The term of the lease is for five years from 3 October 2012. The Council incurs charges for the number of copies made each period. Included within the lease agreement is a termination clause which imposes a penalty for early termination of the lease agreement. The penalty is calculated based on the number of months outstanding in the agreement multiplied with a target number of copies. As at 30 June this penalty is calculated to be \$222,545 (2014: \$321,454).

## Note 32B : Residential Lease

Council leases its residential property assets to tenants. The terms of each tenancy are governed by the Residential Tenancies Act 1986. Rent is charged at less than market value. The leases are cancellable by the tenants and this is provided by the Residential Tenancies Act. A minimum notice period of 21 days applies or, if cancelled by Council, 90 days notice is required.

The future aggregate minimum lease payments to be received under operating leases are as follows:

	Total \$000s	0 - 12 Months \$000s	1 - 2 Years \$000s	2 - 5 Years \$000s
<b>COUNCIL 2015</b>				
Operating Lease Commitments	57	57	0	0
<b>Total Operating Lease Commitments</b>	<b>57</b>	<b>57</b>	<b>0</b>	<b>0</b>
<b>COUNCIL 2014</b>				
Operating Lease Commitments	56	56	0	0
<b>Total Operating Lease Commitments</b>	<b>56</b>	<b>56</b>	<b>0</b>	<b>0</b>

## Note 33 : Contingent Liabilities

Council 2013/14 Actual \$000s	Group 2013/14 Actual \$000s		Council 2014/15 AP \$000s	Council 2014/15 Actual \$000s	Group 2014/15 Actual \$000s
100	100	Paokahu Consent Board	0	100	100
<b>100</b>	<b>100</b>		<b>0</b>	<b>100</b>	<b>100</b>

### Paokahu Consent Bond

As a condition of the Paokahu landfill resource consent the Council entered into a bond with the Paokahu owners for the sum of \$100,000. This acts as security for the performance of any of the conditions of the resource consent, including any conditions relating to aftercare and post closure remediation.

### Building Act Claims

The Building Act 2004 imposes certain obligations and liabilities on local authorities in respect to the issue of building consents and inspection of work done. Council has received a claim of negligence in relation to the issue of Building Code of Compliance. The amount claimed for remedial work is \$2.5m, there are also several other losses claimed which are not yet quantified. At this point any potential liability is unable to be determined.

### General Claims

Council has received a general claim of negligence. The claim is for \$2.8m and there are other losses claimed which have not yet been quantified. At this point any potential liability is unable to be determined.

### RiskPool Liability

Gisborne District Council was a member of the NZ Mutual Liability Riskpool between 1999 and 2010. During this time there were unprecedented adverse liability findings against New Zealand councils as a result of "leaky homes". As this exposure was unforeseen by the Riskpool Board, and indeed New Zealand at large, the amount of funds collected were insufficient to meet the claims turn out; net results being the necessity for calls on members. This risk diminishes with each year as various statutes of limitation expire.

These limitation periods are six years for general civil liability claims and ten for claims under the Building Act. The Board has decided that there is no current need for a call during 2014/15. This of course could change for any number of reasons, however the Board endeavours to provide the earliest possible warning to councils should this need arise. From 2012 onward ground up reinsurance has been purchased and this ensures that all claims for these years, and the foreseeable future, will be met by reinsurers and not the membership of these years. Therefore whether or not councils remain a member for these years they remain liable for losses pre-dating this

period, or when they left the fund, being 2010 for Gisborne.

#### **Purchase and Sale Agreement - Gisborne District Council and Eastland Port Ltd**

Gisborne District Council (GDC) entered into a purchase and sale agreement to exchange lands with Eastland Port Ltd (EPL) on 16 December 2002. Final settlement occurred in April 2013. One of the conditions of the agreement provides EPL with the right to require GDC to repurchase land sold under the agreement for \$1.2m (plus GST) if EPL is unable to obtain resource consents up to 3 years after final settlement.

#### **Defined Benefit Scheme**

Council is a participating employer in the Defined Benefit Scheme (DBS) contributors scheme ("the scheme"), which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the scheme, Council could be responsible for the entire deficit of the scheme.

Similarly, if a number of employers ceased to participate in the scheme, Council could be responsible for an increased share of the deficit. The actuary of the scheme has recommended that the employer contributions are suspended with effect from 1 April 2011. In the latest report, the actuary recommended employer contributions remain suspended.

#### **New Zealand Emissions Trading Scheme Obligations**

The Group has a contingent liability in respect of both its pre-1990 and post-1989 forests which are part of the New Zealand Emissions Trading Scheme.

Should the Group deforest all of its pre-1990 forests, it would have a liability under the ETS to surrender New Zealand emissions units of approximately \$993k determined at 30 June 2015 (2014: \$623k).

Should the Group experience a decrease in total carbon stocks for all of its post-1989 forests, whether due to events such as harvest or forest fire, it would have a liability under the ETS to surrender New Zealand emissions units of approximately \$697k determined at 30 June 2015 (2014: \$75k). The amount and timing of any liability is uncertain and is dependent on the occurrence of the circumstances described above and the price of emissions units at the time of deforestation.

#### **New Zealand Local Government Funding Agency Limited**

Gisborne District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

Gisborne District Council is one of 30 local authority shareholders and 8 local authority guarantors of the

NZLGFA. [In that regard it has uncalled capital of \$0.1m]. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Gisborne District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2015, NZLGFA had borrowings totalling \$4,955m (2014: \$3,695m).

Financial reporting standards require Gisborne District Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

#### **Earthquake Prone Buildings**

Refer to Note 25 for details on earthquake prone buildings.

### **Note 34 : Related Party Transactions**

All the above services were provided on normal terms and conditions of trade. Figures for services provided are shown exclusive of GST. Balance sheet items are GST inclusive. All balances have been eliminated on consolidation.

#### **Relationship with Gisborne Holdings Ltd**

Gisborne Holdings Ltd (GHL) is 100% owned by Gisborne District Council (GDC). The GDC is, through GHL, a 100% shareholder in Tauwhareparae Farms Ltd.

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

All subsidiaries have a 30 June balance date.

Transactions with GHL	2014 \$000s	2015 \$000s
Services Provided by Council	117	134
Accounts Receivable to Council	11	0

All the above services were provided on normal terms and conditions of trade. Figures for services provided are shown exclusive of GST. Balance sheet items are GST inclusive. All balances have been eliminated on consolidation.

## Note 35: Key Management Personnel Compensation

### Key Management Personnel Compensation

	2014 \$000s	2015 \$000s
Salaries and Other Short Term Employees Benefit	1,700	1,812

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

## Note 36: Remuneration and Severance Payments

During the year to 30 June 2015 the total remuneration received by or payable to the Mayor, other Councillors and Chief Executive of the Council were as follows:

	2014	2015
M Foon, Mayor	\$128,195	\$132,956
R Stoltz, Deputy Mayor	\$36,978	\$41,064
M. Akuhata-Brown	\$30,815	\$33,674
JC Bauld	\$33,878	\$34,963
WS Burdett	\$44,317	\$49,333
J Wharehinga	\$0	\$32,810
A Cranston	\$36,978	\$39,372
A Davidson	\$38,680	\$41,785
A Dunn	\$30,815	\$33,633
L Foster	\$30,815	\$33,512
R Haisman	\$33,897	\$37,060
P Seymour	\$44,332	\$51,828
G Thomson	\$37,167	\$41,874
B Wilson	\$36,978	\$39,372
JE Campbell, Chief Executive	\$252,808	\$273,940

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	
	2014	2015
\$140,000 - \$280,000	6	7
\$120,000 - \$140,000	4	6
\$100,000 - \$120,000	11	11
\$ 80,000 - \$100,000	23	27
\$ 60,000 - \$ 80,000	63	73
Less than \$ 60,000	241	234
	<b>348</b>	<b>358</b>

	2014	2015
Full Time Employees	224	245
Full Time Equivalent Employees	36	32

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

### Severance Payments

Seven severance payments totalling \$240,920 were made during the 2015 financial year. Three severance payments totalling \$44,637 were made in the 2014 financial year.

