



**Tō Tātau Tairāwhiti 2022/23
Whakarāpopototanga
Pūrongo ā-Tau**

**Our Tairāwhiti 2022/23
Annual Report Summary**

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

Adopted by Council on 12 October 2023

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Tō tātāu tirohanga whakamua
Our vision

Tairāwhiti maranga ake! E tīmata ana i konei.
Tairāwhiti rise up! It all starts here.

**Me whiri ngātahi tātāu i ngā
āheinga me ngā tauwhāinga kia whakahī ai te Iwi.**
*Let's navigate our opportunities and challenges together to make
our community proud.*

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He mihi ki tā mātau Pūrongo ā Tau 2022/23 Welcome to our Annual Report for 2022/23

About this report

The Annual Report tells the story of how we performed in the 2022/23 financial year, the challenges we faced and how we are responding to them. This report covers the period from 1 July 2022 to 30 June 2023.

The report is an important tool for informing our communities about how we spent their rates. It also highlights the areas we performed well in, identifies areas for improvement and offers context for our future direction.

Included in this report are the major projects, programmes and services we delivered. It contains a summary of the impacts multiple severe weather events had on our region this year, and the steps we have taken so far in our recovery response.

The report is divided into the following sections:

- The year that's been
- Our performance
- Our direction
- Our activities
- Our responses
- Our finance

What's different this year?

Our 2022/23 Annual Plan outlined our focus and priorities for this year, in line with what we said we would do in our 2021-2031 Long Term Plan. However, as the year unfolded, we needed to make changes in response to the multiple severe weather events we experienced, including Cyclones Hale and Gabrielle.

Our immediate focus shifted from delivering major projects and regular services to emergency response. Restoration of our water supply network and road access became our top priorities.

Following our immediate response, we transitioned into a recovery phase which is where we are now. Our main priorities for recovery are ensuring that our community remains safe, protected and connected, while strategically planning for our long term recovery.

Council has identified specific key objectives that we want to achieve when it comes to recovery, which will be the focus of our Annual Plan for 2023/24. These key objectives include:

- Roading reinstatement and the establishment of temporary road access throughout the region to ensure connectivity.
- Woody debris and silt removal from our beaches, waterways and land areas.
- Heightened focus on forestry practices, facilitated by the introduction of a new, dedicated Forestry Team.
- Expansion of our Land Management planning and resources to enhance the overall management of our land assets.

E whakapono ana ki to tātau hapori Being accountable to our community

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

Long Term Plan

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

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

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

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

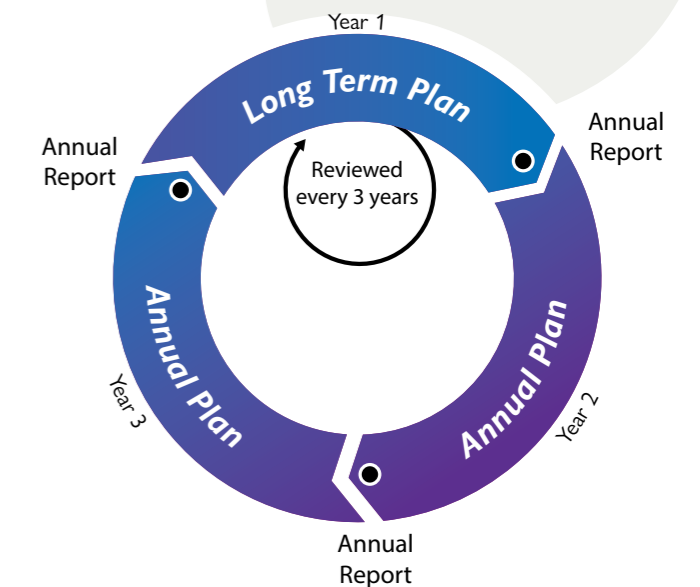
Annual Plan

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



Annual Report

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



Three Year Plan

Following the severe weather events of 2023, an Order in Council was made under the Severe Weather Emergency Recovery Legislation Act 2023. This will allow us to develop a three-year, recovery-focused plan instead of the standard 10-year plan.

Community consultation during the long-term planning process will remain part of the process for adopting the three-year plan.

Under the Order, Council will make information available on the three-year plan and will provide an opportunity for the community to present their views to Council. The proposed Order does not include audit requirements for the three-year plan, however Annual Reports will continue to be audited.





From left: Nedine Thatcher Swann, Rehette Stoltz



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

Tairāwhiti e! Tairāwhiti e! Tēnei te mihi e rere atu ana ki a koutou katoa mai runga, mai raro, mai tawhiti, mai tata, kia tiro mai ki ngā mahi a te Kaunihera o Te Tairāwhiti i te tau kua taha ake nei me ngā rā kei te heke.

Hāunga ngā piki heketanga o te wā kua hori, kia aro atu tātau ki pae tawhiti me ngā tūmanako e wawatatia ana e tātau. Me mahi tahi, me piritahi tātau. Ma te pērā ka ōti ai ngā mahi mo te rohe mo te iwi. Tihē mauri ora!

Nau mai ki te 2022/23 Annual Report

This report covers a year divided into two very different halves. In the first half of the 2022/23 financial year, we concentrated on delivering what was outlined in our Annual Plan. This was off the back of the previous year which had already seen four severe weather events.

The second half of the year took an unexpected turn as Te Tairāwhiti experienced multiple severe weather events and four months of persistent rain. This led to widespread damage and several Civil Defence Emergency declarations. Following these events, our focus immediately shifted towards reconnecting our communities and planning for our recovery.

The devastation left in the wake of Cyclones Hale and Gabrielle was and still is, significant. The extensive damage to our roads and vital infrastructure left entire communities isolated. The scale of damage and destruction caused by these events has left us with big recovery bills, and while this Annual Report notes the immediate work that has been done in response to these events, it also highlights that there is a long road to recovery ahead of us.

Despite these challenges, we've managed to keep our major projects on schedule. These include the opening of the externally funded Kiwa Pools, providing the community with a state-of-the-art aquatic centre, and the near completion of the Wastewater Treatment Plant upgrade. Another key milestone this year has been the completion of flood protection work on the Waipaoa River, now extending to 32km. Without this crucial infrastructure, many more properties would have been adversely affected during Cyclone Gabrielle.

In January 2023, a petition was presented to Council asking for a ministerial inquiry into land use in Te Tairāwhiti. Council backed the petition's call for an independent review of forestry land use to be conducted by the Government. Following the inquiry, we moved to speed up the review process of the Tairāwhiti Resource Management Plan rules. We also established a dedicated forestry team to assess forests in the region for potential debris risks and to work with industry to improve forestry outcomes.

On top of all that, Council is in a period of change due to several major reforms affecting regulation, governance, and core infrastructure. These include a new National Policy Statement for Freshwater Management, new representation arrangements, and legislative changes such as the Water Services and Resource Management reforms.

We've sustained our commitment to advancing our partnerships and mahi within the context of Te Tiriti obligations. A new Māori responsiveness plan has been rolled out, aiding us in enacting national guidelines that facilitate substantive relationships with tangata whenua. This is particularly relevant in our crucial areas of focus such as freshwater, urban development, and land management.

We have managed to maintain stability in our financial position, particularly in debt management and overall financial performance. This year, rates revenue made up 35% of our total operating revenue, falling below the Annual Plan's forecast of 50%. We have navigated extra costs through support from central government and insurance, mitigating the financial impact on our ratepayers. Our current debt stands at \$124.8m, in alignment with the financial cap and within the boundaries set by the 2021-2031 Long-Term Plan (LTP).

As we move ahead, it's important to acknowledge the long-term consequences of Cyclone Gabrielle and other severe weather events we've encountered this year. Managing these will require significant borrowing and additional funding support to handle future recovery work.

