



Environmental Scan

Report to the
Gisborne District Council

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Overview

As Gisborne District Council prepares to begin its next long term planning cycle, it does so within the context of constant and rapid change. It must use the knowledge currently available to explore a range of future scenarios and identify robust strategic options, while also retaining the flexibility to cope with a future that cannot always be foreseen¹.

This environmental scan analyses a range of factors that are relevant to the long term strategic planning process, including potential implications for Gisborne District Council. Looking across these factors, several key issues emerge.

- The roles and responsibilities of local government and responsibilities are expanding, with the re-introduction of the four wellbeings (social, economic, environmental, and cultural), as well as a number of regulatory and legislative changes that impose new standards and specific requirements. Cumulatively, this changing environment may require additional council resourcing and therefore, have ongoing financial implications. It is not yet clear the extent to which alternative funding sources may be available to offset some of these additional costs, as this is dependent on the outcome of an inquiry being undertaken by the Productivity Commission.
- Climate change continues to be a major issue for the council, with the potential to dramatically affect the region's physical environment, infrastructure, communities, and economy. An integrated response will be required using the full range of tools available to council, such as land use and resource management planning, asset management approaches (including options for the relocation of council assets) and community engagement.
- The nature of Gisborne's population is changing, with the over 65 age group growing. A significant proportion of the rating base will be comprised of an increasing number of retired ratepayers, which may impact on the financial sustainability of rates revenue. An ageing population will also want and need different types of services and infrastructure than younger residents, which may create tension. Tradeoffs and more flexible approaches to service provision may be required (such as joint ventures and collaboration with other agencies, including central government, multi-use and flexible facilities, and potentially, decisions to discontinue some services).
- Social equity and deprivation remain significant issues in the region. Given the new purpose of local government, factors such as improving health outcomes, educational achievement and pathways to employment, food security, and housing security and condition are all areas within which local government has an interest. This may be through developing specific council-led initiatives, partnering with other agencies, or assisting groups to access government funding.
- Supporting Gisborne's economic wellbeing will require ongoing investment in infrastructure, which supports business activity, as well as promotes Gisborne as a great place to live and work. Being economically relevant in a fast changing global marketplace will require the incubation of new business ideas and encouragement of collaborative business ventures between very different types of industries. The region will need to find ways to attract highly skilled knowledge workers. Leveraging off the region's liveability may provide a competitive advantage. Good land use planning can also be used to incentivise investment in the region.

¹ Deloitte. Beyond the Noise: The Megatrends of Tomorrow's World. (2017). Retrieved 17 October 2019 from <https://www2.deloitte.com/content/dam/Deloitte/nl/Documents/public-sector/deloitte-nl-ps-megatrends-2ndedition.pdf>

- New Zealand's three-yearly election cycle adds a degree of uncertainty. The current coalition government is undertaking a number of significant policy initiatives that have implications for local government, particularly in relation to the environment. A change in government in 2020 (or at a future time), may result in major shifts in policy direction, which could impact on the council's work programme.

We are living in a very uncertain and fast changing world, where planning for the future is challenging. This is exacerbated by the outbreak of Covid-19, which is having a profound, worldwide impact. Now more than ever, strategic planning and decision making must be flexible enough to cope with a dramatically changing environment.

Approach

This environmental scan is designed to support and inform the development of Gisborne District Council's next Long Term Plan. It examines the external environment at the regional, national and, where appropriate, international level, to provide an understanding of the factors that shape the community and may affect council service delivery. It identifies relevant existing and emerging trends, and raises issues and implications, which are designed to encourage thinking and discussion as part of the strategic planning process.

The identification of issues, implications and future trends is inevitably a subjective exercise, particularly the further out one looks. As well, an environmental scan can never comprehensively cover all factors that may be relevant now or in the future. Therefore, it is intended as a starting point to guide the strategic planning process, recognising that additional and more detailed information and analysis may well be required as specific policies, projects and initiatives are developed.

An environmental scan never stands alone. It supplements rather than replicates other reviews and data sources. This environmental scan sits alongside other key strategic documents including Tairāwhiti 2050 (with its supporting resources), He Huarahi Hei Whai Oranga Tairāwhiti Economic Action Plan, and Kimihia He Oranga Māori Economic Development Report. This environmental scan also draws on a wide variety of other data and research that is either publicly available or held by Gisborne District Council. Data sources are footnoted throughout the document.

This environmental scan has been undertaken using a PESTLE analysis framework. This considers relevant information against six factors: political, economic, social, technological, legal, and environmental. These six factors have been reordered into a sequence that tells a more logical story relevant to the Gisborne District. The environmental scan also begins with a consideration of the megatrends that are relevant to the development of Gisborne District Council's Long Term Plan and a 10 year planning horizon.

Where appropriate, comparisons are drawn against the Gisborne District Council's 2017 Environmental Scan to highlight major shifts, relevant changes or new areas of concern. Comparative data and approaches adopted by other New Zealand councils are also identified for specific issues.

Megatrends

Megatrends are large global forces or movements that are shaping the world in broad, varied and transformative ways. International consultancy, EY, refers to the world being in an age of disruption, where the pace of change is accelerated, and no one knows what the world will look like in a decade's time².

"Even against a backdrop of constant change, much of what is unfolding before our eyes is truly astonishing – even unprecedented." EY (2018)

SOLGM has described it in the following way³.

"We are facing a confluence of change drivers that is pushing us into 'era-scale' change – change of the same magnitude as that caused by the Industrial Revolution. To protect and enhance well-being under these new conditions, we will need to do almost everything differently."

Disruption brings tremendous uncertainty and many challenges, requiring new thinking, planning, and decision-making approaches that can cope with a constantly changing and evolving environment.

"We all have to make decisions in spite of an uncertain future. Imaging the future through scenarios enables us to identify robust strategic choices that would fit any plausible future, and to keep strategies flexible enough in case the future surprises us." Deloitte (2019)

As Gisborne District Council prepares to plan for the next 10 years with its 2021-2031 Long Term Plan, it does so within this broader global context of tremendous uncertainty and constant change. It must use the knowledge currently available to imagine a range of future scenarios and identify robust strategic choices that would fit any plausible future, while also retaining the flexibility to cope with future surprises⁴.

Megatrends can be categorised in different ways. Using recent reporting by EY⁵ and Deloitte, five megatrends have been identified as particularly relevant to Gisborne District Council and the development of its Long Term Plan: globalisation, urbanisation, technology, equity and empowerment, and climate change. The recent and devastating outbreak of the Covid-19 pandemic adds a sixth relevant megatrend.

Globalisation

Globalisation of markets was identified as a trend in the 2017 Environmental Scan and this is set to continue, despite the current rise of populist politicians and governments. However, the world is moving towards a rebalanced global system. Dramatic changes will continue to occur in the global trade and economic structure. China has become a world economic power and a significant force in global trade. Its economy is developing, with its relentless focus on innovation. Over time, it is likely that low to mid-value industry, which is a current feature of China's market, will move to other developing countries. Political instability will also reshape global markets,

² EY. The Upside of Disruption: Megatrends shaping 2016 and beyond. (2016). Retrieved on 26 October 2019 from https://cdn.ey.com/echannel/gl/en/issues/business-environment/2016megatrends/001-056_EY_Megatrends_report.pdf

³ SOLGM. (2020). Navigating Critical 21st Century Transitions. Retrieved on 12 February 2020 from <https://www.solgm.org.nz/CriticalTransitions>

⁴ Deloitte. (2017) Beyond the Noise: The Megatrends of Tomorrow's World. Retrieved 17 October 2019 from <https://www2.deloitte.com/content/dam/Deloitte/nl/Documents/public-sector/deloitte-nl-ps-megatrends-2ndedition.pdf>

⁵ EY. What's After What's Next? The Upside of Disruption: Megatrends Shaping 2018 and Beyond. Retrieved 17 October 2019 from <https://www.megatrends2018.com/>

affecting investments, consumption, and economic growth. As well, market volatility in key resources like oil and gas, will affect investment decisions and industry viability, and the flow of data will have higher impacts on economies than manufactured goods. These types of shifts in the global system will significantly impact on the structure of the world economy, export markets and trade patterns.

E-commerce platforms are enabling millions of small businesses to export goods globally, while conversely there is also a renewed trend towards industry consolidation and partnerships, allowing business to expand into very different markets. Entirely different types of industries are coming together to combine their capabilities in non-traditional, innovative ways to imagine and develop completely new products. "Partnering will begin to happen across great distances, include reciprocity of thinking, and even intellectual property will shift from a closed to a more open system⁶."

Urbanisation

Urbanisation is a continuing global, national and local trend, as reported in the 2017 Environmental Scan. Globally, over 50% of the population live in cities and this is predicted to increase to 66% by 2050. New Zealand has a particularly high rate of urbanisation, with over 85% of the population living in cities.

The national population is rising fast due to a high rate of immigration and is set to hit 5 million people soon. As well, the "population of Auckland has swelled rapidly to 1.7 million and is estimated to be adding 40,000 people a year. By 2048 it could host nearly half of New Zealand's current population"⁷. However, 30,000 people left Auckland for other parts of New Zealand in the four years to 2017⁸. This, along with the overall increase in immigration, is having flow on effects in regional New Zealand, with all 16 of New Zealand's regions estimated to have experienced population growth in the year to June 2019⁹.

An increase in population density resulting from urbanisation can significantly boost a city's productivity, if managed well. However, it also brings with it social and environmental challenges. From an environmental perspective, the nature of cities is set to change due to a growing focus on environmental sustainability, particularly amongst younger people. This may well reshape the construction industry and the way cities are designed and built. Buildings will become "not only sustainable but resilient. Zero-energy home building, rooftop farming, and permeable pavements are just a few examples"¹⁰. Environmental awareness by consumers will also continue to drive a sustainable "green" marketplace.

Technology

Technology is also a recurring trend from the 2017 Environmental Scan, but increasingly the future focus is on the impact of new technologies, such as artificial intelligence (AI), automation and augmented reality. AI and automation will dramatically change the nature of work, reducing and in many cases, eliminating the need for human intervention. These technologies will enable

⁶ Deloitte. (2017). p58.

⁷ Broatch. M. & Ainge Roy. E. 'Bulging at the Seams': Auckland, a Super City Struggling with its Own Success. The Guardian. (2019) Retrieved on 6 November 2019 from https://www.theguardian.com/world/2019/nov/05/bulging-at-the-seams-auckland-a-super-city-struggling-with-its-own-success?CMP=share_btn_link

⁸ Broatch. M., Ainge Roy. E., & Sherwood. H. Thinking Big: New Zealand's Growing Pains as Populations Nears 5 Million. (2019). The Guardian. Retrieved on 6 November 2019 from https://www.theguardian.com/world/2019/nov/04/thinking-big-new-zealands-growing-pains-as-population-nears-5-million?CMP=Share_iOSApp_Other

⁹ Stats NZ. Subnational population estimates: At 30 June 2019 (provisional). Retrieved on 17 October 2019 from <https://www.stats.govt.nz/information-releases/subnational-population-estimates-at-30-june-2019-provisional>

¹⁰ Deloitte. (2017). p40

companies to become extremely lean and built around teams organised by tasks that need to be undertaken, rather than traditional roles and hierarchies. While this is likely to produce a massive displacement of work and workers, there will also be increasingly fierce competition for highly skilled knowledge workers. The percentage of highly mobile, freelance talent will grow as the model of lifetime employment becomes less relevant. This will be particularly attractive to a workforce which values flexibility. Technology will further erode the traditional office and the need for co-location of workers. This could mitigate against some of the pressures and downsides of growing urbanisation.

The impact of technology goes much wider than the workplace. Technology has the potential to transform human existence, as we move into an age of human augmentation and AI. Advances in biotechnology and nanotechnology have the potential to radically transform food production, lifting yields while reducing environmental impacts. Technological innovations are already enabling public transport to become more customer focused. We are also entering the age of driverless vehicles, which may radically change not only travel behaviours, but also urban design. Technological developments such as bionic body parts, exoskeletons, smart clothes, augmented reality glasses, and brain-machine interfaces will also radically change how we experience and understand our lives. It will also rapidly alter how we experience illness, injuries and the ageing process. However, this may exacerbate the social and economic challenges caused by a dramatically increasing ageing population.

Technology though, comes with downsides. As we embrace more data and social media connection, we trade off privacy, with security of information also becoming a significant challenge. We also become susceptible to manipulation of information through techniques such as “deepfakes” (a fake, computer-generated video or audio replication of someone saying or doing things they have never said or done¹¹). There are also social implications as people increasingly interact through digital mechanisms, rather than in person. This can lead to social disconnection, isolation and a loss of interpersonal skills. No one knows what the long term impacts of this disconnection may be.

Equity and Empowerment

Economic inequality is continuing to rise globally, with an increasing divide between rich and poor. This has the potential to provoke increased social unrest. Social awareness and activism are also increasing, particularly amongst the younger population. We are in an age of empowerment, which is seeing a growth and re-invigoration of ideas and self-worth. Individuals are feeling empowered by education and technology in particular, to demand specific outcomes. Mobile and social platforms are making it possible to inform, influence behaviours, and mobilise action across a mass audience in real-world, real-time conditions like never before. This can be embraced and used for public good outcomes,

However, traditional political and governance structures, such as election cycles, make it difficult to take collective, long-term action to address inequities and other societal issues, particularly where they involve short term sacrifices. As a result, they may face considerable disruption, as new more sustainable, inclusive, and equitable solutions are sought. There is a risk that as political structures become challenged, they may break down, leading to polarisation and the rise of divisive political ideology¹². An example is the politicisation of science, with the constant debates over climate change,

¹¹ The Guardian. “You thought fake news was bad? Deep fakes are where truth goes to die.” (12 November 2018). Retrieved on 23 November 2019 from <https://www.theguardian.com/technology/2018/nov/12/deep-fakes-fake-news-truth>

¹² Deloitte. (2017)

Climate Change

The Secretary-General of the United Nations has categorised climate change as “the defining challenge of our time”¹³. The world’s climate is already changing and will cause far-reaching and significant disruptions to ecosystems, society and economies for generations. Large areas of the world could become uninhabitable and 200 million people could be displaced by climate change by 2050. The world is reaching a global tipping point, with the recent UN report on climate change acknowledging that “there is a growing recognition that climate impacts are hitting harder and sooner than climate assessments indicated even a decade ago”¹⁴. New Zealand is already feeling the effects of climate change. This is only set to worsen unless radical global action is taken.

Covid-19

The world is currently experiencing a widespread pandemic, caused by the Covid-19 virus. A significant proportion of the world’s population either is, or has been, in isolation, businesses are closed, and travel is severely restricted. Infection and death rates are rapidly rising and there is no prospect of a vaccine in the imminent future.

Covid-19 is causing massive economic and social disruption, requiring levels of government intervention not seen in the western world outside times of war. This pandemic will create worldwide turbulence and disruption for an extended period of time, and the after-effects will be felt for many years, if not decades to come. The impacts of Covid-19 will need to be considered across all planning and investment decisions, while also recognising that this is an incredibly fast-changing environment.

Implications for Gisborne District Council

- **Flexible planning:** In an age of disruption, where change is occurring at incredible speed, flexibility is essential. For Gisborne District Council, planning needs to be undertaken with, and build in, sufficient flexibility to enable the organisation to respond to change as it occurs. This will be particularly challenging in the current regulatory environment, which inevitably entails long lead times. Options for more enabling, flexible and adaptive approaches to planning and regulation may need to be explored.
- **Equity and empowerment:** Growing economic inequalities, combined with an increase in social awareness and activism, often driven through the use of social media, may place strain on relationships between the council and its communities, particularly where lack of funding and short-term election cycles make long-term change difficult. The proactive use of social media as an engagement tool, and more participative approaches, such as the encouragement of community-led action, may strengthen council/community relationships, while also recognising the constraints under which council operates. As with all engagement, this will require resources and will have budget impacts.
- **Climate change:** The significance of climate change, and its effects on the region, will continue to grow. Gisborne District Council and its communities will increasingly face some hard decisions as the impacts become more serious and widespread and the financial implications become known. This requires careful ongoing research, planning with central

¹³ Science Advisory Group of the UN Climate Action Summit 2019. United in Science. (2019). Retrieved on 6 November 2019 from https://ane4bf-datap1.s3-eu-west-1.amazonaws.com/wmocms/s3fs-public/ckeditor/files/United_in_Science_ReportFINAL_0.pdf?XqjG0yszsU_sx2vOehOWpCOkm9RdC_gN

¹⁴ UN Climate Action Summit. United in Science.

government, and close engagement with communities and iwi. This will require budget provision, as will any agreed actions, the cost of which could be very significant.

- **Covid-19:** All short to medium term planning and investment decisions will need to be taken within the context of the economic and social turbulence caused by Covid-19 and the uncertainty associated with it. Communities will be looking to government, including local government, for leadership, direction and support during the difficult months and years ahead. This will require a flexible approach to operational and strategic planning and management.