## Note 37: Events After Balance Sheet

There are no events subsequent to balance date that materially affect these accounts.

## Note 38: Disclosure Statement

### Rates Affordability Benchmark

The Council meets the rates affordability benchmark if:

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

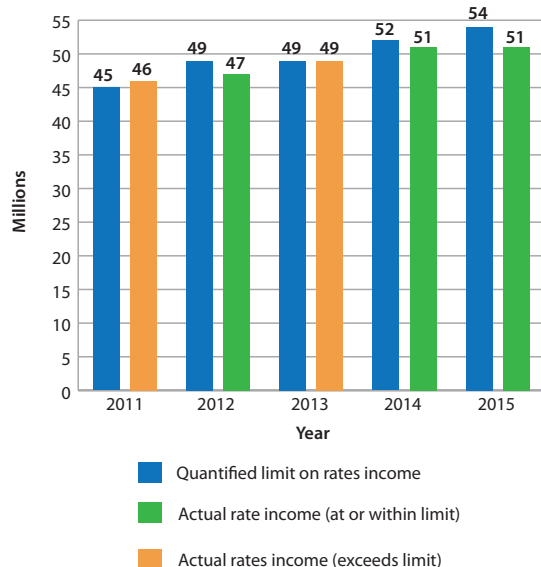
### Rates Income Affordability

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

### Quantified Limits on Rates

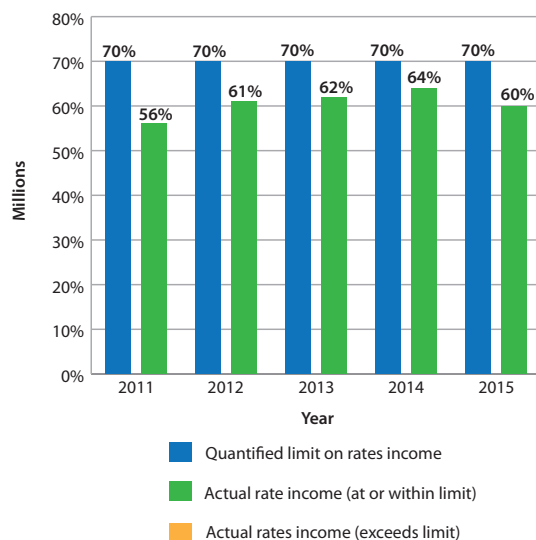
The quantified limit is for actual rates to be no more than that adopted in the Long Term Plan for that year.

## Rates Affordability Benchmark



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

## Rates Affordability Benchmark



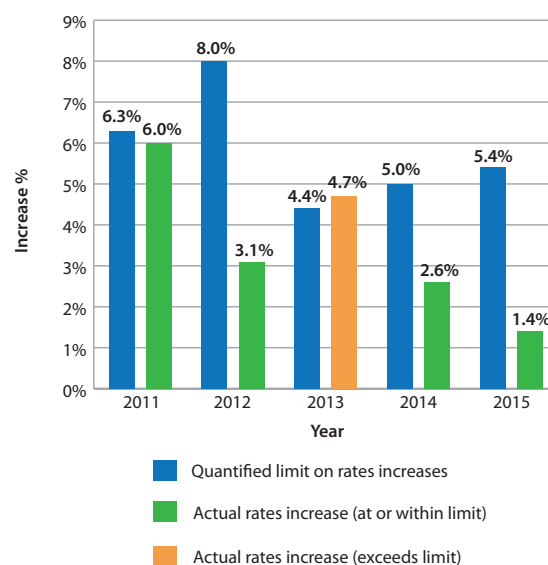
## Rates Increases Affordability

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

## Quantified Limit on Rates Increases

Prior to 2013 there was no fiscal policy on rates increase limits. This year Council's total increase in rates income was 1.4% this is much less than the 2012-2022 Long Term Plan estimate of a 5.4% increase. The new Long Term Plan aims for a maximum rates increase of 2% for the first three years.

## Rates Increases Benchmark



## Debt Affordability Benchmark

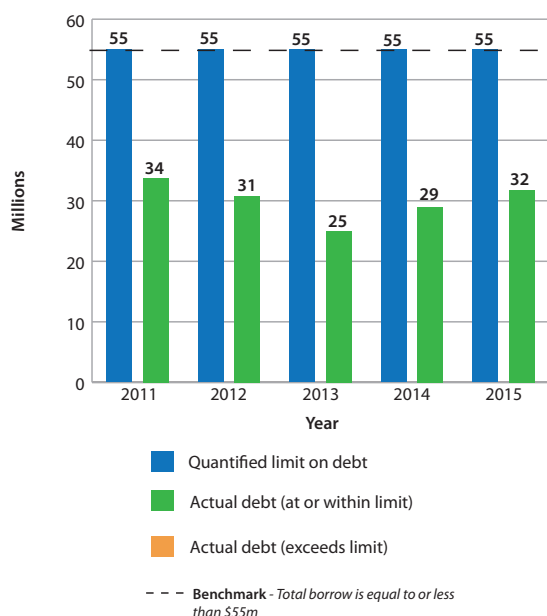
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