However, if we continue our commitment to working together with central government, our partners and community, to achieve affordable goals for our region, we are confident we can keep moving forward and keep our communities protect and connected into the future.

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

Ngā mihi

Mayor
Rehette Stoltz

Chief Executive
Nedine Thatcher Swann



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF GISBORNE DISTRICT COUNCIL AND GROUP'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

The summary of the annual report was derived from the annual report of Gisborne District Council (the District Council) and its subsidiaries and controlled entities (the Group) for the year ended 30 June 2023.

The summary of the annual report comprises the following information on pages 44 to 55:

- the summary statement of financial position as at 30 June 2023;
- the summaries of the statement of comprehensive income, statement of changes in equity and cashflow statement for the year ended 30 June 2023;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as "our performance").

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2023 in our auditor's report dated 27 October 2023. Our opinion included an emphasis of matter drawing readers' attention to the disclosures about the Government's water services reform programme.



Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the Council and Group and where required, subsidiaries, and our report on the disclosure requirements, we have carried out an engagement to audit the Councils debt register and provide debenture trustee reporting, which are compatible with those independence requirements. Other than these engagements we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.

Stuart Mutch
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand
27 October 2023



Ko te tau kua taha

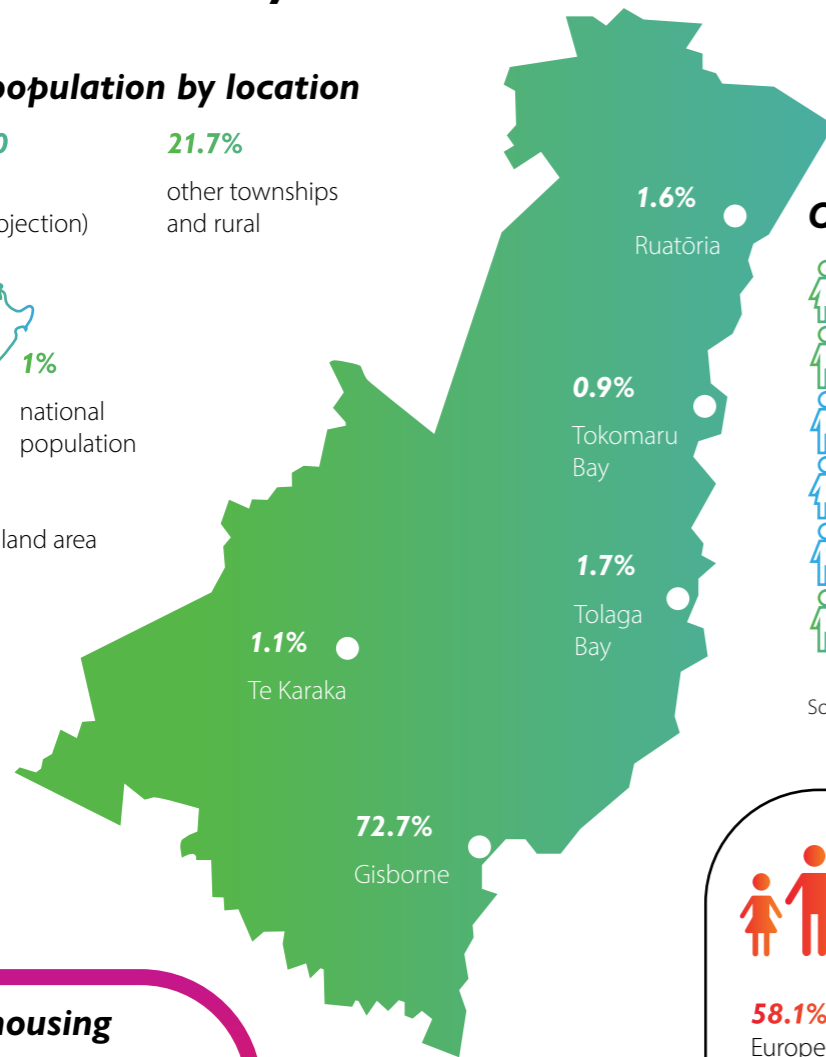
The year that's been

Tairāwhiti āianeī
Tairāwhiti today

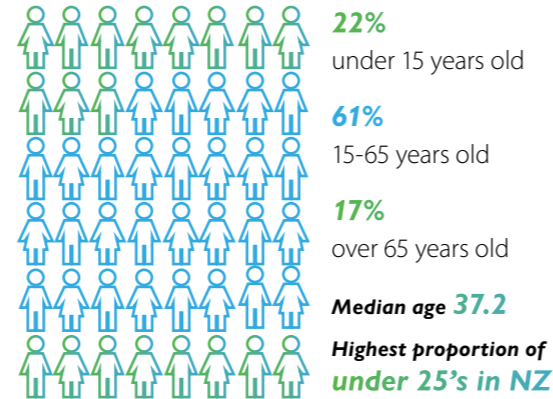
Our population by location

52, 100 people (2022 projection)
21.7% other townships and rural

1% national population
3% national land area



Our population age



Source: Stats NZ – www.stats.govt.nz

Our housing



\$780,000 **↓8.2%** national median

\$575,000 Tairāwhiti median

↓7.3% Tairāwhiti house price decline

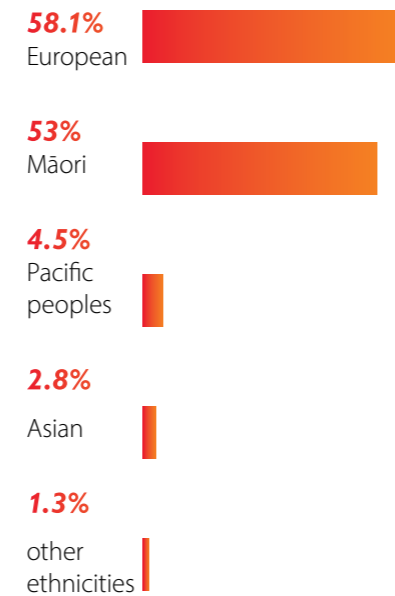
(As of year on year to June 2023)

Source: REINZ – www.reinz.co.nz

Our tangata whenua

- 5** regional iwi
- 71** operational marae
- 16%** te reo Māori speakers
- 4x** national percentage of te reo Māori speakers

Our ethnicities



Multiple ethnicities possible so totals more than 100%.

Source: Stats NZ – www.stats.govt.nz

Council services

10,889 registered dogs

39 playgrounds
30 sports parks
12 basketball and netball courts and hoops
13 skateparks and pumptracks

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

236km of footpaths

18.5km cycle lanes/shared paths

72 public conveniences

38,300m³ of water capacity stored in **7** reservoirs

77km of stopbanks



Household income

\$105,000 national median
\$95,500 Tairāwhiti median

=13% less than national median

Source: MBIE – www.mbie.govt.nz/



Employment

68% working-age employed
3.9% unemployment rate
14% self-employed

24,650 jobs, mainly in
1. Agriculture/Horticulture
2. Construction
3. Healthcare



\$2.46b GDP
\$51,883 per capita
0.7% national contribution



Gisborne Airport

210,236 (**↑76,000**) passenger movements
25,202 take-offs and landings

Source: Eastland Group
www.eastland.nz – Annual Report 2023

Gisborne Port

2.4m tonnes of cargo left our port



Source: Eastland Group
www.eastland.nz – Annual Report 2023

Ngā mahi whakahirahira i te rohe

Our district highlights

Our community's aspirations for our region's future are enhanced by a combination of social, cultural, environmental, and economic factors.

During 2022/23 Council carried out and supported many initiatives around Te Tairāwhiti that contributed to improving our community's wellbeing. Some of our achievements are highlighted here.

