

# AGENDA/KAUPAPA



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MEMBERSHIP: Her Worship the Mayor Rehette Stoltz (Chair), Aubrey Ria (Deputy Chair), Colin Alder, Alexandra Boros, Larry Foster, Samuel Gibson, Debbie Gregory, Anne Huriwai, Jeremy Muir, Rawinia Parata, Rob Telfer, Daniel Thompson, Rhonda Tibble and Nick Tupara

## FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee

DATE: Wednesday 3 June 2026

TIME: 9:00AM

AT: Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne

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## Finance & Performance Committee

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<b>Reports to:</b>	Council
<b>Chairperson:</b>	Mayor Rehette Stoltz
<b>Deputy Chairperson:</b>	Deputy Mayor Aubrey Ria
<b>Membership:</b>	Mayor and all Councillors
<b>Quorum:</b>	Half of the members when the number is even and a majority when the membership is uneven.
<b>Meeting frequency:</b>	Six weekly (or as required)

### **Purpose**

To assist Council to oversee financial and non-financial performance, including the delivery of the Council's Capital Programme and oversight of the Council Controlled Trading Organisation (CCTO).

To monitor Council activities and services performance against budget, Annual Plans, the Long Term Plan, Annual Reports and corporate and financial policies.

The Finance and Performance Committee also receives enforcement and compliance performance activity reporting to ensure financial and non-financial performance oversight of its regulatory functions.

### **Terms of Reference**

- Set, monitor and review plans, financial measures, practices and policies; the sources of funds, banking arrangements, insurance, investment and debt criteria, future financial arrangements.
- Monitor the performance of Council's treasury function – including strategic, investment and enterprise assets.
- Set fees and charges for Council services (including parking), where such fees are not set by laws (including bylaws).
- Approve preferred suppliers for capital projects and contracts where the value of the contract exceeds staff delegations.
- Approve expenditure (including substituted capital expenditure) items that are provided for in the Long Term Plan or Annual Plan where the value of that expenditure exceeds that authority delegated to officers.

- Approve debt write-offs where those debt write-offs are not delegated to staff.
- Consider all matters regarding the Local Government Funding Agency (LGFA).
- Monitor and review Council's strategic investment and enterprise assets – including consideration of the operational and financial effectiveness of Council Organisations, Council Controlled Organisations and Council's CCTO.
- In relation to the CCTO:
  - develop and approve the draft Statement of Intent for the CCTO
  - undertake any reviews of CCTO and make recommendations on any proposed changes to CCTO governance arrangements
  - consider and approve changes to service delivery arrangements arising from the service delivery reviews required under Local Government Act 2002 (LGA) that are referred to the Committee by the Chief Executive.
- Monitor the operational performance of Council's activities and services against approved levels of service.
- Monitor the operational performance of Council's regulatory activities and in particular enforcement and compliance, financial and non-financial performance reporting.
- Review and approve business plans including any related fees, charges and expenditure (including capital expenditure).
- Review the delivery of services under section 17A of the LGA.
- Monitor the delivery of the Council's Capital Programme, including inquiring into any material discrepancies from planned expenditure.

### **Power to Act**

To make all decisions necessary to fulfil the role and scope of the Committee subject to the limitations imposed.

To establish subcommittees, working parties and forums as required.

To appoint non-voting advisory members (such as tangata whenua representatives) to assist the Committee.

### **Power to Recommend**

To Council and/or any Council committee as it deems appropriate.

### 3.1. Confirmation of non-confidential Minutes 22 April 2026

# MINUTES

## Draft & Unconfirmed



P O Box 747, Gisborne, Ph 867 2049 Fax 867 8076  
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## MINUTES of the FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee

Held in Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne on Wednesday 22 April 2026 at 9:00AM.

### PRESENT:

Her Worship the Mayor Rehette Stoltz, Colin Alder, Alexandra Boros, Larry Foster, Samuel Gibson, Debbie Gregory, Anne Huriwai, Jeremy Muir, Rawinia Parata, Aubrey Ria, Rob Telfer, Daniel Thompson, Rhonda Tibble, Nick Tupara

### IN ATTENDANCE:

Chief Executive Nedine Thatcher Swann, Director Lifelines Tim Barry, Director Internal Partnerships & Protection James Baty, Director Engagement & Maori Partnerships Anita Reedy-Holthausen, Chief Financial Officer Pauline Foreman, Director Sustainable Futures Jocelyne Allen, Senior Governance Advisor Teremoana Kingi and Committee Secretary Sally Ryan.

**Secretarial Note:** Her Worship the Mayor and Councillor Rhonda Tibble attended the meeting via audio visual link.

The meeting commenced with a karakia.

### 1. Apologies

MOVED by Cr Ria, seconded by Cr Foster

That the apologies from Mayor Stoltz for early departure be accepted.

**CARRIED**

### 2. Declarations of Interest

There were no interests declared.

### **3. Confirmation of non-confidential Minutes**

#### **3.1 Confirmation of non-confidential Minutes 18 February 2026**

MOVED by Cr Parata, seconded by Cr Telfer

That the Minutes of 18 February 2026 be accepted.

**CARRIED**

#### **3.2 Action Register**

Noted.

#### **3.3 Governance Work Plan**

Noted.

### **4. Leave of Absence**

There were no leaves of absence.

### **5. Acknowledgements and Tributes**

The passing of Major (Retired) Brian "Bo" Ngata MNZM, RNZA, the 11th Sergeant Major of Ngāti Tūmatauenga, the New Zealand Army was acknowledged.

### **6. Public Input and Petitions**

There were no public input or petitions.

### **7. Extraordinary Business**

There was no extraordinary business.

### **8. Notices of Motion**

There were no notices of motion.

### **9. Adjourned Business**

There was no adjourned business.

### **10. Reports of the Chief Executive and Staff**

#### **10.1 DECISION Reports Finance**

##### **10.1.1 26-94 2026/27 Fees and Charges**

**Secretarial Note** Cr Huriwai arrived at 9:05am

Chief Financial Officer Pauline Foreman and Resource Consents Manager Awhina White attended.

Federated Farmers New Zealand Charlie Reynolds attended and spoke to the submission from Rhea Dasent.

Questions of clarification for Charlie Reynolds included:

- The recommended scaled approach for 50ha or less at an initial cost of \$3k and 50ha or more at an initial cost of \$5k was considered reasonable so long as it is used to cover the actual costs incurred, based on staff time spent on-site or in the office, rather than applying a fixed charge that may result in disproportionate costs for shorter tasks.

- Awareness of water take consent duration is generally limited among farmers, whose water use is typically lower and primarily for animal welfare under permitted take rights, compared with the higher and more regulated demands of the horticulture sector.
- If farm dog registration fee thresholds were lowered, Federated Farmers New Zealand would support Council with communication and advocacy efforts to improve registration compliance, recognising farm dogs as essential working animals and valuable assets that are generally well managed and cared for. The importance of maintaining accurate registration records was acknowledged.
- The six-dog threshold was originally set to help manage costs for larger working teams. Wandering dogs were noted as more commonly associated with pig hunting dogs, while farm working dogs are generally well controlled and easily retrieved.

Chief Financial Officer Pauline Foreman noted the dog registration fees are reviewed within the Long Term Plan. Previous analysis indicated rural dog registration revenue does not fully recover costs, with urban registrations effectively subsidising some rural costs. A review is currently underway.

Questions of clarification included:

- More refinement of the costs between rural and urban dogs, and between working dogs and pets will come back via the work done for the Long Term Plan. This will help identify where time and costs are incurred and support better decision-making.
- Submissions are considered and documented through the usual hearings and deliberations process, with details of how they were considered and responses made publicly available.
- Engineering checks do not apply to forestry consenting; they relate to the sign-off of subdivision consents.
- The forestry application fee operates as a deposit, with refunds possible if costs for the overall consent do not exceed the deposit amount. The water take consent term is relatively long in Gisborne compared to other regions. Consent duration is determined through a set of assessment criteria, including relevant policy considerations under the Resource Management Act. When considering consent renewals factors such as significant investment in infrastructure are taken into account.
- The fine for littering and illegal dumping is set under the Litter Act 1979 and may be combined with other applicable fees, where relevant, to increase the total amount payable.

- Analysis of the past 12 months of data relating to Forestry indicates that scale makes little difference in cost; however, properties of 50 hectares or less may warrant a lower charge.

MOVED by Cr Gregory, seconded by Cr Parata

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Approves the draft 2026/27 Fees and Charges as outlined in Attachment 1, with the inclusion of the following change:
  - a) Forestry Consent Applications
    - i. For woodlots less than 50ha, an initial fee of \$3,000.
    - ii. For all other forestry activities (except permitted notices) an initial fee of \$5,000.

**CARRIED**

### 10.1.2 26-71 Regional Software Holdings Limited Update Cover Report

Chief Financial Officer Pauline Foreman attended.

Questions of clarification included:

- The projected loss reflects the start-up phase. Costs are apportioned among participating councils, with each council responsible for its share of the project expenses.
- If regional councils were to cease to exist in the future, this would be addressed if and when it arises. Such a scenario would likely result in disbandment, as the shareholder structure would change.
- Opportunities are continually identified to streamline and consolidate activities where appropriate. While many Council-Controlled Organisations (CCOs) operate as distinct entities, there are areas where functions may overlap.
- The entity is used to administer funding grants. Some funding is managed through the entity, reducing administrative and contractual requirements. Government grants received via RSHL do not affect each council's annual fee.
- Contributions are determined by the scale and extent of each council's participation.

MOVED by Cr Parata, seconded by Cr Thompson

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Approves the Draft Statement of Intent 2026-2027 (for 1 July 2026 until 30 June 2029); subject to Committee's feedback.
2. Instructs the Chief Executive to provide feedback from the Committee (as their role as a Shareholder) to Regional Software Holdings Limited by 30 April 2026.

**CARRIED**

### 10.1.3 26-87 Local Government Funding Agency - Half Year Report and draft Statement of Intent

Chief Financial Officer Pauline Foreman attended.

Questions of clarification included:

- Surplus funds are typically distributed to shareholders through dividends. The financial position reflects both total assets and liabilities, including any loans that must be repaid. Net worth represents the residual value after liabilities are deducted from assets, indicating the equity available to owners and their proportional share.
- Most of the organisation's activity relates to providing services that support loan arrangements and funding transfers. It is appropriate to maintain a balanced proportion.
- Dividends have been paid out, although only in small amounts given Gisborne District Council holds a very small shareholding. Any financial benefit is more likely to be reflected in reduced interest rates rather than significant dividend income.

MOVED by Cr Gregory, seconded by Cr Boros

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Approves the draft Statement of Intent 2026-2029 (from 1 July 2026 to 30 June 2029), subject to any feedback from the Committee.
2. Instructs the Chief Executive to provide any feedback received from the Committee, in its role as shareholder, to LGFA by 1 May 2026.

**CARRIED**

### 10.1.4 26-89 BOPLASS Statement of Intent and Half Yearly Financial Report to 31 December 2025

Chief Financial Officer Pauline Foreman attended.

Questions of clarification included:

- Councils may participate in multiple shared services groups where benefits are identified. Structures such as BOPLASS often have overlapping membership across different regional groupings and service networks. Gisborne District Council's alignment has shifted between zones over time. These arrangements are currently under review to ensure they remain fit for purpose in the context of ongoing local government reforms, with further information to be provided when available.

MOVED by Cr Foster, seconded by Cr Muir

That the Finance & Performance/Whakahaere Pūtea Me Ōna Hua Committee:

1. Approves the Draft Statement of Intent 2026-2029 (for 1 July 2026 until 30 June 2029); subject to the Committee's feedback.
2. Instructs the Chief Executive to provide feedback from the Committee (as their role as a Shareholder) to BOPLASS Ltd by 30 April 2026.

**CARRIED**

**Secretarial Note:** The meeting adjourned at 10:01am for morning tea and reconvened at 10:18am.

## 10.2 INFORMATION Reports Finance

### 10.2.1 26-97 Financial Report 28 February 2026

Chief Financial Officer Pauline Foreman attended.

Questions of clarification included:

- Regional Leadership & Support has a capital budget of \$7.2 million for capital projects under this category, with \$4.5 million relating to FoSAL Category 3 voluntary buyouts. These buyouts were originally expected to be completed in the first year of the 3YP; however, settlement timing for the remaining properties has resulted in costs carrying over into the 2025/26 financial year. The programme remains within the original \$30 million budget, but expenditure has been recognised in the current financial year due to longer-than-anticipated timing.
- Roading capital expenditure is currently tracking at approximately 90% completion forecast by year-end, with timing, delivery phasing, and recovery-related works influencing progress, and is expected to come more in line with budget by year-end.

MOVED by Cr Tupara, seconded by Cr Alder

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Notes the contents of this report.

**CARRIED**

## 11. Public Excluded Business

**Secretarial Note:** These Minutes include a public excluded section. They have been separated for receipt in Section 11 Public Excluded Business of Council.