### Our Limits for Debt

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

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

### Debt Affordability Benchmark

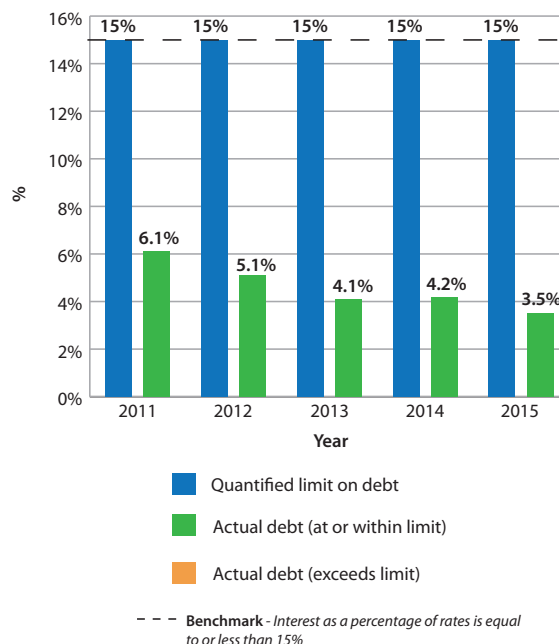


### Our Limit on Interest as a Percentage of Total Rates Income

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

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

## Debt Affordability Benchmark



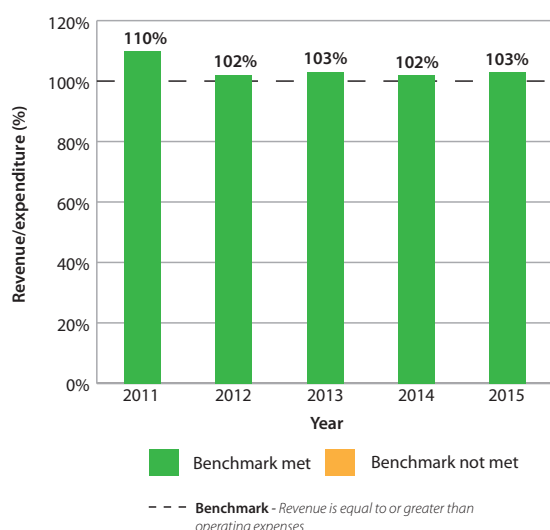


## Balanced Budget Benchmark

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

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

### Balanced Budget Benchmark



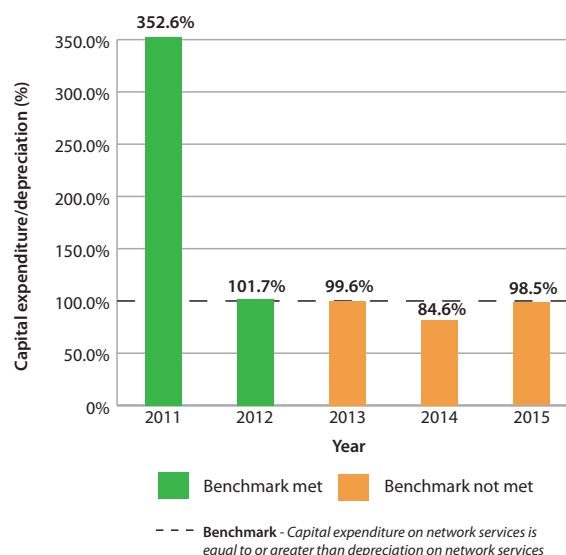
## Essential Services Benchmark

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

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

Council did not meet this benchmark in 2014 or 2015 due to the delay in planned capital projects. The spike in 2011 relates to the capital expenditure on the wastewater treatment plant.

## Essential Services Benchmark

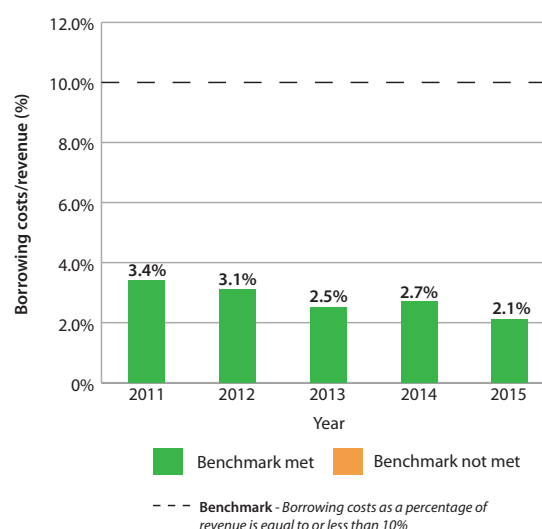


## Debt Servicing Benchmark

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

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

### Debt Servicing Benchmark

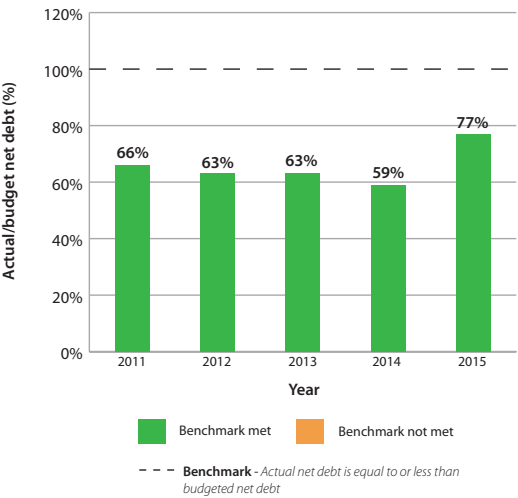


Debt Control Benchmark

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

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

Debt Control Benchmark



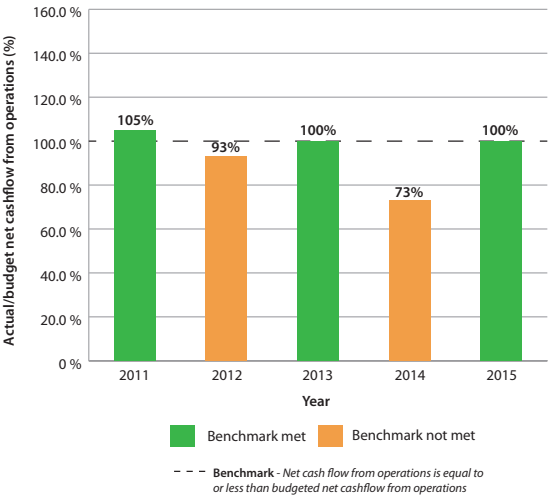
Operations Control Benchmark

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

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

Council did not meet this benchmark in 2014 due to a decrease in grants revenue as a result of the delay in planned major projects.

Operations Control Benchmark



## Funding Impact Statement

### Council

Funding Impact Statement for the Year ended 30 June (whole of Council)	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	17,205	17,382	16,949	16,577
Targeted Rates (other than a targeted rate for water supply)	33,813	34,048	35,029	34,737
Subsidies and grants for operating purposes	8,246	9,348	8,153	8,826
Fees, charges and targeted rates for water supply	10,663	9,868	10,742	11,039
Interest and dividends from investments	954	1,375	764	118
Local authorities fuel tax, Infringement Fees and other receipts	1,240	1,536	1,355	3,387
<b>Total operating funding (A)</b>	<b>72,121</b>	<b>73,557</b>	<b>72,992</b>	<b>74,684</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	56,621	56,739	57,998	61,669
Finance costs	2,466	2,106	2,180	2,733
Other operating funding applications	373	0	0	0
<b>Total applications of operating funding (B)</b>	<b>59,460</b>	<b>58,845</b>	<b>60,178</b>	<b>64,402</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>12,661</b>	<b>16,506</b>	<b>12,661</b>	<b>10,282</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	15,204	6,955	9,334	11,532
Development and financial contributions	814	962	817	200
Increase/(decrease) in debt	3,394	3,602	5,088	5,898
Gross proceeds from sale of assets	0	0	0	400
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>19,412</b>	<b>11,519</b>	<b>15,239</b>	<b>18,030</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	131	622	82	993
- to improve the level of service	16,990	5,382	11,037	19,351
- to replace existing assets	17,927	15,962	20,403	10,894
Increase/ (decrease) in reserves	(2,974)	4,266	(3,469)	(2,926)
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>32,074</b>	<b>26,232</b>	<b>28,053</b>	<b>28,312</b>
<b>Surplus (deficit) of capital funding</b>	<b>(12,662)</b>	<b>(14,713)</b>	<b>(12,814)</b>	<b>(10,282)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Commercial Operations

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	101	101	80	80
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	2,307	2,496	2,314	2,337
Internal charges and overheads recovered	2,072	2,020	2,059	2,000
Local authorities fuel tax, fines, infringement fees and other receipts	68	415	70	260
<b>Total operating funding (A)</b>	<b>4,548</b>	<b>5,032</b>	<b>4,523</b>	<b>4,677</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	2,652	2,892	2,502	2,801
Finance costs	144	0	121	174
Internal charges and overheads applied	1,516	1,316	1,390	1,482
Other operating funding applications	(324)	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,988</b>	<b>4,208</b>	<b>4,013</b>	<b>4,457</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>560</b>	<b>824</b>	<b>511</b>	<b>220</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(256)	404	(201)	253
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>(256)</b>	<b>404</b>	<b>(201)</b>	<b>253</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	10	0	16	52
- to replace existing assets	1,481	685	831	602
Increase/ (decrease) in reserves	(1,187)	543	(538)	(181)
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>304</b>	<b>1,228</b>	<b>309</b>	<b>473</b>
<b>Surplus (deficit) of capital funding</b>	<b>(560)</b>	<b>(824)</b>	<b>(511)</b>	<b>(220)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Aquatic & Recreation Facility