Community wellbeings (more on page 21)



Social



Cultural



Environmental



Economic



July '22



Community planting day at Rere

One thousand trees were planted July 2022 to help protect against erosion sediment.



August '22



100s of new books

Hundreds of new books were added to the large print collection in the library, purchased with support from the HB Williams Memorial Library Book Trust.



September '22



Resource recovery centre study

We're investigating the development of a new community resource recovery centre. We received \$90k in funding from the Ministry to complete the Environment's Waste Minimisation Fund for the feasibility study.



September '22



Hikurangi Magnitude 9 Workshop

Our Civil Defence team and NEMA organised a 3-day workshop with other agencies and emergency services, focusing on response and recovery for a potential Hikurangi M9 earthquake offshore of Gisborne.



September '22



Te Tiriti Compass

Adopted by Council in September 2022, Te Tiriti Compass is a new tool designed to support Council in applying the kaupapa of Te Tiriti o Waitangi across our mahi.



October '22



Makorori beach spinifex planting

In October 2022, Makorori Beach residents planted 700 native spinifex grass in a community planting bee.



November '22



New playgrounds in Te Araroa and Tiroto

Tamariki and rangatahi of Te Araroa are enjoying their newly completed playground after it was officially opened by Mayor Rehette Stoltz, Councillor Ani Pahuru-Huriwai and former Councillor Bill Burdett.



November '22

Local legend

Our very own Biosecurity Team Leader, Phil Karaitiana was named the winner of the New Zealand Ministerial Biosecurity Award.



December '22

Enviroschools

Support through the Earthwise Action Fund has contributed to the sustainability initiatives at Waikirikiri School.



December '22

Waikanae beach half-courts

A partnership between Basketball New Zealand, Gisborne Basketball Association, Hoeā! Gallery and Council has resulted in two new half-courts at Waikanae Beach.



March '23

Restored connection to city's reservoirs

Ten breaks in the water supply pipeline from the Waingake Treatment Plant to the Gisborne reservoirs were fixed within six weeks. In recognition of this achievement, a joint blessing between Council and Maraetaha was conducted at the Waingake Treatment Plant.



May '23

Civil Defence roadshows

The roadshow brought together emergency services in Te Tairāwhiti to train in partnership with community Civil Defence volunteers, which form part of the 'Community Link' regional structure.



May '23

Community sandbag event

We took part in a community project to fill 10,000 sandbags for Te Tairāwhiti - the first of its kind in New Zealand.



June '23

Wai to Muriwai

A major milestone was reached for Te Muriwai Mai Tāwhiti on 9 June 2023 when their new water supply was officially blessed at Pātaka Wai.



July '23

Kiwa Pools complex built

The Kiwa Pools complex was opened for public use on Saturday 2 September. This contemporary, temperature-controlled facility was developed in collaboration with Ngāi Tāwhiri hapū. The project was supported by \$40m from the Government as part of its nationwide Infrastructure Reference Group (IRG) funding.

Ngā mahinga manawarū whakarauora Our recovery highlights

Recovery overview

Estimated total recovery costs
of approximately
\$1.2 billion



Water network reinstatement

10 major breaks in water supply
pipeline

\$2.9m in repair work

Repair work completed in
45 days



Road reinstatement

Estimated cost for road
network reinstatement:
\$465m +

Assessment identified
62 bridges were affected

\$51m spent on emergency roading works this year



Future of Severely Affected Land (FOSAL)



SWERL Act 2023 introduced post-Cyclone Gabrielle
to aid recovery

2,000 properties faced flooding, silt inundation,
and land erosion

32 properties considered unsafe for habitation

Consultation on **\$204m** Central Government
package opens 2 October until 16 October.

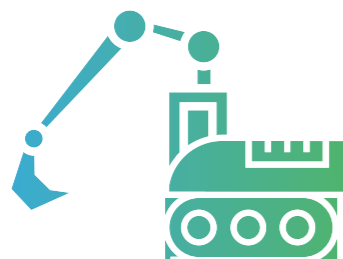
Flood protection, woody debris and silt management

\$31.4m allocated
for silt and woody
debris emergency
response

Over **650,000m³**
of silt removed

Slash removal from
77 bridges completed

Excavators clearing approximately **200m³** of silt
and debris daily from local drains



Disaster Relief Trust and Mayoral Relief Fund

417 applications received for
financial aid

222 red and yellow stickered
properties assisted

\$2.8m allocated to date



Ngā mahi matua Our major projects

Projects with major capital investment or community impact are known as major projects. They are programmes of work delivered to further our vision and community outcomes. They have significant benefits for our communities and involve significant investment.

Kiwa Pools



Kiwa Pools

We've built a pool for our community that is fit for purpose now and in the future. The completed facility is a modern, year-round, temperature-controlled aquatic centre the whole community can enjoy. We have worked collaboratively with Ngāi Tāwhiri hapū, paying careful attention to the relationship of the building, the land and the people of Te Tairāwhiti.

Dollars and cents

2022/23 budget \$19.56m - Actual \$19.67m

LTP budget \$44.5m



Central government funded \$40m as part of its nationwide Infrastructure Reference Group (IRG) funding, while Council committed the remaining funds towards the project. Further grants totalling \$1.4m were secured towards additional enhancements of the build (solar panels and hydrotherapy pool fitout).

Project highlights 2022/23

While COVID-19, a cyclone and six extreme weather events delayed the opening of Kiwa Pools to 2 September 2023, the project has been successfully completed within budget.

The new complex features:

- a large movie capable screen and scoreboard in the main pool hall
- a moveable floor to enable concurrent programming of the main pool
- a large leisure space that connects seamlessly to the outdoor facility
- a dedicated learn to swim/hydrotherapy pool
- a stunning indoor/outdoor café area (with a highly regarded operator),
- an expansive foyer area
- a multipurpose, digitally enabled function or family room complete the offering and will support a range of community uses beyond that of a traditional pool.

Additional grant funding has enabled the scope of the pool to be increased to include:

- extensive solar panels, contributing to its sustainability and reducing ongoing operating costs
- a specialist hydrotherapy suite for intensive patient or athlete rehabilitation.

Project status

Start date: November 2020

Completion date: September 2023

Completed

Impacts of severe weather events

The opening of the Kiwa Pools complex was postponed by five months due to a combination of factors, including extreme weather events and the impact of COVID-19. Despite these setbacks, the project was completed within the available budget.

Community wellbeings and outcomes

This major project contributes to the following community wellbeings and outcomes:



Resilient communities



Vibrant city and townships



Connected and safe communities



We celebrate our heritage

Council activities

To see how this major project contributes to Council's activities refer to [Liveable Communities Group on page 104 of the main Annual Report](#).



For more information about the project, please see Council's [website](#).

» **Kiwa Pools |**
Gisborne District Council (gdc.govt.nz)



Navigate Tairāwhiti

Navigate Tairāwhiti is a programme of five projects delivered together with tāngata whenua and partner organisations. The programme weaves together significant sites through storytelling and design to highlight our region's unique culture and heritage of first arrivals and great navigators.

Dollars and cents



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

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

Project highlights 2022/23

Titirangi maunga restoration

Whāia Titirangi pest and weed control is ongoing along with planting and care of locally sourced native tree plantings.

Project status

Te Panuku Tū/Titirangi Summit redevelopment

This project is on-hold as it requires further external funding to build.

On hold

Puhi Kaiti/Cook Landing Site

Puhi Kaiti is complete and is being maintained by the Department of Conservation. The connection of the 1000-year Walkway Bridge on this site is pending.

1000 Year Walkway Bridge

- Additional funding for artistic elements of the new waka shaped design was secured.
- Resource consent was lodged and work to construct foundations was secured.