Wider Implications for the Region

- **Economic impacts:** Industries (and particularly exporters) in the Gisborne District will need to adapt to rapidly shifting global economic structures. Markets are and will continue to undergo major change. Volatility in key resources and political instability will affect cost structures and business viability. Businesses must be prepared for innovation to come from anywhere and encouraged to explore very different types of partnering arrangements to develop new products and markets. They will need to be supported to develop the capability necessary to adapt to this very different global economic environment. This may increase demand on the Council for economic development support.
- **Technological advancements:** Technology will over time, completely alter the nature of work. For the Gisborne District, this has the potential to open up business opportunities currently constrained by a labour shortage. However, many traditional types of jobs may be replaced by automation, requiring ongoing investment in training and upskilling. New flexible approaches to work, which particularly favour freelance, talented and highly skilled knowledge workers, could provide Gisborne District with a competitive advantage, where lifestyle is an important factor in decision-making. The region's liveability could be used as a lever to attract talented workers who no longer need to be physically located in an organisation's office.

Political Factors

A Wellbeing Approach to Government

Central government adopted a Wellbeing Budget in 2019 that focuses on five areas.

1. *Taking Mental Health Seriously* – Supporting mental wellbeing for all New Zealanders, with a special focus on under 24-year-olds.
2. *Improving Child Wellbeing* – Reducing child poverty and improving child wellbeing, including addressing family violence.
3. *Supporting Māori and Pasifika Aspirations* – Lifting Māori and Pacific incomes, skills and opportunities.
4. *Building a Productive Nation* – Supporting a thriving nation in the digital age through innovation, social and economic opportunities.
5. *Transforming the Economy* – Creating opportunities for productive businesses, regions, iwi and others to transition to a sustainable and low-emissions economy.

Budget initiatives were assessed on the difference they would make across a range of economic, social, environmental and cultural considerations, with a long-term view of intergenerational outcomes. It links investment with wellbeing outcomes and is part of an intention to embed a wellbeing approach across all of government¹⁵.

Purpose of Local Government: Community Wellbeing

The Local Government Act 2002 (as amended by the Local Government (Community Well-being) Amendment Act in May 2019) provides that:

The purpose of local government is—

(a) to enable democratic local decision-making and action by, and on behalf of, communities; and

(b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

This new purpose recognises the major role local government has in enhancing community wellbeing and supporting overall quality of life. This recognises that local government does not just make decisions about infrastructure and services, like roads and rubbish. It also plays a key role in building “a sense of belonging and well-being and happiness in our local and regional communities”¹⁶. It encourages councils to look across all factors associated with community wellbeing when planning and making investment and service delivery decisions.

This purpose of local government is consistent with the Resource Management Act, which requires, as its purpose, the sustainable management of natural and physical resources. This means managing use, development and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic and cultural wellbeing and for their health and safety. Therefore, matters relating to broader wellbeing are also required to be incorporated in the Council’s resource management and planning documents.

¹⁵ The Treasury. The Wellbeing Budget 2019. Retrieved on 3 November 2019 from <https://treasury.govt.nz/publications/wellbeing-budget/wellbeing-budget-2019-html#section-1>

¹⁶ Hon Nanaia Mahuta. Local Government (Community Well-being) Amendment Bill: First Reading. Hansard Report. (11 April 2018). Retrieved on 25 October 2019 from https://www.parliament.nz/en/pb/hansard-debates/rhr/combined/HansDeb_20180411_20180411_44

SOLGM has provided the following guidance on the meaning of the four wellbeings.¹⁷

Social: Involves individuals, their families, whanau, hapu, iwi, and a range of communities being able to set goals and achieve them, such as education, health, the strength of community networks, financial and personal security, equity of opportunity, and rights and freedoms.

Economic: Looks at whether the economy can generate the employment and wealth necessary to provide many of the requirements that make for social well-being, such as health, financial security, and equity of opportunity.

Environmental: Considers whether the natural environment can sustainably support the activities that constitute healthy community life, such as air quality, fresh water, uncontaminated land, and control of pollution.

Cultural: Looks at the shared beliefs, values, customs, behaviours and identities reflected through language, stories, visual and performing arts, ceremonies and heritage that make up our communities.

It is not yet clear how councils will apply the new purpose of local government in their approach to strategic planning and financial reporting. Two examples are as follows.

- Masterton District Council developed a community wellbeing strategy prior to the amendment to the Local Government Act. He Hiringa Tangata, He Hiringa Whenua, My Masterton, Our People, Our Land Strategy¹⁸ sets the long-term strategic direction for the area against social, cultural, environmental and economic development areas. It is also developing a series of wellbeing measures which will be specific to the Masterton District.
- Christchurch City Council has taken a different approach, with the Chief Executive noting that:

*our Council's Strategic Framework is already well-aligned to the four well-beings as our Community Outcomes – which are grouped under the themes of Strong Communities, Liveable City, healthy Environment and Prosperous Economy – reflect the well-beings in the Act. However, there will be a few minor amendments to templates and processes to reflect the Act's changes.*¹⁹

Other resources include SOLGM's well-being data service, Trust Tairāwhiti's wellbeing framework, which is used to guide their funding decisions, and Infometrics Wellbeing Framework.

Central Government: Working with Local Government on Community Wellbeing

Central government has established three priorities for working with local government on community wellbeing.

1. Better alignment between central and local government in public service provision

¹⁷ SOLGM. Community Well-Being Service: The Stories Behind the Data. Retrieved on 25 October 2019 from https://www.solgm.org.nz/images/Executive%20Papers/Wellbeings_brochure_web.pdf. SOLGM has a Community Well-being Service which consists of training support, e-learning modules, best practice case studies and information sharing, and a data warehouse which contains a range of indicators which councils can use to measure the current well-being of their community.

¹⁸ Masterton District Council. He Hiringa Tangata, He Hiringa Whenua, My Masterton, Our People, Our Land Strategy. 2018. <https://mstn.govt.nz/documents/council-strategies/wellbeing-strategy-he-hiringa-tangata-he-hiringa-whenua/>

¹⁹ Christchurch City Council. Chief Executive's Report – June 2019. (11 July 2019) https://christchurch.infocouncil.biz/Open/2019/07/CNCL_20190711_AGN_3373_AT.PDF

Central government has recognised the opportunity for it to work more closely with councils and communities in the delivery of services, recognising the knowledge a council has of its specific populations, challenges, and their local needs. The Minister of Local Government is “exploring ways to improve central government’s engagement with local wellbeing priorities, and provide a more meaningful, efficient role for local government in the design, targeting and (where appropriate) commissioning of centrally-held services that impact on local priorities”²⁰.

2. Better and more inclusive community participation and partnership with Māori

This priority recognises that engagement with communities on broader discussions about wellbeing and prioritisation decisions can be difficult for councils. The Minister of Local Government will be working collaboratively with local government on various proposals to improve participation including:

- a move to community participation as an ongoing dialogue between council and communities, rather than a ‘point in time’ activity.
- encouraging innovative engagement methods and providing a greater range of consultation methods.
- broaden the uptake of effective Māori participation mechanisms and build the capability and capacity of councils and iwi/Māori to support participation.

3. Better use of data and more specific wellbeing priorities in council planning

Maximising community wellbeing requires a data-driven approach, informed by a robust evidence base, focused on specific and measurable outcomes. The Minister of Local Government will be working with the sector on wellbeing measurement and the initiatives, tools and investment that may be needed to support this.

Other areas the Minister of Local Government intends to explore include possible roles for local government in the following areas:

- the use of social procurement models.
- providing education and vocational training services to fill gaps and support, and provide targeted services.
- co-investment in infrastructure (such as utilisation and co-investment in school property as community infrastructure, as a way of lifting wellbeing).
- providing, facilitating or informing the design and targeting of public good housing.

The Guide for Central Government Engagement with Local Government has been produced to provide guidance, particularly to central government officials, on engagement between central and local government. The Central and Local Government Partnerships Team (Department of Internal Affairs) has been established to “facilitate a collaborative and system-wide public service approach in which central and local government work effectively together for the benefit of

²⁰ Cabinet Social Wellbeing Committee. Minute of Decision: Working with Local Government on Community Wellbeing. (7 August 2019). Retrieved on 25 October 2019 from [https://www.dia.govt.nz/diawebsite.nsf/Files/Proactive-releases/\\$file/Working-with-Local-Government-on-community-wellbeing-Cab-paper-and-min-Aug-2019.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Proactive-releases/$file/Working-with-Local-Government-on-community-wellbeing-Cab-paper-and-min-Aug-2019.pdf)

people, communities, businesses, and the environment”²¹. Workshops have been held with local government practitioners and representatives of LGNZ and SOLGM²².

Local Government Funding and Financing

Local government is experiencing significant financial challenges. Cost increases are due to a wide range of factors, such as growth, an ageing population, increasing and new standards, rising community expectations, and the impact of climate change, to name a few. Funding sources are often insufficient to meet the many competing demands facing councils and their communities.

The Productivity Commission has undertaken an inquiry into local government funding and financing, investigating “the factors that drive local government costs now and in the foreseeable future”²³. The Commission found that the current system, based on rating properties, is simple and economically efficient, compared to alternatives, and remains appropriate. However, it found that there are areas where councils face significant funding pressures and that “these pressures are highly uneven across councils with small, rural councils serving low-income communities under particular pressure.” Particular areas of funding pressure relate to:

- adapting to the impacts of climate change.
- unfunded mandates passed to local government from central government.
- meeting the demand for infrastructure in high-growth areas.
- coping with the growth in tourism.

The Productivity Commission recommended new tools be provided to help councils fund and manage growth, and additional support from central government to help councils adapt to major pressures, such as climate change. The Commission recommended that Government create a climate resilience agency and associated fund to help councils redesign and possibly rebuild at risk infrastructure (such as three waters infrastructure and stopbanks), as well as extending the role of the New Zealand Transport Agency to assist where transport infrastructure is impacted.

Other Productivity Commission recommendations included that councils make better use of all existing funding tools and that regional spatial planning be undertaken to better prepare councils for the future. As well, it recommended that protocol be agreed to help end the practice of central government imposing responsibilities on local government, without appropriate funding.

The Productivity Commission’s recommendations on funding allocation are shown in Figure 0.4 below.

Government has since introduced the Local Government Funding and Financing Bill, which establishes a framework for the provision of infrastructure and housing development, through the use of a special purpose vehicle. This will have the authority to raise finance, undertake construction of water services, transport, community, and environmental resilience infrastructure, and levy property owners. This Bill is currently being considered by the Select Committee²⁴.

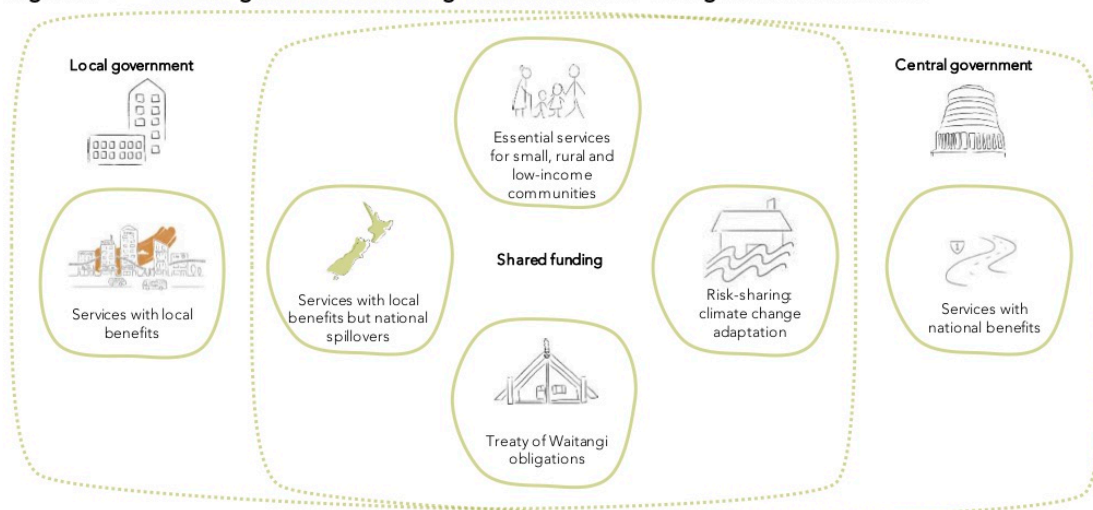
²¹ New Zealand Government, LGNZ, and SOLGM. Guide for Central Government Engagement with Local Government. (2019). Retrieved on 30 October 2019 from https://www.lgnz.co.nz/assets/Uploads/9df337b770/Guide-for-central-government-engagement-with-local-government_compressed.pdf

²² DIA. (2019). Central Local Government Partnerships: Update. Retrieved on 4 April 2020 from <http://createsend.com/t/j-AB8BAC21019160512540EF23F30FEDED>

²³ New Zealand Productivity Commission. Local Government Funding and Financing: Report. (2019). Retrieved on 4 April 2020 from <https://www.productivity.govt.nz/inquiries/local-government-funding-and-financing/>

²⁴ Note that the Government has also introduced the Urban Development Bill, which allows Kāinga Ora to undertake specified urban development projects in certain circumstances.

Figure 0-4 Central government funding contributions for local government services



Transport

Government Policy Statement on Land Transport 2018/19 – 2027/28²⁵

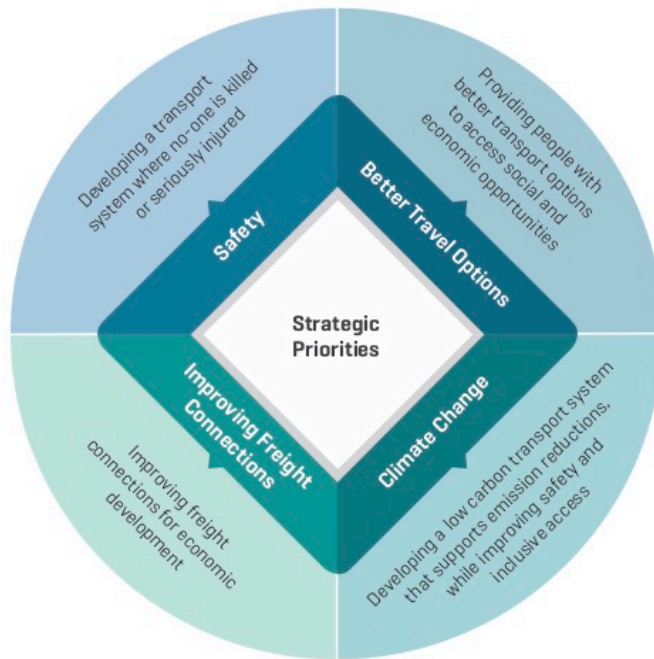
The key strategic priorities of the GPS 2018 are:

- **Safety:** A safe system, free of death and serious injury.
- **Value for Money:** Delivers the right infrastructure and services to the right level at the best cost.
- **Environment:** Reduces greenhouse gas emission, as well as adverse effects on the local environment and public health.
- **Access:** Provides increase access to economic and social opportunities, enables transport choice and access, and is resilient.

The Government has released a draft GPS 2021 for feedback²⁶. This builds on the strategic direction in the GPS 2018, but proposed to update the priorities to align with recent policy work and simplifying them. The Government is proposing to prioritise safety, better travel options, improving freight connections, and climate change, as shown in the diagram below.

²⁵ Ministry of Transport. Government Policy Statement on Land Transport. Retrieved on 10 November 2019 from <https://www.transport.govt.nz/multi-modal/keystrategiesandplans/gpsonlandtransportfunding/>

²⁶ New Zealand Government. (2020). Government Policy Statement on Land Transport 2021/22-30/31: Draft for Engagement. Retrieved on 4 April 2020 from <https://www.transport.govt.nz/multi-modal/keystrategiesandplans/gpsonlandtransportfunding/gps-2021/>



Road Safety

The Government has also launched Road to Zero: New Zealand's Road Safety Strategy 2020-2030²⁷, which sets a vision of a New Zealand where no one is killed or seriously injured in road crashes. It has five focus areas: infrastructure improvements and speed management, vehicle safety, work-related road safety, road user choices, and system management.

Environment

The Government is making significant changes in environmental policy and regulatory direction. These are discussed in detail in the Environmental Section.

Tairāwhiti 2050

Gisborne District Council recently adopted its spatial plan, Tairāwhiti 2050: Shaping the Future of Our Region. This is a significant strategic forward planning document for the Gisborne District Council. Tairāwhiti 2050 has eight strategic outcomes and five key challenges:

Strategic Outcomes	Key Challenges
A driven and enabled community	Community resilience and sustainability
Resilient communities	Community prosperity
Vibrant city and townships	Meeting the needs and aspirations of Māori
Connected and safe communities	Protecting our heritage
We take sustainability seriously	Creating connected communities
We celebrate our heritage	

²⁷ The New Zealand Government. (2019). Road to Zero. New Zealand's Road Safety Strategy 2020-2030 Retrieved on 4 April 2020 from <https://www.transport.govt.nz/multi-modal/keystrategiesandplans/road-safety-strategy/>

Strategic Outcomes	Key Challenges
A diverse economy	
Delivering for and with Māori	

The implementation methods include advocacy and funding, partnerships, Council's Long Term Plan, regulation, and other plans and programmes. While a spatial plan is not a formally required by legislation, it provides a consistent regional, long term focus and direction which will guide the development of strategies and plans, as well as investment decisions.