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	1,113	1,113	1,366	1,366
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	1	0	1	0
Fees, charges and targeted rates for water supply	601	511	559	403
Internal charges and overheads recovered	318	418	131	709
Local authorities fuel tax, fines, infringement fees and other receipts	4	4	4	4
<b>Total operating funding (A)</b>	<b>2,037</b>	<b>2,046</b>	<b>2,061</b>	<b>2,482</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,286	1,116	1,318	1,233
Finance costs	24	0	25	22
Internal charges and overheads applied	454	531	665	911
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>1,764</b>	<b>1,647</b>	<b>2,008</b>	<b>2,166</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>273</b>	<b>399</b>	<b>53</b>	<b>316</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	8	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(17)	(22)	(25)	833
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>(9)</b>	<b>(22)</b>	<b>(25)</b>	<b>833</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	749
- to replace existing assets	39	7	55	173
Increase/ (decrease) in reserves	225	370	(27)	227
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>264</b>	<b>377</b>	<b>28</b>	<b>1,149</b>
<b>Surplus (deficit) of capital funding</b>	<b>(273)</b>	<b>(399)</b>	<b>(53)</b>	<b>(316)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Arts & Culture

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	1,149	1,189	1,485	1,463
Targeted Rates (other than a targeted rate for water supply)	38	0	0	48
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	115	100	117	93
Internal charges and overheads recovered	141	74	39	358
Local authorities fuel tax, fines, infringement fees and other receipts	0	(13)	0	0
<b>Total operating funding (A)</b>	<b>1,443</b>	<b>1,350</b>	<b>1,641</b>	<b>1,962</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	958	958	1,036	992
Finance costs	117	0	71	33
Internal charges and overheads applied	238	233	395	686
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>1,313</b>	<b>1,191</b>	<b>1,502</b>	<b>1,711</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>130</b>	<b>160</b>	<b>139</b>	<b>251</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	7,402	500	2,877	4,755
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	2,908	2,165	3,315	1,167
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>10,310</b>	<b>2,665</b>	<b>6,192</b>	<b>5,922</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	10,300	3,340	6,193	6,144
- to replace existing assets	107	22	85	0
Increase/ (decrease) in reserves	33	(537)	53	29
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>10,440</b>	<b>2,825</b>	<b>6,331</b>	<b>6,173</b>
<b>Surplus (deficit) of capital funding</b>	<b>(130)</b>	<b>(160)</b>	<b>(139)</b>	<b>(251)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Community Housing

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	906	968	958	1,000
Internal charges and overheads recovered	72	83	74	108
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	5	1
<b>Total operating funding (A)</b>	<b>978</b>	<b>1,051</b>	<b>1,037</b>	<b>1,109</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	332	353	302	370
Finance costs	0	0	0	0
Internal charges and overheads applied	230	267	302	355
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>562</b>	<b>620</b>	<b>604</b>	<b>725</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>416</b>	<b>431</b>	<b>433</b>	<b>384</b>
<b>Sources of capital funding</b>				
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
<b>Total sources capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	165	118	185	275
Increase/ (decrease) in reserves	251	313	248	109
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>416</b>	<b>431</b>	<b>433</b>	<b>384</b>
<b>Surplus (deficit) of capital funding</b>	<b>(416)</b>	<b>(431)</b>	<b>(433)</b>	<b>(384)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Community Planning &amp; Development

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	1,143	1,439	1,715	1,714
Targeted Rates (other than a targeted rate for water supply)	913	617	1,094	1,094
Subsidies and grants for operating purposes	124	292	125	179
Fees, charges and targeted rates for water supply	10	(15)	0	0
Internal charges and overheads recovered	66	347	67	67
Local authorities fuel tax, fines, infringement fees and other receipts	1	1	11	64
<b>Total operating funding (A)</b>	<b>2,257</b>	<b>2,681</b>	<b>3,012</b>	<b>3,118</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,735	2,085	2,441	2,907
Finance costs	2	0	0	0
Internal charges and overheads applied	553	587	722	706
Other operating funding applications	(36)	0	0	0
<b>Total applications of operating funding (B)</b>	<b>2,254</b>	<b>2,672</b>	<b>3,163</b>	<b>3,613</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3</b>	<b>9</b>	<b>(151)</b>	<b>(495)</b>
<b>Sources of capital funding</b>				
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
<b>Total sources capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	0	0	0	0
Increase/ (decrease) in reserves	3	9	(151)	(495)
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>3</b>	<b>9</b>	<b>(151)</b>	<b>(495)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3)</b>	<b>(9)</b>	<b>151</b>	<b>495</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## HB Williams Memorial Library

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	1,645	1,645	1,973	1,973
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	125	83	117	97
Internal charges and overheads recovered	206	167	47	372
Local authorities fuel tax, fines, infringement fees and other receipts	16	10	16	16
<b>Total operating funding (A)</b>	<b>1,992</b>	<b>1,905</b>	<b>2,153</b>	<b>2,458</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,154	1,007	1,162	1,091
Finance costs	55	0	5	6
Internal charges and overheads applied	481	437	739	938
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>1,690</b>	<b>1,444</b>	<b>1,906</b>	<b>2,035</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>302</b>	<b>461</b>	<b>247</b>	<b>423</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	21	1	21	3
Development and financial contributions	0	0	0	1
Increase/(decrease) in debt	1,307	29	(6)	31
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>1,328</b>	<b>30</b>	<b>15</b>	<b>35</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	2,838	34	0	72
- to replace existing assets	202	142	212	146
Increase/ (decrease) in reserves	(1,410)	315	50	240
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>1,630</b>	<b>491</b>	<b>262</b>	<b>458</b>
<b>Surplus (deficit) of capital funding</b>	<b>(302)</b>	<b>(461)</b>	<b>(247)</b>	<b>(423)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Parks & Open Spaces

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	1,304	1,302	1,123	1,097
Targeted Rates (other than a targeted rate for water supply)	3,573	3,573	3,644	3,644
Subsidies and grants for operating purposes	8	5	8	35
Fees, charges and targeted rates for water supply	303	234	322	564
Internal charges and overheads recovered	362	376	2,054	982
Local authorities fuel tax, fines, infringement fees and other receipts	35	24	36	80
<b>Total operating funding (A)</b>	<b>5,585</b>	<b>5,514</b>	<b>7,187</b>	<b>6,402</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,448	3,667	3,711	4,680
Finance costs	65	0	378	338
Internal charges and overheads applied	1,408	1,344	2,230	1,511
Other operating funding applications	168	0	0	0
<b>Total applications of operating funding (B)</b>	<b>5,089</b>	<b>5,011</b>	<b>6,319</b>	<b>6,529</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>496</b>	<b>503</b>	<b>868</b>	<b>(127)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	1,009	5	35	157
Development and financial contributions	0	430	0	1
Increase/(decrease) in debt	55	694	355	1,499
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>1,064</b>	<b>1,129</b>	<b>390</b>	<b>1,657</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	4	0	7
- to improve the level of service	27	86	376	22
- to replace existing assets	1,531	1,224	738	2,076
Increase/ (decrease) in reserves	2	318	144	(575)
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>1,560</b>	<b>1,632</b>	<b>1,258</b>	<b>1,530</b>
<b>Surplus (deficit) of capital funding</b>	<b>(496)</b>	<b>(503)</b>	<b>(868)</b>	<b>127</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Animal Control