In progress

Impacts of severe weather events

Recent weather events caused the Titirangi maunga tracks and road to be closed due to slips, fallen trees, road slumps and cracks and the loss of some young trees.

Community wellbeings and outcomes

This major project contributes to the following community wellbeings and outcomes:

- A driven and enabled community**
- Vibrant city and townships**
- Connected and safe communities**

Council activities

To see how this major project contributes to Council's activities refer to [» Liveable Communities Group on page 104 of the main Annual Report.](#)



For more information about the project, please see Council's [website](#)

» Navigate Tairāwhiti | Gisborne District Council (gdc.govt.nz)



For more information about the project, please see Council's [website](#)

» DrainWise Implementation Programme | Gisborne District Council (gdc.govt.nz)

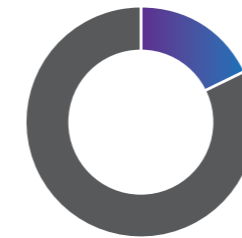
DrainWise Implementation Programme

The DrainWise programme is about working with our community to prevent wastewater overflows onto private property and into our rivers during heavy rain. Council maintains a stormwater model that assists in identifying flood areas and where there is a need to upgrade our piped network. We also have an ongoing renewal programme for old wastewater pipes to reduce groundwater leaking into these pipes.

Dollars and cents

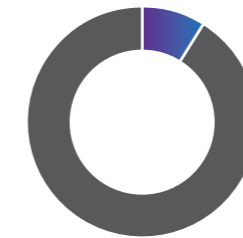
Capital

2022/23 budget \$5.83m
Actual \$4.73m
LTP budget \$32.3m



Operational

2022/23 budget \$345k
Actual \$608k
LTP budget \$3.9m



The project is 100% Council funded to address stormwater issues on private properties through public network extensions, as well as to undertake renewal and upgrades of the Stormwater and Wastewater networks.

Project highlights 2022/23

Council's wastewater network

- Improved performance of our public wastewater network through increased cleaning and surveillance.
- \$2.14m spent lining leaking earthen pipes, and \$47k reducing the risk of overflows from our sewer pump stations.

Council's stormwater network

- Completed further updates to the stormwater models for Kaiti, Whataupoko/Mangapapa and Elgin/Central Business District to identify future upgrades.
- The \$741k stormwater upgrades in Graham Road were tendered but had to be postponed due to elevated groundwater levels. The process will restart during Summer 2023.

Council pipes installed on private property

- De Lautour/Wainui Road.
- Ida/Coldstream Road (90% Complete).
- Craig Road.

Private Property Inspections and Repairs

- Repaired 1,085 leaking gully traps.
- Undertook 2,100 property inspections.
- Removed 35 downpipes going into gully traps.

Project status



Start date: July 2015

This programme of work is now linked to a resource consent for both dry and wet weather overflows.

To meet the consent requirements a larger budget will be required and will be formalised in the next Long Term Plan.

Impacts of severe weather events

The unprecedented high groundwater and repeated heavy rain events have seen multiple discharge events, from more locations and for much longer durations.

A consequence of the elevated groundwater level is the creation of depressions above stormwater and wastewater pipes. This has prompted concerns about potential structural damage and disruptions to the network.

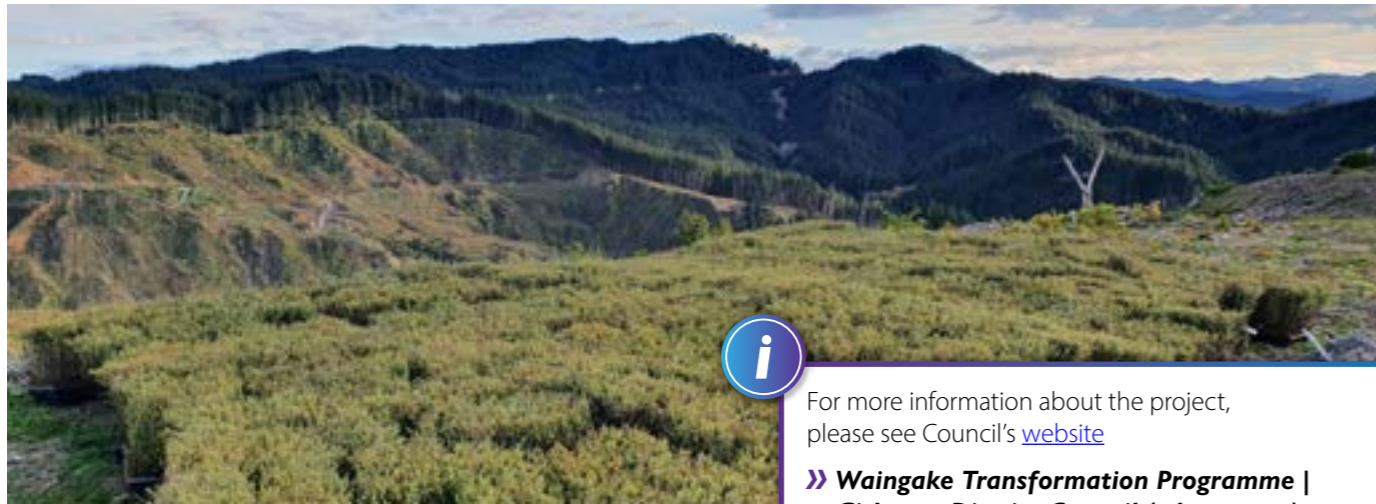
Community wellbeings and outcomes

This major project contributes to the following community wellbeings and outcomes:

- A driven and enabled community**
- Resilient communities**
- Connected and safe communities**

Council activities

To see how this major project contributes to Council's activities refer to [» Wastewater Group on page 90 and Urban Stormwater Group on page 100 of the main Annual Report.](#)



For more information about the project, please see Council's [website](#)

» **Waingake Transformation Programme | Gisborne District Council (gdc.govt.nz)**

Waingake Transformation Programme

In partnership with mana whenua Maraetaha Incorporation and supported by Ngāi Tāmanuhiri, the Waingake Transformation Programme has an ambitious plan to transition 1100 ha of plantation pine forestry to a thriving indigenous ngahere. The programme is based around protecting what we have and growing a new indigenous forest for Te Tairāwhiti - one where our people are connected to the whenua. We provide meaningful training and employment, our biodiversity flourishes and our water supply remains high quality.

Dollars and cents

2022/23 budget \$2.8m - Actual \$1.9m

LTP budget \$17.9m



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

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

Project highlights 2022/23

The Waingake Ngahere Ora Team has:

- Completed clearing, marking, and installation of over 16km of internal traplines within the Waingake Waterworks (QEII) Bush.
- Completed wax-tag monitoring to gather baseline data on possum abundance in the QEII Bush was completed in December 2022, with an 84% bite-mark index indicating high possum numbers.
- Conducted surveillance and control of pampas, buddleia, banana passionfruit, convolvulus, ivy and other weeds across 176ha of cutover areas.
- Planted 223,000 native plants across 173ha during the 2022 planting season.
- Completed wild pine control of 234ha, helping to ensure our native plants can establish without threat of competition from pines.
- Continued collaboration between contractors and the

Ngai Tāmanuhiri kaitiaki hunting roopu to sustain ungulate control across 3000ha resulting in an additional 284 feral animals controlled.

Project status



Start date: October 2019

This project is ongoing.

Impacts of severe weather events

- Loss of access due to slips on Waingake and Tarewa Roads.
- Redeployment of staff and contractors for one-month post Cyclone Gabrielle.
- 2023 planting plans were revised accordingly to account for lower plant numbers and to ensure Health and Safety of planters on steep and un-stable terrain.
- Continuous wet weather over spring and summer has created challenging conditions for weed control and releasing of planted natives.
- Traplines within the Waingake Waterworks (QEII) Bush required re-establishment following damage sustained in Cyclones Hale and Gabrielle.