Given the long term nature of spatial planning, regular updates will be required to respond to changing circumstances. Tairāwhiti 2050 contemplates 5 yearly reviews to respond to changing trends, needs and environments. More frequent updates may though, be needed. For example, Auckland Council's spatial plan is a 'living plan' that evolves and is updated regularly to address emerging or changing issues, as well as reflect updated data and evidence. It is also, essentially held as a digital plan, which allows it to be updated much more easily.

Implications for Gisborne District Council

- **A focus on community wellbeing:** The government has adopted a wellbeing approach to central and local government, a significant change from the 2017 Environmental Scan. The four aspects of community wellbeing were central to the development of the spatial plan, Tairāwhiti 2050, which will inform the development of Gisborne District Council's next Long Term Plan. A wellbeing measurement framework is to be developed by the government, working with the local government sector. As well, other wellbeing frameworks, such as that developed by SOLGM, may be useful. However, any assessment of wellbeing needs to be relevant to the needs of the local community. Council's adoption of Tairāwhiti 2050 provides an overarching framework, within which specific wellbeing measures can be developed.
- **A better alignment between central and local government services:** The government has indicated an intention to work more closely with local government to better align service provision. This may provide the council with opportunities to develop and align programmes and initiatives with those offered by central government. This could enable for example, the innovative use of government infrastructure, such as schools, for community programmes through co-investment. This could be particularly significant for the provision of cultural and recreational facilities and services. However, the Government's desire for greater alignment may also increase Council operating costs where additional resourcing is required to enable coordination and collaboration.
- **Engagement as an ongoing dialogue:** The Government is signalling a shift in approach to community engagement, with a desire to move away from "point-in-time" consultation, to community participation as an ongoing dialogue between council and communities. A much broader approach to Māori participation has also been signalled. This approach may require a shift in current engagement approaches, requiring increased council resources and investment, particularly where current projects are relying on "point-in-time" engagement to fulfil statutory obligations. However, Council may be able to leverage existing tools and engagement strengths, such as the use of social media. Organisationally, there may also be opportunities to work in ways that allow for and encourage greater community participation and a closer relationship. This approach is consistent with Tairāwhiti 2050, which aspires to greater community engagement and collaboration.
- **New funding tools may become available:** It is likely that new local government funding streams will become available for a limited range of council activities. For Gisborne District Council, these are most likely to be focused on adapting to climate change and potentially, as recognition of any increased responsibilities placed on the Council by central government.

However, there may not be further clarity on the availability of these funding streams in time for inclusion in the next Long Term Plan.

- **A safer, low carbon transport system:** Government policy is focusing on a low emission and safer transport system, which provide people with better travel options. The Council will need to give effect to these priorities in its Regional Land Transport Plan. There will also be implications for local infrastructure investment, particularly where it is needed to promote safety.

Social Factors

Demographics²⁸

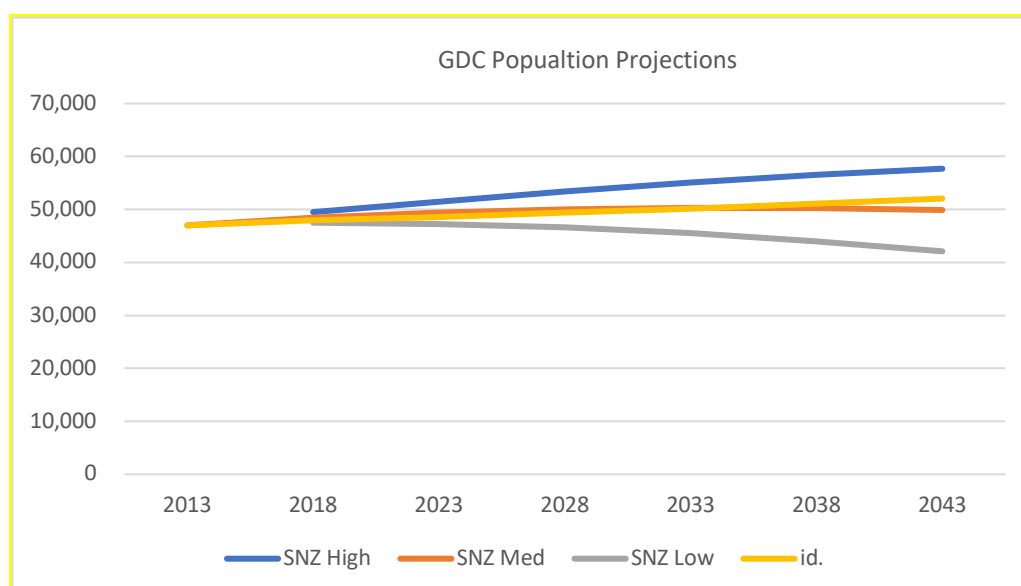
Population Growth

The usually resident population of the Gisborne District was 47,517 at the time of the 2018 census. This represents an increase of 3,864 people from the 2013 census, or 1.7% increase pa. This growth is less than the national increase of 2.1% pa, and Gisborne is amongst the country's slower growing regions²⁹.

District Population Forecast

There are two, broadly similar, population projections for the District, one provided by Statistics New Zealand, and the other based on Statistics New Zealand data and provided by .id.³⁰ Both projections were undertaken in the first half of 2017.

	2013	2018	2023	2028	2033	2038	2043	Total change	Av % change/pa
SNZ High		49,500	51,500	53,400	55,100	56,500	57,700	10,700	0.7
SNZ Med	47,000	48,500	49,400	50,000	50,300	50,200	49,900	2,900	0.2
SNZ Low		47,500	47,200	46,600	45,500	44,000	42,100	-4,800	-0.4
.id	47,000	47,900	48,602	49,387	50,113	51,086	52,063	5,063	0.3



²⁸ As much of the data from the 2018 census was not released at the time of writing this report, much of this section relies on data from the 2013 census.

²⁹ Stats NZ. 2018 Census Population and Dwelling Counts. Retrieved on 17 October 2019 from <https://www.stats.govt.nz/information-releases/2018-census-population-and-dwelling-counts>

³⁰ Territorial authority area Subnational Population Projections: 2013 (base)–2043 update released February 2017 and .id population and household trends June 2017.

The Statistics New Zealand medium projection and the .id projection are reasonably well aligned, although the Statistics New Zealand medium projection indicates a faster growth rate in the period to 2033, at which point the pattern reverses. Ultimately, .id. projects 2,900 more people in the District in 2043 than the Statistics New Zealand medium projection.

Based on the available information, it would appear prudent for Gisborne District Council to plan for a small annual population increase (of around 0.2%) as a conservative growth figure. Population growth could though, be significantly higher if the Council takes an aspirational approach to encourage a greater number of skilled people in the 20 to 49 age bracket to migrate to the District (as signalled in Tairāwhiti 2050). This could increase both the net natural increase and the net migration rates, positioning growth at the higher end of the Stats NZ population predictions.

Population Distribution

Population growth will not be evenly spread around the region. Over the next 20+ years, the number of people living in the urban areas around Gisborne City is expected to increase, while small settlements, like Ruatoria, Tolaga Bay and Te Karaka will see a decline in the number of residents, consistent with overall historic patterns of population decline, as well as the megatrend towards increasing urbanisation³¹.

Emerging industries located in the region's small towns have the potential to change this trend of population decline. One example, is Rua Bioscience (Hikurangi Enterprises), which is working toward the cultivation and extraction of pharmaceutical-grade cannabis ingredients and products. It's new 400m² indoor cultivation facility on an 8,000m² high security site near the township of Ruatoria is currently under construction and has the potential to spark population growth³².

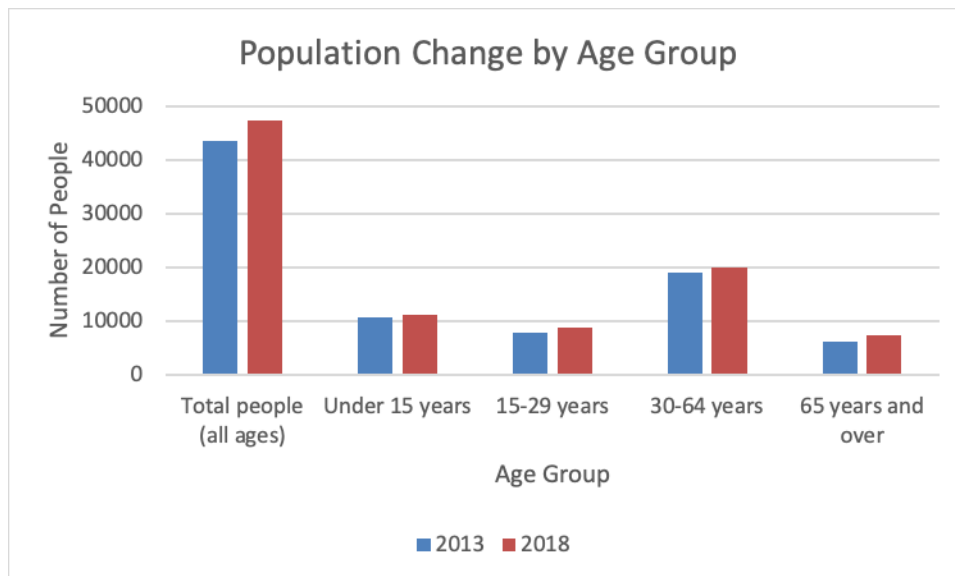
Age

As at the 2018 Census, 60.8% of Gisborne District's population was of working age (15-64), lower than the national average of 65.1%. The region has a higher percentage of people under 15 (23.7% versus 19.6% nationally), and a similar number of over 65s (15.5% versus 15.2%)³³. The most significant population increase is estimated to be in the over 65 age group, which has grown by approximately 1,200 people between 2013 and 2018. This pattern is largely consistent with population predictions contained in the 2017 Environmental Scan, which forecasts a 93.8% increase in the 65+ age group (or 12,400 people) by 2043.

³¹ McIlraith, L., Erasmus, T., & Fairgray, S. (2019).

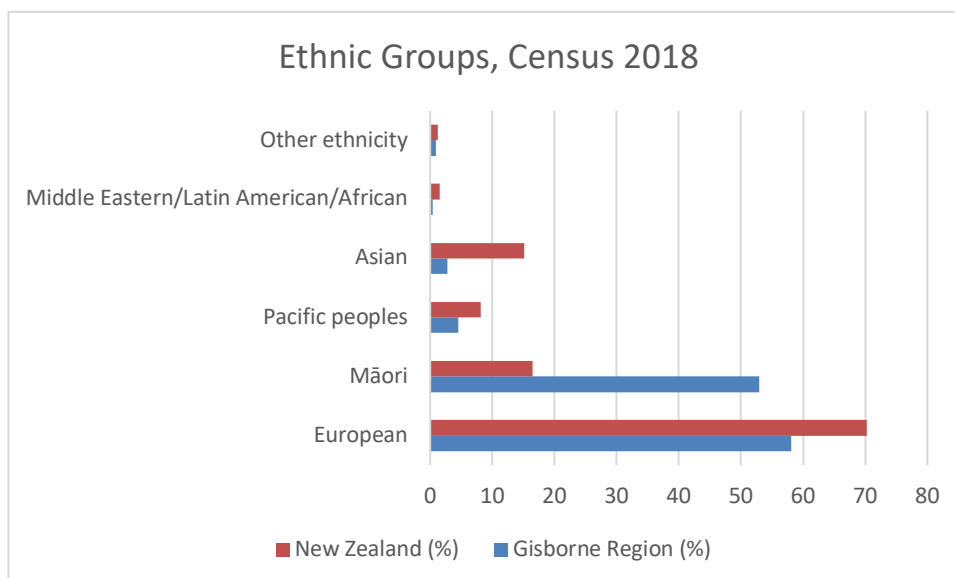
³² Rua Bioscience. Retrieved on 8 November 2019 from <https://www.ruabio.com/>

³³ Stats NZ. Age and sex by ethnic group (grouped total responses), for census usually resident population counts, 2006, 2013, and 2018 Censuses (RC, TA, SA2, DHB). Retrieved on 6 April 2020 from http://nzdotstat.stats.govt.nz/wbos/Index.aspx?_ga=2.127581581.1235059634.1586120173-1796530674.1511298213&_gac=1.203556516.1585862149.EAlalQobChMI_cbRtNTK6AIVTg4rCh1n-wnZEAAYASAAEgJ0TvD_BwE#



Māori Population

The Gisborne District is primarily a bicultural society, as shown in the following graph from the 2018 Census.



52.9% of the population identify as Māori, far above the national average of 16.5%, and an increase from 48.9% in 2013. This is predicted to increase to around 57% of the population by 2033 (using medium growth estimates, based on the 2013 census)³⁴. The Māori population is

³⁴ Stats NZ. Subnational ethnic population projections: 2013 (base) – 2038 update. Retrieved on 1 November 2019 from <https://www.stats.govt.nz/information-releases/subnational-ethnic-population-projections-2013base2038-update> Note: updated estimates based on the 2018 census are not yet available.

significantly younger than the non- Māori population in the region, with a medium age of 27.7 years as compared to 37 for the population of the District as a whole.³⁵

Four iwi have territorial boundaries in this region: Ngati Porou, Te Aitanga a Mahaki, Rongowhakaata, and Ngai Tamanuhiri. Ngāti Porou is the most numerous iwi affiliation among Gisborne Māori, with just over 12,000 people in the district identifying with that iwi³⁶.

Education

People in the Gisborne District are generally less well qualified than the national average. In 2018, the number of school leavers achieving NCEA Level 2 or above was lower, with ethnicity a major factor in educational achievement³⁷.

Percentage of School Leavers With NCEA Level 2 or Above (2018)					
All NZ School Leavers	All Gisborne School Leavers	Māori School Leavers	Pacific School Leavers	Asian School Leavers	European/Pākehā School Leavers
79.4	71.1	65.4	62.2	75.0	84.9

Research has shown that sustained absence from school affects educational achievement and can lead to significantly diminished opportunities later in life. School attendance is particularly low in the Gisborne District in comparison with the rest of New Zealand³⁸. In 2019, only 40.9% of children attended school in Gisborne, a significant drop from 2018 (51.9%). Ethnicity also plays a factor, with percentages of Māori and Pasifika students attending school regularly much lower than that of European/Pākehā³⁹.

Deprivation

The Gisborne District has the highest level of deprivation when compared to any other district, with two thirds of the population (65%) living in decile 8-10. Deprivation within the Māori population is more pronounced, with 77% living within deciles 8-10⁴⁰.

Factors that are relevant to depreciation include the following:

- Around 12% of the region's population is on a benefit. 78% of beneficiaries are Māori. This is 4,421 people, of which 3,915 have been on a benefit for more than one year. As a result, a large component of working age Māori in the region are on a benefit⁴¹.

³⁵ Stats NZ. 2018 Census Place Summaries: Gisborne Region. Retrieved on 6 April 2020 from <https://www.stats.govt.nz/tools/2018-census-place-summaries/gisborne-region>

³⁶ Gisborne District Council, Tairāwhiti 2050: Background Information (Draft). (2019)

³⁷ Education Counts. School leavers with NCEA Level 2 or above. Retrieved on 1 November 2019 from <https://www.educationcounts.govt.nz/statistics/indicators/main/education-and-learning-outcomes/1781>

³⁸ Students Attending Regularly is defined as students who have attended more than 90% of term 2.

³⁹ Education Counts. Students attending school regularly. Retrieved on 1 November 2019 from <https://www.educationcounts.govt.nz/statistics/indicators/main/student-engagement-participation/1935>

⁴⁰ Hauora Tairāwhiti. Tairāwhiti - Our Health Profile. Retrieved on 1 November 2019 from <https://www.hauoratairawhiti.org.nz/about-us/who/tairawhiti/>

⁴¹ Ministry of Social Development. Quarterly Benefit Fact Sheets: Regional Council Tables: December 2019. Retrieved on 6 April 2020 from <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html>

- Income levels in the Gisborne District are lower with the median income in the Gisborne District is \$25,900 (compared to \$31,800 nationally). Only 10.9% of the Gisborne District's population earn over \$70,000 compared to 17.2% nationally.⁴²

Health Outcomes

The Gisborne District has the highest rates of overall avoidable mortality and morbidity, and high rates of ambulatory sensitive hospitalisations in the country. In 2012–2014, life expectancy was the lowest of any region for both sexes in the Gisborne region (80.4 years for females and 76.2 years for males)⁴³.

Access to some health services are the poorest nationally, for instance access to some cardiac treatment services and renal services, although people in the Gisborne District generally have a better rate of access to primary healthcare than nationally⁴⁴.

Gisborne has the highest rates of type II diabetes in New Zealand⁴⁵ and obesity is also an issue, with over one in five children aged under 15 being obese, well above the national average of around 12%⁴⁶.