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates (other than a targeted rate for water supply)	253	253	253	253
Subsidies and grants for operating purposes	50	50	50	50
Fees, charges and targeted rates for water supply	582	577	595	585
Internal charges and overheads recovered	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	79	68	81	74
<b>Total operating funding (A)</b>	<b>964</b>	<b>948</b>	<b>979</b>	<b>962</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	583	465	563	463
Finance costs	0	0	0	0
Internal charges and overheads applied	381	379	417	412
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>964</b>	<b>844</b>	<b>980</b>	<b>875</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>0</b>	<b>104</b>	<b>(1)</b>	<b>87</b>
<b>Sources of capital funding</b>				
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
<b>Total sources capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
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	104	(1)	87
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>0</b>	<b>104</b>	<b>(1)</b>	<b>87</b>
<b>Surplus (deficit) of capital funding</b>	<b>0</b>	<b>(104)</b>	<b>1</b>	<b>(87)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Building Services

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates (other than a targeted rate for water supply)	795	795	767	767
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	865	720	884	732
Internal charges and overheads recovered	75	75	77	77
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	12
<b>Total operating funding (A)</b>	<b>1,735</b>	<b>1,590</b>	<b>1,728</b>	<b>1,588</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	953	839	885	824
Finance costs	0	0	0	0
Internal charges and overheads applied	722	698	840	812
Other operating funding applications	58	0	0	0
<b>Total applications of operating funding (B)</b>	<b>1,733</b>	<b>1,537</b>	<b>1,725</b>	<b>1,636</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2</b>	<b>53</b>	<b>3</b>	<b>(48)</b>
<b>Sources of capital funding</b>				
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
<b>Total sources capital funding (C)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
<b>Applications of capital funding</b>				
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	52	2	(49)
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>1</b>	<b>52</b>	<b>2</b>	<b>(49)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(2)</b>	<b>(53)</b>	<b>(3)</b>	<b>48</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Emergency Management

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	346	346	430	430
Targeted Rates (other than a targeted rate for water supply)	687	687	651	651
Subsidies and grants for operating purposes	1	0	1	0
Fees, charges and targeted rates for water supply	77	33	76	3
Internal charges and overheads recovered	10	10	10	10
Local authorities fuel tax, fines, infringement fees and other receipts	7	58	7	204
<b>Total operating funding (A)</b>	<b>1,128</b>	<b>1,134</b>	<b>1,175</b>	<b>1,298</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	679	616	678	790
Finance costs	2	0	2	2
Internal charges and overheads applied	305	298	349	337
Other operating funding applications	100	0	0	0
<b>Total applications of operating funding (B)</b>	<b>1,086</b>	<b>914</b>	<b>1,029</b>	<b>1,129</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>42</b>	<b>220</b>	<b>146</b>	<b>169</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	7	0	0
Increase/(decrease) in debt	(4)	(7)	(9)	(9)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>(4)</b>	<b>0</b>	<b>(9)</b>	<b>(9)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	4	0	0
- to replace existing assets	57	8	130	107
Increase/ (decrease) in reserves	(19)	208	7	53
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>38</b>	<b>220</b>	<b>137</b>	<b>160</b>
<b>Surplus (deficit) of capital funding</b>	<b>(42)</b>	<b>(220)</b>	<b>(146)</b>	<b>(169)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Environmental Health

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2013/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	1,371	1,371	1,379	1,378
Targeted Rates (other than a targeted rate for water supply)	50	50	50	51
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	272	279	279	350
Internal charges and overheads recovered	1,513	1,507	1,508	1,517
Local authorities fuel tax, fines, infringement fees and other receipts	8	10	8	11
<b>Total operating funding (A)</b>	<b>3,214</b>	<b>3,217</b>	<b>3,224</b>	<b>3,307</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,143	1,129	1,154	1,195
Finance costs	0	0	0	0
Internal charges and overheads applied	1,974	1,971	2,063	2,057
Other operating funding applications	86	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,203</b>	<b>3,100</b>	<b>3,217</b>	<b>3,252</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>11</b>	<b>117</b>	<b>7</b>	<b>55</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(2)	(1)	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>(2)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
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	9	116	7	55
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>9</b>	<b>116</b>	<b>7</b>	<b>55</b>
<b>Surplus (deficit) of capital funding</b>	<b>(11)</b>	<b>(117)</b>	<b>(7)</b>	<b>(55)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Environmental Policy

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2013/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates (other than a targeted rate for water supply)	1,312	1,312	1,281	1,281
Subsidies and grants for operating purposes	0	40	0	0
Fees, charges and targeted rates for water supply	2	(6)	0	2
Internal charges and overheads recovered	99	99	102	102
Local authorities fuel tax, fines, infringement fees and other receipts	5	0	15	49
<b>Total operating funding (A)</b>	<b>1,418</b>	<b>1,445</b>	<b>1,398</b>	<b>1,434</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	895	705	910	1,012
Finance costs	0	0	0	0
Internal charges and overheads applied	404	394	487	465
Other operating funding applications	118	0	0	0
<b>Total applications of operating funding (B)</b>	<b>1,417</b>	<b>1,099</b>	<b>1,397</b>	<b>1,477</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1</b>	<b>346</b>	<b>1</b>	<b>(43)</b>
<b>Sources of capital funding</b>				
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
<b>Total sources capital funding (C)</b>	<b>(1)</b>	<b>(1)</b>	<b>0</b>	<b>(1)</b>
<b>Applications of capital funding</b>				
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	345	1	(44)
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>0</b>	<b>345</b>	<b>1</b>	<b>(44)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1)</b>	<b>(346)</b>	<b>(1)</b>	<b>43</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Environmental Services

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2013/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates (other than a targeted rate for water supply)	3,078	3,078	3,179	3,179
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	433	513	505	409
Internal charges and overheads recovered	2,421	2,415	2,947	2,991
Local authorities fuel tax, fines, infringement fees and other receipts	41	106	42	82
<b>Total operating funding (A)</b>	<b>5,973</b>	<b>6,112</b>	<b>6,673</b>	<b>6,661</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,054	2,878	3,281	3,378
Finance costs	0	0	0	0
Internal charges and overheads applied	2,890	2,873	3,553	3,541
Other operating funding applications	(2)	0	0	0
<b>Total applications of operating funding (B)</b>	<b>5,942</b>	<b>5,751</b>	<b>6,834</b>	<b>6,919</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>31</b>	<b>361</b>	<b>(161)</b>	<b>(258)</b>
<b>Sources of capital funding</b>				
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
<b>Total sources capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	0	0	0	0
- to replace existing assets	74	68	77	86
Increase/ (decrease) in reserves	(43)	293	(238)	(344)
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>31</b>	<b>361</b>	<b>(161)</b>	<b>(258)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(31)</b>	<b>(361)</b>	<b>161</b>	<b>258</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Resource Consents