Community wellbeings and outcomes

This major project contributes to the following community wellbeings and outcomes:



Resilient communities



We take sustainability seriously



We celebrate our heritage

Council activities

To see how this major project contributes to Council's activities refer to » **Liveable Communities Group on page 104 of the main Annual Report.**

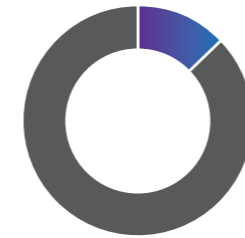
Waipaoa Flood Control Climate Change Resilience Project

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

Dollars and cents

2022/23 budget \$4.51m - Actual \$4.04m

LTP budget \$33.58m



The total project estimate is \$32m-\$35m.

In mid-2020 Council was awarded \$7.5m of government funding to accelerate the delivery phase of the project up until December 2023. All external funding has been utilised.

Project highlights 2022/23

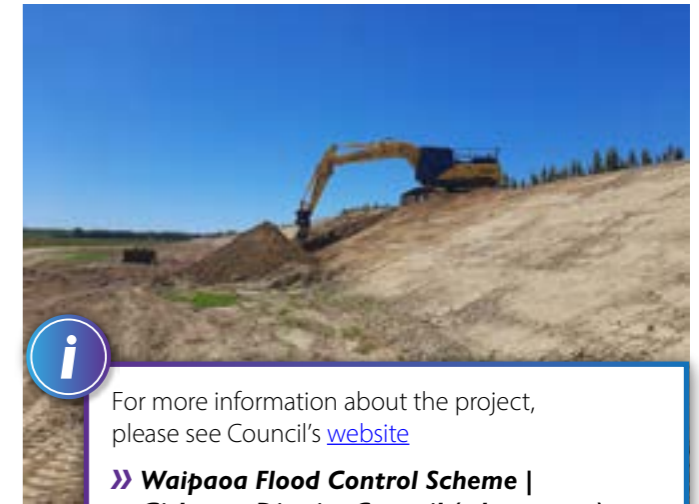
Completed work:

- Completed flood mitigation work at Tangihanga Station (Lavenham Road, western side) in December 2022, which included creating a deflection bund to safeguard an irrigation dam and implementing an emergency spillway.
- Constructed a 900m-long ring-bank to protect private buildings, staff housing, greenhouses and sheds during Cyclone Gabrielle.
- Nearly completed the construction of the eight-metre high Mahunga Stream floodgate in Ormond Township.
- Upgraded most of the stopbanks, totalling 24.5km, on the eastern side of the Waipaoa River. Additionally, approximately 8km of stopbanks have been upgraded on the western side near Manutūkē Township and Te Arai River.

Project status

Work ahead:

- In spring, stopbank upgrade work will restart around the Manutūkē area (western side) to continue stopbank upgrade work towards the Matawhero Bridge and Patutahi Township.
- Stopbank construction work will get back underway in the Ormond Township area (either side of the Mahunga Stream), to complete the last 500m of stopbank upgrades required to fully complete all the eastern (city) side.
- Earthworks to tie the new Mahunga Floodgate into the Waipaoa stopbank on either side of the new structure is expected to be undertaken in December 2023.
- Planning, investigation, geotech, and detailed design works are also ongoing for future areas.



For more information about the project, please see Council's [website](#)

» **Waipaoa Flood Control Scheme | Gisborne District Council (gdc.govt.nz)**

Impacts of severe weather events

- All stopbank upgrade work was placed on hold until spring 2023. This affected contract completion timeframes, and delayed stopbank upgrade progress.
- We saw severe damage to the Waipaoa Stopbank at two locations, both were on the western side of the Waipaoa River, and both occurred in areas that hadn't been upgraded yet.

Community wellbeings and outcomes

This major project contributes to the following Community wellbeings and outcomes:



Resilient communities



Vibrant city and townships



Connected and safe communities



We celebrate our heritage

Council activities

To see how this major project contributes to Council's activities refer to » **Land, Rivers and Coastal on page 76 of the main Annual Report.**



Walking and Cycling

The programme brings together several strategies, projects and initiatives between Council and Waka Kotahi with a focus on cycling safety. Walking and cycling networks support and encourage our community to get outside and enjoy being able to move around the city easily and safely and therefore improve health, economic and social outcomes.

Dollars and cents

2022/23 budget \$2.1m - Actual \$1m

LTP budget \$7.8m



A local share of \$2.5m (loan funding) has been allocated for the Taruheru River Walkway and Cycling project, contingent upon external funding.

\$340k for the Ūawa Walking and Cycling project.

\$100k per annum additional expenditure for the 2021-2023 LTP

for the Tairāwhiti Walking and Cycling Network Plan (subject to approval from Waka Kotahi).

Project highlights 2022/23

Titirangi Drive

A one-way system with a separated walking/cycling lane from the summit to Endcliffe Road completes the connection across Titirangi Maunga from Te-Poho-o-Rawiri marae. A 30km/h legal speed limit has also been implemented.

Streets for people

Hei Huarahi / Streets for People adaptive urbanism projects in Grey Street and Ūawa led by community groups have been progressed as part of a Waka Kotahi initiative along with 13 other councils across Aotearoa. A Grey Street festival was held in December to launch the project with some temporary instalments and changes being trialed around the skatepark.

Ūawa

5.1km of off-road shared paths have been constructed connecting the school with the awa, moana, playground, sports field, and shops.

This project is part of a wider vision to build a protected cycleway and walk-way from the township to the wharf with safer routes along State Highway 35 and the adaptive urbanism project Hei Huarahi Oranga / Streets for People for the main street to trial better crossings and on-road separated cycleways.

Project status

Start date: July 2021

This project is ongoing.

Impacts of severe weather events

Ūawa suffered some damage to the new trails when the course of the awa changed and continues to flood a section near the bottom of the school. A re-route is being progressed further upstream to ensure the trail loop can be reconnected.

Community wellbeings and outcomes

This major project contributes to the following community wellbeings and outcomes:

- Resilient communities
- Vibrant city and townships
- Connected and safe communities
- We take sustainability seriously

Council activities

To see how this major project contributes to Council's activities refer to **» Roads and Footpaths on page 81 of the main Annual Report.**



For more information about the project, please see Council's [website](#).

» Walking and Cycling | Gisborne District Council (gdc.govt.nz)



Wastewater Treatment Plant upgrade

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

Dollars and cents

2022/23 budget \$15.3m - Actual \$15.7m

LTP budget \$31.3m



A further \$2.6m is budgeted to start the process of building a city wastewater wetland - to act as the final stage of wastewater disposal, rather than marine outfall - in 2029 to 2031.

Project highlights 2022/23

- Construction of civil, mechanical, electrical, control and automation completed.
- Pre-commissioning hydrostatic testing, component and equipment checks, and installation signoffs by third party suppliers.
- Development of the relevant operations manuals, asset registers, cold and hot commissioning and trial operations plans.
- Tender process and award of the associated biosolids contract.
- Electrical code of compliance achieved.
- First operation of new plant and cold commissioning completed.
- Start of hot commissioning and running product.

Project status

Start date: December 2015

- Pre-commissioning testing and signoff.
- Cold commissioning completed 28 July 2023.

- Physical construction completed 4 August 2023.
- Hot commissioning, forecast for completion 31 August 2023.
- Trial operations and plant optimisation period, 25 days following.

Impacts of severe weather events

Around a fortnight of productive time was lost, although the site itself was not heavily affected by the devastating effects of the 2023 cyclones and floods. The impact was more associated with shipping and deliveries disrupted for some months. An extension of time, without associated cost, was granted for a total of 65 working days (13 weeks).