## 12. Re-admittance of the Public

MOVED by Cr Gregory, seconded by Cr Parata

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Re-admits the public.

**CARRIED**

## 13. Close of Meeting

There being no further business, the meeting concluded at 12:48pm.

Aubrey Ria  
**DEPUTY CHAIR**

### 3.2. Action Register

Meeting Date	Item	Status	Action Required	Assignee/s	Due Date
22-04-2026	10 1.1 26-94 2026/27 Fees and Charges	In progress	Outline why Oakview is singled out whilst others are grouped together under section 219 & 240 of the Building Act 2004 for Footpath and Sign Damage on Page 50 of the agenda.	Awhina White, Ian Petty, Pauline Foreman	21-05-2026
<p><b>Action Taken</b>  <b>15/05/2026 Ian Petty</b>            Normal footpath deposits are \$1,000. Oakview deposits are \$2,000.            In the CBD the deposit is 300 per lineal meter of frontage for the tiles and the wider footpaths. The higher deposit for Oakview is due to higher replacement costs for the new footpaths within this area.            The deposit is to recover the repair if the land owner doesn't fix the path. All costs are at the advice of Journeys.</p>					
22-04-2026	10 2.1 26-97 Financial Report 28 February 2026	Completed	Confirm whether planting took place this year for the Waingake Transformation Project.	Amy England, Pauline Foreman	21-05-2026
<p><b>Action Taken</b>  <b>21/05/2026 Amy England</b>            Yes the 2025 planting took place for the Waingake Transformation Programme.</p>					
22-04-2026	10 2.1 26-97 Financial Report 28 February 2026	In progress	Provide detail as to why building consents, parking and pool admin fees were lower than expected and how far under budget they are.	Campbell Macgregor, Pauline Foreman	21-05-2026
<p><b>Action Taken</b>  <b>21/05/2026 Pauline Foreman</b>            More information will be provided within activity updates at the Environment and Communities Committee.</p>					

Meeting Date	Item	Status	Action Required	Assignee/s	Due Date
22-04-2026	10 2.1 26-97 Financial Report 28 February 2026	In progress	Explain why Roading, Wastewater and Water Supply are tracking behind budget in the YTD Accumulating CAPEX Charts.	Tim Barry	21-05-2026

#### Action Taken

**21/05/2026 Tim Barry**

#### Roading CAPEX

The headline budget is very high as it includes for recovery works.

The BAU roading delivery is currently tracking broadly in line with budget with some modest underspend expected in the reseal and some walking and cycling CBD budgets that were ultimately unsupported by NZTA.

The variance within the YTD CAPEX graph is primarily driven by recovery works :

- timing shifts within the Recovery and Bridge programs,
- Decisions and / or delays on black bridges
- and the January 2026 weather event, which required contractor and professional services resources to be redirected into emergency response activities not captured in this budget .

Most Recovery projects are expected to complete design and procurement within this financial year, with construction delivery for several sites now extending into FY2027.

#### Water CAPEX

The 2025/26 water supply capital works programme remains generally on track, with most projects progressing toward completion by financial year end. Key resilience projects, including the water supply pipeline resilience and infiltration gallery projects, are currently progressing through engagement phases, including engagement with Te Tiriti partners, and are now programmed for construction during 2026/27 to align with engagement outcomes and favorable spring and summer construction conditions. Dam and water source resilience projects also remain on hold pending completion of Council's Sang Dam remediation plan, with associated budgets likely required to support those works. Collectively, these projects represent 48.7% of the total water supply capital programme by value.

The wastewater capital works programme also remains largely on track, with several major projects now scheduled for delivery during 2026/27 due to programme sequencing, funding alignment, and ongoing engagement requirements. These include the Tolaga Bay septage site, the two-year Champion/Nelson Road Pump Station project, and the Te Karaka wastewater further treatment and Mortuary waste projects. Together, these projects represent 44.6% of the total wastewater capital programme by value. The timing changes reflect planned delivery sequencing and engagement requirements rather than delivery performance concerns, with the balance of the wastewater programme remaining on track for completion within the current financial year.

### 3.3. Governance Work Plan

2026 Finance & Performance						Meeting Dates					
HUB	Activity	Name of agenda item	Purpose	Report type	Owner	18-Feb	22-Apr	3-Jun	5-Aug	30-Sep	18-Nov
Finance & Affordability	Financial Services	Proposed Fees and Charges	Present the Draft Fees and Charges Document for approval for consultation.	Decision (D)	Tim Muir / Mel Hartung						
Finance & Affordability	Financial Services	Draft Annual Plan	Provide draft financials for the 2026/2027 Annual Plan.	Information (I)	Mel Hartung						
Finance & Affordability	Performance	Six Month Report	Provide Council with updates on Council activity performance for the reporting period 1 July 2025 to 31 December 2025.	Information (I)	Joy Benioni						
Finance & Affordability	Financial Services	Treasury Management Update Report	Provide an update on Treasury.	Information (I)	Lucy Gibson						
Finance & Affordability	Financial Services	BOPLASS Sol and Half Yearly Report	Provide half-yearly financial report for the period ending 31 December 2025.	Decision (D)	Paula Sherman						
Finance & Affordability	Financial Services	Local Government Funding Agency Report to 31 December 2024	Provide half-yearly financial report for the period ending 31 December 2025 + Draft Statement of Intent.	Decision (D)	Lucy Gibson						

# 2026 Finance & Performance

## Meeting Dates

HUB	Activity	Name of agenda item	Purpose	Report type	Owner	18-Feb	22-Apr	3-Jun	5-Aug	30-Sep	18-Nov
Finance & Affordability	Financial Services	Regional Software Holdings Limited Update Cover Report	Provide update report to shareholders for the period July to December 2025 + Draft Statement of Intent.	Decision (D)	Michaela Kocar						
Finance & Affordability	Financial Services	Gisborne Holdings Ltd Update	Provide Council with GHl's half yearly report to 31 December 2025 + Draft Statement of Intent.	Public Excluded (D)	Nick Webb						
Finance & Affordability	Financial Services	Credit Rating Update	To provide an update on Council's credit rating.	Public Excluded (D)	Lucy Gibson						
Finance & Affordability	Financial Services	Financial report to end of period	Provide a high-level overview of the Council's financial results for the period.	Information (I)	Mel Hartung						
Finance & Affordability	Financial Services	Carryovers Draft Annual Plan 2027	Carryovers Draft Annual Plan 2027.	Information (I)	Mel Hartung						
Finance & Affordability	Financial Services	Rates and Sundry Debt Management to 30 June 2025	The purpose of this report is to inform the Finance & Performance Committee on all outstanding debt and debt trends as of 30 June 2025.	Information (I)	Angelee Brown						

# 2026 Finance & Performance

## Meeting Dates

HUB	Activity	Name of agenda item	Purpose	Report type	Owner	18-Feb	22-Apr	3-Jun	5-Aug	30-Sep	18-Nov
Finance & Affordability	Financial Services	26-77 Tairawhiti Museum Annual Report <b>(now going to 23 April E&amp;C)</b>	To present the trading arm of Gisborne Museum of Art and History Trust; Tairawhiti Museum's Annual Report and audited financial accounts.	Information (I)	Pene Walsh / Mel Hartung						
Finance & Affordability	Financial Services	26-137 Price Review Solid Waste Rural Stickers	To seek approval to increase the cost of rural rubbish stickers in line with the Consumer Price Index (CPI), ensuring that it reflects inflationary pressures.	Decision (D)	Chris Visser						
Finance & Affordability	Financial Services	26-40 Proposal to Consult on the Establishment of a CCO to Support Regional Land Use Transition	Proposal to consult with the community on the potential establishment of a Council-Controlled Organisation to support Regional Land Use Transition.	Decision (D)	Tim Muir						
Finance & Affordability	Financial Services	Fees and Charges adoption	Adopt the Fees and Charges for the 2026/27 Financial Year	Decision (D)	Tim Muir / Mel Hartung						

## 10.1. DECISION Reports Finance



26-135

**Title:** 26-135 2026/27 Annual Plan  
**Section:** Finance & Affordability  
**Prepared by:** Michaela Kocar - Team Leader Management Accounting  
**Meeting Date:** Wednesday 3 June 2026

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Legal: Yes

Financial: Yes

Significance: **Medium**

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### Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for decision

#### PURPOSE - TE TAKE

The purpose of this report is to provide details and gain approval of the capital investment programme for inclusion in the 2026/27 Annual Plan (AP).

#### SUMMARY - HE WHAKARĀPOPOTOTANGA

The purpose of the Annual Plan is to update the "roadmap" Year 3 of the 2024-27 Three-Year Plan (3YP) and to incorporate changes that have occurred since it was adopted in June 2024. The focus of the delivery is the first three years of the plan. In effect, these projects over the first three years are a rolling programme of delivery before we reset and complete a new long-term plan in 2027.

The draft Annual Plan was approved on 18 February as noted in report **[26-39]**. It incorporated capital projects aligned with Year 3 of the 2024-2027 Three Year Plan.

As part of the annual planning process, a review was conducted to assess the status of projects initially expected to be completed by 30 June 2026, along with any subsequent Gisborne District Council (Council) decisions or changes. Following this review, the capital investment programme has been revised to \$172.1m, up from the draft estimate of \$156.3m.

The majority of this increase relates to the carryover projects originally scheduled for completion by 30 June, which will now extend into Year 3.

The 2026/27 Capital Investment Programme priorities key infrastructure and service delivery projects, with a strong emphasis on supporting regional recovery efforts. It focuses on restoring and strengthening core infrastructure such as roads, bridges, flood protection, and water management systems to enhance our region's resilience.

Details of the proposed Capital Programme for 2026/27 are provided in (**Attachment 1**).

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

## RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Approves the final Capital Investment Programme of \$172.1m as outlined in Attachment 1, to be included within the 2026/27 Annual Plan.
2. Notes that the approval of 1 above does not impact on the proposed rates increases for 2026/27 as it has already been rated for in the previous year.

*Authorised by:*

**Pauline Foreman - Chief Financial Officer**

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**Keywords:** Annual Plan, capital investment

## **BACKGROUND - HE WHAKAMĀRAMA**

1. The 2024-2027 Three Year Plan (3YP) represents our current planning cycle, which departs from the traditional ten-year timeframe. This shorter planning cycle was adopted to better support the region's recovery needs and aligns with the **Severe Weather Emergency Recovery (Local Government Act 2002 - Long-Term Plan) Order in Council** that was enacted on 7 September 2023.
2. The Annual Plan (AP) provides an opportunity to review and adjust the programme, ensuring that project timelines are aligned with actual construction progress. This process accommodates delays and, where appropriate, accelerates projects ahead of their originally scheduled timelines.
3. Draft estimates for the 2026/27 Annual Plan were approved by the Finance and Performance Committee on 18 February 2026 **[26-39]**.
4. The capital investment programme for Year 3 of 2024-2027 3YP (i.e. Annual Plan 2026/27) includes both the draft 2026/27 capital estimates and approved carryover projects identified since the adoption of the 3YP.
5. Included within the attachments are:
  - **Attachment 1** – the full capital investment programme for 2026/27
  - **Attachment 2** – summarises the carryovers

## **DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA**

6. The 2026/27 Annual Plan remains aligned with the Council's three-year plan (3YP) financial strategy, maintaining a focus on prudent financial management while addressing to emerging priorities and responding to external pressures.
7. Although the core Capital Investment Programme is drawn upon the 3YP, it is underpinned by the Infrastructure Strategy and the Asset Management Plans. These foundational documents guide investment decisions by linking forecast asset renewal needs, growth demands, level of service requirements and strategic priorities of the Council.
8. The following discussion outlines the key changes from Year 3 of the 3YP programme.

### **Carryovers – Projects Rolling into Year 3**

9. Every budgeted plan, whether part of a Long-Term Plan or an Annual Plan, is based on the best available information at the time of preparation, reflecting on what is considered probable and achievable. However, circumstances can change. As part of our annual planning process (March to April), we review the current year's capital programme (i.e. Year 3 or 2025/26 actuals) and forecast what is likely to be delivered by 30 June.
10. Projects that are not expected to be completed by 30 June are referred to as "**carryovers**". These are projects initially scheduled for completion in Year 2, that will now roll into Year 3 of the 2024-27 3YP.
11. In most cases, carryovers represent only a short delay, typically a few months. However, due to accounting and reporting practices, this timing shift creates a variance between the Annual Plan (planned or forecast) and the Annual Report (actual delivery). Normally, minor delays are absorbed by the end of the financial year.