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2013/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	0	0	0	0
Targeted Rates (other than a targeted rate for water supply)	938	938	1,056	1,056
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	272	193	192	293
Internal charges and overheads recovered	38	30	39	31
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding (A)</b>	<b>1,248</b>	<b>1,161</b>	<b>1,287</b>	<b>1,380</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	799	654	806	982
Finance costs	0	0	0	0
Internal charges and overheads applied	395	392	481	474
Other operating funding applications	54	0	0	0
<b>Total applications of operating funding (B)</b>	<b>1,248</b>	<b>1,046</b>	<b>1,287</b>	<b>1,456</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>0</b>	<b>115</b>	<b>0</b>	<b>(76)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	122	0	6
Increase/(decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>0</b>	<b>122</b>	<b>0</b>	<b>6</b>
<b>Applications of capital funding</b>				
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	237	0	(70)
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>0</b>	<b>237</b>	<b>0</b>	<b>(70)</b>
<b>Surplus (deficit) of capital funding</b>	<b>0</b>	<b>(115)</b>	<b>0</b>	<b>76</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Governance

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2013/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	2,569	2,569	2,199	2,199
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	38	0	1	0
Fees, charges and targeted rates for water supply	12	(26)	12	0
Internal charges and overheads recovered	4	0	4	4
Local authorities fuel tax, fines, infringement fees and other receipts	0	5	0	3
<b>Total operating funding (A)</b>	<b>2,623</b>	<b>2,548</b>	<b>2,216</b>	<b>2,206</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,168	952	963	926
Finance costs	0	0	0	0
Internal charges and overheads applied	1,353	1,339	1,251	1,228
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>2,521</b>	<b>2,291</b>	<b>2,214</b>	<b>2,154</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>102</b>	<b>257</b>	<b>2</b>	<b>52</b>
<b>Sources of capital funding</b>				
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
<b>Total sources capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>				
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	102	257	2	52
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>102</b>	<b>257</b>	<b>2</b>	<b>52</b>
<b>Surplus (deficit) of capital funding</b>	<b>(102)</b>	<b>(257)</b>	<b>(2)</b>	<b>(52)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Support Services

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2013/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	(263)	(748)	(716)	(1,439)
Targeted Rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	9	0	0
Fees, charges and targeted rates for water supply	1,108	1,474	889	225
Internal charges and overheads recovered	15,589	15,078	18,930	19,087
Local authorities fuel tax, fines, infringement fees and other receipts	395	1,004	403	1,495
<b>Total operating funding (A)</b>	<b>16,829</b>	<b>16,817</b>	<b>19,506</b>	<b>19,368</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	9,702	7,873	11,879	11,688
Finance costs	(751)	2,106	(1,369)	(320)
Internal charges and overheads applied	7,155	7,237	8,194	8,762
Other operating funding applications	21	0	0	0
<b>Total applications of operating funding (B)</b>	<b>16,127</b>	<b>17,216</b>	<b>18,704</b>	<b>20,130</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>702</b>	<b>(399)</b>	<b>802</b>	<b>(762)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	50	0	0
Development and financial contributions	814	527	817	17
Increase/(decrease) in debt	734	458	1,799	1,276
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>1,548</b>	<b>1,035</b>	<b>2,616</b>	<b>1,293</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	52	930	1,532	1,909
- to replace existing assets	1,120	557	1,011	449
Increase/ (decrease) in reserves	1,078	(851)	875	(1,827)
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>2,250</b>	<b>636</b>	<b>3,418</b>	<b>531</b>
<b>Surplus (deficit) of capital funding</b>	<b>(702)</b>	<b>399</b>	<b>(802)</b>	<b>762</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Flood Protection

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2013/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	1,352	1,352	1,484	1,485
Targeted Rates (other than a targeted rate for water supply)	1,136	1,137	1,026	1,026
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	160	178	164	193
Internal charges and overheads recovered	77	74	79	73
Local authorities fuel tax, fines, infringement fees and other receipts	10	5	11	4
<b>Total operating funding (A)</b>	<b>2,735</b>	<b>2,746</b>	<b>2,764</b>	<b>2,781</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,422	1,692	1,285	1,419
Finance costs	248	0	264	237
Internal charges and overheads applied	928	912	1,002	979
Other operating funding applications	(50)	0	0	0
<b>Total applications of operating funding (B)</b>	<b>2,548</b>	<b>2,604</b>	<b>2,551</b>	<b>2,635</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>187</b>	<b>142</b>	<b>213</b>	<b>146</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	217	98	(175)	154
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>217</b>	<b>98</b>	<b>(175)</b>	<b>154</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	0	0	0
- to improve the level of service	416	0	0	0
- to replace existing assets	569	208	325	222
Increase/ (decrease) in reserves	(581)	32	(287)	78
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>404</b>	<b>240</b>	<b>38</b>	<b>300</b>
<b>Surplus (deficit) of capital funding</b>	<b>(187)</b>	<b>(142)</b>	<b>(213)</b>	<b>(146)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Land Transport and Parking

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	1,719	1,719	1,351	1,764
Targeted Rates (other than a targeted rate for water supply)	8,034	8,034	8,755	8,342
Subsidies and grants for operating purposes	7,884	8,952	7,912	8,562
Fees, charges and targeted rates for water supply	760	615	726	696
Internal charges and overheads recovered	1,341	1,210	1,346	1,329
Local authorities fuel tax, fines, infringement fees and other receipts	556	609	631	984
<b>Total operating funding (A)</b>	<b>20,294</b>	<b>21,139</b>	<b>20,721</b>	<b>21,677</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	12,676	14,636	12,712	14,943
Finance costs	254	0	307	251
Internal charges and overheads applied	2,899	2,804	3,085	3,176
Other operating funding applications	(12)	0	0	0
<b>Total applications of operating funding (B)</b>	<b>15,817</b>	<b>17,440</b>	<b>16,104</b>	<b>18,370</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>4,477</b>	<b>3,699</b>	<b>4,617</b>	<b>3,307</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	6,764	6,224	6,401	6,273
Development and financial contributions	0	7	0	175
Increase/(decrease) in debt	133	211	611	458
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>6,897</b>	<b>6,442</b>	<b>7,012</b>	<b>6,906</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	0	284	0	490
- to improve the level of service	3,347	988	2,920	10,117
- to replace existing assets	9,362	10,129	9,783	2,432
Increase/ (decrease) in reserves	(1,335)	(1,260)	(1,074)	(2,826)
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>11,374</b>	<b>10,141</b>	<b>11,629</b>	<b>10,213</b>
<b>Surplus (deficit) of capital funding</b>	<b>(4,477)</b>	<b>(3,699)</b>	<b>(4,617)</b>	<b>(3,307)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Solid Waste

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	2,741	2,562	2,478	2,479
Targeted Rates (other than a targeted rate for water supply)	1,745	1,933	1,968	1,984
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	140	165	140	151
Internal charges and overheads recovered	44	94	43	134
Local authorities fuel tax, fines, infringement fees and other receipts	9	14	9	11
<b>Total operating funding (A)</b>	<b>4,679</b>	<b>4,768</b>	<b>4,638</b>	<b>4,759</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,500	3,731	3,347	3,017
Finance costs	466	0	489	411
Internal charges and overheads applied	91	111	101	142
Other operating funding applications	(50)	0	0	0
<b>Total applications of operating funding (B)</b>	<b>4,007</b>	<b>3,842</b>	<b>3,937</b>	<b>3,570</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>672</b>	<b>926</b>	<b>701</b>	<b>1,189</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(570)	(439)	(575)	(468)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>(570)</b>	<b>(439)</b>	<b>(575)</b>	<b>(468)</b>
<b>Applications of capital funding</b>				
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	102	487	126	721
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>102</b>	<b>487</b>	<b>126</b>	<b>721</b>
<b>Surplus (deficit) of capital funding</b>	<b>(672)</b>	<b>(926)</b>	<b>(701)</b>	<b>(1,189)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Urban Stormwater