Community wellbeings and outcomes

This major project contributes to the following community wellbeings and outcomes:

- A driven and enabled community
- Resilient communities
- We take sustainability seriously
- We celebrate our heritage

Council activities

To see how this major project contributes to Council's activities refer to **» Wastewater Group on page 90 of the main Annual Report.**



For more information about the project, please see Council's [website](#).

» Wastewater Treatment Plant | Gisborne District Council (gdc.govt.nz)



Ō tātau whakautu

Our responses



Ngā hononga tiriti Treaty relationships and partnerships

Our journey so far

Council's intent is to be a good treaty partner and numerous options have been developed to achieve meaningful bilateral relationships with iwi and hapū. Council is transitioning away from 'taking Te Tiriti o Waitangi into account' and wants to 'give effect to Te Tiriti' instead. This commitment entails enacting treaty principles and serves as a signal of intent that goes beyond the existing obligations placed upon Council by legislation.

Last year

2022 financial year was a significant year for us. It marked the establishment of Māori wards, welcoming five Māori ward Councillors. Each Councillor bringing a wealth of knowledge and experience, along with their broader perspective. Together, there is a collective desire for relationships founded on Te Tiriti and for decisions to be made together in partnership with mana whenua.

In 2022, Council adopted our Te Tiriti Compass, a tool used to centre our intent on honoring Te Tiriti and shaping how we, as Council, engage in partnerships under Te Tiriti o Waitangi and function as a Tiriti partner.

Using Te Tiriti Compass, Council aims to realign itself with the objective of establishing enduring Tiriti partnerships. This may involve revisiting co-governance discussions on significant kaupapa, such as resource management planning and recovery, while formalising relationships between Council and hapū/marae. It also involves jointly responding to emerging opportunities and priorities.

At the end of 2022, Council committed to establishing a Te Tairāwhiti Plan Review Committee, appointing Councillor members to this body. This step signified our dedication to revisiting our regional plan in partnership with tangata whenua. The appointment of iwi-nominated members, the formulation of a term of reference (TOR) and addressing other matters must be settled before this committee becomes operational.

As Council progresses its organisational understanding of Te Tiriti o Waitangi, our staff now employ the Te Tiriti Compass to measure and form an articles-based approach to implementing Te Tiriti in our mahi.

We also acknowledge that while there are legal and statutory obligations to Māori, these form only part of the foundation, and are not the ceiling for future Te Tiriti-based decisions and partnerships.

Changes to our regional context

Tiriti partnership does not exist in a vacuum of goodwill and resource; it is influenced by the dynamics of our regional and national context. While Council's intent is evident – aiming to be a strong partner – the specifics of how and when we achieve this are not as clear.

Partnership can only occur when all parties are prepared and able to invest their efforts into building something that endures. We need to be capable of upholding each other's individual responsibilities while at the same time investing in what we want to accomplish together.

Strong relationships must be in place for partnership to happen. Relationships require trust, communication and constant care. Our priorities need to align and partnership be front of mind. We each need capacity and resource to dedicate to the partnership's success.

Challenges

The environment for Tiriti partnership shifted in the past year. Council, like others, had to refocus resources and efforts. We faced two main challenges: recovering from Cyclones Hale and Gabrielle and addressing the impacts of legislative reforms from central government.

Iwi and hapū also face these and other challenges. They are taking a proactive role in addressing the needs and aspirations of their whānau, hapū and marae. We are both navigating these challenges, which will test our capacity, energy and creativity.



Ō tātau tauwhāinga, o tātau whakautu Our challenges and responses

Council is operating in a period of substantial change and uncertainty within the local government sector. The landscape is being reshaped by major reforms that bring about substantial shifts in regulation, governance and our approach to core infrastructure and environmental stewardship. This evolving landscape demands that we embrace adaptability and innovation on our journey.

Below are the big challenges we are currently facing and how we are responding to them.

For more information on the big challenges identified in the LTP, please refer to our [website](#).

A new approach to freshwater management

Our challenge

The increased frequency and intensity of extreme weather events, driven by a changing climate, heightens the risk of erosion and degradation of water catchments. Rising temperatures, altered precipitation patterns and more frequent storms, have the potential to exacerbate soil erosion, leading to sedimentation in our waterways and impacting water quality.

Our response

Council is improving our approach to freshwater management to ensure the health of our water resources and overall wellbeing of our region. Catchments, which are the land areas that channel water from the ranges into our waterways, play an essential role in keeping our water safe. Their condition influences the quality of our water, and as such, our entire natural environment.

Council is implementing the new National Policy Statement for Freshwater Management to protect and manage our catchments and freshwater systems. We are working alongside tangata whenua to ensure that we make decisions that respect the wellbeing, mana and mauri of our water resources. This includes reviewing and updating how we manage freshwater in the Tairāwhiti Resource Management Plan. This involves development of seven catchment plans that align with the updated National Policy Statement. These plans are intended to enhance the sustainable management of our water resources.

Progress has been achieved in the catchment plans for Ūawa, Southern and Northern regions. We are currently on track to completing these plans by December 2024. Two Freshwater Advisory Groups have been established to provide guidance on region wide issues and the Waipaoa Catchment Plan.

We undertook a comprehensive review of our environmental monitoring programme and are developing a regional water quality state and trends report. These reports will play a key role in shaping Council's freshwater policies.

Tairāwhiti Resource Management Plan Review

Our challenge

Changes in national direction, population growth and shifting community expectations concerning environmental outcomes and resource management call for a review and renewal of the Tairāwhiti Resource Management Plan (TRMP), which has been in place since 2017. The updated plan will serve as the foundation for shaping decisions about our natural and built environments.

Our response

The TRMP review commenced on 1 July 2021. Progress is well underway in the first phase of the review, with public notification anticipated by the end of 2024. This phase includes three workstreams:

1. Te Kaupapa Tauākī ā-Rohe, focused on developing a new Regional Policy Statement (RPS).
2. Te Whakamahere Wai Māori, dedicated to Freshwater Planning.
3. Te Whakawhanake me te Whakarahi Taone, centred around Urban Growth and Development Planning.

This approach underscores our commitment to shaping a sustainable and thriving Te Tairāwhiti, aligning our actions with the values and aspirations of our community.

Collaboration with iwi chief executives and Post-Settlement Governance Entities has led to the establishment of an iwi technical trial. This trial is exploring how we can work with iwi to incorporate Te Ao Māori during development of the new Tairāwhiti Resource Management Plan and our consenting processes.



New representation arrangements

Our challenge

Following a decision in 2021/22 to establish new Māori wards in Te Tairāwhiti, Council was challenged with implementing a new governance system that would support the newly established Māori wards and foster an environment where Māori participation in governance is continuous, effective and represents the diverse voices within the Māori community. Such a system would ensure that the spirit and objectives of the Local Government Act 2002 and Te Tiriti obligations are fully realised and that we pave the way for inclusive and representative governance in Te Tairāwhiti.

Our response

Following this resolution, we consulted with our community to help decide on what was a fair and effective number of elected members to have, how they were elected, and whether they were elected from wards or "at large" across the whole district, or by a mix of both. We also looked at the boundaries, names of wards and communities of interest.

Following consultation, the Local Government Commission (LGC) took action to reshape the representation arrangements for the Tairāwhiti local government election in 2022. The new configuration includes 13 councillors in total:

- eight general ward councillors elected district-wide from the Tairāwhiti General Ward
- five Māori ward councillors elected district-wide from the Tairāwhiti Māori Ward.

This change fosters a more comprehensive representation that enables the diverse voices within our community to be heard. The establishment of a Māori ward not only demonstrates our commitment to inclusivity but also provides a dedicated platform for Māori perspectives to influence decision-making.