12. As of 13 May, carryovers into the 2026/27 Annual Plan are estimated at \$15.8m. A full list of projects is provided in **Attachment 2**.
13. Significant carryovers include:

### **Capital**

- **Regional Transport Projects - Recovery** – In 2025/26 we initially allocated total \$58m for Emergency reinstatement projects encompassing critical infrastructure repairs to bridges, slips, dropouts, and community restoration efforts in areas including Tiniroto. Following a detailed review and alignment with the updated programme of works, this allocation has been revised to \$85.1 million. This adjustment ensures that the scope and scale of emergency recovery efforts are accurately reflected in the budget. These projects are largely 100% externally grant funded.
- **Flood resilience** – While the overall capital programme remains in line with draft budget at \$17.1m, there was a \$1 million adjustment in the Te Karaka project to reflect the timing of delivery. With a focus shifted to Te Karaka resilience project, budgets for other areas were revised down by \$1.2m to reflect reprioritisation of resources.
- **Solid Waste initiatives** – The carryovers of \$4.4 million primarily associated to:
  - Wheelie bins rollout – continuation of the district wide implementation of the new kerbside collection system. Although there is a change to the delivery timeline, the overall project will still be completed by 30 June 2027 in accordance with the contractual funding requirements.
  - Landfill and remediation projects – reflect timing adjustments rather than changes in scope.
- **Three waters** – The capital programme includes \$3.5 million in carryovers into the 2026/27 financial year. Timing adjustments are common in complex infrastructure projects and help ensure projects progress with the required planning, collaboration, and compliance. The main projects affected are:
  - Tolaga Bay Septage Site – A carryover from previous financial years has been included to enable construction of the site in 2026/27, aligning the project with available funding required to proceed.
  - Campion/Nelson Road new pump station - This is a two-year project, with construction scheduled for 2026/27. The timing reflects overall programme sequencing only, and Council remains on track to deliver the project within the next financial year.
  - Water supply dams' resilience - Dam resilience projects were placed on hold during 2025/26 pending completion of Council's remediation plan for the Sang Dam. The resulting remediation works are scheduled to be undertaken in the next financial year.
  - Water supply pipeline resilience and infiltration gallery - These projects are currently progressing through engagement phases, including engagement with Te Tiriti partners, which is an important part of project development and delivery. As a result, construction is now expected to take place during the 2026/27 financial year, aligning with engagement outcomes and favourable spring and summer construction conditions.

- **Other projects** – Budget carryovers have been included for several major projects to enable work to continue in the next financial year in line with the approved programme of works. Many of these projects were in the early stages of delivery in 2025/26, with most of the expenditure and progress expected in 2026/27.
  - CBD Revitalisation – A carryover of \$1.4 million has been included aligning the timing of the revitalisation works in the city centre.
  - Kiwa Pools – The revised budget for 2026/27 is \$1.4 million to support capital works identified through the commissioned master plan. Key proposed works include a new children's splash pad, a new outdoor court, and improvements to seating, landscaping, and shading.
  - Taruheru River Walkway and Cycling – Following project endorsement, procurement is now underway, and construction is expected to begin in spring. To support delivery, \$1.7 million is being carried over into 2026/27.
  - Townships – Better Off Fund projects remain a key focus of the Townships programme. Works to be completed by 30 June 2027 include safer crossings at Te Araroa, Tikitiki, Rangitukia, and Wharekahika, as well as footpath improvements in Ruatoria and Matawai. A budget of \$1.0m is available to deliver these projects.

#### 14. Operational

- **Recovery Green Bridges** – A carryover of \$107k has been designated to align with the finalisations of the works.
  - **Our Waters Initiative** – A budget was increased to \$440k to facilitate the implementation of legislative changes related to water management.
  - **Enterprise Solutions** – A carryover of \$500k has been approved due to delays in implementation and to allow for fast tracking of next stage of the project.
  - **Maori Engagement** – A new budget of \$215k was added to support increased Maori engagement requirements.
  - **Tairāwhiti Resource Management Plan and Freshwater Management Plan** – The 2026/27 budgets have been increased by a total of \$750k carried over from 2025/26. This funding has been retained to support potential legislative changes that may arise following the 2026 election.
  - **Taruheru Flood Resilience** – Underspend of \$490k from sediment and drainage works has been reallocated to support flood resilience initiatives along the Taruheru River. An application for additional external funding is currently being prepared, and this budget will provide Council's required contribution toward that funding.
15. These adjustments primarily stem from timing changes, while these projects do not directly affect the ratepayers, they contribute to the overall increase in total expenditure for the fiscal year. These initiatives are typically funded through alternative sources such as grants, subsidies, reserves, or internal loans and are aligned with Council's strategic objectives.

## Other changes

16. In addition, several minor adjustments have been made to the plan, primarily to align with updated contractual obligations. These changes have no impact on the overall financial strategy and remain within the planned rate increase.

## ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

**Overall Process: Medium** Significance

**This Report: Medium** Significance

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

**Overall Process: Medium** Significance

**This Report: Medium** Significance

Inconsistency with Council's current strategy and policy

**Overall Process: Medium** Significance

**This Report: Medium** Significance

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

**Overall Process: Medium** Significance

**This Report: Medium** Significance

The effects on individuals or specific communities

**Overall Process: Medium** Significance

**This Report: Medium** Significance

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

**Overall Process: Medium** Significance

**This Report: Medium** Significance

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

## TREATY COMPASS ANALYSIS

### Kāwanatanga

18. Council recognises its obligations under Te Tiriti o Waitangi, particularly the principle of Kāwanatanga, which affirms the right to govern while actively protecting Māori interests. In delivering the 2026/27 Annual Plan, we demonstrate this commitment through transparent and accountable decision-making, and by ensuring iwi and hapū are engaged in key infrastructure projects, including three waters and flood resilience. Project timelines have been adjusted to allow for meaningful Māori engagement, and investment decisions reflect our shared responsibility to protect environmental taonga. This Plan reinforces our role as a responsible Treaty partner, supporting governance that is inclusive, respectful, and focused on long-term regional wellbeing.

## **Rangatiratanga**

19. Council upholds the principle of Rangatiratanga by recognising the right of Māori to exercise authority over their taonga, resources, and decision-making. Through this Annual Plan, we acknowledge the importance of Māori leadership in matters that affect their communities and whenua. Engagement with iwi and hapū on significant projects—particularly in water infrastructure and environmental recovery—reflects our commitment to supporting self-determination. We recognise that timing, process, and partnership must respect Māori priorities, and we are committed to ongoing collaboration that enables Māori voices to influence the design, delivery, and outcomes of key initiatives.

## **Oritetanga**

20. Council affirms its commitment to Ōritetanga, the principle of equity, by working to ensure Māori communities have fair and equal access to services, resources, and opportunities. The 2026/27 Annual Plan reflects a continued focus on reducing disparities by supporting infrastructure, recovery, and resilience projects that serve the needs of all communities, including Māori. While these projects are designed for broad regional benefit, we recognise the importance of identifying and responding to the specific needs and aspirations of tangata whenua to help achieve more equitable outcomes across the district.

## **Whakapono**

21. Council is committed to building Whakapono—trust and confidence—in its relationships with iwi, hapū, and Māori communities. This Annual Plan reflects an approach grounded in integrity, good faith, and responsiveness. Through consistent engagement, transparency in planning, and a willingness to adjust timelines and priorities to reflect Māori input, we aim to strengthen our role as a trusted Treaty partner. Whakapono is essential to enduring partnership, and we continue to develop practices that foster mutual respect and long-term collaboration.

## **TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA**

22. There are no significant changes to the draft 2026/27 AP that require additional Māori engagement to what was consulted on in the 2024-27 3YP.

## **COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI**

23. There are no significant changes within the Capital Investment Programme for 2026/27 Annual plan that trigger consultation.
24. The projects within the programme are of interest to the community and are communicated through delivery of the Annual Plan and reported within the Annual Report. Once the 2026/27 Annual Plan is adopted, our community will be informed through social media, newspapers, and our website.

## **CLIMATE CHANGE – Impacts / Implications - NGĀ REREKĒTANGA ĀHUARANGI – ngā whakaaweawe / ngā ritenga**

25. Climate change was a consideration within the 2024-2027 Three Year Plan and follows Council's Climate Change Roadmap to 2050. This seeks to align climate change strategy projects with our Long-Term Plan priorities.

26. Specifically, included within these priorities is the Waipaoa flood control climate change resilience project. This project aims to enhance flood protection along the Waipaoa River.
27. Draft 2026/27 Annual Plan follows the same 3YP approach towards responding to climate change and what we committed to under Year 3 of the 3YP.add your own text here.

## **CONSIDERATIONS - HEI WHAKAARO**

### **Financial/Budget**

28. For the 2026/27 Annual Plan, carryover loans are excluded from interest calculations as they will have been rated and provided within the 2026 budgets Loan and reserve funding.

### **Legal**

29. The capital programme for the 3YP Year 3 aligns with what is included within the 2026/27 Annual Plan. Those projects that have been reprioritised, brought forward, or have been delayed, do not constitute an alteration of an intended level of service that was consulted on throughout the 3YP process.

## **POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE**

30. There are no significant changes for the Capital Investment Programme for Year 3 of the 2024-27 3YP, from what is proposed in the Annual Plan 2026/27.
31. The programme is within the Financial Strategy limits, Treasury Management Policy and within the Revenue & Financing Policy.
32. Under the Revenue and Financing Policy, provision to use reserve funds (including depreciation reserves) and loan funding can be used when it is prudent to do so.

## **RISKS - NGĀ TŪRARU**

33. The 2026/27 Annual Plan acknowledges several key risks, including those related to the ongoing impacts of climate change, project delays, and funding fluctuations.
34. We have identified risks associated with capital works timelines, particularly for large infrastructure projects, and have adjusted budgets and delivery schedules accordingly.

## **NEXT STEPS - NGĀ MAHI E WHAI AKE**

<b>Date</b>	<b>Action/Milestone</b>	<b>Comments</b>
25 June 2026	Adoption of 2026/27 Annual Plan	

## **ATTACHMENTS - NGĀ TĀPIRITANGA**

1. Attachment 1 - Capital Changes Annual Plan 2027 [26-135.1 - 2 pages]
2. Attachment 2 - Capital Carryovers Annual Plan 2027 [26-135.2 - 1 page]

## 2027 Annual Plan Capital Programme with Changes

Details	Draft AP	Final AP	Variance	Comments
	2027	2027		
	\$000s	\$000s		
<b>Commercial Operations</b>				
Commercial Property - Staff Housing Upgrades	55	55	0	
Community Housing - Upgrades	225	225	0	
Commercial Property - Office Furniture	20	20	0	
<b>Total</b>	<b>300</b>	<b>300</b>	<b>0</b>	
<b>Land, Rivers and Coastal</b>				
Flood resilience - Cat 2	13,001	13,280	279	Timing - alignment to program of works
Flood Scheme Renewals	0	205	205	Carryover - Flood resilience works on Taruheru river
Waipaoa River Flood Control Scheme Resilience Improvements	3,462	3,462	0	
Waipaoa River Flood Ctl Scheme - Cat 2	714	354	(360)	Timing - alignment to program of works
<b>Total</b>	<b>17,177</b>	<b>17,301</b>	<b>124</b>	
<b>Liveable Communities</b>				
Amenities	350	410	60	Carryover - Te Puia Amenities Upgrade
Aquatic Facilities Renewals	25	25	0	
CBD Revitalisation	185	1,601	1,416	Carryover - physical works
Cemeteries Renewals	82	82	0	
Jetties and Boat Ramps	65	65	0	
Kiwa pools - Outdoor Pool	3,325	1,440	(1,885)	Timing - aligning with grant assumption
Land Remediation (asbestos contamination on Reserve land)	200	200	0	
Land Stability Projects	200	200	0	
Library Renewals	243	243	0	
Museum Renewals	0	24	24	Carryover - Lysnar House improvements
New urban cemetery	150	150	0	
Parks - Kopututēa Private Reserve - Co-Governance	15	15	0	
Parks & Reserves	779	999	220	Carryover - Blackpool playground and Awapuni stadium upgrade
Public Art	60	60	0	
Signage	35	35	0	
Sportsground Facilities - Indoor Stadium	1,600	1,500	(100)	Split update - additional allocation in operational part of the project
Sportsground Facilities Upgrades and Renewals	150	150	0	
Street Trees Planting	35	35	0	
Waingake Restoration (Pamoa)	1,817	1,817	0	
WMT - Capital Upgrades	25	25	0	
Parks & Reserves Land Improvements	643	643	0	
<b>Total</b>	<b>9,983</b>	<b>9,718</b>	<b>(265)</b>	
<b>Regional Leadership and Support</b>				
Air Quality And Noise Monitoring Equipment	95	95	0	
Bore Drilling and Renewals	229	407	178	Carryover - program to resume in 2027
Business Analytics	50	50	0	
Civil Defence Upgrades	0	150	150	Carryover - civil defence equipment
Digitisation of records- capex	925	925	0	
Existing Core Hardware & Software Renewal	747	747	0	
Freshwater Improvement Fund	70	280	210	Carryover - delays in planting, program extended
Orthophoto Regeneration - Aerial Photography	40	40	0	
Resilience Upgrades	50	50	0	
Software Renewals & Updates	50	50	0	
Telemetry And Hydrological Equipment	97	97	0	
Vehicle & Minor Plant Renewals	564	564	0	
<b>Total</b>	<b>2,917</b>	<b>3,455</b>	<b>538</b>	
<b>Roading</b>				
CBD Revitalisation	50	0	(50)	Budget reallocated to CBD in reserves
Community connectivity	1,250	2,945	1,695	Carryover - construction of Taruheru cycleway
Footpath Replacements - Funded	177	177	0	
Gisborne City Carpark Facility	21	21	0	
Minor Improvements Projects	1,000	1,000	0	
Regional Transport Projects - recovery	80,226	85,181	4,955	Timing - alignment to program of works
Resilience Improvement	1,050	1,050	0	
Roading Renewals	18,374	18,374	0	
Taruheru Subdivision Improvements	669	669	0	
<b>Total</b>	<b>102,818</b>	<b>109,418</b>	<b>6,600</b>	
<b>Solid Waste</b>				
Heritage Landfill Remediation	5,050	6,430	1,380	Carryover - Remediation Te Araroa landfill
Landfill Capital Works	1,500	1,500	0	
Paokahu Closed Landfill	60	60	0	
Resource Recovery centre	1,500	1,500	0	
Solid Waste Renewals	376	376	0	
Waste Minimisation	90	90	0	
Waiapu Landfill - Stage 3	0	295	295	Carryover - Closing landfill
Transfer Stations	0	478	478	Carryover - Tokomaru transfer station reallocation
Waste Resilience	0	2,230	2,230	Carryover - Better Off Funding - Wheelie bins
<b>Total</b>	<b>8,576</b>	<b>12,959</b>	<b>4,383</b>	