The Gisborne District also has more regular smokers than New Zealand generally (21.9% compared to 13.2%) and 31.8% of Māori in the District smoke regularly. There has though, been a noticeable decrease in smoking rates since the 2006 and 2013 census. Other factors contributing to poor health outcomes include high alcohol use and lower immunisation rates⁴⁷.

*Food Insecurity*⁴⁸

For almost one in five New Zealand children, their household experiences severe-to-moderate food insecurity, with rates of household food insecurity higher among certain subgroups of children, including children in households on low incomes, children in the most deprived neighbourhoods, and children of Māori and Pacific ethnicity. It is also linked to poorer health outcomes such as obesity, asthma, and behavioural or developmental difficulties, higher rates of psychological and parenting stress, and barriers to accessing health care.

Food insecurity is an important public policy concern. Given the risk factors in the Gisborne District (low household incomes, areas of high deprivation, and a large Māori population), food insecurity is expected to be a major issue for the region.

Culture⁴⁹

Tairāwhiti is a region steeped in history and cultural significance. Tairāwhiti is the landing place of Nukutaimemeha, Horouta and Takitimu waka, the people of these waka founding settlements across the region. Subsequent to this was the arrival at Kaiti Beach in 1769 of Captain Cook and his crew, the first Europeans to set foot in New Zealand, and the first meeting between the two cultures.

⁴² Stats NZ. 2018 Census Place Summaries: Gisborne District

⁴³ Ministry of Social Development. The Social Report 2016 – Te pūrongo oranga tangata. Retrieved on 2 November 2019 from <http://socialreport.msd.govt.nz/health/life-expectancy-at-birth.html>

⁴⁴ Ministry of Health. Regional Results 2014–2017: New Zealand Health Survey Retrieved on 2 November 2019 from <https://www.health.govt.nz/publication/regional-results-2014-2017-new-zealand-health-survey>

⁴⁵ Tairāwhiti 2050: Background Report

⁴⁶ Ministry of Health. Regional Results 2014–2017

⁴⁷ Hauora Tairāwhiti.

⁴⁸ This subsection draws on information from: Ministry of Health. Household Food Insecurity Among Children In New Zealand. (2019).

⁴⁹ This subsection draws on information from Tairāwhiti Māori Economic Development Report.

It is a region deeply connected with its Māori heritage and culture. There are strong iwi affiliations, 70 operational marae⁵⁰, and large areas of Māori land. The majority of Māori (61%) in Tairāwhiti believe that it is very or quite important to be engaged with Māori culture (much higher than the national average of 46.3%).

In 2018 Census, 16.6% of Gisborne District residents reported being able to converse in te reo Māori. This is over four times the national average, and it is the next most common language in the Gisborne District after English⁵¹. As well, Māori are more likely to be taught te reo in schools in the region than Māori nationally.

Access to Māori cultural institutions (both built and intangible) are important wellbeing indicators for Māori. For example, a higher proportion of Māori in Tairāwhiti rate it as important to be engaged in Māori culture than nationally⁵². Councils have a key role in the management and stewardship of public places, and the land transport network that connects rural and coastal hinterlands to their awa, maunga, urupa, marae, whenua Māori culturally significant sites, such as maara kai and pa harakeke and waahi tapu. This is often not recognised, celebrated or held up as a key success story of Council, but is an important role in the daily social fabric of the community.

The Gisborne region is also rich in sporting, arts and culture facilities and events. These range from the annual Rhythm and Vines music festival, the Olympic Pool complex, theatres, museums, art in public spaces, outdoor sports areas, public spaces, and Tairāwhiti Navigations. Opportunities exist to broaden and strengthen these facilities and programmes, although funding, distribution and accessibility challenges exist.

Housing

Housing Supply and Affordability

There is currently a rental market shortage in the Gisborne District, a shortage of homes on the market to buy, and an increasing demand for public housing⁵³. The number of families on the social housing register has increased from 40 in December 2014 to 376 in December 2019, with 358 of these a high priority for housing. These are people who are considered 'at risk' and includes households with a severe and persistent housing need that must be addressed immediately⁵⁴. Kāinga Ora is currently building new houses in the District as part of its regional housing development programme to increase public housing supply⁵⁵.

Houses prices have steadily increased in the Gisborne District over the last 5 years as shown in the chart below. In February 2020, the median house price was \$450,000, a 15.4% increase on February 2019⁵⁶.

⁵⁰ Tairāwhiti 2050: Background Information. Data is from 2017.

⁵¹ Stats NZ. 2018 Census Place Summaries: Gisborne District

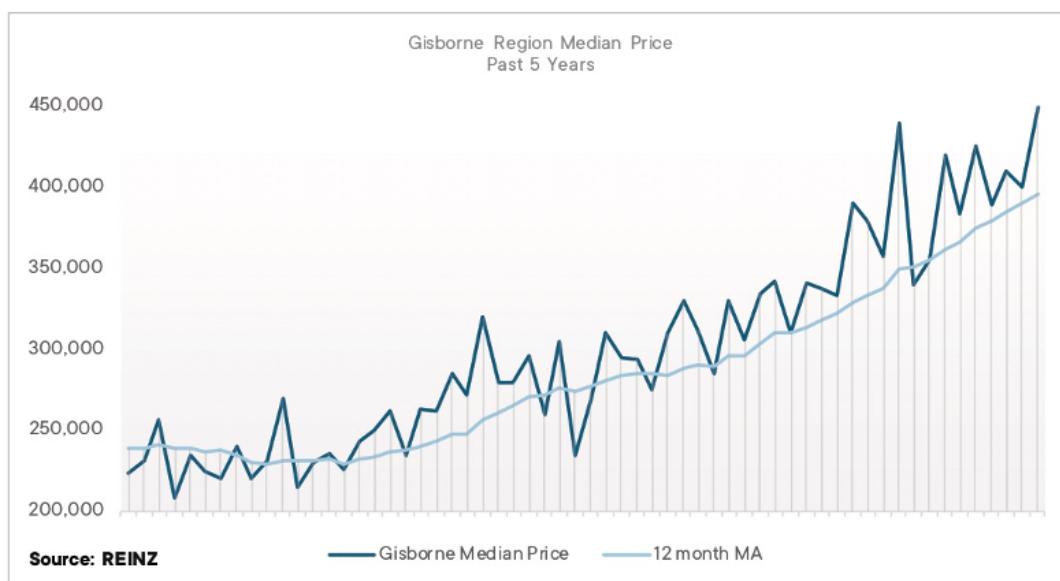
⁵² Kimihia He Oranga. Tairāwhiti Māori Economic Development Report. (2017).

⁵³ Tairāwhiti 2050: Background Information

⁵⁴ Ministry of Social Development. Housing Register: December 2019. Retrieved on 6 April 2020 from <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/index.html>

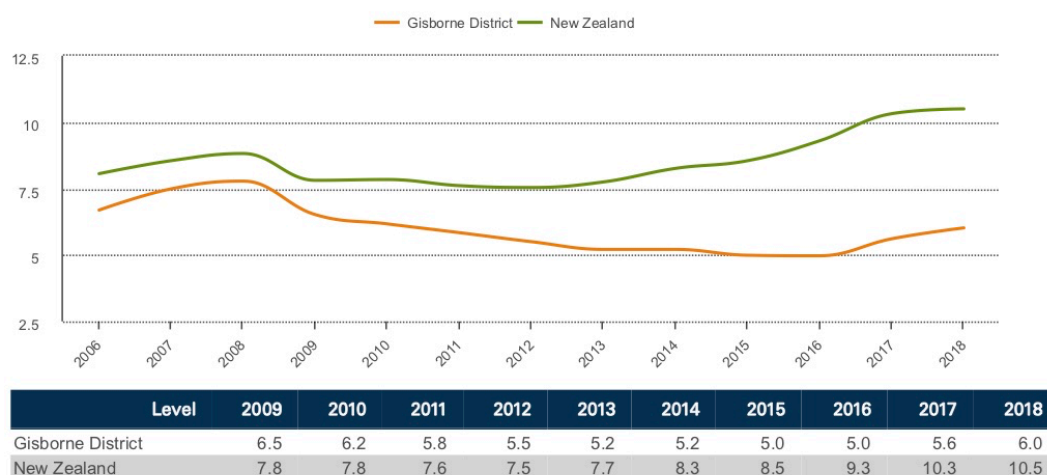
⁵⁵ Kāinga Ora. Regional Housing Developments. Retrieved on 6 April 2020 from <https://kaingaora.govt.nz/developments-and-programmes/regional-housing-developments/>

⁵⁶ REINZ. Monthly Property Report. (12 March 2020). Retrieved on 6 April 2020 at <https://www.reinz.co.nz/Media/Default/Statistic%20Documents/2020/February/REINZ%20Monthly%20Property%20Report%20-%20February%202020.pdf>



Houses in the Gisborne District are though, more affordable than in New Zealand generally (when considered against annual average earnings), although there is a slight trend towards becoming less affordable⁵⁷.

Housing Affordability, 2006-2018



However, around two-thirds of the demand is for housing at \$440,000 and below, suggesting that affordability will be an issue for many prospective home owners.

While there is currently a shortage of properties available to rent and buy in the Gisborne District, there is sufficient commercially feasible residential development capacity available to meet the level of projected demand over the short and medium terms. However, over the long term there appears to be a deficit⁵⁸.

⁵⁷ Infometrics

⁵⁸ McIlrath, L., Erasmus, T., & Fairgray, S. (2019)

Housing Condition

Housing condition is an issue in the Gisborne District. In the 2018 census, 26.4% of homes were reported as either always or sometimes damp, and 21.3% had mould⁵⁹. Wellbeing statistics show that a majority of houses are sometimes or always cold, and 23.1% are in need of moderate to major repairs⁶⁰.

15% of people in the Gisborne District lived in crowded conditions at the 2013 census. Ethnicity is a relevant factor, with 23.6 percent of Māori living in crowded conditions in 2013, compared with 7.9 percent of non-Māori. Crowding is associated with poorer health and wellbeing outcomes⁶¹.

Māori Housing Funds

Te Puni Kōkiri manages a number of Māori housing funds to support various types of Māori housing initiatives. A further \$40 million over four years was allocated as part of Budget 2019 to allow more whānau access to healthy, affordable, secure homes. The additional funding will allow 300 whānau to access Sorted Kāinga Ora workshops, 100 more homes per annum to be repaired through the community led housing repair programmes, and 10 more homes to be built per annum on papakāinga⁶². It is not known whether these funds have contributed to projects within the Gisborne District.

Tairāwhiti 2050

Tairāwhiti 2050 has a strong emphasis on social and cultural wellbeing. Aspirations for 2050 include the following.

- Everyone is able to live in affordable, healthy and environmentally sustainable housing.
- We know we are in Tairāwhiti 2050 – our spaces and places reflect our identity.
- Our region's historic heritage is an integral part of our local communities, employment opportunities and visitor experiences.
- Marae are alive and thriving, and people are reconnecting with each other and the whenua.
- The way we see and make sense of the world is enhanced through an understanding of Te Ao Māori, mātauranga Māori and Te Reo Māori.
- We have flexible, multi-use community spaces and activity hubs across Tairāwhiti 2050.

Implications for Gisborne District Council

- **Covid-19:** Community health, including mental health, is likely to be impacted by Covid-19 for an extended period of time. Levels of financial hardship and deprivation may increase, while community connectedness and a sense of belonging may decrease as a result of restrictions imposed on communities. These have the potential to reduce social and cultural wellbeing for an unknown time period. In planning for community wellbeing, Gisborne District

⁵⁹ Stats NZ. One in Five Homes Damp. (2019). Retrieved on 2 November 2019 at <https://www.stats.govt.nz/news/one-in-five-homes-damp>

⁶⁰ Stats NZ. Wellbeing Statistics: 2018 – Housing Quality and Tenure Security. Retrieved on 2 November 2019 at <https://www.stats.govt.nz/information-releases/wellbeing-statistics-2018>

⁶¹ Stats NZ. Living in a crowded house: Exploring the ethnicity and well-being of people in crowded households. Retrieved on 2 November 2019 from <https://www.stats.govt.nz/reports/living-in-a-crowded-house-exploring-the-ethnicity-and-well-being-of-people-in-crowded-households>

⁶² Te Puni Kōkiri. Māori Housing Network. <https://www.tpk.govt.nz/en/whakamahia/maori-housing-network>

Council will need to consider the types of programmes and initiatives that it can develop or support, in a Covid-19 environment.

- **Responding to growth:** Population growth will inherently put pressure on existing Council services and facilities, with resulting service level and budget implications. However, growth is not likely to be evenly spread across the regions, with rural areas likely to experience further decline consistent with the trend of urbanisation. This may affect the viability of Council services in rural areas, impacting on the wellbeing of those communities.
- **An ageing population:** The Gisborne District has a growing population, although this is below the national average, with the most significant increase in the over 65 age group. This trend is set to continue, raising a number of implications for Gisborne District Council, such as the following:
 - Ongoing financial sustainability where the rating base is comprised of an increasing number of retired ratepayers (including their ability to pay rates).
 - The types of services and infrastructure an ageing population will need (such as accessibility and recreational needs), how this contrasts with the needs of other population groups, and delivery options. This may require joint ventures and collaboration with other agencies (including central government), multi-use and flexible facilities, and decisions to discontinue some services.
 - An ageing population does potentially provide a growing base of volunteers that can actively contribute to the social and cultural wellbeing of the community. This is an area that the Council could explore further.
- **Cultural identity and connection:** The cultural identity of the Gisborne District is a particular strength. The Council could look to leverage this strength through increased investment in cultural and recreation services, as a way of improving and encouraging community wellbeing across all four aspects (social, cultural, economic and environmental wellbeing). Enabling connection for some the District's most vulnerable communities and social groups with sites of cultural importance, as well as essential services is equally important to the delivery of community wellbeing. This may require targeted investment in enhanced connectivity (such as public transport).
- **Housing security:** Supporting housing security both in terms of supply and affordability will be an ongoing issue for Gisborne District Council. It may need to use a range of tools, such as land use planning and infrastructure investment to enable and facilitate residential development, as well as advocacy to encourage greater public housing supply.
- **Social Inequity and Deprivation:** These are significant issues in the region. Given the new purpose of local government, issues such as improving health outcomes, educational achievement and pathways to employment, food security, and housing condition are all areas within which Gisborne District Council has some level of interest, as they impact on social and cultural wellbeing. This may be through for example, investing in community-based programmes and initiatives, partnering with other agencies, or assisting groups to access government funding.

Economic Factors

Economic Trends

Economic Conditions – Covid-19

The Covid-19 virus is having a profound economic impact and is driving the world into a global recession. While it is unclear how deep or long lasting this recession will be, it will have wide-reaching economic impacts for the short to medium term, and perhaps even longer.

Covid-19 is already having a dramatic and widespread effect on New Zealand's economy, with all industries impacted to a greater or lesser degree. The country is now in recession, although the low debt to GDP ratio enables the economic impacts to be mitigated, at least to some degree, by central government borrowing and investment. Certain sectors, such as tourism, are particularly hard hit and will take many years to recover. Other sectors, like dairy, are performing relatively well. However, the primary sector has also been impacted by the major drought that has affected much of the country.

These external shocks will have a major impact on the economic wellbeing of the Gisborne District in the short to medium term, and potentially, in the case of a sector such as tourism, into the longer term as well.

As part of an immediate support package, the Government has invested \$44 million specifically into Tairāwhiti businesses. This “comprises a \$28 million employment redeployment package to help struggling businesses, along with an additional \$16m from the Provincial Growth Fund to boost wood processing ventures” in the District⁶³. Alternative work identified for Tairāwhiti forestry workers includes local roading work, hazardous tree removal, fast-tracked One Billion Trees projects, conservation activities and retraining and educational opportunities⁶⁴. The Government is also seeking to fund infrastructure projects under \$10 million that are ready to begin construction when the country returns to work after the current period of lockdown ends.

*Structure of the Regional Economy*⁶⁵

Gisborne District's gross domestic product (GDP) measured \$1,575m in the year to March 2018, an increase of 2.8% from the previous year. Over the 10 year period to March 2018, Gisborne District averaged 1.5% growth in GDP pa, compared to an average of 2.1% pa nationally. In the year to March 2019, Gisborne experienced the highest rise in GDP of any region⁶⁶. The increase was driven by construction, health care and social assistance, and forestry and logging.

The primary sector is a major contributor to Gisborne District's economy, accounting for 19% of GDP, compared with only 6.7% nationally. All other sectors are under-represented in comparison to the national economy, as shown in the diagram below.