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	550	550	566	552
Targeted Rates (other than a targeted rate for water supply)	2,201	2,201	2,192	2,206
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	(25)	0	0
Internal charges and overheads recovered	2	328	340	341
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding (A)</b>	<b>2,753</b>	<b>3,054</b>	<b>3,098</b>	<b>3,099</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	1,416	1,148	1,445	1,206
Finance costs	446	0	475	377
Internal charges and overheads applied	27	180	335	288
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>1,889</b>	<b>1,328</b>	<b>2,255</b>	<b>1,871</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>864</b>	<b>1,726</b>	<b>843</b>	<b>1,228</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(385)	(447)	(223)	(499)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>(385)</b>	<b>(447)</b>	<b>(223)</b>	<b>(499)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	75	74	24	58
- to improve the level of service	0	0	0	0
- to replace existing assets	503	469	938	176
Increase/ (decrease) in reserves	(99)	736	(342)	495
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>479</b>	<b>1,279</b>	<b>620</b>	<b>729</b>
<b>Surplus (deficit) of capital funding</b>	<b>(864)</b>	<b>(1,726)</b>	<b>(843)</b>	<b>(1,228)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Wastewater

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	36	36	36	36
Targeted Rates (other than a targeted rate for water supply)	7,167	7,213	6,733	6,773
Subsidies and grants for operating purposes	140	0	55	0
Fees, charges and targeted rates for water supply	411	82	317	722
Internal charges and overheads recovered	30	844	990	954
Local authorities fuel tax, fines, infringement fees and other receipts	6	45	6	29
<b>Total operating funding (A)</b>	<b>7,790</b>	<b>8,220</b>	<b>8,137</b>	<b>8,514</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	4,051	4,392	2,842	3,030
Finance costs	1,268	0	1,294	1,103
Internal charges and overheads applied	266	1,422	2,134	2,136
Other operating funding applications	125	0	0	0
<b>Total applications of operating funding (B)</b>	<b>5,710</b>	<b>5,814</b>	<b>6,270</b>	<b>6,269</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,080</b>	<b>2,406</b>	<b>1,867</b>	<b>2,245</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	(818)	283	189	1,562
Gross proceeds from sale of assets	0	0	0	400
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>(818)</b>	<b>283</b>	<b>189</b>	<b>1,962</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	28	54	29	433
- to improve the level of service	0	0	0	286
- to replace existing assets	1,885	1,834	5,352	2,869
Increase/ (decrease) in reserves	(651)	801	(3,325)	619
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>1,262</b>	<b>2,689</b>	<b>2,056</b>	<b>4,207</b>
<b>Surplus (deficit) of capital funding</b>	<b>(2,080)</b>	<b>(2,406)</b>	<b>(1,867)</b>	<b>(2,245)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Water Supply

Funding Impact Statement for the Year ended 30 June	AP 2013/14 \$000s	Actual 2013/14 \$000s	AP 2014/15 \$000s	Actual 2014/15 \$000s
<b>Sources of operating funding</b>				
General Rates, uniform annual general charges, rates penalties	0	1	0	0
Targeted Rates (other than a targeted rate for water supply)	2,222	2,227	2,380	2,382
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	2,156	2,094	2,340	2,299
Internal charges and overheads recovered	374	1,323	1,245	1,512
Local authorities fuel tax, fines, infringement fees and other receipts	0	7	0	4
<b>Total operating funding (A)</b>	<b>4,752</b>	<b>5,652</b>	<b>5,965</b>	<b>6,197</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	3,015	2,951	2,776	2,724
Finance costs	126	0	118	99
Internal charges and overheads applied	180	844	1,394	1,360
Other operating funding applications	125	0	0	0
<b>Total applications of operating funding (B)</b>	<b>3,446</b>	<b>3,795</b>	<b>4,288</b>	<b>4,183</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,306</b>	<b>1,857</b>	<b>1,677</b>	<b>2,014</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	44	0	344
Development and financial contributions	0	0	0	0
Increase/(decrease) in debt	94	178	34	(357)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources capital funding (C)</b>	<b>94</b>	<b>222</b>	<b>34</b>	<b>(13)</b>
<b>Applications of capital funding</b>				
Capital expenditure				
- to meet additional demand	28	206	29	5
- to improve the level of service	0	0	0	0
- to replace existing assets	832	491	681	1,281
Increase/ (decrease) in reserves	540	1,382	1,001	715
Increase/ (decrease) of investments	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>1,400</b>	<b>2,079</b>	<b>1,711</b>	<b>2,001</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,306)</b>	<b>(1,857)</b>	<b>(1,677)</b>	<b>(2,014)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>





**HE KUPU ĀPITI**

**OUR  
APPENDICES**



## Our Council - Governance and Structure

### Our Role

As one of only six Unitary Authorities, the Gisborne District Council (Council) combines the functions, duties and powers of a territorial council with those of a regional council. In most other parts of the country, the functions of regional councils and territorial councils are split as follows:

#### Regional Councils

- resource management (quality of water, soil, coastal planning etc)
- biosecurity control of regional plant and animal pests
- river management, flood control and mitigation of erosion
- regional land transport planning and contracting of passenger services
- civil defence (natural disasters, marine oil spills).

#### Territorial Councils

- community wellbeing and development
- environmental health and safety (including building control, and environmental health matters)
- infrastructure (roading and transport, sewerage, water/stormwater)
- recreation and culture
- resource management including landuse planning and development control.

### Our Governance Structure

The elected Council consists of the Mayor and 13 Councillors (including the Deputy Mayor). The Councillors cover five areas of the district (referred to as wards). These are Taruheru-Pātūtahi, Gisborne, Tawhiti- Ūawa, Matakaoa- Waipapu and Waipaoa. While the Councillors have been elected from their respective wards, they have an obligation and a duty to represent the interests of the district as a whole.

Council's Governance Structure changed following the election on 12 October 2013. Late 2012, the Local Government Commission changed the makeup of Council so that the number of people that each Councillor represents is more evenly spread. A Mayor and 13 Councillors were elected to represent Gisborne City ward and four rural wards instead of the previous six rural wards. The number of rural Councillors has been reduced from six to four and the number of City Councillors increased by one to nine.

The Council is elected every three years and is responsible for setting the overall direction of the district and the budget through Long Term Plans and Annual Plans, setting policies, setting and reviewing bylaws, monitoring Council's performance, adopting a Code of Conduct for elected members, employing the Chief Executive,

and adopting (or otherwise) reports as required under various legislation.

Councillors also have a key role in engaging with their local communities, advocating on behalf of others and raising any issues that need to be addressed.

### Our Committees

Elected Councils can create subordinate decision making structures such as committees. Committees can be established or disestablished by way of a resolution of Council. Council has nine committees. These are:

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

### Our Organisational Structure

The elected Council has one employee, the Chief Executive. She is responsible for implementing and managing Council's policies and objectives within the budgetary constraints established by Council. The Chief Executive is supported by four Senior Managers whose departments reflect the range of activities that Council undertakes in order to contribute to the social, cultural, environmental and economic outcomes of our communities.