<b>Stormwater</b>				
Stormwater Renewals & Upgrades	1,154	1,374	220	Carryover - Whataupoko upgrade
Stormwater resilience	1,000	1,000	0	
<b>Total</b>	<b>2,154</b>	<b>2,374</b>	<b>220</b>	
<b>Townships</b>				
Township upgrades	700	1,700	1,000	Carryover - Better Off Funding projects
<b>Total</b>	<b>700</b>	<b>1,700</b>	<b>1,000</b>	
<b>Wastewater</b>				
Wastewater renewals and Urban upgrades	6,786	7,541	755	Carryover - Tolaga Bay septage
Kaiti Area Pumpstation & Rising Main	100	100	0	
Wastewater Treatment Plant Further Treatment	0	260	260	Carryover - tertiary filters
Te Karaka Wastewater Land Disposal	0	100	100	Carryover
Mortuary Waste Field	0	20	20	Carryover
<b>Total</b>	<b>6,886</b>	<b>8,021</b>	<b>1,135</b>	
<b>Water Supply</b>				
Taruheru Block Water Extension	0	0	0	
Water supply renewals and upgrades	3,086	3,086	0	
Water supply resilience	1,700	2,456	756	Carryover - Sang & Clapcott Dams
Sang Dam Slump Remedial Works	0	65	65	Carryover - Sang & Clapcott Dams
Waipaoa Treatment Plan Infiltration Galery	0	90	90	Carryover
Dams Resilience	0	1,200	1,200	Carryover - Sang & Clapcott Dams
<b>Total</b>	<b>4,786</b>	<b>6,897</b>	<b>2,111</b>	
<b>Grand Total</b>	<b>156,296</b>	<b>172,143</b>	<b>15,847</b>	

<b>Summary</b>				
Carrovers			12,857	
Timing changes			2,990	
New projects			-	
			<u>15,847</u>	

Details	Carryover	Comments
	\$000s	
<b>Land, Rivers &amp; Coastal</b>		
Flood resilience - Cat 2	279	Forecast
Waipaoa River Flood Ctl Scheme - Cat 2	(360)	Forecast
Flood Scheme Renewals	205	Carryover - Flood resilience works on Taruheru river
<b>Total</b>	<b>124</b>	
<b>Liveable Communities</b>		
Amenities	60	Carryover - Te Puia Amenities Upgrade
CBD Revitalisation	1,416	Carryover - physical works
Kiwa pools - Outdoor Pool	(1,885)	Timing - aligning with grant assumption
Museum Renewals	24	Carryover - Lysnar House improvements
Parks & Reserves	220	
		Carryover - Blackpool playground and Awapuni stadium upgrade
Sportsground Facilities - Indoor Stadium	(100)	
		Split update - additional allocation in operational part of the project
<b>Total</b>	<b>(265)</b>	
<b>Regional Leadership &amp; Support Services</b>		
Bore Drilling and Renewals	178	Carryover - program to resume in 2027
Civil Defence Upgrades	150	Carryover - civil defence equipment
Freshwater Improvement Fund	210	Carryover - delays in planting, program extended
<b>Total</b>	<b>538</b>	
<b>Roading</b>		
CBD Revitalisation	(50)	Budget reallocated to CBD in reserves
Community connectivity	1,695	Carryover - construction of Taruheru cycleway
Regional Transport Projects - recovery	4,955	Timing - alignment to program of works
<b>Total</b>	<b>6,600</b>	
<b>Solid Waste</b>		
Heritage Landfill Remediation	1,380	Carryover - Remediation Te Araroa landfill
Waipuu Landfill - Stage 3	295	Carryover - Closing landfill
Transfer Stations	478	Carryover - Tokomaru transfer station reallocation
Waste Resilience	2,230	Carryover - Better Off Funding - Wheelie bins
<b>Total</b>	<b>4,383</b>	
<b>Urban Stormwater</b>		
Stormwater Renewals & Upgrades	220	Carryover - Whataupoko upgrade
<b>Total</b>	<b>220</b>	
<b>Wastewater</b>		
Mortuary Waste Field	20	Carryover - Tolaga Bay septage
Te Karaka Wastewater Land Disposal	100	Carryover - tertiary filters
Wastewater renewals and Urban upgrades	755	Carryover
Wastewater Treatment Plant Further Treatment	260	Carryover
<b>Total</b>	<b>1,135</b>	
<b>Water Supply</b>		
Water supply resilience	756	Carryover - Sang & Clapcott Dams
Sang Dam Slump Remedial Works	65	Carryover - Sang & Clapcott Dams
Waipaoa Treatment Plan Infiltration Galery	90	Carryover
Dams Resilience	1,200	Carryover - Sang & Clapcott Dams
<b>Total</b>	<b>2,111</b>	
<b>Townships</b>		
Township upgrades	1,000	Carryover - Better Off Funding projects
<b>Total</b>	<b>1,000</b>	
<b>Grand Total</b>	<b>15,847</b>	

**Title:** 26-137 Price Review Solid Waste Rural Rubbish Stickers  
**Section:** Solid Waste  
**Prepared by:** Michele Frey - Director Liveable Communities  
**Meeting Date:** Wednesday 3 June 2026

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Legal: No

Financial: Yes

Significance: **Medium**

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## Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for decision

### PURPOSE - TE TAKE

The purpose of this report is to seek approval to increase the cost of rural rubbish stickers in line with the Consumer Price Index (CPI), ensuring that it reflects inflationary pressures of the cost of waste disposal.

### SUMMARY - HE WHAKARĀPOPOTOTANGA

At its meeting on 18 February 2026, the Finance and Performance Committee resolved to consult on the Draft Fees and Charges for the 2026/27 financial year. Consultation was undertaken during March 2026 and closed on 30 March. The overall approach was to adjust most fees in line with CPI, with targeted increases above inflation where required to improve cost recovery.

Gisborne District Council (Council) considered the consultation feedback on 22 April 2026 (Report 26-94), noting that three submissions were received, and subsequently adopted the amended fees and charges. With limited exceptions, the adopted fees reflect CPI-based adjustments applied to the previous year's charges.

The annual price review for solid waste stickers was not included in this process due to Council's focus on completing the Waste Management and Minimisation Plan (WMMP) and progressing work on the proposed Regional Transfer Station and Resource Recovery Centre.

Current revenue from solid waste services, particularly rural sticker charges, does not cover the cost of service delivery. These charges have not been reviewed for approximately six years, during which time costs have increased significantly, resulting in an ongoing funding shortfall.

It is proposed that rural sticker fees are increased in line with CPI as an interim measure to partially offset rising costs, while recognising affordability constraints. Applying CPI at approximately 4.3% per annum over six years would increase the blue sticker price from \$2.80 to \$3.50, and the pink sticker price from \$10.00 to \$12.50.

CPI adjustments alone will not address the structural gap between revenue and the full cost of waste services. The proposed increase is therefore intended as an interim measure while broader work is progressed through the WMMP and the next Long-Term Plan (LTP).

This programme of work will review the end-to-end waste system, including service levels, infrastructure, supply chain arrangements, and pricing. It is expected to result in more substantive changes over time to improve financial sustainability, system efficiency, and environmental outcomes.

Subject to Council's approval, the proposed new fee will be released for public consultation so that public views can be considered before a final decision is made.

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

## **RECOMMENDATIONS - NGĀ TŪTOHUNGA**

**That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:**

- 1. Agrees to consult on the proposed increase of rural rubbish sticker prices - blue sticker price from \$2.80 to \$3.50 (5kg bag), and pink sticker price from \$10.00 to \$12.50 (approximately 0.5 cubic metres of waste).**

*Authorised by:*

**Michele Frey - Director Liveable Communities**

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**Keywords:** rural rubbish stickers,

## BACKGROUND - HE WHAKAMĀRAMA

1. Waste management costs in Tairāwhiti are estimated at approximately \$650 per tonne, driven by transport and transfer costs, with landfill disposal alone accounting for around \$318 per tonne. Options to deliver more cost-effective and environmentally sustainable waste management are being progressed through the WMMP and LTP, including consideration of a Council owned Regional Transfer Station and Resource Recovery Centre.
2. In the meantime, Council continues to deliver existing waste management services across both urban and rural areas. Councillors will be familiar with the orange, pink and blue sticker system.
3. Orange Stickers are used in the urban area. The price of these stickers is set by Waste Management Ltd, with Council on-selling these stickers as well as allocating them to ratepayers through the rating system.
4. In contrast, rural areas use a different approach, with blue and pink stickers. The pricing for these rural stickers is set directly by Council, and they have not been reviewed for 6 years.
5. Blue rubbish stickers are currently priced at \$2.80 per sticker and cover up to 5kg of waste.
6. Pink stickers are currently priced at \$10.00 per sticker and cover up to 0.5 cubic meters of waste. The intent of the pink sticker system is to enable rural communities to dispose of larger volumes of waste than the standard 5kg increments, i.e. car boots, Utes, and small trailers. Work is currently underway to develop and implement clearer rules and guidelines around the volumes and types of waste that can be disposed of using pink stickers.

## DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

7. Rubbish sticker fees have not been adjusted in line with inflation for approximately six years, while the cost of providing waste management services has continued to increase at least in line with CPI. As a result, the gap between revenue and cost has widened over time, and the longer pricing adjustments are deferred, the more significant this gap becomes.
8. The reasons for the lack of adjustment are reflective of the complexity of solid waste management as a Council service. Achieving the right balance between environmental outcomes, service levels, and cost efficiency requires a comprehensive system-wide review, which takes time to develop and implement. This work is now progressing through the WMMP and associated planning processes.
9. At this stage, a detailed analysis of the cost recovery required to fully fund stickered waste services has not yet been completed.
10. In the interim, it would be appropriate to adjust fees in line with CPI as a minimum to prevent further erosion of cost recovery, as set out in the table below.

Item	Current Price	CPI-Adjusted Price (6 yrs @ 4.2%)	Rounded Price
Blue sticker	\$2.80 per 5 kg	\$3.58	\$3.50
Pink sticker	\$10.00 per 100 kg	\$12.78	\$12.50

## ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

**Overall Process:** **Medium** Significance

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

**Overall Process:** **High** Significance

**This Report:** **High** Significance

Inconsistency with Council's current strategy and policy.

**Overall Process:** **Low** Significance

**This Report:** **Low** Significance

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

**Overall Process:** **Medium** Significance

**This Report:** **Medium** Significance

The effects on individuals or specific communities.

**Overall Process:** **Medium** Significance

**This Report:** **Medium** Significance

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

**Overall Process:** **Medium** Significance

**This Report:** **Medium** Significance

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

## TREATY COMPASS ANALYSIS

### Kāwanatanga

12. Council will uphold its governance responsibilities by applying a further consultation consultative procedure, ensuring open and transparent processes for decision-making. The consultation process will be accessible to the public and include tangata whenua, allowing them to participate meaningfully.

### Rangatiratanga

13. The report recognises the importance of engaging with the community, including tangata whenua, during the consultation process. Clear guidance around services that hold cultural significance acknowledges and supports Māori values and authority in matters of importance.

### Oritetanga

14. Council's fees and charges are grounded in a user-pays principle that supports fairness and aligns with its Revenue and Financing Policy. This report acknowledges affordability as a key consideration, reflecting a commitment to equitable outcomes for the community. By maintaining minimal changes beyond inflationary adjustments, Council ensures that Māori and all residents have fair access to services without undue financial burden. The inclusion of targeted rates along with careful balance between public good and individual benefit further supports equity.