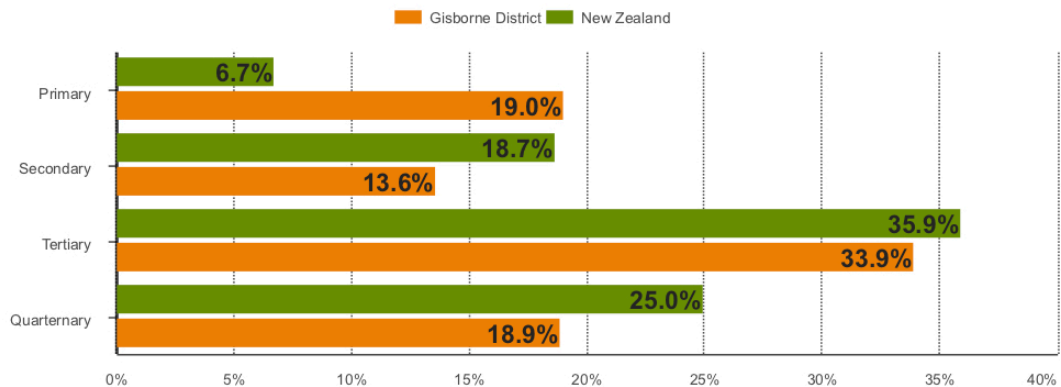
The primary sector makes direct use of natural resources. It extracts or harvests products from the earth. The secondary sector produces manufactured and other processed goods. The tertiary sector includes the lower value-adding service industries, while the quaternary sector includes the higher value-adding, knowledge-based service industries.

⁶³ Gisborne Herald. (20 March 2020). Govt to pump money into region to keep those affected by economic impact of Covid-19 in work. Retrieved on 20 April 2020 from <http://www.gisborneherald.co.nz/local-news/20200320/44m-relief-package/>

⁶⁴ New Zealand Government. (2020). \$100 million to Redploy Workers. Retrieved on 7 April 2020 from <https://www.beehive.govt.nz/release/100-million-redeploy-workers>

⁶⁵ Data in this sub-section is from Infometrics. 2018 Annual Economic Profile: Gisborne District. (2019).

⁶⁶ Stats NZ. 2019 regional GDP figures show Gisborne tops increases – Media release: 31 March 2020.



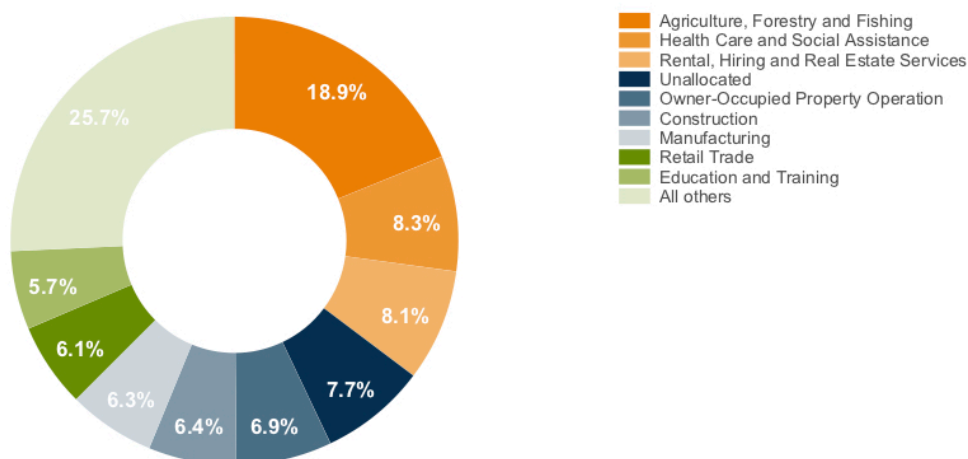
Agriculture, forestry and fishing was the *largest broad industry* in the Gisborne District in 2018, accounting for 18.9% of total GDP (\$297m). The second largest was Health Care and Social Assistance (8.3% or \$131m), followed by Rental, Hiring and Real Estate Services (8.1% or \$127m).

At the *detailed industry level*, Health Care & Social Assistance was the largest in Gisborne District in 2018 accounting for 8.3% of total GDP (\$131m). The second largest was Forestry & Logging (7.2% or \$113m), followed by Property Operators & Real Estate Services (7.0% or \$111m). Some other primary industry contributions to GDP included:

- Sheep, Beef Cattle & Grain Farming: \$88.8m (5.6%)
- Horticulture and Fruit Growing: \$35.5m (2.3%)
- Fishing and Aquaculture: \$8.35m (0.5%)

These do not include the industries that provide support, such as seafood processing, road transport, or dairy product manufacturing. Also note that viticulture is not separately reported in the Infometrics Annual Economic Profile.

Share of total GDP, 2018



Forestry and logging made the largest overall contribution to economic growth, with the industry growing by 11.5% over the 2017/2018 year. The largest detractor from growth over that year was horticulture and fruit growing, which declined by 9.1%⁶⁷. The Gisborne District has, from an

⁶⁷ This information was obtained from the Infometrics. 2018 Annual Economic Profile: Gisborne District. (2019). No commentary was provided on the factors influencing growth, although historical trends do point to a degree of volatility within these industries generally.

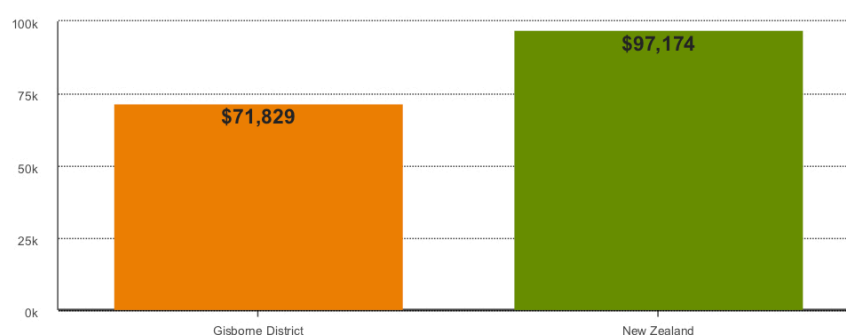
economic perspective, the largest comparative advantage in forestry and logging, followed by sheep, beef cattle, and grain farming, and horticulture and fruit growing.

Employment⁶⁸

Total employment in the Gisborne District was nearly 22,000 in the year to March 2018, up 1.4% from the previous year (compared to 3% nationally). While there has been a small growth in employment over a 10 year period (an average of 0.3% pa), this is well below the national average (1.3% pa). The primary sector accounted for over 20% of the workforce in 2018, compared with only 6% nationally. The construction industry made the largest contribution to employment growth, adding 137 jobs.

Self-employment in the Gisborne District makes up a sizeable proportion of the total workforce at 14.9% for the 2018 year (over 3,200 workers), slightly below the New Zealand average of 16.7%. However, self-employment in the Gisborne District has been in decline since a high point of 17.2% in 2000.

Productivity (GDP per employee) has been increasing over the last 10 years at a rate above the national average but overall, productivity is lower than the national average.



Labour availability is a significant challenge to the Gisborne District's economy. The region is already constrained by labour shortages and this is predicted to become even greater over time. Finding ways to increase capacity, as well as making better use of available labour through increased productivity will be required⁶⁹.

Skill Levels

A region that has high skilled jobs can generally offer a higher standard of living to its residents. It also has a better chance of attracting and retaining workers. In the Gisborne District, over 60% of the workforce is employed in low or semi-skilled jobs. This is higher than the national average. The chart below shows the 2018 workforce skills comparison between Gisborne District and New Zealand.

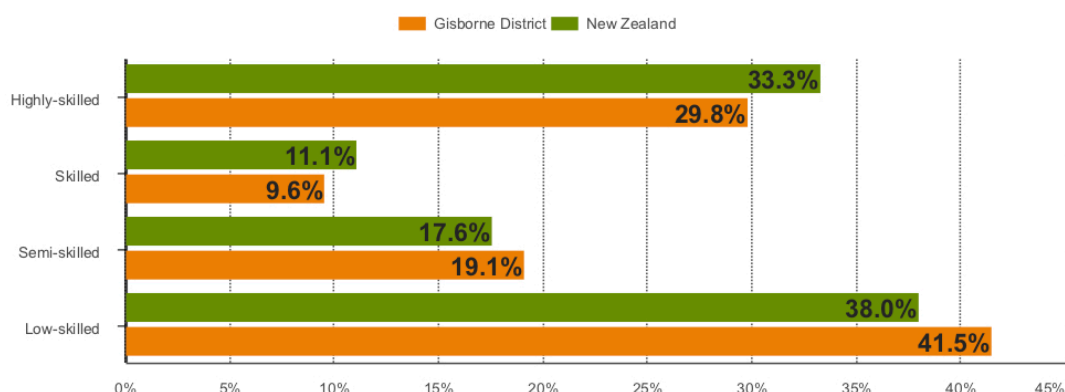
Youth

The NEET (not in employment, education or training) rate for those aged 15 to 24 in the combined Gisborne-Hawkes Bay region is 21.7%. This is above the national average of 11.4% (for the year ending December 2019)⁷⁰.

⁶⁸ Data in this sub-section is from Infometrics. 2018 Annual Economic Profile: Gisborne District. (2019).

⁶⁹ Gisborne District Council. Tairāwhiti 2050: Background Information. (2019). (Draft)

⁷⁰ Ministry of Business, Innovation and Employment. Youth not in employment, education or training in New Zealand. Retrieved on 8 April 2020 from <http://webrear.mbie.govt.nz/theme/neet-rate/map/timeseries/2019/new-zealand?accessedvia=wellington&areatype=ta&left-zoom=NaN&right-transform=absolute>



Business Growth

At March 2018, there were just under 5,000 businesses in the Gisborne District, down 0.9% from the previous year, compared to an increase of 0.7% nationally. Growth in the number of businesses in the Gisborne District has been declining from a high point in the mid-2000s and has averaged -0.2% pa over the last 10 years⁷¹.

Economic Development

*A Māori Perspective*⁷²

Gisborne District has a significant number of Māori businesses, ranging from Māori authorities, large Māori-owned businesses, small and medium enterprises, and Māori-in-business (self-employed). In 2019, Māori enterprises, with a GST turnover of greater than \$30,000, employed around 700 people (a decline from a high point of around 810 employees in 2016)⁷³.

28% of the Gisborne District is Māori land. A 2011 Te Puni Kōkiri report⁷⁴ identified a wide range of owner aspirations for their land, including the importance of retaining the land, utilising it within the context Māori cultural values (such as kaitiakitanga and manaakitanga), and achieving a balance between managing the land as a viable business, while also maintaining cultural connection. Other aspirations include maximising financial return for current and future generations and achieving the best economic potential.

A number of barriers to achieving these aspirations were also identified, including lack of capital. The government's Provincial Growth Fund has allocated \$100m to projects that support Māori landowners and Te Puni Kōkiri Ikaroa-Rawhiti is the lead agency in the region to provide support for Māori landowners to develop investment-ready PGF applications. The refreshed Tairāwhiti Economic Action Plan (discussed below) identifies actions to unlock the potential of Māori land.

The Tairāwhiti Māori Economic Development Report provides insights and options to support and enhance te ao Māori economy (Māori world economy) within Tairāwhiti. The report identifies four focus areas:

1. A focus on people, including for example, rebuilding rural communities, building entrepreneurial capability and capacity, building new work opportunities, providing digital

⁷¹ Infometrics

⁷² This sub-section draws primarily on information from Kimihia He Oranga. Tairāwhiti Māori Economic Development Report. (2017).

⁷³ Stats NZ. New Zealand business demography statistics: At February 2019. Retrieved 30 October 2019 at <https://www.stats.govt.nz/information-releases/new-zealand-business-demography-statistics-at-february-2019>

⁷⁴ Te Puni Kōkiri. Owner Aspirations Regarding Utilisation of Māori Land. (2011).

and information technology connectivity, and supporting iwi to provide and support cultural connectedness. Areas such as education and training fall within this focus area.

2. A focus on enhancing big project economic opportunities related to traditional primary industries, as well as newer industries and added value initiatives. New approaches, a focus on incentivising development in rural communities, and encouraging new ways of thinking about economic development were also identified as important.
3. A focus on building entrepreneurial capacity and capability in small communities, through for example, start-up funding for small businesses.
4. A focus on a deliberate and coordinated approach to empowering Māori economic development, including the formation of a specialist entity fully resourced to provide all forms of enterprise assistance to Māori.

The report concludes by stating “the need for a policy re-alignment in respect of creating a more conducive economic development context that enhances social and economic returns from iwi, rural and small town communities”.

Three iwi have reached Treaty settlements in Tairāwhiti, and one claim is still under negotiation⁷⁵.

Claimant	Negotiation Status	Financial Settlement
Ngāti Porou	Legislation for this settlement was passed on 29 March 2012	\$90m
Ngāi Tamanuhiri	Legislation for this settlement was passed on 31 July 2012	\$11.07m
Rongowhakaata	Legislation for this settlement was passed on 31 July 2012	\$22.24m
Tūranganui-a-Kiwa	An Agreement in Principle was signed on 29 August 2008	N/A

While the Treaty settlements have increased the economic strength of iwi, the Tairāwhiti Māori Economic Development Report provides a caution against viewing settlement funding as a supplement to (or even replacing) public spend.

He Huarahi Hei Whai Oranga: Tairāwhiti Economic Action Plan (TEAP)

The Tairāwhiti Economic Action Plan was adopted in 2017 and refreshed in December 2019. This sets out priorities for a five year period and synthesises the 2017 Tairāwhiti Economic Action Plan and the Tairāwhiti Māori Economic Development Report into one plan. There are nine priority action areas. These are set out in the table below, along with a list of actions where Gisborne District Council has been identified as the lead agency (noting that there are other actions in the TEAP where Council is identified as a supporting agency).

⁷⁵ The Office for Māori Crown Relations – Te Arawhiti. Treaty Settlements Quarterly Report, July – September 2019. Retrieved on 3 November 2019 from <https://www.govt.nz/assets/Documents/OTS/Quarterly-report-to-30-September-2019.pdf>

	Priority Action Area	Actions to be Led by GDC
1.	Realising the value of our forestry assets	Develop and implement a Tairāwhiti One Billion Trees Strategy.
2.	Driving sustainable value-added horticultural production	<p>Complete Stage 2 of the Managed Aquifer Recharge Pilot operation alongside mana whenua.</p> <p>Carry out a treated wastewater Alternative Use and Disposal (AUD) study, including pilot studies, trials and business models, to progress the beneficial use of recycled water for horticulture irrigation and other purposes.</p> <p>Support the sustainable use of water in the Waipaoa catchment.</p> <p>Upgrade the Waipaoa Flood Control Scheme from a 1:100-year event flood protection level to a 1:100-year event taking into account the effects of climate change out to 2090.</p>
3.	Unlocking the potential of Whenua Māori	<p>Develop principles and a framework for working with Iwi and Māori landowners in relation to freshwater management (GDC and Iwi to lead) including the exploration of:</p> <ul style="list-style-type: none"> • Allocation options based on sustainable freshwater management practices and cultural values, and • Mechanisms to support Māori land development aims, for example, prioritising water allocation to raise the productivity of under-utilised Māori land.
4.	Growing our tourism sector	<p>Complete key planned tourism infrastructure under the umbrella of Navigate Tairāwhiti (GDC and RIT to lead) including:</p> <ul style="list-style-type: none"> • Inner Harbour. • Titirangi Restoration. • Titirangi Summit. • Puhi Kai Iti Cooks Landing Site. • Iwi Encounters project. • Tupapa (to be expanded region-wide). • Navigate cycle trails. <p>Expand on Navigate Tairāwhiti, (RIT and GDC to lead) prioritising:</p> <ul style="list-style-type: none"> • Investment in 'Pataka Korero' for key sites, signature walkways/ cycleways, gateways to the region including digital access. • Support for the heritage restoration of Tokomaru Bay and Hicks Bay wharves. <p>Investigate the promotion of landscape-scale biodiversity enhancement and restoration as a potential visitor experience.</p>
5.	Improving our transport connections	Complete a Regional Land Transport Plan to identify transport issues and prioritise solutions. (GDC and NZTA.
6.	Maximising tech opportunities	No actions to lead

	Priority Action Area	Actions to be Led by GDC
7.	Growing our people	Develop and implement an in-region recruitment, training and employment programme aligned to the Tairāwhiti roading and other civic construction investments secured under the Provincial Growth Fund (MSD and GDC to lead). Targets: <ul style="list-style-type: none"> 75% of the civic construction workforce is local, half of which is drawn from Māori job seekers.
8.	Becoming a business enabled region	Streamline regulatory framework including planning regulations and building and resource consents.
9.	Future-proofing our prosperity	Develop a Tairāwhiti Just Transition Plan which sets out the actions the region will take to transition to a zero emissions economy (TT and GDC to lead). Develop a tool kit resource to help businesses plan to invest in water-capture-and-reuse, or water-capture- and-on-sell processes for non-potable purposes.

Investment

Provincial Growth Fund

Central government has committed to investing \$3 billion over three years in regional economic development, through its Provincial Growth Fund (PGF). The PGF aims to lift productivity in the provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets⁷⁶.