Changing legislative environment

Navigating the evolving local government landscape requires us to plan and prepare for a host of new challenges. As a Council, we carefully balance the tasks of providing resilient infrastructure and kaitiakitanga for our community, with the overall goal of enhancing community wellbeing and driving economic growth.

Central government recognises the challenges we are facing and is taking steps to address them through a series of major reviews and reforms. This includes looking closely at the future of Local Government, changing to the Resource Management Act, finding ways to move towards a greener future and the proposed Three Waters Reform that will shape how we manage our essential water infrastructure. These reviews and reforms will lead to significant changes in both our work and the legislative framework we operate within.

Future for Local Government

An independent Ministerial review into the future of local government was completed in April 2023. Its purpose was to consider how New Zealand's system of local governance will need to evolve over the next 30 years in order to improve the wellbeing of New Zealanders and actively embody Te Tiriti partnership.

Since the last re-organisation of the system in 2002, local government has become more complex and demanding, with more responsibilities and limited funding or capability.

The Future for Local Government Panel released its report to the public on 21 June 2023. The report highlights five key areas required to ensure that local government is fit for purpose in the future. Namely:

- embedding local government's wellbeing purpose
- system renewal – council-led re-organisation of local government and establishment of dedicated entities to support this
- increasing funding – greater central government contribution
- strengthening local democracy and leadership – including initiatives such as extending term for local elections, lowering the voting age, Te Tiriti based appointments and STV as method for elections
- growing authentic Te Tiriti based partnerships – explicit recognition of local government as a Tiriti partner.

With the general election in October 2023, it's unlikely the current government will have time to make significant policy shifts in this term. Any further work or change will most likely be picked up by the next government post-election.

Three Waters Reform

In December 2022, central government completed the first major step of the Three Waters reform with legislation to transfer the management and delivery of drinking water, wastewater and stormwater services from 67 councils to four Water Services Entities (WSEs). The WSEs would be owned by the councils within the WSE area but the assets and liabilities would transfer to the new WSEs to manage and operate. To retain local representation on water services decisions, a Regional Representative Group of up to three council owners and three mana whenua representatives would be established for each WSE to set expectations for the WSE that reflect community voice.

Central government is aiming to see better outcomes for environmental quality, human health, Māori rights and interests, resilience of infrastructure. The scale of the WSEs across multiple regions and larger populations is intended to enable WSEs to borrow more money to fund the investment needed in water services and infrastructure, and to better address skill shortages in the three waters sector.

Alongside the reforms, Government initially committed \$2b in Crown funding support to councils in two tranches. Tranche 1 of \$500m was allocated to councils in July 2022. Although Tranche 2 of \$1.5b was initially planned to be allocated to councils from 1 July 2024, this tranche has since been cancelled. This 'Better Off Package' aims to provide councils with additional funds to support local wellbeing outcomes in a way that aligns with the priorities of central and local government: infrastructure for housing growth; fostering low-emissions economies; enhancing resilience to climate change; and promoting community wellbeing.

On 13 April 2023, the Minister of Local Government announced proposed changes for the Three Waters Reform programme:

- Shifting to a more regional approach, replacing four WSEs with 10 regionally-led WSEs.
- Establishing entities in a staggered way with Auckland/Northland WSE starting on 1 July 2024 and the remaining WSEs going live at different times up to 1 July 2026.
- Boosting local representation by including all territorial authorities within a WSE area on the Regional Representative Group of a WSE alongside equal membership from mana whenua of that WSE area.
- To ensure financial viability for smaller WSEs, the second phase of Better Off Funding (\$21.62m for Te Tairāwhiti) won't proceed. However, the first phase (\$7.21m for Te Tairāwhiti) remains committed.

To implement the proposed changes, the Water Services Entities Amendment Bill was drafted and passed its third reading in August 2023.

Resource management reforms

Central Government is in the process of repealing the Resource Management Act 1991 (RMA) and is now beginning to roll out three new pieces of legislation:

The Natural and Built Environments Act (NBA) This Act aims to replace the RMA with a focus on managing the natural and built environments. It emphasises long-term strategic planning and spatial development at the regional level.

The Strategic Planning Act (SPA) This Act introduces requirements for councils, iwi/Māori, and Central Government agencies to create 30-year regional spatial plans. It is intended to contribute to a more coordinated and future-focused approach to planning.

The Climate Change Adaptation Act (CAA), which addresses the legal and technical aspects associated with climate change adaptation and the future of severely affected land.

Submissions concluded in February 2023 and in June, the Select Committee issued their revised versions of the Natural and Built Environment and the Spatial Planning Bills. The Spatial Planning Act and the Natural and Built Environment Act began coming into effect on 24 August 2023. They will gradually phase in over a 10-year period. The Climate Change

Adaptation Act is anticipated to follow suit later in 2023.

The reforms aim to create a more streamlined, efficient and balanced framework for managing natural resources, land use and development in Aotearoa. These changes align the RMA with contemporary environmental and sustainability challenges, including climate change adaptation and the protection of biodiversity.

Improving collaboration between central and local government, along with ensuring greater participation and recognition of Māori perspectives, played a role in signalling the need for RMA reform. The reform efforts reflect a broader commitment to better governance, sustainable development, and improved outcomes for both the environment and communities.



Our recovery areas

In 2022 and 2023, Te Tairāwhiti experienced significant damage due to several weather events, including Cyclones Hale and Gabrielle. The effects of these events are still evident, highlighting the potential challenges communities and infrastructure may encounter from similar events in the future. Undertaking restoration in Te Tairāwhiti is a significant endeavour, involving responsibilities for both Council and the community.

Council's recovery plan outlines the prioritisation of immediate community needs, infrastructure repairs, resilience enhancement and measures to prepare for potential future risks. This plan, submitted to central government, estimates a requirement of approximately \$1.2billion for recovery efforts over several years.

Road reinstatement

The impact of Cyclone Gabrielle on our local roading network was profound, resulting in landslides, floods and heavy rains which caused roads to collapse and bridges to be destroyed. In the aftermath of Cyclone Gabrielle, almost the entire rural network was disconnected. This situation was further aggravated by heavy rains in June 2023, which compounded the damages and triggered the district's third state of emergency for the year.

Following Cyclone Gabrielle, a detailed assessment of the region's 424 bridges was undertaken. The findings revealed that 62 bridges were impacted. In addition, river erosion impacted more than 250 sections of our network. Over the next four months, efforts led to the repair of 140 bridge faults.

Ongoing investigations are being conducted to evaluate alternative route options, alongside slope stability assessments. Our primary objective remains reopening roads to disconnected residents and facilitating heavy freight access to support rural communities. Priority is given to school bus routes, safe community connections, and forestry and farm access routes for animal welfare.

After the Cyclones Hale and Gabrielle, we received \$29.3m in funding from Waka Kotahi. We later applied for and received an additional \$25m. By June 2023, we had spent \$51m on emergency roading works. In addition, Council's 2023/24 Annual Plan has earmarked a further \$65m for emergency roading works. This allocation will cater to essential needs such as bridge repairs, mending key rural roads and addressing the extensive river erosion damage across the network. These works are projected to span over two to three years.

Council is continuing to negotiate with Waka Kotahi on significant roading infrastructure replacements. Current estimates indicate that fully restoring the network could surpass \$425m, with a maximum projected cost of \$725m. As the evaluations are completed, and government funding is secured, our challenge will move to sourcing the remaining funds through rates.

Initial scoping, including planning, assessment and securing resources, are anticipated to take 12-16 months. Once these are completed, a comprehensive repair programme will commence, subject to available funding.