## Whakapono

15. Council's approach to the 2026/27 Fees and Charges overall reflects an awareness of and respect for tikanga and cultural values. Feedback received during previous consultation was acknowledged with care, and services with cultural significance were considered thoughtfully. The same process will apply to further consultation.

## TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

16. The CPI adjusted fee increase proposed is in line with the 3YP. No specific engagement has occurred with Tangata Whenua on the pricing of rural waste disposal stickers.

## COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

17. The proposed fee increase will be publicly notified so that public submissions can be considered by Council before making a final decision.

## CLIMATE CHANGE – Impacts / Implications - NGĀ REREKĒTANGA ĀHUARANGI – ngā whakaaweawe / ngā ritenga

18. There are no implications to climate change.

## CONSIDERATIONS - HEI WHAKAARO

### Financial/Budget

19. Adjusting the price of rubbish stickers in line with CPI is fiscally responsible and consistent with Council's financial management approach.

### Legal

20. The proposed increase complies with legal requirements.

## POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

21. The proposed increase is not inconsistent with Council Policy and Plans.

## RISKS - NGĀ TŪRARU

22. There are no major risks arising from a CPI-based adjustment to the price of rural rubbish stickers.

## NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
3 June 2026	Council decision to approve, for consultation, a CPI-based adjustment to the price of rural rubbish stickers.	
Mid-June 2026 – Mid-July 2026	Public consultation.	
30 September 2026	Final decision.	

## 10.2. INFORMATION Reports Finance



26-127

**Title:** 26-127 Treasury Report - 30 April 2026

**Section:** Finance & Affordability

**Prepared by:** Lucy Gibson - Principal Financial Advisor

**Meeting Date:** Wednesday 3 June 2026

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Legal: No

Financial: Yes

Significance: **Low**

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### Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for information

#### PURPOSE - TE TAKE

The purpose of this report is to report on the Gisborne District Council's (Council) interest rate exposure, debt, and cash position as of 30 April 2026 compared to forecasts and policy limits.

#### SUMMARY - HE WHAKARĀPOPOTOTANGA

The Council was compliant with its Treasury Policy as of 30 April 2026.

As at 30 April 2026, the Council's gross external debt was \$237.8m, Council's net debt was \$225.7m which is in line with the full-year Annual Plan (to 30 June 2026) of \$228m.

Interest rate swap cover is \$69.5m as at 30 April 2026. This is in line with the Council's Treasury policy to keep within our minimum fixed/floating interest rate cover. Fixed-rate cover was 66% of our debt forecast (Council policy is 40-90%).

Currently, the Council has 56% of its debt facilities maturing in 0-3 years (Council policy is 15-60%), 33% in 3-7 years (Council policy is 25-85%), and 11% in 7 years plus (Council policy is 0-40%).

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

#### RECOMMENDATIONS - NGĀ TŪTOHUNGA

**That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:**

1. **Notes the contents of this report.**

*Authorised by:*

**Pauline Foreman - Chief Financial Officer**

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**Keywords:** treasury, LGFA, debt

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# Treasury Report 30 April 2026

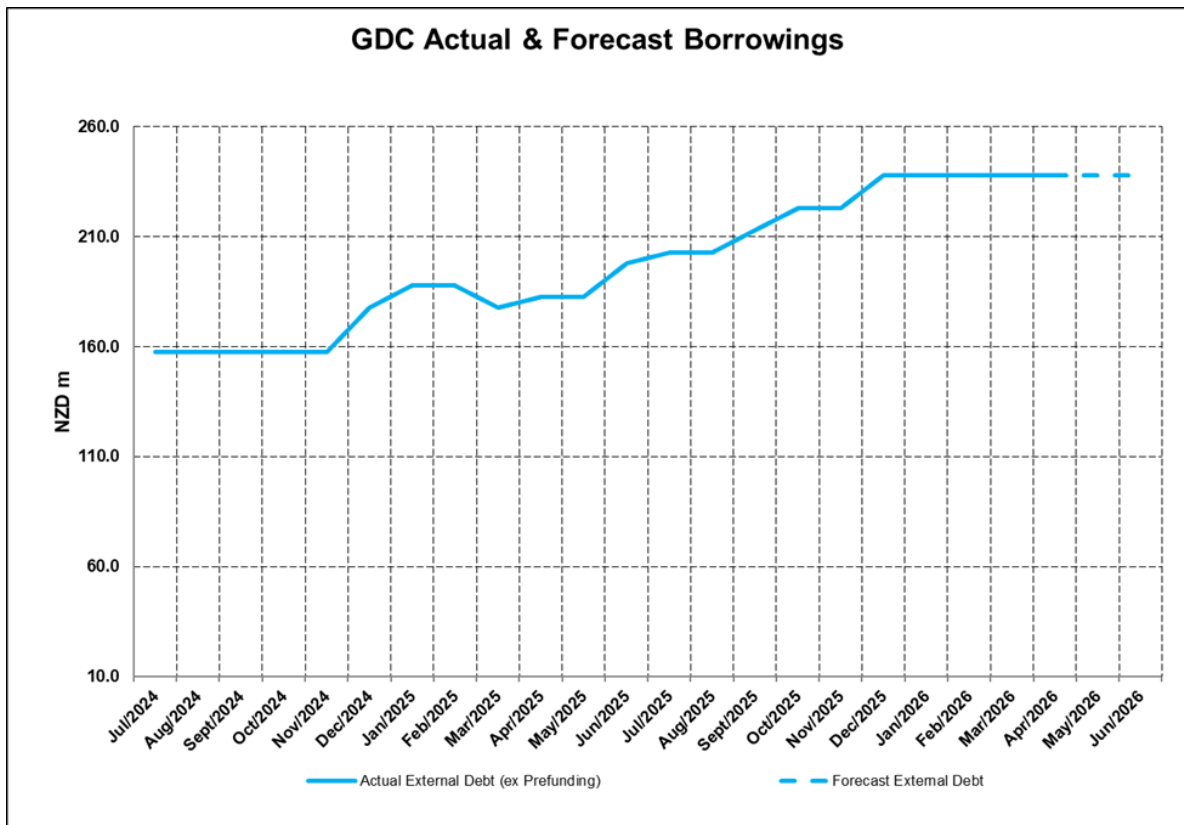
**Table 1 - Cash Position**

Cash Management (General Funds)				
Deposit / Loan	Rate	S&P Rating	Maturity	Amount
Westpac Bank Balance	2.25%	AA-	Current	\$440k
Westpac Deposit Facility	2.25%	AA-	Current	\$5.66m
ANZ Retentions Account	3.00%	AA-	Current	\$3.27m

**Table 2 - Debt Position**

External (Public) Debt	30 April 2026	31 December 2025
Opening Balance	\$237.8m	\$212.8m
Plus: Long Term Loans Raised	\$0.0m	\$10.0m
Plus/(Less): Movement in Short Term Loans	\$0.0m	\$15.0m
External Debt	\$237.8m	\$237.8m
Plus: Bank Facility Loans / (Deposits)	-\$5.66m	-\$12.0m
Total Debt	\$232.14m	\$225.8m

30 April 2026	30 June 2025
\$232.14m	\$200.7m



## **BACKGROUND - HE WHAKAMĀRAMA**

1. Council has a Treasury Management Policy, which sets out policies and procedures in respect of all Treasury activity undertaken by Council. Treasury is a generic term to describe the activities of the financial function within Council, that is responsible for managing cash resources, debt, foreign exchange risk (where applicable), and sometimes the commodity price and energy price risk.
2. The formalisation of such procedures and policies enable treasury risks to be prudently managed.
3. The Council's Treasury Management Policy is focused on a 'corridor style' approach. The corridor approach refers to an upper limit and a lower limit within which Council needs to fall to be within policy.
4. This approach is more flexible and is typically a better fit for councils with increasing debt over longer than a ten year plus time horizon. The policy strategically aligns the interest rate risk management framework within the Long-Term Plan (LTP) and associated debt path.
5. PricewaterhouseCoopers (PwC) are engaged by the Council to monitor, review, and give advice on the Council's Treasury management. Monthly meetings assist us to match our treasury strategies' alliance with current market conditions.

## **DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA**

6. Overall net debt considers both long term loans and current financial assets, (including short-term bank deposits, and borrower notes). Net external debt only considers long term loans and deposits.
7. As at 30 April 2026, the Council's overall net debt position was \$225.7m against the full year Annual Plan forecast to 30 June 2026 of \$228m. This is made up of external debt of \$237.7m, offset by Money Market Deposit of \$5.66m and by borrower notes of \$6.4m.
8. Borrower notes are a financial instrument used to secure long-term debt.
9. Since 31 December 2025 (the previous reporting period), Council has refinanced \$10m of long-term debt through drawing down the remaining \$10m of the concessionary loan facility, bringing the total amount drawn to \$30m. These funds will support the Category 2 Rooding and Flood Resilience projects.
10. While Council progresses through the credit rating process, debt will continue to be managed on a short-term basis. This approach provides flexibility and positions Council to achieve long-term interest savings through lower borrowing margins once a credit rating is obtained.
11. Council is forecasting debt levels to be slightly above those included in the Annual Plan as at 30 June 2026. This is primarily due to Council carrying approximately \$18 million of short-term debt to manage the timing difference between recovery expenditure being incurred and grant funding being received for cyclone recovery activities.
12. The interest costs associated with this short-term borrowing have largely been offset through the Crown's \$30m concessionary loan facility, provided at 0% interest as part of the Cyclone Gabrielle FOSAL Recovery Package.

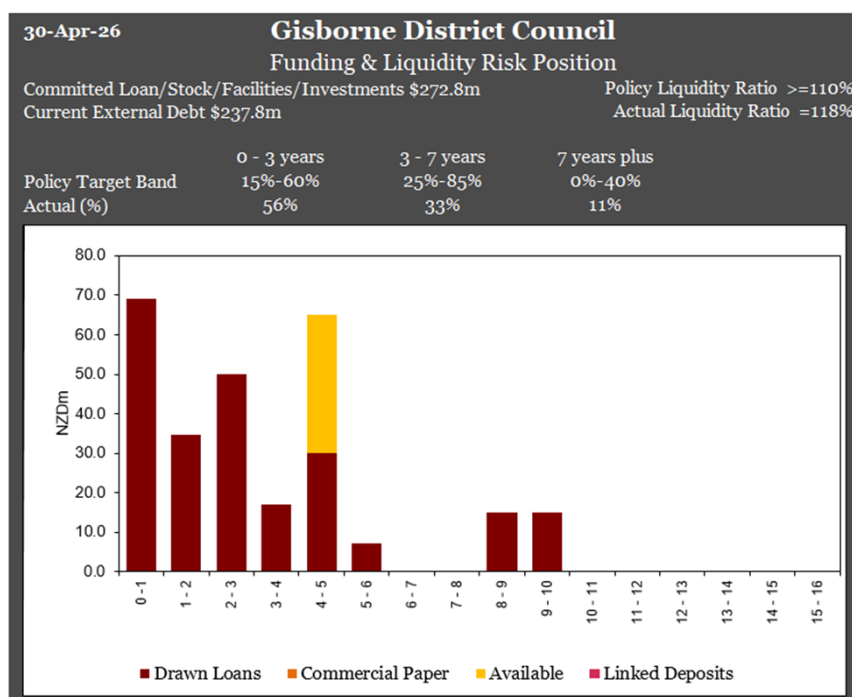
13. The table below shows the Council's Loan Funding Facilities:

**Table 3 – Loan Funding Facilities as of 30 April 2026**

Bank		This Month	Available Facility	Unutilised Facility
ANZ (Bank Facility)		-	\$15.0m	\$15.0m
WPB (Bank Facility)		-	\$20.0m	\$20.0m
LGFA (Debenture Stock)		\$237.8m	\$237.8m	
<b>Total Debt</b>	<b>A</b>	<b>\$237.80</b>	<b>\$272.8m</b>	<b>\$35.0m</b>
LGFA Borrower Notes	<b>B</b>	(\$6.4m)		
WPB Money Market Deposit	<b>C</b>	(\$5.7m)		
<b>Net Debt</b>	<b>A - B - C</b>	<b>\$225.7m</b>		
<b>Reconciliation to Balance Sheet Borrowings</b>				
<b>Per Treasury Report</b>		<b>\$225.7m</b>		
<i>Adjustments:</i>				
Borrower Notes (reported under investments)		\$6.4m		
Concessionary Loan FV Adjustment (accounting adjustment not included in Treasury)		(\$11.8m)		
Westpac Facility Drawdown (included under Cash & Bank)		\$5.7m		
<b>Per Financial Report</b>		<b>\$226m</b>		
<i>Reported as:</i>				
Current Borrowings		\$35m		
Non Current Borrowings		\$191m		
<b>Total Borrowings</b>		<b>\$226m</b>		

14. Council received a \$30 million concessionary loan at a zero-percent interest rate for 10 years as part of Central Government's \$204 million recovery package. To date, \$30m has been called upon. A fair value adjustment has been recognised to reflect the benefit of the below-market loan terms, reducing the loan's initial carrying value. This adjustment aligns with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) requirements and reflects the economic support provided for Category 3 voluntary buyouts, flood protection works and roading recovery costs.