Tairāwhiti has been identified as a surge region requiring early investment to enable economic growth within the region. In 2018, a \$152.7m package was allocated from the PGF for the Gisborne District, to unlock Tairāwhiti's economic potential through stronger, safer and more resilient transport connections, for forestry projects that provide jobs and training opportunities for young people, for tourism projects to attract more visitors to the region, and for projects in the food and beverage sector. More recently, PGF funding has been allocated to other economic development initiatives such as projects to support medical research, wood processing and social enterprise to further enhance the region's economic potential⁷⁷.

The Government has allocated \$100m from the Provincial Growth Fund to help unlock the full economic potential of Whenua Māori (Māori owned land). Budget 2019 allocates \$56.1 million over four years towards implementing the Whenua Māori Programme. The investment will enable regional on-the-ground advisory services in Tairāwhiti, the creation of a Whenua Knowledge Hub and website, new and enhanced services for the Māori Land Court, the modernisation of the Māori Land Court information systems and support for legislative amendments to Te Ture Whenua Māori Act 1993⁷⁸.

Central government's Tourism Infrastructure Fund provides financial support for local tourism-related infrastructure where tourism growth (domestic and international) is placing pressure on, or

⁷⁶ Grow Regions. The Provincial Growth Fund. Retrieved on 30 October 2019 from <https://www.growregions.govt.nz/about-us/the-provincial-growth-fund/>

⁷⁷ Grow Regions. Gisborne/ Tairāwhiti. Retrieved 30 October 2019 from <https://www.growregions.govt.nz/regions/gisbornetairawhiti/>

⁷⁸ New Zealand Government. Delivering for Māori and the whenua. (24 May 2019). Retrieved on 3 November 2019 at <https://www.beehive.govt.nz/release/delivering-m%C4%81ori-and-whenua>

potential growth is constrained by, existing infrastructure and the local community is unable to respond in a timely way without assistance. It provides up to \$25 million per year for the development of tourism-related infrastructure such as carparks, freedom camping facilities, sewerage and water works and transport projects. Gisborne District Council has received funding for tourism infrastructure to support Tuia 250 ki Tūranga, the commemoration of the arrival of Captain Cook⁷⁹.

Specific Industries

Existing and emerging contributors to the Gisborne District's economy include the following:

- Forestry: 14% of New Zealand's log exports come from the Gisborne District and forest harvests have significantly increased since 2007. However, most produce is exported as raw logs, which have low margins. Very little value-added processing occurs locally⁸⁰, although actions prioritised under the Tairāwhiti Economic Action Plan seek to address this.
- Horticulture: Poverty Bay produces \$160m in regional GDP annually and employs over 1,100 people. Irrigation is a major constraint to current levels of use, as well as future growth. A managed aquifer recharge pilot is currently underway⁸¹ and actions under the Tairāwhiti Economic Action Plan seek to address the issue of water sustainability and resilience. Opportunities also exist to develop value-added horticultural initiatives, such as medicinal cannabis.
- Tourism: 4.7% of Gisborne District's GDP in 2018 came from tourism, which has steadily grown over the last ten years. It is an emerging industry, with a range of untapped and under-developed opportunities, including authentic cultural tourism. There are a number of actions identified in the Tairāwhiti Economic Action Plan, which are aimed at growing the tourism sector. The promotion of a regulatory environment that provides for and encourages tourism can bring positive economic outcomes and benefits. In particular, enabling the hosting of events through supportive provisions within the Tairāwhiti Resource Management Plan would provide an incentive for event organisers to host events within the District. Such provisions could also be supported by a positive regulatory (licensing) and event permit process.
- Apiculture: With its naturally high quality manuka honey yields, apiculture in the Gisborne District, and on Whenua Māori, has the potential to be a high value industry.

Transport in the Gisborne District

The Road Network

Council has infrastructure assets of \$2.04bn. This includes the roading network, community facilities, water infrastructure and Council's investment in Gisborne Holdings Limited⁸². The Gisborne District has 1889 kms of local roads, with 54% being unsealed⁸³. The region is relatively isolated from the rest of the North Island and relies heavily on two state highway corridors to connect within the region, as well as to neighbouring regions and the rest of the country. SH2

⁷⁹ Ministry of Business, Innovation and Employment, Tourism Infrastructure Fund. Retrieved 31 October 2019 from <https://www.mbie.govt.nz/info-services/sectors-industries/tourism/tourism-infrastructure-fund>. Also see <https://www.tuia250kituranga.nz/> (retrieved on 13 November 2019).

⁸⁰ Tairāwhiti Economic Action Plan

⁸¹ Tairāwhiti Economic Action Plan

⁸² Gisborne District Council. 2018-2028 Long Term Plan (2018). Retrieved on 3 November 2019 from <https://www.gdc.govt.nz/2018-2028-long-term-plan/>

⁸³ Gisborne District Council. Retrieved on 3 November 2019 from <https://www.gdc.govt.nz/road-maintenance-q-and-as/#about-our-network>

provides the only viable road connection to the south, while SH2 and SH35 connect Gisborne to the Bay of Plenty. The state highways also provide important connections for rural and urban communities.

The 2018-2028 Regional Land Transport Plan identifies the following issues with the region's road network⁸⁴:

- narrow seal, lack of passing opportunities and tight alignment contribute to a significant potential risk of death and serious injury, particularly in rural areas.
- conflict between active modes of transport and heavy vehicles results in increased personal risk to active users.
- the region's driver demographics are risk takers in their driving and with the maintenance of their vehicles, which contributes to a higher than normal regional accident rate.
- the network is susceptible to road closure and climatic conditions leading to poor road condition, excessive wear and tear on vehicles, and resultant economic loss.
- parts of the network lack capability and are not able to sustain the current or projected volume of traffic, particularly freight.

In the 2018/2019 financial year, \$43.4m of council's operating expenditure (42%) and \$27.2m of its capital expenditure (63.5%) was spent on roads⁸⁵. Significant investment is needed in the road network, which is beyond the financial capacity of the council and its ratepayers.

The major investment provided by the Provincial Growth Fund recognises that the roading network exists in challenging natural conditions, is subject to repeated serious weather events, and investment is needed to improve:

The linkages between the region and major transport hubs and markets, safeguarding visitor and business access to the region, and generating employment opportunities through the pipeline of work and increased investments in the region⁸⁶.

Climate change could have a very significant effect on the viability of Gisborne District's road network, particularly in coastal areas where, for example, large sections of road may need to be moved due to the impact of sea level rise. The Productivity Commission also recognised this threat and recommended that the role of NZTA should be expanded to co-fund local roads where they are facing significant climate change threats⁸⁷.

Maintenance and development of the road network is a critical issue for the District, is highly visible (and therefore will always receive considerable public attention) and is likely to continue to place a significant financial burden on the council and ratepayers.

⁸⁴ Gisborne District Council. Gisborne Regional Land Transport Plan: 2018-2028. (2018)

Retrieved on 3 November 2019 from <https://www.gdc.govt.nz/regional-land-transport-plan/>

⁸⁵ Gisborne District Council. 2018-2019 Te Rīpoata ā Tau: Annual Report. (2019). Retrieved on 3 November 2019 from <https://www.gdc.govt.nz/201819-annual-report/>

⁸⁶ Cabinet Paper. Unlocking Tairāwhiti's Economic Potential – Tairāwhiti Roothing Package. Retrieved on 30 October 2019 from <https://www.growregions.govt.nz/assets/content/public-information/cabinet-paper-unlocking-tairawhiti-economic-potential.pdf>

⁸⁷ New Zealand Productivity Commission. (2019).

Alternatives to the Road Network

The lack of viable alternatives to the road network undermine the resilience and environmental sustainability of the transport network, both priorities of the GPS 2018⁸⁸. Other transport options, particularly to support the movement of freight, include the reinstatement of the rail connection between Gisborne and Hawkes Bay. BERL has undertaken a feasibility study (funded by the PGF)⁸⁹, which found that reinstatement of the rail line is feasible from an engineering perspective, there is a prima facie case of sufficient demand for rail freight services, and there are numerous environmental, social, and cultural wellbeing advantages for reinstatement option

Consequently, our recommended option is for the community and associated stakeholders to pursue the reinstatement of the Tūranga ki Wairoa rail line; to a resilient standard; to deliver regular containerised and log freight services; and to support tourism opportunities to be developed utilising the rail corridor.

The development of a “blue highway” for the transport of freight from the Port has also be raised as a possibility.

Tairāwhiti 2050

Tairāwhiti 2050 aspirations for economic wellbeing include the following.

- Tairāwhiti is a diverse economy with a good balance of industry sectors.
- The products we export from the region have high market value.
- Tairāwhiti Māori business models lead the world in sustainability, innovation and intergenerational outcomes.
- Māori freehold land is one of our fastest growing and most diverse regional economic assets.
- We have the required skills for our local industries to succeed.
- More of our rangatahi choose to stay in Tairāwhiti and pursue higher education and employment.

Implications for Gisborne District Council

- **Covid-19:** Covid-19 will have a significant short to medium term (and perhaps longer) economic impact on the economy of the Gisborne District. The Government has responded with the largest economic stimulus package ever implemented in New Zealand, with some of that funding being directly targeted to businesses in Tairāwhiti. All businesses will be affected to some degree, as will every individual living in the District. This will also have profound financial implications for Gisborne District Council, particularly relating to rates affordability. This may put pressure on future budgets and spending. However, it also presents an opportunity to assist the local economy if the

⁸⁸ New Zealand Government. Government Policy Statement on Land Transport 2018/19 – 2017/28. (2018). Retrieved on 3 November from <https://www.transport.govt.nz/assets/Uploads/Our-Work/Documents/c6b0fea45a/Government-Policy-Statement-on-land-transport-2018.pdf>

⁸⁹ BERL. (2019). Tūranga ki Wairoa Rail: Feasibility Study into Reinstatement of Rail Line. Whiringa-ā-rangi 2019. Retrieved on 4 April 2020 from <https://www.berl.co.nz/sites/default/files/2019-12/T%C5%ABranga%20ki%20Wairoa%20Rail%20-%20Feasibility%20Study%20Into%20Reinstatement%20of%20Rail%20Line.pdf>

Council is in a position, in collaboration with central government, to invest in infrastructure projects that will provide a longer term regional benefit.

➤ **Supporting Industry:**

- Gisborne District's economy is heavily structured around primary industry, which is sensitive to external factors such as the capability of the roading network, flooding and droughts, and the availability of water resource. Ongoing investment in core infrastructure (such as transport, water, and wastewater) will be required and will continue to have significant financial implications for Gisborne District Council.
- Alternative transport options, such as a rail connection to the Hawkes Bay, could provide considerable support to industry. Given the recent feasibility study, this is an area of investment that would warrant further investigation.
- Planning provisions and permitting options can be explored as a way to incentivise and support economic development in targeted locations, as well as for key industries (such as the growing tourism sector).
- The Tairāwhiti Economic Action Plan allocates a number of actions to Gisborne District Council to support industry and the regional economy. Some of these may already be budgeted and funded, while some are proposed initiatives. The financial and resourcing implications and of these will need to be considered, as will the broader regulatory and environmental implications, particularly where they involve management of natural resources such as freshwater.

- **Developing the workforce:** The region has a high rate of youth not in employment, education or training. Ongoing investment will be needed in programmes that support the younger population into training and jobs. Other initiatives could focus on ways to incentivise growth in the working age population. The Council could draw on the District's distinct cultural and recreational advantages as a way of retaining its current workforce and attracting new skilled workers to the area.

Wider Implications for the Region

➤ **Economic development:**

- Being economically relevant in a fast changing global marketplace will require the incubation of new business ideas and encouragement of collaborative business ventures between very different types of industries. Options for attracting investment in business ideas and the infrastructure and services to support them must be continually on the agenda, building on the recent investment from the Provincial Growth Fund.
- Finding more productive ways to use land and innovative ways to add value to primary products also need to be encouraged and supported. Technological advancements, such as automation and AI (as discussed in the technology section) could significantly enhance the productivity of these industries and the opportunities for new product development over the longer term.

- **Nature of work:** As the nature of work changes, a greater emphasis on upskilling displaced workers will be required. This could be quite significant in the Gisborne District, which has a relatively high proportion of unskilled and semi-skilled labour. The region will also need to find ways to attract highly skilled knowledge workers. Leveraging off the region's liveability may provide a competitive advantage.

- **Māori economy:** The Māori economy is strong in the region, but more can be done to unlock the potential of Māori business and Whenua Māori. This must be done in a coordinated way

which empowers Māori, focuses on the importance of people, builds capability and capacity, and supports Māori aspirations for their land.

Environmental Factors

National Policy Statements

There are a number of significant initiatives being proposed by Government that will affect the planning and policy environment for Gisborne.

Proposed National Policy Statement - Urban Development (NPS-UD)

The Government has indicated that it has an ambitious and wide-ranging housing and urban development work programme. The proposed NPS-UD is to provide direction to local authorities about when and how cities should plan for growth and how to do this well. It aims to remove unnecessary restrictions on development, to allow for growth 'up' and 'out' in locations that have good access to existing services and infrastructure.

Proposed National Policy Statement – Highly Productive Land (NPS-HPL)

The overall purpose of the proposed NPS-HPL is to improve the way highly-productive land is managed under the RMA to:

- recognise the full range of values and benefits associated with its use for primary production.
- maintain its availability for primary production for future generations.
- protect it from inappropriate subdivision, use, and development.

Proposed National Policy Statement – Freshwater Management (NPS-FM)

The draft NPS-FM was released for consultation in September 2019 and is proposed as a full replacement of the NPS-FM 2014 (updated 2017). The 2019 document is aimed at improving quality, clarity and accessibility of the NPS. It has also been amended to set out clearer obligations, actions and directions for local authorities to meet. The NPS-FM directs regional councils, in consultation with their communities, to set objectives for the state of freshwater bodies in their regions and to set limits on resource use to meet these objectives.

The NPS-FM is part of central government's Essential Freshwater Programme.

This programme has three objectives, namely to:

1. stop further degradation of New Zealand's freshwater resources and start making immediate improvements so that water quality is materially improving within five years.
2. reverse past damage to bring New Zealand's freshwater resources, waterways and ecosystems to a healthy state within a generation.
3. address water allocation issues having regard to all interests including Māori and existing and potential new users.

The first two objectives are addressed in the Essential Freshwater Programme, with the third objective being addressed as part of a broader system reform.

The Essential Freshwater Programme also includes Proposed National Environmental Standards for Freshwater, including the Draft Stock Exclusions Section 360 Regulations. These regulations address wetlands, rivers and fish passage, farming, including livestock control, intensification and freshwater modules of farm plans. They include regulations for excluding stock from lakes, rivers and wetlands, which will most likely result in the requirement to fence off these areas from livestock, depending on the width of the lake, river or wetland.

Proposed National Policy Statement – Indigenous Biodiversity (NPS-IB)

The proposed NPS-IB provides direction to councils on their responsibilities for protecting and maintaining indigenous biodiversity under the RMA. It covers all land (public, private and Māori owned) and will require all councils (working with iwi and landowners) to identify, map and manage the protection of all significant natural areas (SNAs) through regional and district plans, and consent processes under the RMA by 2026. SNAs are areas with significant vegetation and habitats of indigenous fauna and. The proposed NPS-IB will also require councils to survey and map certain areas outside SNAs and it includes provisions to manage adverse effects from new activities that impact on significant natural areas. The intent of the proposed NPS-IB is to ensure that significant biodiversity values are maintained, while allowing for existing uses of land and certain activities⁹⁰.

Tairāwhiti Resource Management Plan

The Tairāwhiti Resource Management Plan (TRMP) is a combined resource management plan which incorporates the Regional Policy Statement, Regional Plan(s) and District Plan regulatory provisions. The TRMP is a significantly important document, which can both protect the environment and foster economic development through appropriate zoning and land/coastal development controls. This can be achieved through identifying and providing for residential/commercial development, enabling tourism and event opportunities, and employment through commercial and rural business outcomes.

The TRMP will need to be amended to give effect to the outcomes resulting from the National Policy Statements and any associated regulations/standards discussed above. The current TRMP framework is well suited to accommodate these changes from a 'plan structure' point of view. However, subsequent changes to the way of living, doing business and traditional residential living scenarios will present challenges for the occupants of the region. Issues such as climate change and natural hazards within the region will force changes to traditional ways of living for many. Such changes will almost certainly require amendments to the TRMP in the future by way of plan changes. Changes may include the prevention of urban or rural development in some areas (e.g. adjacent the coast) or may provide for and/or encourage greater density of housing in areas around centres or along growth corridors.

Residential Development

The TRMP sets out further planning provisions (within Part D), which establish planning controls for residential, commercial, industrial, rural, reserve, port, coastal zones/areas and the Waipaoa Catchment Plan. For residential development, the objectives, policies and rules in section DD1 of the TRMP appear to be focused towards maintaining or enhancing current amenity values. In order to provide for increased residential density, the provisions would need to be amended to support planned residential intensity/density levels. In other words, more flexibility needs to be provided within the regulatory provisions to enable innovative solutions to achieve residential density and a variety of household typologies that are attractive to all communities within Gisborne.