The Council has three departments that sit under the Chief Executive. These are Planning and Development, Operations, and Environmental and Regulatory. Each department is responsible for supporting the Chief Executive to implement Council decisions and policies and provide sound advice to the elected members through the Chief Executive and Senior Managers. Tairāwhiti Roads reports to the Tairāwhiti Roads board which is made up of two Council and three NZTA senior managers.






# Schedule of Councillors & Schedule of Agents

## Schedule of Councillors

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<b>GISBORNE</b>  Mayor Meng Foon P 867 1870 M 027 448 4084 F 867 9265	<b>GISBORNE</b>  Deputy Mayor Rehette Stoltz P 868 5382 M 021 279 7948 F 868 5382	<b>GISBORNE</b>  Cr Larry Foster P 868 8927 M 027 450 8814	<b>TAWHITI - UAWA</b>  Cr Patricia Seymour (Pat) OBE P 862 2697 M 027 472 5997 F 862 2703
<b>GISBORNE</b>  Cr Amber Dunn P 867 3131 M 021 475 470	<b>GISBORNE</b>  Cr Andy Cranston P 868 1160 M 027 273 3192 F 868 1161	<b>GISBORNE</b>  Cr Brian Wilson P 868 8118 M 027 237 8080	<b>MATAKAOA - WAIAPU</b>  Cr William Burdett (Bill) P 06 864 8966 (H) F 06 864 8967
<b>GISBORNE</b>  Cr Meredith Akuhata-Brown P 867 7496 M 027 200 5605	<b>GISBORNE</b>  Cr Alan Davidson P 867 9474 F 867 9473	<b>PATUTAHU - TARUHERU</b>  Cr Roger Haisman P 867 0922 M 027 332 8601 F 867 0918	<b>WAIPAOA</b>  Cr Graeme Thomson P 862 8737 F 862 8197
<b>GISBORNE</b>  Cr (John) Craig Bauld P 862 9550 F 862 9551	<b>GISBORNE</b>  Cr Josh Wharehinga M 027 512 5195		

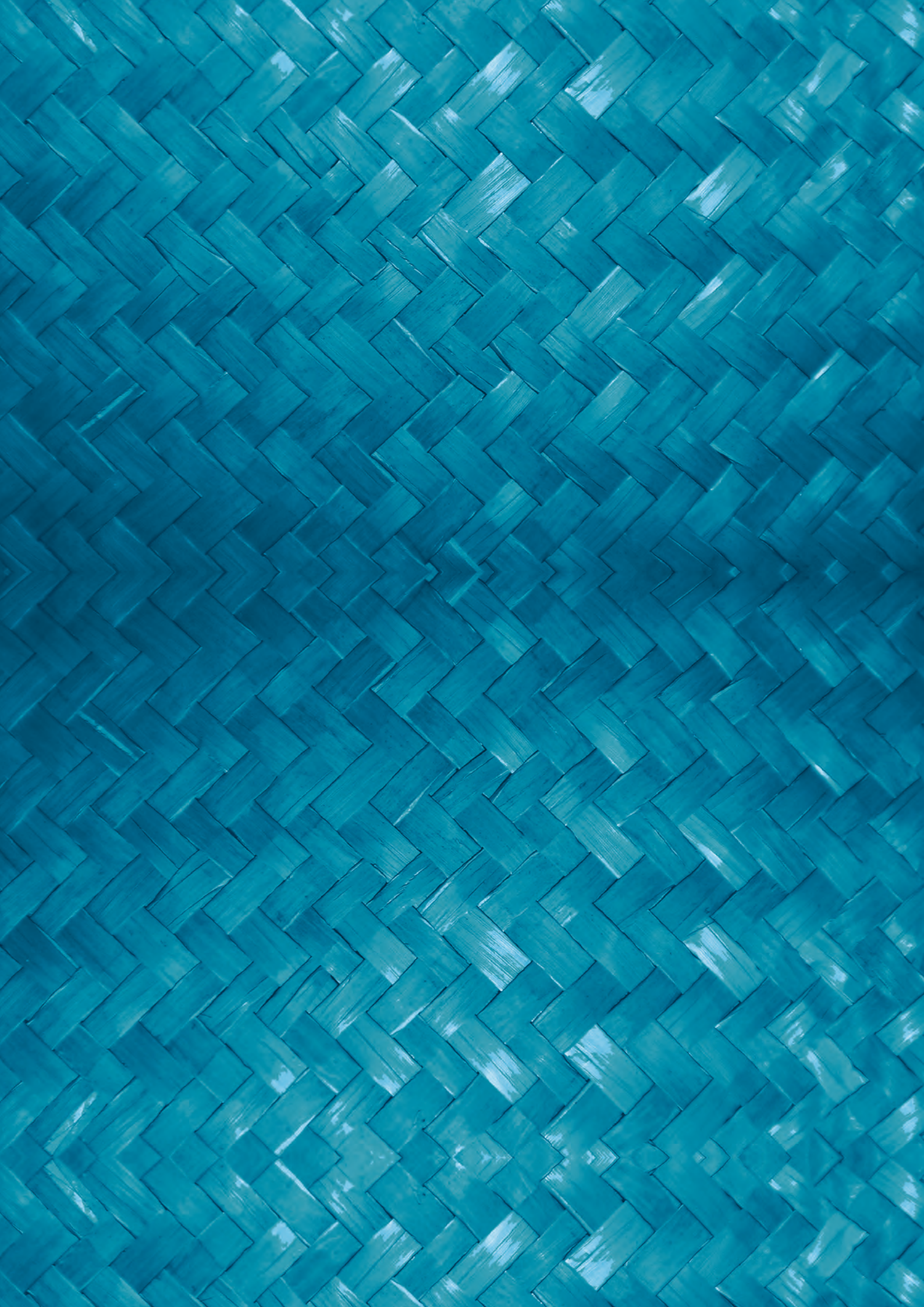
## Schedule of Senior Management

				
<b>CHIEF EXECUTIVE</b>	<b>OPERATIONS GROUP MANAGER</b>	<b>PLANNING and DEVELOPMENT GROUP MANAGER</b>	<b>ENVIRONMENTAL and REGULATORY GROUP MANAGER</b>	<b>HUMAN RESOURCES DIRECTOR</b>
<b>Judy Campbell</b> <i>BA, PGD, MA (Applied)</i>	<b>Barry Vryenhoek</b> <i>MA (Hons), MBA, ACA</i>	<b>Nedine Thatcher Swann</b> <i>MBA, MA, BA(Ed)</i>	<b>Kevin Strongman</b> <i>BEng Tech (Civil), Dip Mgt, Dip P Mgt</i>	<b>Lyn Hura</b> <i>BBus, Dip Sports Massage</i>

## Schedule of Agents

<b>BANKERS</b>	<b>SOLICITORS</b>	<b>INSURANCE CONSULTANTS</b>	<b>AUDITORS</b>
Westpac Banking Corporation 101 Gladstone Road Gisborne	Nolans PO Box 1141 Gisborne	Aon New Zealand 16th Floor AMP Centre 29 Customs Street West PO Box 1184 Auckland 1010	Ernst & Young PO Box 490 Wellington (on behalf of the Auditor General)
ANZ National Bank Ltd Cnr Karamu Road & Heretaunga Street Hastings			
BNZ 125 Queen Street PO Box 2139 Auckland 1140			









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