15. The following table and graph show the Councils current debt maturity profile:



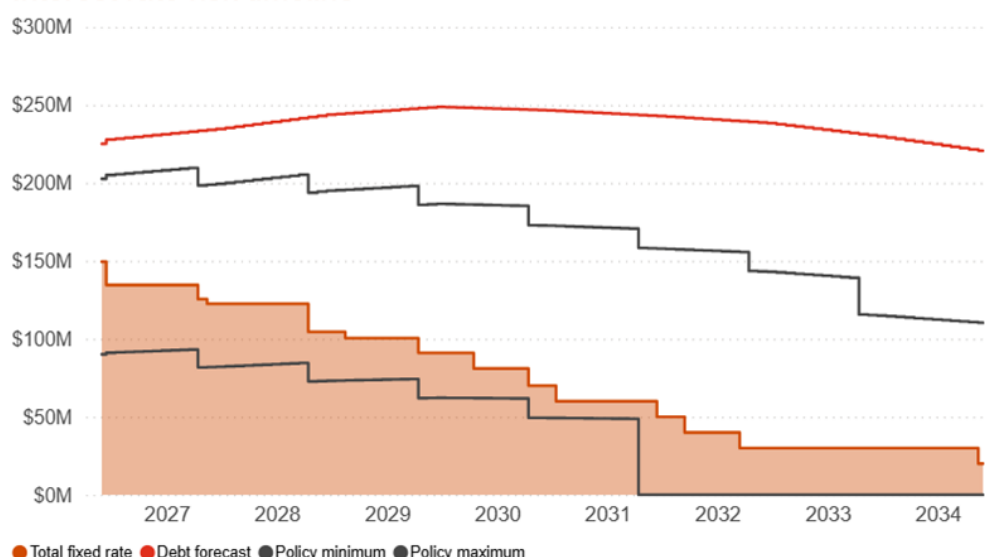
16. **Table 4 – Council’s Current Debt Maturity Profile**

Maturity Profile	Borrowing		Facilities	Facilities (Excluding Deposits)	Policy	Compliance
0- 3 Years	\$153.6m	65%	\$153.6m	56%	15% - 60%	✓
3- 7 Years	\$54.2m	23%	\$89.2m	33%	25% - 85%	✓
7+ Years	\$30m	13%	\$30m	11%	0% - 40%	✓
<b>Total</b>	<b>\$237.8m</b>	<b>100%</b>	<b>\$272.8m</b>	<b>100%</b>		

17. Council's current debt profile is heavily weighted toward the 0–3 year maturity band. This reflects a combination of factors, including the level of short-term borrowing being carried to manage the timing of grant funding receipts, as well as debt that is currently being maintained on a short-term basis pending Council obtaining a credit rating.
18. Council also deliberately targeted shorter-term borrowing following the announcement of the Three Waters reforms, in anticipation that water-related debt may ultimately transfer to a future water entity.
19. Once Council obtains a credit rating, it is expected that the debt maturity profile will become more balanced over time, with borrowing terms more closely aligned to the long-term nature of the underlying infrastructure assets.
20. The following graph and table show that we are fully compliant with Councils Interest Rate Risk Policy. The Council currently has \$69.5m of interest rate swap cover in place.
21. During April Council entered a \$10m interest rate swaps with Westpac at 3.72%.

**Graph 3 – Council’s Interest Rate Risk Position**

**Interest rate risk timeline**

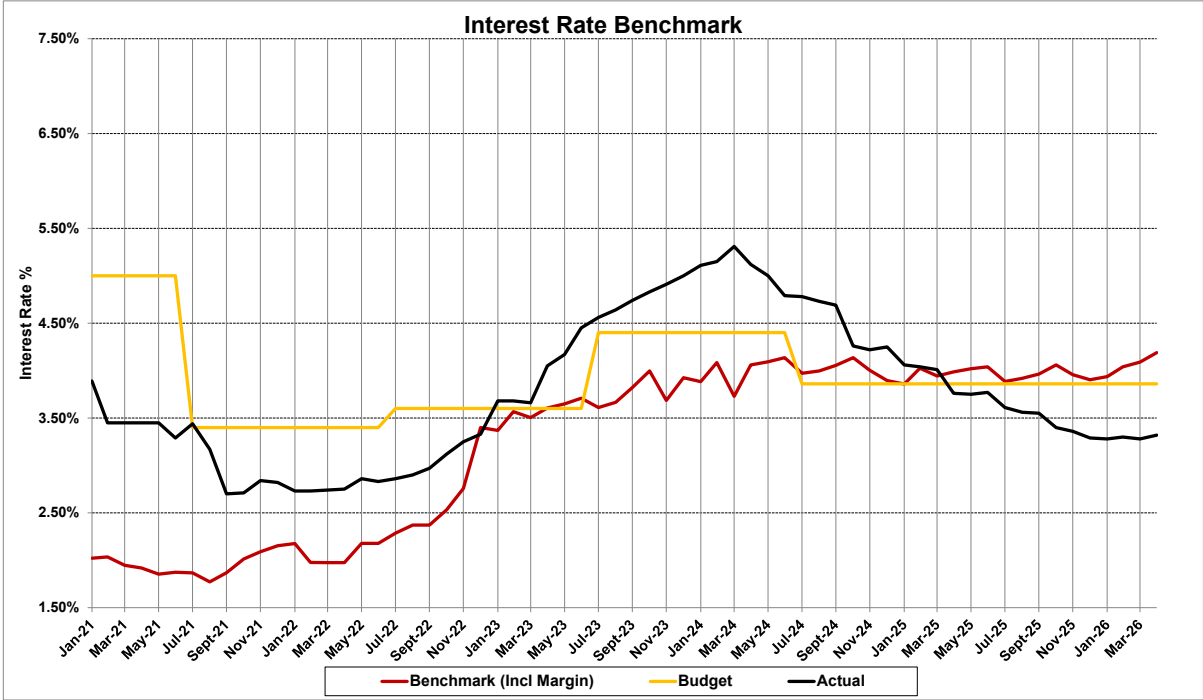


22. **Table 5 – Council’s Interest Rate Risk Policy**

Debt Period Ending	Corridor Policy Minimum %	Corridor Policy Maximum %	Actual	Compliant (Y/N)
Year 1	40%	90%	61%	Yes
Year 2	35%	85%	52%	Yes
Year 3	30%	80%	42%	Yes
Year 4	25%	75%	35%	Yes
Year 5	20%	70%	25%	Yes
Year 6	0%	65%	19%	Yes
Year 7	0%	60%	13%	Yes
Year 8	0%	50%	13%	Yes
Year 9	0%	50%	11%	Yes
Year 10	0%	50%	0%	Yes
Year 11	0%	25%	0%	Yes
Year 12	0%	25%	0%	Yes
Year 13	0%	25%	0%	Yes
Year 14	0%	25%	0%	Yes
Year 15	0%	25%	0%	Yes

23. The below graph shows the actual weighted average cost of funds for April at 3.34% which is lower than the 4.19% benchmark rate, and the budget assumed when preparing the Annual Plan 2025-26 of 3.86%. Council has now drawn the full \$30m concessionary loan which has reduced our weighted average cost of debt.
24. The Budget (yellow line) is the interest rate assumed during the budget process, based on a set of assumptions around debt levels, capital spends income and expected OCR changes.
25. The Benchmark (red line) refers to a basket of interest rate swaps the Council uses to benchmark against, assuming no interest rate management is in place.
26. The Actual (black line) is the weighted average cost of the Councils debt – including bank margins, interest rate swaps and line fees. The actual line fluctuations are based on the debt levels and short-term cash requirements.

27. **Graph 4 – Interest Rate Benchmark**



**Interest Costs**

28. **Table 6 – Councils Interest Rate Costs and Swap Fair Value**

	<b>Actual 30 April 2026</b>	<b>YE Budget 30 June 2026</b>	<b>YE Actual 30 June 2025</b>
Net Interest Costs	\$5.9m	\$8.1m	\$6.7m
Movement of Fair Value in Swaps	-\$716k		\$1.8m
Fair Value of Swaps	-\$86k		-\$800k

- 29. The fair value of swaps is the bank's current market pricing (as of 30 April 2026) of the difference between the 90-day swap rates and the fixed rate of the swap for the duration of the swap.
- 30. Council has a gain in fair value of \$716k between 1 July 2025 and 30 April 2026. Swaps are a mechanism used to minimise risk. Council fixes rates so we know what we must pay. If the swap "fixed rate" is higher than the current floating rates, the bank benefits, and if the swap "fixed rate" is lower than the current floating rate, Council benefits.
- 31. The estimated fair value of \$86k is the paper value liability, recognised under New Zealand accounting rules. The Council receives no actual cash for the change in fair value of its swaps; however, the movement is recognised in the Council's Statement of Financial Performance (an increase in fair value resulting in a gain and a decrease in fair value resulting in a loss).

## Counterparty Credit Risk

32. Council is compliant with its counterparty credit risk policy as of 30 April 2026, with total exposure for ANZ at \$6.6m and Westpac at \$10.8m against a policy of \$25m per counterparty.
33. Counterparty credit risk is an internal metric of Council's to reduce over exposing cash/term deposits/derivatives with just one bank in the event they collapsed, spreading, and smoothing.
34. All counterparty banks are Standard & Poor's AA-rated.

**Table 7 – Council's Counterparty Credit Risk**

Bank	Exposure Limit	Total Exposure	Compliance
ANZ	\$25m	\$6.6m	Within Policy
Westpac	\$25m	\$10.8m	Within Policy

## Compliance

35. **Table 8 – Borrowing Limit Compliance as of 30 April 2026**

Ratio / Covenant	Policy Compliance	Current Position
Net debt as a % of income = <175%	✓	158%
Net interest as a % of income <10%	✓	6%
Total debt per capita <\$4,500	✓	\$4,023
Net external debt per rateable unit <\$10,250	✓	\$10,008
Net interest as a % of rates income <15%	✓	8%
Liquidity over existing external debt >=110%	✓	118%

## Credit Rating

36. Council has appointed Fitch Ratings to provide credit rating services. The credit rating process is expected to commence in October/November 2026 and is anticipated to take approximately 4–6 weeks to complete. Council is targeting a formal public credit rating by April 2027, which aligns with the assumptions and timeframes outlined in the Water Services Plan for a credit rating to be in place by 1 July 2027.

## ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

Inconsistency with Council's current strategy and policy

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

The effects on individuals or specific communities

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Title:** 26-134 Financial Report 30 April 2026  
**Section:** Finance & Affordability  
**Prepared by:** Melanie Hartung - Finance & Performance Manager  
**Meeting Date:** Wednesday 3 June 2026

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Legal: No

Financial: Yes

Significance: **Low**

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## Report to FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee for information

### PURPOSE - TE TAKE

The purpose of this report is to provide a high-level overview of Gisborne District Council's (Council) financial results for the period ended 30 April 2026.

### SUMMARY - HE WHAKARĀPOPOTOTANGA

This report covers the Council's financial performance for the ten months of the 2025/26 financial year; the period ended 30 April 2026. It includes commentary against a year to date (YTD) Annual Plan within the statement of Comprehensive Revenue and Expenses and Capital Expenditure.

Council has a net surplus of \$65.7 million, \$7.5 million behind the YTD Annual Plan forecast. In financial reporting, the net surplus represents the difference between Council's total revenue and its total expenses for the period.

The key driver of the lower surplus is the timing of capital grants. Capital grants revenue is recognised when the related projects are completed. Most of the lower grant revenue relates to the timing of roading recovery projects and flood resilience.

While this creates a lower-than-expected surplus to the Year-to-Date Annual Plan, the roading recovery works are still on track to be completed within the overall 3-4 years of recovery programme.

Both the grants and capital expenditure will transfer to the following financial years, with no adverse cash flow or financial impacts to Council.

A summary of the key financial indicators for February year to date:

- **YTD total revenue: \$222 million**, with approximately \$99m from subsidies relating to roading reinstatement works, FOSAL Category 2P (house lifting) and Category 3 (relocation grants) and large woody debris.
- **YTD total expenditure: \$157 million**, including approximately \$40m for emergency reinstatement costs, FOSAL grants and large woody debris.
- **YTD capital expenditure: \$88.9 million**, represents 77% of Annual Plan. Most of the expenditure to date relates to roading network for reinstatement works and bridge repairs; FOSAL Category 3 voluntary property buyouts and Waipaoa Flood Control Resilience project. Carryovers totalling \$15.8m are being recognised within the 2026/27 Annual Plan, as outlined in [Report 26-135] to align with timing of project delivery where the work is expected to occur in the first half of 2026/27 financial year.

Last year total capital expenditure for the same period (2024/25 YTD) was \$76m.