The Market Economics Report⁹¹ states there is a future demand for an additional 840 dwellings by 2028 and 2,540 dwellings by 2048. The report states that the current TRMP provides capacity for between 8,400 to 13,700 additional dwellings, through infill and greenfield development. Various scenarios are outlined, but the overall conclusion is that sufficient land is available.

⁹⁰ Ministry for the Environment. (2019). He Kura Koiora i hokia: A Discussion Document on a Proposed National Policy Statement for Indigenous Biodiversity. Retrieved on 8 April 2020 from <https://www.mfe.govt.nz/sites/default/files/media/Biodiversity/he-kura-koiora-i-hokia-discussion-document.pdf>

⁹¹ McIlrath, L., Erasmus, T., & Fairgray, S. (2019). See specifically section 4.4.4.

However, the Market Economics report⁹² notes that the Gisborne is subject to a number of natural hazard constraints. These include flooding, tsunami, sea level rise, soil stability and susceptibility to liquefaction. Their analysis concludes that nearly all (99-100%) of growth capacity outside the Gisborne City Centre and the immediately surrounding area is subject to at least one identified hazard risk. While this does not mean that each area outside this cannot be developed, it would indicate that specific development rules need to be imposed to ensure the relevant natural hazard is able to be appropriately avoided, remedied or mitigated and that the TRMP provisions require an appropriate level of assessment through a resource consent process, prior to consent being granted to develop in such areas.

Subject to the above analysis, the TRMP may need to provide for additional residential development (through increased density or varied housing typologies (terrace houses or apartments)) within or around the city centre to accommodate future growth in the face of such natural hazard constraints.

Natural Hazards

The Gisborne Region is subject to a number of identified hazards, including tsunami, coastal erosion, soil stability, susceptibility to liquefaction and flooding. At present, the TRMP addresses natural hazards in detail. The overall framework is comprehensive and can enable future changes to reflect amendments that may be required from the RPS review and LIDAR mapping that is currently being undertaken to give a higher degree of accuracy of natural hazard mapping⁹³. This will be of assistance to determine areas of potential risk and then to subsequently develop policies that manage these risks appropriately. If hazard risks cannot be adequately mitigated, Council may need to resort to more drastic measures, such as preventing development in areas where the risk to people and communities (including public infrastructure) are greater than the benefits of enabling development in such areas.

Flooding presents a particular risk. Gisborne District Council is upgrading the existing stopbanks of the Waipaoa Flood Protection Scheme. This major infrastructure project is designed to protect communities, Gisborne City, and more the 10,000 hectares of fertile land on the Poverty Bay Flats from a 100 year flood event. This \$32-35 million upgrade is expected to be completed by 2031⁹⁴.

Climate Change

Gisborne's Environment

Climate change is predicated to have a significant impact on the Gisborne region. By 2040:⁹⁵

- The region will be 0.7 to 1.1°C warmer and annual rainfall will decrease by 1.1%. Droughts are likely to increase in intensity and duration. This is likely to lead to water shortages, increased demand for irrigation, and greater fire risk.
- Ex-tropical cyclones will get stronger and cause more damage as a result of heavy rain and winds. Increased storm events with high intensity rain could lead to problems with erosion and flooding.
- There will be increased risk to coastal roads and infrastructure from coastal erosion and inundation, increased storms, and sea level rise.

⁹² McIlrath, L., Erasmus, T., & Fairgray, S. (2019). Section 4.4.5.

⁹³ Tairāwhiti 2050. Background Information (Draft).

⁹⁴ Gisborne District Council. Waipaoa Flood Protection Scheme Upgrade. Retrieved on 8 April 2020 from <https://www.gdc.govt.nz/the-waipaoa-river-flood-control-scheme/>

⁹⁵ Ministry for the Environment. Climate change projections for the Gisborne and Hawke's Bay region <https://www.mfe.govt.nz/climate-change/likely-impacts-of-climate-change/how-could-climate-change-affect-my-region/gisborne>

- The changing climate could bring biosecurity threats as a result of changes in pests and pests and diseases in the region.
- Warmer temperatures, a longer growing season, and fewer frosts could provide opportunities for new crops.

Gisborne District Council is working with Trust Tairāwhiti and AECOM consultancy to develop an emissions profile for the region, which will be combined with data being collected for Council's greenhouse gas emissions inventory, to create a benchmark for mitigation action. NIWA has also been commissioned to complete a climate change implications study for Hawkes Bay and Tairāwhiti, which will provide much more in-depth and specific information regarding climate change impacts on the East Coast⁹⁶.

Coastal Environment

A large portion of the Gisborne District is defined by its coastline. The TRMP appropriately provides for areas of outstanding and high natural character in the coastal environment, as required by the NZ Coastal Policy Statement.

The National Institute of Water and Atmospheric Research has stated that in order to provide for climate change over the next 100 years, allowance should be made for 1m of sea level rise + 1m for storm surge above mean sea level. Therefore, any habitable developments should be located either above this level or outside this area. This has significant implications for territorial authorities with large expanses of coastal interfaces such as Gisborne.

In the future, this may potentially require the relocation of roads, physical infrastructure and even communities. Specific management approaches will be required in the TRMP, particularly in areas where development has been undertaken historically, or where development is provided for under current planning provisions. There will also be increasing pressure from communities to protect private properties from the impact of coastal erosion.

Climate Change Response (Zero Carbon) Amendment Act

The Climate Change Response (Zero Carbon) Amendment Act (Zero Carbon Act) provides a framework to develop and implement clear and stable climate change policies that contribute to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° Celsius above pre-industrial levels. It does the following four key things:

- sets a new greenhouse gas emissions reduction target.
- establishes a system of a series of emissions budgets to act as stepping stones towards the long-term target.
- requires the Government to develop and implement policies for climate change adaptation and mitigation, with a particular requirement to develop a national climate risk assessment and a national adaptation plan.
- establishes a new, independent Climate Change Commission to provide expert advice and monitoring to help keep successive governments on track to meeting long-term goals⁹⁷.

⁹⁶ Gisborne District Council. (2020). Chief Executive's Report of Council Activities, January – February 2020

⁹⁷ Ministry for the Environment. Climate Change Response (Zero Carbon) Bill. Retrieved on 9 November 2019 from <https://www.mfe.govt.nz/climate-change/zero-carbon-amendment-bill>

Local authorities and council controlled organisations are required (as “reporting organisations”) to provide the following information to the Minister or Commission relating to climate change adaptation:

- a description of the organisation’s governance in relation to the risks of, and opportunities arising from, climate change
- a description of the actual and potential effects of the risks and opportunities on the organisation’s business, strategy, and financial planning.
- a description of the processes that the organisation uses to identify, assess, and manage the risks.
- a description of the metrics and targets used to assess and manage the risks and opportunities, including, if relevant, time frames and progress.
- any matters specified in regulations.

The Ministry for the Environment has started the first National Climate Risk Assessment, which Gisborne District Council staff have been involved with.

Climate Change Response (Emissions Trading Reform)

The Government has also introduced the Climate Change Response (Emissions Trading Reform) Amendment Bill⁹⁸. It will help the NZ Emissions Trading Scheme to drive emissions reductions. It will make a wide range of changes, including providing the Government with the tools to manage the supply of units into the scheme, and encouraging foresters to participate in the scheme. It will also include a price on agricultural emissions from 2025. Pricing will be at farm level for livestock and at processor level for fertiliser.

Approach of Other Councils

A number of New Zealand councils have declared climate emergencies. These include Environment Canterbury, Nelson City Council, Christchurch City Council, Kāpiti District Council, Wellington City Council, Hawke's Bay Regional Council, Porirua City Council, Hutt City Council, Queenstown Lakes District Council, and Dunedin City Council.

Auckland Council has declared a climate emergency and has set a goal of net zero emissions by 2050. In July 2019 it released a draft Te Tāruke-ā-Tāwhiri: Auckland’s Climate Action Framework for public consultation (which has closed). It contains key actions through to 2050, which include using renewable energy, safe transport systems, a zero-carbon economy, and a range of actions to assist individuals, communities, organisations and businesses to also work towards the overall goals, as well as become more resilient to climate change. The Framework will inform detailed, costed actions for Auckland Council and our council-controlled organisations to feed into its next ten-year budget⁹⁹.

Councils are taking initiatives to reduce their own carbon footprint. For example, Far North District Council has developed the Far North's Crimson Coast EV Highway with other partners to encourage the use of electric vehicles as a viable alternative in the far north. It also has an initiative to replace its FNDC fleet vehicles with electric and other low emission vehicles.

⁹⁸ Ministry for the Environment. Proposed Improvements to the NZ ETS. Retrieved on 9 November 2019 from <https://www.mfe.govt.nz/climate-change/proposed-improvements-nz-ets>

⁹⁹ Auckland Council. Te Tāruke-ā-Tāwhiri: Auckland’s Climate Action Framework. Overview July 2019. Retrieved on 9 July 2019 from <https://www.aucklandcouncil.govt.nz/have-your-say/topics-you-can-have-your-say-on/auckland-climate-action-framework/Documents/aucklands-climate-action-framework-overview.pdf>

Similarly, Northland Regional Council has 12 electric vehicles in its fleet and solar panels on its buildings to promote sustainable energy generation.

Councils are also taking steps to address coastal implications of climate change. Examples include the following:

- Waikato District Council has adopted a policy of managed retreat for public assets. It is also amending its District Plan (Natural Hazards Chapter) to include overlays for coastal areas where there is significant risk from either coastal erosion or coastal inundation with existing sea level and coastal processes, as well as coastal land that is potentially vulnerable to coastal erosion or coastal inundation respectively over the period to 2120, assuming sea level rise of 1.0 metre. New private development will be restricted in these areas.
- Greater Wellington Regional Council is establishing a 40m erosion zone in Queen Elizabeth Park at Paekākāriki, which would allow the restoration of sand dunes that would, in turn, protect the coastline that is falling into the sea. It has “taken an adaptive management approach to ongoing and severe erosion, preferring to relocate assets and abandon some coastal tracks in the knowledge that building defensive infrastructure would be costly, unlikely to be successful over the long term and out of place in QEP’s natural environment”¹⁰⁰.

Water

Managing water resource

The Gisborne District is predicted to get increasingly hotter and drier as a result of climate change. While extreme weather events (such as ex-tropical cyclones) are likely to become more intense, the region is predicted to increasingly experience more days in drought as this century progresses. This will place increasing pressure on water, a resource that is already showing signs of strain in some areas (such as the Poverty Bay Flats), with shortages to drinking water, irrigation and businesses during times of drought¹⁰¹.

A number of projects are underway within the region to manage the ongoing security of water supply. One major project is the managed aquifer recharge trial which aims to inject water from the Waipaoa River into the Makauri aquifer for use on 3000 hectares of irrigated horticultural farmland. A successful pilot has proven its feasibility and work is underway to proceed with stage 2, which will fully investigate all potential risks. This is proposed to run over 2 and a half years and inject up to 360,000m³ per year, depending on river flows. Once the trial is completed, Council’s role will be a regulatory one.

Government reforms

The Government is currently reviewing the regulation and supply of drinking water, wastewater, and stormwater (the three waters). This is a package of significant reform, which will include:

- an extension of the regulatory coverage to all drinking water suppliers, except individual household self-suppliers.
- a multi-barrier approach to drinking water safety, including mandatory disinfection of water supplies, with exemptions only in appropriate circumstances.

¹⁰⁰ Greater Wellington Regional Council. Greater Wellington acts on coastal erosion at Queen Elizabeth Park. (2 October 2019). Retrieved on 9 November 2019 from <https://www.gw.govt.nz/greater-wellington-acts-on-coastal-erosion-at-queen-elizabeth-park-2/>

¹⁰¹ Tairāwhiti 2050. Background Information (Draft).

- stronger obligations on water suppliers and local authorities to manage risks to sources of drinking water.
- strengthened compliance, monitoring and enforcement of drinking water regulation.
- while regional councils will remain the primary regulators for the environment, there will be stronger central oversight of wastewater and stormwater regulation, including:
 - requirements for wastewater and stormwater operators to report annually on a set of national environmental performance measures.
 - national good practice guidelines for the design and management of wastewater and stormwater networks.
 - monitoring of emerging contaminants in wastewater and stormwater and coordinating national responses where necessary.
- establishment of a water regulator to oversee the regulatory scheme.

The majority of the government's three waters review will be enacted through a Water Services Bill, which will supplement the recently enacted Health (Drinking Water) Amendment Act. It is also establishing a new independent water regulator (Taumata Arowai), under the Taumata Arowai – Water Services Regulator Bill. Taumata Arowai will be responsible for:

- administering and enforcing a new drinking water regulatory system (including the management of risks to sources of drinking water); and
- a small number of complementary functions relating to improving the environmental performance of wastewater and stormwater networks¹⁰².

The Government has confirmed its commitment to partnering with local government to consider options for transitioning councils to new service delivery arrangements. This involves supporting councils within regions to investigate opportunities for collaborative approaches to water service delivery. Gisborne District Council is developing its working relationship with neighbouring councils as part of its response.

Tairāwhiti 2050

Tairāwhiti 2050 has a strong emphasis on environmental wellbeing, with aspirations for 2050 including the following.

- We are a carbon neutral region.
- We use a risk based approach to manage natural hazards and climate change adaptation
- Infrastructure and other significant resources vulnerable to natural hazards and climate change have been moved, protected or there is a plan for the future.
- Tairāwhiti has a secure and sustainable supply of water for drinking, industry, primary production and other uses.
- We have transitioned to a circular economy

¹⁰² Department of Internal Affairs. Three Waters Review. Retrieved on 8 April 2020 from <https://www.dia.govt.nz/Three-waters-review#Cab-pap>

- Wastewater no longer enters Tūranganui a Kiwa or our waterways.
- No “at risk” catchments in the region.
- 50% of our existing wetlands have been restored.
- There is a korowai of permanent vegetation on highly erodible and most vulnerable steep land.
- Housing development is enabled within the city’s current footprint and provides for a range of residential options.
- Everyone has access to transport to get where they need to go.

Implications for Gisborne District Council

➤ **Environmental reform:**

- Central government is undertaking a significant programme of environmental reform. This will require a number of amendments to the TRMP. Changes to the TRMP may also be required to accommodate increased capacity for residential development required in the longer term and the impact of natural hazards on that development.
- Giving effect to each of the proposed new National Policy Statements and Standards at the same time will be a significant issue. For example, urban development will often occur on highly productive land and may also impact freshwater management. Where highly productive land is located on the edge of an existing centre or along a growth corridor, it may be better utilised for urban development than be preserved for rural productivity (assuming there is not a scarcity of highly productive land). It will be essential that Council takes a holistic view of the environmental policies, and considers the overarching impact from the perspective of the four components of community wellbeing, when determining how best to respond.

➤ **Climate change:** Climate change remains a major issue for Gisborne District Council, as identified in the 2017 Environmental Scan.

- Gisborne District Council will need to develop a data-driven understanding of the actual and potential effects of climate change and how they may affect the region, the associated risks and opportunities, the regulatory and physical actions that may be needed, and the potential financial implications.
- This will need to be undertaken with close engagement with communities, recognising that pressure will likely increase on council to undertake more physical works to prevent coastal erosion.
- A close collaboration will also be needed with central government, recognising that it will be some time before a national risk climate risk assessment and national adaptation plan is developed under the Zero Carbon Act.
- Funding will be a significant issue for the council, although the Productivity Commission has recognised the need for special funding measures to address the impact of climate change (see the Political Factors section for commentary).
- Climate change will have increasing impacts on council infrastructure, particularly in the coastal environment. For example, some infrastructure will need upgrading to cope with more extreme weather events, and require repairs or replacement following more intense storms, and further investment may be required in stopbanks

to protect communities and productive land. This will have ongoing cost implications, and, in some situations, the viability of infrastructure may be threatened.

- **Water reform:** Long term sustainability of water supplies will continue to be a significant issue for Gisborne District Council, as recognised in the 2017 Environmental Scan, and investment will continue to be needed in initiatives that secure the ongoing viability of supply. The government is undertaking reform of three waters services and has approved a new regulatory framework. In the medium term, significant regulatory and operational changes will be needed, to meet new mandatory standards.
- **Natural hazards:** Once the review of the RPS has been undertaken and LIDAR mapping completed, the council will need to determine the areas of risk in order of priority and develop strategies to avoid, remedy or mitigate these risks. This may include amendments to zoning and planning provisions within the TRMP to impose mitigation measures or worst-case, prevention measures for future development.

Technological Factors

Energy

Electricity Generation

The bulk of the electricity consumed in the Gisborne District is generated outside of the region and supplied via transmission lines which are operated by Transpower from Wairoa. While there are smaller diesel generation plants in Te Araroa, Ruatoria and Tokomaru Bay, these are not of sufficient capacity to supply those towns as a whole. This puts a high level of dependency for the district on the high-voltage power supply network in the district¹⁰³.

A recent report by the International Energy Agency forecasts that the world's total renewable-based power capacity will grow by 50% between 2019 and 2024, driven in large part by cost reductions, particularly in solar technology¹⁰⁴. This is of significant benefit to both residential and commercial consumers, who will increasingly see renewable energies as a cost effective, viable alternative.

Renewable Energy

About 82% of New Zealand's energy is generated from renewable sources. A renewable energy strategy is being developed for New Zealand, which will outline the renewable energy pathway to a clean, green carbon neutral for New Zealand by 2050. As part of this, the government recently released a green paper to signal the opportunity that green hydrogen can bring to New Zealand and to frame discussions for a national strategy¹⁰⁵.

Digital Connectivity

A number of initiatives have either been completed or are underway to improved digital connectivity in the Gisborne District:

- Ultra-Fast Broadband: The Gisborne, Ruatoria, Tolaga Bay and Gisborne Fringe areas are now completed, providing access for over 15,000 end users ¹⁰⁶.
- Rural Broadband Initiative Phase 2: Gisborne District is a high priority area for investment and once completed, new coverage will be provided to 1,982 users ¹⁰⁷.
- The Mobile Black Spot Fund (MBSF): New coverage is being provided to 95kms of State Highway in the Gisborne District.

¹⁰³ Tairāwhiti Lifelines Group. Lifeline Utilities Vulnerability Study. (2017).

¹⁰⁴ International Energy Agency. Global solar PV market set for spectacular growth over next 5 years. Retrieved on 3 November 2019 from <https://www.iea.org/newsroom/news/2019/october/global-solar-pv-market-set-for-spectacular-growth-over-next-5-years.html>

¹⁰⁵ Ministry of Business, Innovation and Employment. A Vision for Hydrogen in New Zealand: Green Paper. Retrieved on 10 November 2019 from <https://www.mbie.govt.nz/have-your-say/a-vision-for-hydrogen-in-new-zealand-public-consultation/>

¹⁰⁶ Crown Infrastructure Partners. Ultra-Fast Broadband Programme: Full City/Town List and Schedule – June 2019. Retrieved on 3 November 2019 from https://www.crowninfrastructure.govt.nz/wp-content/uploads/2019/07/UFB-Deployment-Schedule_June-2019.pdf

¹⁰⁷ Crown Infrastructure Partners. Fact Sheet: Rural Broadband Initiative phase two (RBI2) and the Mobile Black Spot Fund (MBSF) expansion. Retrieved on 3 November 2019 from <https://www.crowninfrastructure.govt.nz/wp-content/uploads/2018/12/RBI2-MBSF-expansion-fact-sheet-18-Dec-2018-FINAL.pdf>

- Marae Connectivity: The Provincial Growth Fund is investing in marae connectivity to bring Māori communities together ¹⁰⁸.

Future of Work

The adoption of Artificial Intelligence (AI) is very much in the early stages in New Zealand. However, in the longer term, it will have major impacts on not only our economy and the structure of work, but on all aspects of society.

Many mundane tasks and jobs are likely to be augmented or replaced by automation, enabling employees to be redeployed onto new, higher value tasks. This has the potential to significantly raise GDP. However, while employees will be freed up for more complex and creative roles, they will require different skills and re-training. As well, to take advantage of the huge economic potential of AI, proactive steps are required to grow the talent pool of AI experts.

However, a 2018 report on AI in New Zealand found that¹⁰⁹:

New Zealand's traditional export earners including agriculture and tourism are starting to show early signs of vulnerability to overseas technology enabled competition and disruption. The challenge is that New Zealand organisations are not taking AI, or the competitive pressure that it will create, seriously... There is concern that New Zealand's business and Government leaders lack skills and experience in these technologies which are crucial for our economy's future.

The Productivity Commission is examining how New Zealand can maximise the opportunities and manage the risks of disruptive technological change and its impact on the future of work and the workforce. It has released a draft consultation report that looks at the factors affecting technology adoption and how technological adoption affects the labour market. It also examines how technology affected work in the past, including in New Zealand.

In its draft report, the Productivity Commission found that¹¹⁰:

- there is little evidence in the available data that widespread disruption to work is coming soon.
- the likely pace and scale of technological change in New Zealand will depend to a significant extent on developments overseas.
- technology and labour-market trends in New Zealand tend to lag behind those overseas, and will be more muted, if recent history is anything to go by.
- the main problem facing New Zealand today isn't too much technology, it's not enough. New Zealand needs to embrace technology, not treat it as a threat.

A final report was due on 31 March 2020.

¹⁰⁸ Grow Regions. Digital Connectivity: Connecting Communities. Retrieved on 3 November 2019 from <https://www.growregions.govt.nz/regions/digital-connectivity/>

¹⁰⁹ AI Forum New Zealand. Artificial Intelligence: Shaping a Future New Zealand. (2018). Retrieved on 3 November 2019 from <https://www.mbie.govt.nz/dmsdocument/5754-artificial-intelligence-shaping-a-future-new-zealand-pdf>

¹¹⁰ New Zealand Productivity Commission. Technological change and the future of work. Retrieved on 3 November 2019 from <https://www.productivity.govt.nz/inquiries/technology-and-the-future-of-work/>

Tairāwhiti 2050

Tairāwhiti 2050's technology aspirations for 2050 including the following:

- Gisborne is a smart city that uses information and communications technology (ICT) to enhance how we live, work and play.
- Gisborne city is one of New Zealand's technology hubs.
- We incorporate energy efficiency practices into all of our buildings and technology.
- 100% of vehicles are powered by renewable energy. Our communities are encouraged to transition to a more sustainable fleet.

Implications for Gisborne District Council

- **Renewable energy:** Opportunities may exist for Gisborne District Council to become more efficient in its energy usage within its own facilities, including the adoption of renewable energy sources. There may also be opportunities to decrease the organisation's carbon footprint by continuing to switch to electric vehicles, particularly as this becomes more feasible from a cost and practical perspective, as well as encouraging the widespread uptake of electric and hybrid vehicles through the District.
- **Digital connectivity:** Investment in digital connectivity offers Council opportunities to connect with the community in different ways. With increased accessibility though, comes security risks, which will require ongoing investing in digital security.
- **Future of work:** Technological advancements could, for example, lead to the organisation supporting more remote workers. In the longer term, new technologies may significantly change the work environment within Gisborne District Council, as well as the way it provides services and interacts with residents and ratepayers. Knowledge and a willingness to embrace technology will be critical.

Wider Implications for the Region

- **Energy:** Electricity is currently generated from outside the region and supplied through transmission lines. This makes Gisborne District's electricity supply vulnerable. Opportunities exist to explore greater use of renewable energies as a way of decreasing that vulnerability and reducing the region's carbon footprint.
- **Digital connectivity:** The rollout of ultra-fast and rural broadband provides an important level of connectivity to the residents and businesses. This will enable more freedom and flexibility in the ways people live, work and learn.
- **Future of work:** Adoption of new technologies such as automation, AI and augmented reality has, in the longer term, the potential to significantly change the nature of work. Ongoing investment in training, upskilling, and recruitment will be needed to support employees affected by technological innovation.

Legal Factors

Regulatory Environment

The Government has announced a number of regulatory changes that Council will need to consider, potentially submit on and ultimately give effect to within its regulatory planning documents¹¹¹. These include the national policy statements and national environmental standards (discussed in the environmental section of this report), as well as national planning standards. These standards have the purpose of improving consistency in plan and policy statement structure, format and content. The first set of national planning standards were released for public submissions on 5 April 2019. The standards covered matters such as the structure of a council's Regional Policy Statement, Regional Plan, District Plan and Combined Plans (which include the Regional Policy Statement, Regional Plan, District Plan in one Combined Plan). The Combined Plan structure planning standard would apply to Gisborne. Unitary Councils have 10 years to adopt the planning standards.

In addition, central government has announced that they are currently preparing amendments to the Resource Management Act to achieve a new freshwater planning process, support a more productive, sustainable and inclusive economy, and be easier for New Zealanders to understand and engage with. The review is being undertaken in two stages:

- Stage 1 addresses resource consenting, enforcement and Environment Court provisions among other matters through the Resource Management Amendment Bill. The objectives of the Bill are to reduce complexity, increase certainty, and reinstate public participation opportunities. It also aims to improve freshwater management and outcomes¹¹².
- Stage 2 is a comprehensive review of the RMA which will examine the broader and deeper changes needed to support the transition to a more productive, sustainable and inclusive economy. The aim is to improve environmental outcomes and enable better and timely urban development within environmental limits. It will address the way the RMA interacts with the Local Government Act, the Land Transport Management Act and the Zero Carbon Act. The diagram below indicates the scope of the Stage 2 review. The Resource Management Review Panel recently released an issues and options paper (Opportunities for Change) covering 14 resource management issues for consultation. Submissions closed on 3 February 2020 and a report is due with the Minister for the Environment at the end of May 2020. Early indications are that the focus of the Act and the consenting framework will shift from effects based to outcomes based¹¹³.

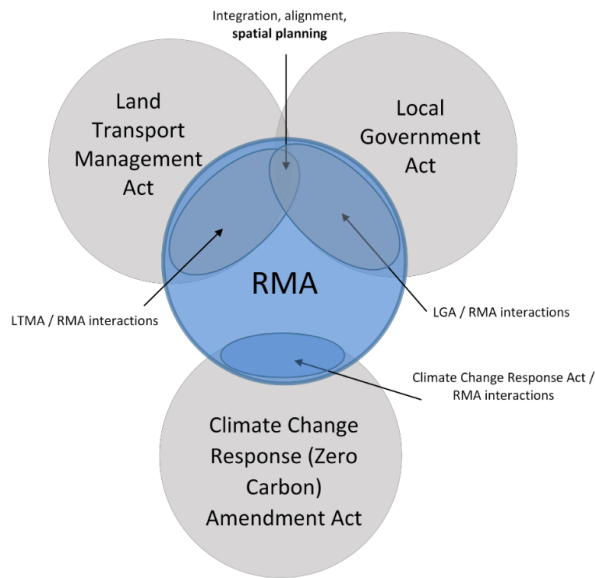
As all territorial authority planning documents are required to give effect to national policy statements and need to comply with the RMA, there are potentially significant amendments that will need to be made to the Tairāwhiti Resource Management Plan and council processes.

¹¹¹ Ministry for the Environment. Improving our Resource Management System. Retrieved on 10 November 2019 from <https://www.mfe.govt.nz/rma/improving-our-resource-management-system>

¹¹² New Zealand Parliament. Resource Management Amendment Bill. Retrieved on 13 November 2019 from https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL_91358/resource-management-amendment-bill

¹¹³ Manawatu District Council. (2020). Environmental Scan.

Scope of the review - Blue areas are in scope - grey areas are beyond scope.



Legal Relationships with Tangata Whenua

A number of legal relationships exist between Council and tangata whenua, some of which are listed below.

- Joint Management Agreement (JMA) between the Council and Te Runanganui o Ngāti Porou. This provides joint representation on Resource Management Act 2001 decision-making processes in the Ngāti Porou rohe (boundary), specifically at this stage in the Waiapu Catchment, and in time, to the entire Ngāti Porou rohe.
- Local Leadership Board is to be established as a result of the Ngāi Tamanuhiri Claims Settlement Act 2012. This is comprised of two representatives from Ngāi Tamanuhiri, Rongowhakaata and Te Aitanga a Mahaki Iwi, alongside equal representation of Council.
- Memorandum of Understanding and Joint Governance Group with Te Runanganui o Ngāti Porou and Ministry of Primary Industries. This demonstrates a 100-year commitment to collaboratively work with landowners to address the health of the Waiapu River Catchment.
- Nga Ariki Kaiputahi Hapu/Iwi Management Plan. This establishes the strategic vision for the sustainable management of natural and physical resources within the rohe of the Mangatu.
- Ngā Whakaaetanga ā Ture mō Te Tairāwhiti incorporates statutory acknowledgements from Treaty of Waitangi settlement legislation within the Gisborne District. The Council has given effect to the Ngāti Porou Claims Settlement Act 2012, Ngai Tāmanuhiri Claims Settlement Act 2012, and Rongowhakaata Claims Settlement Act 2012 by attaching information recording their collective statutory acknowledgements to the Tairāwhiti Resource Management Plan.

Other Relevant Legislation

Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act

The Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019 was recently enacted, which:

- recognises the unbroken, inalienable and enduring mana of the hapū of Ngāti Porou in relation to ngā rohe moana o ngā hapū o Ngāti Porou, which is held and exercised as a collective right.
- provides a framework to apply for recognition of customary marine title, protected customary activities, and wāhi tapu within ngā rohe moana o ngā hapū o Ngāti Porou.
- guarantees the rights of public access, navigation, fishing and other lawful activities.

The Act requires Council to undertake certain actions, which largely relate to consenting and the encouragement of compliance with restrictions to protect wāhi tapu.

*Marine and Coastal Areas (Takutai Moana) Act 2011*¹¹⁴

The Marine and Coastal Areas (Takutai Moana) Act 2011 (MACA) acknowledges the importance of the marine and coastal area to all New Zealanders and provides for the recognition of the customary rights of iwi, hapū and whānau in the common marine and coastal area. It provides:

- a common space in the marine and coastal area (the CMCA) that cannot be owned by anyone and therefore cannot be sold.
- legal recognition and protection of customary interests in the CMCA, through protected customary rights (PCRs) and customary marine title (CMT).
- a prohibition on local authorities granting a resource consent for an activity that will, or is likely to, have more than minor adverse effects on the exercise of a PCR (with some exceptions), unless the PCR group gives its approval.
- for the rights conferred by CMT to include the right to give or decline permission for activities being carried out under a resource consent in a CMT area (with some exceptions) and the right of CMT groups to create a planning document.
- that the exercise of rights associated with CMT and PCR cannot limit or affect certain specified existing and future activities.

There are approximately 10 applications under MACA relating to the Gisborne District. The majority of these applications are still being processed and awaiting Crown engagement¹¹⁵.

The Crown and Ngāti Porou signed a deed of agreement under the Foreshore and Seabed Act (now repealed) in 2008. A deed to amend the deed of agreement was signed on 9 August 2017 and Ngā hapū o Ngāti Porou has progressed their application to the finalisation stage. Provisions of the amended deed will come into effect once legislation is enacted. (This agreement is not the result of an application under MACA)¹¹⁶.

¹¹⁴ The Office for Māori Crown Relations. Marine and Coastal Area (Takutai Moana) Act 2011: Overview of The Act Information for Local Government. Retrieved on 9 November 2019 from <https://tearawhiti.govt.nz/assets/MACA-docs/f8e9a2bd7f/MACA-overview-of-the-act.pdf>

¹¹⁵ The Office for Māori Crown Relations. Gisborne Region. Retrieved on 9 November 2019 from <https://tearawhiti.govt.nz/te-kahui-takutai-moana-marine-and-coastal-area/applications-made-under-the-marine-and-coastal-area-act/gisborne-region/>

¹¹⁶ The Office for Māori Crown Relations. Agreements and Order. Retrieved on 9 November 2019 from <https://tearawhiti.govt.nz/te-kahui-takutai-moana-marine-and-coastal-area/applications-made-under-the-marine-and-coastal-area-act/agreements-and-orders/>

Tairāwhiti 2050

An outcome area for Tairāwhiti 2050 is delivering for and with Māori. This includes aspirations such as the following.

- Māori aspirations for Tairāwhiti are enabled through recognition of Te Tiriti o Waitangi and Customary Rights.
- Mana whenua across the region collaborate with Council and other organisations to plan and make decisions together.
- Our communities and iwi are supported in their exercise of kaitiaki and as guardians of the environment.
- Iwi are actively protecting and managing taonga within their traditional rohe – either through joint management agreements with Council, or through a transfer of functions, duties or powers.

Implications for Gisborne District Council

- **Legislative environment:** The council is constrained by a number of legal and regulatory factors, including a constantly changing legislative environment. Changes to the RMA for example, will require flow on amendments to the TRMP. This has resource and cost implications for council, which need to be included in its approach to long term planning. In particular, the TRMP will need to be amended to give effect to changes to the RMA outlined above, the National Policy Statements, National Environmental Standards and National Planning Standards that are currently in progress. As well, staff will need to be educated on any changes and new processes, policies, and procedures may need to be put in place, all of which have resourcing implications.
- **Obligations to Tangata Whenua:** Gisborne District Council has a number of legal and statutory obligations to tangata whenua, which it must be fully cognisant of in its long-term planning and funding provision. It may also be appropriate to consider amendments to the TRMP to recognise MACA and outline the consultation and information requirements for resource consent applications that have MACA implications.

List of Acronyms

AI	Artificial Intelligence
GDP	Gross Domestic Product
GPS 2018	Government Policy Statement on Land Transport
MACA	The Marine and Coastal Areas (Takutai Moana) Act 2011
NPS-FM	National Policy Statement – Freshwater Management
NPS-HPL	National Policy Statement – Highly Productive Land
NPS-UD	National Policy Statement - Urban Development
PGF	Provincial Growth Fund
RMA	Resource Management Act
RPS	Regional Policy Statement
TEAP	Tairāwhiti Economic Action Plan
TRMP	Tairāwhiti Resource Management Plan
Zero Carbon Act	Climate Change Response (Zero Carbon) Amendment Act