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

## RECOMMENDATIONS - NGĀ TŪTOHUNGA

**That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:**

1. **Notes the contents of this report.**

*Authorised by:*

**Pauline Foreman - Chief Financial Officer**

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**Keywords:** Total, Revenue, Total Expenditure, Capital Expenditure

## ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

Inconsistency with Council's current strategy and policy

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**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

The effects on individuals or specific communities

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

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

## ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - 10 April 2026 cover summary financials A4200878 [10.2.2.1 - 13 pages]



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Statement of Comprehensive Revenue & Expenses	1
Notes on Statement of Comprehensive Revenue & Expenses	2
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Capital Expenditure by Activity	5 - 9

**Draft Statement of Comprehensive Revenue and Expenses  
For the Period Ended 30 April 2026**

	Note	Feb-26 Actual \$000s	Year to date Budget \$000s	Variance \$000s	Full Year Budget \$000s
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>					
Grants and Subsidies - Operational	1	39,024	28,521	10,502	33,115
Grants, Donations, Subsidies and Contributions - Capital	2	61,613	77,514	(15,901)	115,341
Other Non Exchange Revenue	3	1,787	1,634	152	1,983
General Rates And Uniform Annual General Charge		36,229	35,649	580	35,596
Targeted Rates		57,791	57,791	0	57,791
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>					
Development and Financial Contributions	4	1,645	1,565	80	1,878
Other Revenue	5	12,998	12,349	650	14,935
Targeted Water Rates		2,958	2,862	96	3,565
Dividends		978	0	978	0
Interest Received		405	0	405	0
Other Gains/(Losses)	6	6,698	708	5,990	850
<b>Total Revenue</b>		<b>222,126</b>	<b>218,594</b>	<b>3,532</b>	<b>265,054</b>
<b>EXPENSES</b>					
Employee Benefit Expenses	7	31,092	31,695	602	38,370
Expenditure on Operating Activities	8	92,711	80,037	(12,673)	90,873
Depreciation and Amortisation	9	26,832	27,131	298	32,857
Financing Costs	10	6,451	6,732	281	8,078
<b>Total Expenses</b>		<b>157,086</b>	<b>145,595</b>	<b>(11,491)</b>	<b>170,178</b>
<b>Net Surplus/(Deficit) Before Taxation</b>		<b>65,041</b>	<b>72,999</b>	<b>(7,959)</b>	<b>94,876</b>
Subvention payment		700	292	408	350
<b>Net Surplus/(Deficit)</b>		<b>65,741</b>	<b>73,291</b>	<b>(7,551)</b>	<b>95,226</b>
Gains/(Losses) on Property Revaluation		0	0	0	68,751
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES</b>		<b>65,741</b>	<b>73,291</b>	<b>(7,551)</b>	<b>163,977</b>
<hr/>					
<b>CAPITAL EXPENDITURE</b>	11	<b>88,888</b>	<b>115,937</b>	<b>27,049</b>	<b>163,977</b>
				<hr/>	<hr/>
				<b>77%</b>	

## **Notes to the Statement of Comprehensive Revenue and Expense**

### **01 Grants and Subsidies – Operational**

Most of this revenue comes from roading subsidies through Waka Kotahi and other grants. \$22m relates to reinstatement of roading emergency works, \$11m from central government grants for silt and woody debris removal and \$3.3m for Category 2P house lifting and Category 3 relocation grants.

### **02 Grants, Donations, Subsidies and Contributions – Capital**

The capital grants revenue is mostly from Waka Kotahi for roading renewals and recovery projects, FOSAL Category 3P property buyouts and Category 2 flood projection works.

### **03 Other Non-Exchange Revenue (Includes penalties, infringement fees, court enforcement fees, and other fees)**

This includes court enforced fees, penalties received and infringements.

### **04 Development and Financial Contributions**

Development Contributions relates to revenue that is required to service growth. This growth specifically relates to capital expenditure for additional community facilities (such as stormwater, water supply, wastewater, roads, reserves). The Three-Year Plan estimated revenue based on the total amount of revenue that was needed for growth related capital expenditure, and phased to reflect the estimated developments, and average infill developments at the time of adoption of the Three-Year Plan.

### **05 Other Revenue (Rent income, lease income, and all other fees and charges)**

Other revenue comprises of fees and charges such as dog registrations, rents, parking, resource consents and building consents, pool admissions and trade waste. The higher-than-expected revenue is primarily driven by resource consents, with previously approved consents now being invoiced, and increased income from NEMA related to the January 26 weather event emergency response costs.

### **06 Other Gains/(Losses)**

Other Gains/losses includes financial accounting recognitions (such as interest rate swaps). For the period there is \$284k recognition of the accounting loss based on the movements in fair value of interest rate swaps. These movements may or may not eventuate when they are finally realised in the future. This was offset by an increase in the fair value movement in the concessionary loan of \$6m. The concessionary loan is a \$30m loan from Central Government at zero interest for ten years. The loan was granted as part of Cyclone Gabrielle “recovery” package, going towards our share of the FOSAL category 3 and Category 2 programme. The benefit of the zero-rated interest loan will be amortised over the life of the loan.

### **07 Employee Benefit Expenses**

Employee Benefit expenses are on part with budget.

**08 Expenditure on Operating Activities**

Expenditure is slightly more than Annual Plan mostly due to FOSAL Category 3 relocation grant and Category 2P grants. The Category 2P grants were approved after the adoption of the 2024-2027 Three Year Plan. Originally within the Three-Year Plan, the Voluntary Category 3 Buy Outs, were expected to be completed by 30 June 2026.

**09 Depreciation and Amortisation**

The depreciation is on mostly on track with Annual Plan.

**10 Financing Costs**

Financing costs are on par with budget.

**11 Capital Expenditure**

Capital expenditure to date is \$88.9m (77%) against the year-to-date Annual Plan. More information regarding capital projects can be found under "Notes to Capital Expenditure" below.

**Draft Statement of Financial Position**  
**For the Period Ended 30 April 2026**

		YTD	Full Year
	Notes	Actual	Budget
		\$000s	\$000s
<b>CURRENT ASSETS</b>			
Cash & Bank	01	9,476	14,522
Non Exchange Trade and Other Receivables	02	36,026	28,945
Exchange Trade and Other Receivables	03	24,851	22,640
Inventories	04	107	104
Current Investments	15	1	711
Derivative Financial Instruments	11	0	694
Non Current Assets Held for Resale	05	0	80
<b>Total Current Assets</b>		<b>70,460</b>	<b>67,695</b>
<b>CURRENT LIABILITIES</b>			
Deposits Held	06	439	362
Trade and Other Payables	07	29,983	64,916
Employee Benefits and Suspense	08	5,307	4,032
Borrowings	09	35,000	10,000
Provisions for Other Liabilities	10	479	560
Derivative Financial Instruments	11	543	0
<b>Total Current Liabilities</b>		<b>71,751</b>	<b>79,869</b>
<b>Total Net Working Capital</b>		<b>(1,290)</b>	<b>(12,174)</b>
<b>NON CURRENT ASSETS</b>			
Derivative Financial Instruments	11	0	334
Property Plant and Equipment	12	2,958,143	3,214,904
Intangible Assets	13	6,207	6,440
Biological Assets	14	1,011	924
Investments	15	39,000	35,911
<b>Total Non Current Assets</b>		<b>3,004,361</b>	<b>3,258,513</b>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	9	190,965	217,090
Employee Benefit Liabilities	8	105	89
Provisions for Other Liabilities	16	1,435	2,039
Emission Trading Scheme Liabilities	17	824	812
<b>Total Non Current Liabilities</b>		<b>192,872</b>	<b>220,029</b>
<b>Total Net Funds Employed</b>		<b>2,810,199</b>	<b>3,026,310</b>
<b>EQUITY</b>			
Accumulated Surplus		645,377	763,606
Special Funds	18	55,652	32,330
Revaluation Reserves	19	2,109,170	2,230,375
<b>Total Equity</b>		<b>2,810,199</b>	<b>3,026,310</b>

**Notes to the Statement of Financial Position**

- 01 Cash at Bank**  
Westpac current account balance and overnight ANZ money market.
- 02 Non-Exchange Trade and Other Receivables**  
Includes rates receivable and other current receivables such as Waka Kotahi receivables.
- 03 Exchange Trade and Other Receivables**  
Includes sundry debtors, prepayments, and GST where receivable.
- 04 Inventories**  
Includes product and or stock on hand.
- 05 Non-Current Assets Held for Resale**  
Includes any identifiable assets that have been held for disposals. Decisions relating to disposals must be approved by Council.
- 06 Deposits Held**  
Includes footpath deposits, bond deposits and theatre ticket sale deposits.
- 07 Trade and Other Payables**  
Includes accounts payable, sundry creditors, audit fee accruals, GST where payable and other IRD payables, Waerenga o Kuri Liability.
- 08 Employee Benefits Liabilities and Suspense**  
Includes holiday pay and other current and non-current employee benefit liabilities.
- 09 Borrowings**  
Includes long term and short-term borrowings from LGFA and Money market loan obtained from other banks.
- 10 Provisions for Other Liabilities - Current**  
Includes provision for various legal matters and other liabilities.
- 11 Derivatives Financial Instruments**  
Interest rate swaps.
- 12 Property Plant and Equipment**  
Council's fixed assets.
- 13 Intangible Assets**  
Includes computer software.
- 14 Biological Assets**  
Includes the value of livestock and forestry.
- 15 Investments – Current/Non-Current**  
Includes investments in GHL, LGFA and BOPLASS.
- 16 Provisions for Other Liabilities – Non-Current**  
Includes non-current provisions such as Paokahu landfill and Waiapu landfill aftercare provisions.
- 17 Emissions Trading Scheme**  
Provision for Emission Trading Scheme Liability.
- 18 Special Funds**  
Includes various reserves such as depreciation reserve.
- 19 Revaluation Reserves**  
Gain on asset revaluation.

Gisborne District Council  
Statement of Capital Expenditure for the period ended 30 April 2026

Activity	Notes	Apr-26 Actuals YTD \$000s	Apr-26 YTD \$000s	% Spent YTD Actuals of YTD Budget %	2025 / 2026 Full Year Budget \$000s
<b>Including Major Projects</b>					
<b>Community Lifelines</b>		<b>75,032</b>	<b>106,116</b>	<b>71%</b>	<b>146,323</b>
Roading	1	54,894	70,002	78%	97,022
Wastewater	2	3,655	6,167	59%	7,505
Stormwater	3	2,343	3,280	71%	4,789
Water Supply	4	3,072	5,248	59%	7,346
Solid Waste	5	1,215	7,862	15%	13,342
Land, Rivers, Coastal	6	9,854	13,557	73%	16,319
<b>Liveable Communities</b>	<b>7</b>	<b>2,664</b>	<b>5,059</b>	<b>53%</b>	<b>10,677</b>
Land Soil and Resources		871	1,331		1,952
Conveniences		393	349		536
Reserves & Community Property		870	1,827		4,452
Cemeteries		40	73		186
Community Property Mgmt		215	1,256		3,284
Art & Public Places		127	25		30
District Library Ops		147	198		237
<b>Regional Leadership &amp; Support</b>	<b>8</b>	<b>11,033</b>	<b>4,428</b>	<b>249%</b>	<b>5,691</b>
Information Services		1,502	2,044		2,490
Townships & Sustainability	9	505	780		996
Civic		-	46		56
Recovery Centre	-	9	-		-
Fosal	10	7,695	-		-
Water and Coastal Resources		610	947		1,418
Civil Defence		12	175		210
Environmental Monitoring	11	435	79		95
Facilities & Plant Management		283	357		428
<b>Environmental Services &amp; Protection</b>	<b>12</b>	<b>34</b>	<b>-</b>	<b>0%</b>	<b>-</b>
Environmental Health		-	-		-
Parking		34	-		-
<b>Commercial Operations</b>	<b>13</b>	<b>125</b>	<b>335</b>	<b>37%</b>	<b>521</b>
Property Management		34	38		45
Community Housing		91	297		476
		<b>88,888</b>	<b>115,937</b>	<b>77%</b>	<b>163,212</b>

## **Notes to the Draft Statement of Capital Expenditure 30 April 2026**

Please also refer to 2026/27 Annual Plan report **26-135**, Finance and Performance Agenda 3 June 2026. This reports upon projects that may not be completed by 30 June 2026, needing to be carried over in the first half of 2026/27 Annual Plan.

### **1 Roothing**

#### Full Year Program

The Roothing full year budget is \$97m. This is made up of renewals (\$21.3m), Emergency reinstatement projects related to bridges, dropouts and Tiniroto road (\$74.3m) and includes walking and cycling and subsidised Township projects.

#### Costs to April

Capital spend to April is at \$54.9m, tracking below budget. Renewals through to April account for about 27% of the capital spend. Recovery and emergency reinstatement of bridges and roads is \$40.3m, against the half-year budget of \$58.9m. These recovery projects are 100% externally funded by CIP and Waka Kotahi. The Recovery projects are expected to be completed over the 2024-2027 Three Year Plan. Phasing of the projects are updated within the Annual Planning cycles.

### **2 Wastewater**

#### Full Year Program

The Wastewater full year budget is \$7.5m. This full year budget consists mainly of renewals (\$4.8m), Campion pump station upgrade (\$2.2m) and Wastewater Treatment Plant further treatment (\$366k).

#### Costs to April

Year to date costs are \$3.7m. Renewals account for approximately 90% of the total spend, tracking under budget as we coming to the year end. This is mainly due to the Te Karaka Waste Land Disposal project, Tolaga Bay Septage site, and Campion Road new pump station. Carryover of budgets have been factored into the 2026/27 Annual Plan.

The design for the Campion Road upgrade - covering both the rising main and pump station - is progressing in two stages. Rising main design and tender is now complete. Team is assessing options around land acquisition and use of alternative council owned site.

The design for the Tolaga Bay Septage Site has been completed, with construction scheduled to commence at the end of this financial year and continue into FY2027.

### **3 Stormwater**

#### Full Year Program

The Stormwater full year budget is \$4.8m. This includes Graham/De Latour Road upgrade of stormwater infrastructure (\$1.6m), Whataupoko (\$1.3m) and public drains on private property (\$550k).

#### Costs to April

Total actual costs are \$2.3m, with \$0.6m spent on the renewals programme, which is slightly behind the budget.

The Graham/De Latour is nearing its completion, the project is on track to finish by the end of this financial year.

The contract for the Whataupoko project has now been awarded and works began in March 2026. This project will be finished in financial year 2027.

Public drain works on private properties along Huxley Road and Kelvin Street are complete. Project identified on Owen Road is in its design stages and will be constructed over winter months.

#### **4 Water Supply**

##### Full Year Program

The Water Supply full year capital budget of \$7.4m includes Renewals (\$2.9m) and Resilience (\$3.6m). Included is the infiltration gallery refurbishment (\$0.2m).

##### Costs to April

Actual costs are \$3.1m, which is below the Year to date budget. Of this, \$1.8m was spent on water supply renewals.

The design of the Water Treatment Plant infiltration gallery has been completed and the project is currently in the engagement phase. Construction is planned for next year, during the summer construction window.

The team has developed plans and cost estimates for dam remediation and resilience works, and the budget is not going to be fully spent within this financial year. Carry overs into FY 2027 will be recognized to allow for completion of required works.

#### **5 Solid Waste**

##### Full Year Program

The capital program for Solid Waste is \$13.3m aligning to the Waste Minimisation Plan. The majority of the projects are largely funded by external grants. This includes Wheelie Bins project, relocation of the Tokomaru Bay transfer station and Resource Recovery Centre.

In addition, there are provisions for renewal of capex, as and when they are needed. It includes provisions for transfer stations, litter bins, and Paokahu closed landfill.

##### Costs to April

Actual costs are \$1.2m, the majority of which relates to the purchase of woody debris extraction equipment. This expenditure is funded by external contributions received to support woody debris clean-up efforts.

Remediation of the Tokomaru Bay legacy landfill site is ongoing. Qualified personnel have been engaged to undertake the works, a remedial assessment report has been completed, and a resource consent application has been submitted. Physical works are expected to continue into the 2027 financial year.

A contractor has been engaged to prepare the concept design. Completion of the project is scheduled for October 2026.

#### **6 Land, Rivers and Coastal**

##### Full Year Program

The total budget for Land, Rivers and Coastal is \$16.3m. The main project is the Waipaoa River Flood Control Scheme and other Flood resilience projects (\$16.1m) which are largely funded by Crown Infrastructure (CIP).

Costs to April

Actuals are \$9.9m, with majority of cost related to Waipaoa flood control (\$7.5m). The project is progressing well, with approximately 600 metres of stopbank remaining to complete the final section. Due to unfavourable weather conditions in recent weeks, completion may extend into the next financial year.

Designs for the Te Karaka Flood Resilience Project have been completed. Discussions and analyses are ongoing to identify the most favourable option, as well as to refine cost estimates and funding arrangements.

Other flood resilience projects are currently in modelling and investigation stage.

**7 Liveable Communities**Full Year Program

The budget of \$10.7m, includes major project of Waingake Transformation (\$1.9m), CBD Revitalisation (\$1.7m) and the Outdoor Pool at Kiwa Pools (\$3m).

Reserves projects are \$4.4m of the budget, Land & Soil Resources \$1.9m and Art and Community Property Management \$3.3m.

Costs to April

Costs are \$2.7m. The Waingake Transformation Project incurred total costs of \$871k, coming in under budget at the end of April. The release spray has been delayed due to late start in planting and weather conditions. The budget will not be fully spend this financial year.

The toilets at Waihirere Domain and Kaiti beach have been completed and are now open to the public. Works on Te Puia and Doneraille Park amenities are to be undertaken next.

Significant remediation and restoration works are planned for the end of the financial year in Uawa Reserve, Turanga Gardens and Titirangi hill.

The Kiwa Pool area has received further upgrades, including new landscaping and additional fencing. Community feedback on the outdoor pool project was received; different options of the project are now being evaluated.

Completion of the final cultural components marks the conclusion of the 1000 Year Walkaway Bridge project, which was officially opened in October 2025. Storyboards will be added over Apr-May periods.

**8 Regional Leadership & Support Services**Full Year Program

The Regional Leadership & Support Services full year capital budget of \$5.7m includes Information Services (\$2.5m), Townships (\$1m) partly funded by Better of Funding and Environmental Monitoring (\$100k).

Costs to April

Actual costs for this group total \$11m. The majority of these costs relate to FOSAL and information services activities undertaken in to date. Further details are provided in Notes 9 -11.

**9 Townships & Sustainability**Costs to April

\$239k was spent on equipment for the Marae Sustainability Project, which focuses on enhancing our emergency readiness. This initiative is fully funded through Better Off Funding grants.

Township upgrades in Matawai, Patutahi, and Ruatoria are on track for completion this financial year. Planning and consultation continue for Te Puia and Te Karaka, with initial engagement held at Tokomaru Bay and Manutuke ahead of major works next year. BOF-funded crossing works at Tikitiki, Rangitukia, and Te Araroa went out for a tender, it is unlikely these will be complete in this financial year.

**10 FOSAL**Costs to April

FOSAL Category 3 Voluntary Residential Property Buyouts account for \$7.7m of expenditure in the first half (out of \$11m spent in Regional Leadership & Support Services). The budget is still based on a 50/50 cost-sharing arrangement with central government for the residential buyouts.

However, following adoption of the 3YP, additional properties were added to the Category 3 process, which extended the programme into the 2025/26 financial year. The Category 3 Voluntary Buyouts were originally funded at \$30m, based on a 50/50 cost-sharing arrangement between GDC and Central Government. Central Government since approved additional funding of \$1.3m in December 2025, with GDC committing an equivalent contribution to maintain the 50/50 cost-share arrangement.

**11 Environmental Monitoring**Costs to April

Year to date, \$435k was spent on Flood Resilience and Intelligence. Although this expenditure is not part of the 2026 budget, it is fully funded through external government grants. Project is now complete.

**12 Environmental Services & Protection**Costs to April

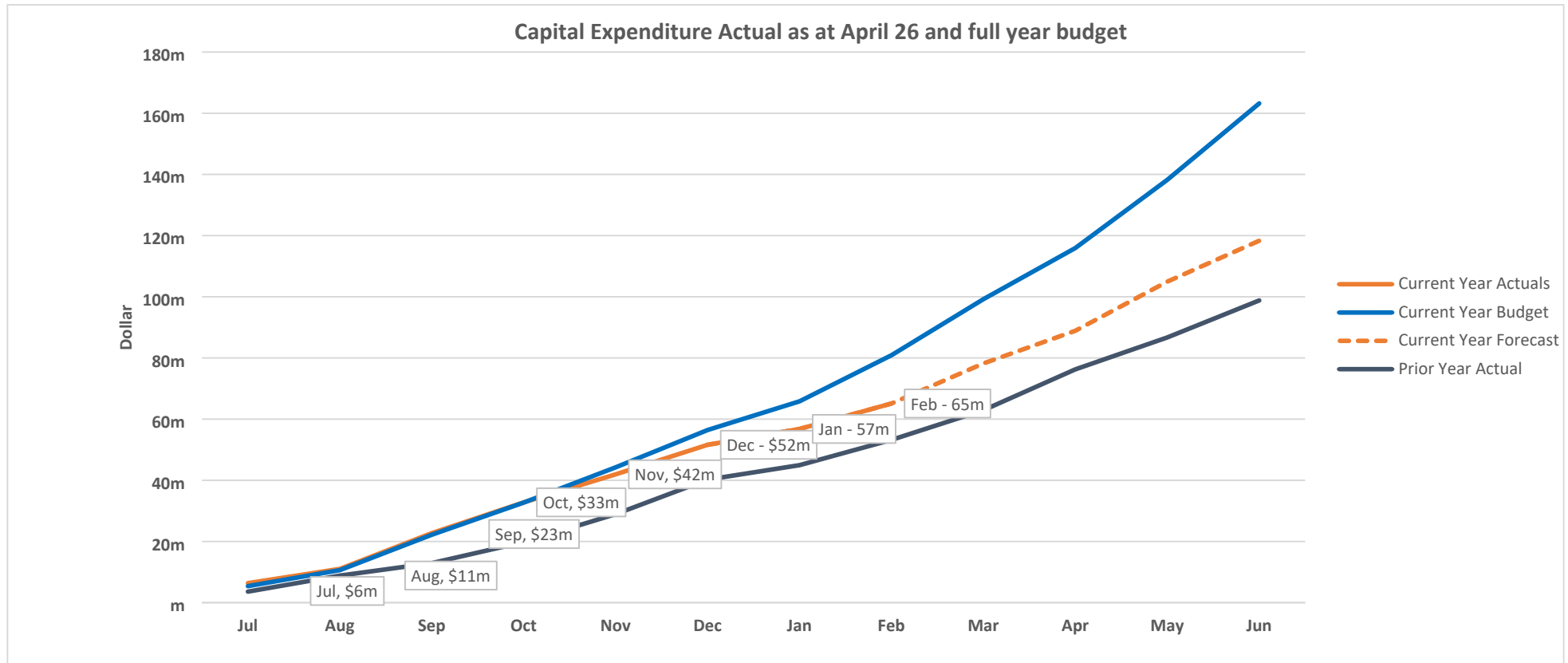
\$34k was spent on upgrading parking meters to 5G network.

**13 Commercial Operations**Full Year Program

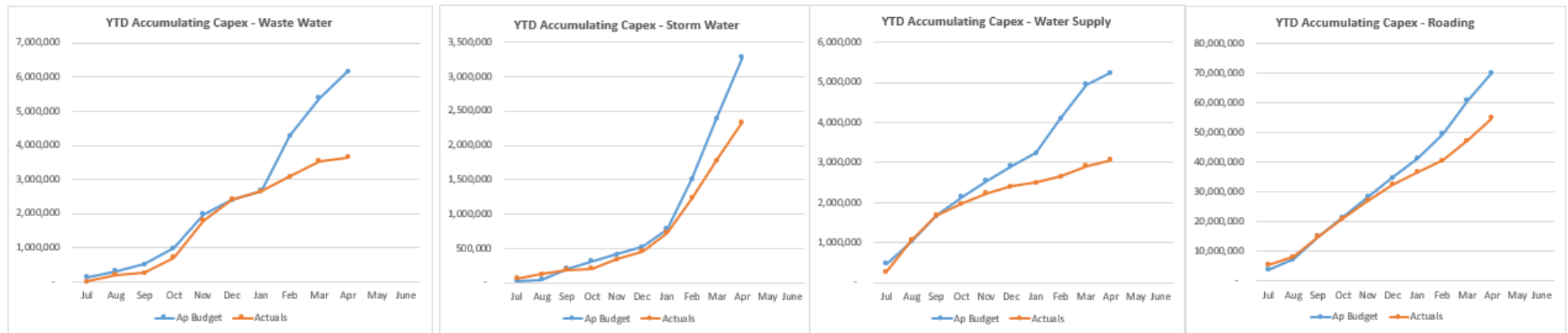
This budget of \$476k is for Staff and Community Housing upgrades, where GHL manages and oversees this work. Funds are earmarked to be spent on double glazing of windows.

Costs to April

Total costs are \$125k. Work on the double glazing at Lytton housing is progressing according to plan.



**YTD Accumulating CAPEX Charts**



## 11. Public Excluded Business

### RESOLUTION TO EXCLUDE THE PUBLIC

#### Section 48, LOCAL GOVERNMENT OFFICIAL INFORMATION and MEETINGS ACT 1987

That:

1. The public be excluded from the following part of the proceedings of this meeting, namely:

#### Confirmation of Confidential Minutes

Item 4.1 Confirmation of Confidential Minutes 22 April 2026

2. This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information & Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole of the relevant part of the proceedings of the meeting in public are as follows:

7(2)(b)(ii)

Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

Item 4.1

7(2)(i)

Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).