Water network reinstatement

Gisborne city sources its water supply from two primary catchments: the Mangapoike dams and the Te Arai Bush Catchment. The water from these catchments is treated at the Waingake Water Treatment Plant before being transported through a 30km pipeline to the city's reservoirs and distribution system. The reservoirs can store up to 38,300m³ of water, equivalent to approximately three days of supply depending on demand.

The pipeline system spans across 21 bridges. Cyclone Gabrielle damaged or destroyed nine of these bridges, and several sections of the pipeline itself also suffered substantial damage, resulting in ten significant breaks in the network.

Following the damage, residents were urged to use water sparingly due to the major disruptions. Although there were initial plans to treat water from the Waipaoa River at the Waipaoa Water Treatment Plant, the plant encountered operational difficulties, hindering its ability to keep up with the rising water demand. On 17 February, the Waipaoa Water Treatment Plant ceased operation. As a result, restrictions were placed on water consumption for businesses and industries, and residents were advised to use water only for essentials, such as drinking, brief showers and cooking until the plant's issues were addressed.

New pipe bridges were manufactured and transported to the remote Mangapoike dams area. Council staff and contractors undertook extensive efforts to repair the pipeline, allowing water flow from Waingake to be combined with that from Waipaoa.

The repair works took 45 days to complete, incurring costs of \$2.9m. Work is now in progress to re-establish access tracks, evaluate measures for improved protection of pipelines near escarpments and landslides, and consider burying more sections of the pipeline as part of long-term protective strategies.



For more information about our road to recovery in Te Tairāwhiti, please see Council's [website](#)

» **Our Road to Recovery |**
Gisborne District Council (gdc.govt.nz)

Woody debris removal and silt management

Following Cyclone Gabrielle, Te Tairāwhiti faced the significant challenge of managing an extensive accumulation of silt and woody debris. This posed risks to our community, including threats to individuals, homes, farmland, infrastructure, waterways and beaches.

Council promptly responded by prioritising key infrastructure repairs and assisting residents in affected areas to clear silt. Another urgent task was the removal of woody debris from critical structures, especially bridges. To this end, slash has been cleared from 77 bridges to avert potential complications in bridge repairs.

Efforts continue to clear silt from Council's rural land drainage network. Post-Cyclone Gabrielle, areas such as Manutūkē, Patutahi and Muriwai experienced flooded drains. Intensive work involves excavators clearing approximately 200m³ of drains daily, with over 650,000m³ of silt removed from drains, slips and roads.

The heavy rain in June presented further challenges by restricting access to waterlogged river catchments and affecting the road conditions leading to these areas. Such weather disruptions highlighted the need for immediate action in high-risk areas.

Council is developing a Woody Debris Emergency Response Plan. Central government has granted \$40.6m for Large Woody Debris (LWD), silt removal, and clearing of woody debris on our beaches.

Detailed mapping of catchments has been undertaken. Drone surveys are in progress for priority catchments, and so far three catchments – Hikuwai, Te Arai and Waimata – have been marked as primary targets for cleanup.

The next phase of work is set to address the removal of debris from our beaches and ensuring that rivers remain accessible for recreational activities.

Forestry focus

Cyclone Hale and Gabrielle highlighted the vulnerabilities our region faces during extreme weather events. It's evident that appropriate measures and resources are required to manage potential risks associated with forestry practices in Te Tairāwhiti.

Council has proactively responded by enhancing its resources in monitoring and compliance areas through the establishment of a new forestry team. This team will work with industry partners, and engage in aerial mapping and on-the-ground inspections across the region. Their role is to identify areas susceptible to the mobilisation of woody debris, which could impact property, infrastructure, and the environment.

In January 2023, Council acknowledged a petition presented by Mana Taiao Tairāwhiti and committed to:

- Support the petition's call for an independent review of forestry land use to be conducted by the Government.
- Expedite the review process of the Tairāwhiti Resource Management Plan (TRMP) rules.

- Explore avenues for involvement in the initial phases of Resource Management (RM) reforms.
- Launch a dedicated forestry project to assess forests in the region for potential debris risks and formulate suitable enforcement measures.

Collaboration with the Ministry for the Environment is ongoing regarding recommendations from the May 2023 land use report. There's a shared emphasis on re-evaluating the National Environmental Standard for Plantation Forests (NES-PF). Council has reservations about this framework, believing it might not align with Te Tairāwhiti's specific needs.

Initiatives are underway to update regional policies and rules through various regulatory tools, all of which resonate with Council's spatial plan, Tairāwhiti 2050. The land use report's suggestions align with our current endeavours, such as managing clear-fell harvesting, transitioning erodible lands to more sustainable uses, refining flood capacity assessments, fortifying against gully erosion, and prioritising biodiversity conservation.

Land management

Due to an increase in weather events, the impact of Cyclone Gabrielle, and the implementation of new central government regulations, there is an increased demand to expand land management and planning across all land uses.

Funding has been granted to expand Council's land management team for a period of three to four years as part of the Integrated Catchment Management activity. This expansion is driven by the need to support Freshwater Farm Plans and comply with new Freshwater Reform requirements.

Funding from the Ministry for Environment, the Ministry of Primary Industry Hill Country Erosion Fund, and Land Information New Zealand will contribute to the project.

We have started programmes that focus on investigating erosion control methods for highly erodible gullies and slopes, creating a spatial dataset for assessing land treatment needs, and identifying and implementing programmes for sustainable land use. We have also been able to expand our work on vegetation planting for freshwater and biodiversity restoration, fencing waterways, pest and plant control, and fish passage remediation.

Flood protection

The flood protection network in Te Tairāwhiti sustained substantial damage following Cyclone Gabrielle. This left many residents vulnerable to compromised drainage and heightened risks of future flooding incidents. In response, Council has initiated a comprehensive plan to reinstate, reinforce, and improve the flood protection infrastructure of Te Tairāwhiti, ensuring community safety and protection of property.

A major consequence of Cyclone Gabrielle was the reduced channel capacity, primarily caused by silt accumulation. The build-up at structures and stopbanks has compromised their integrity, with some rendered non-viable. Investment efforts are now targeting the reinstatement of these damaged stopbanks and the accelerated delivery of new flood bank projects. These measures aim not just to repair, but to enhance the resilience and effectiveness of the flood protection systems.

The reconstruction of the Mangahauini River stopbank and erosion protection is a critical project, which aims to protect the Tokomaru Bay township. Significant progress on this front was noted as of June 2023.

Emphasis has been placed on site assessment and prioritisation. Work will speed up over spring and summer when improved weather conditions will allow better access to river sites for flood mitigation works. A specific focus has been directed towards the Waipaoa River's middle reaches, especially around Te Karaka. The objective is to identify the primary causes of flooding and devise long-term mitigation.



Future of Severely Affected Land (FOSAL) Programme

During Cyclone Gabrielle, nearly 2,000 properties across Te Tairāwhiti experienced devastating direct impacts such as flooding, silt inundation and land erosion. In response, Central Government launched the Future of Severely Affected Land programme. This programme encompasses regional mapping and property identification to pinpoint those at the highest risk of property damage or loss of life during future severe weather events. This proactive approach enables us to strategically plan community support and secure their ongoing safety.

The Severe Weather Event Emergency Legislation (SWERL) Act 2023 was introduced on 20 March 2023, following the events of Cyclone Gabrielle and Hale. The purpose of this Act was to assist affected councils and communities to respond to, and recover from, the impacts of the severe weather events.

Following the introduction of the SWERL Act, Central Government released the Future of Severely Affected Land (FOSAL) information pack in July 2023, which provided information about risk categories processes and responsibilities. Council was responsible for categorising land and determining how and to what extent assistance would be provided to affected properties.

Risk assessments were conducted by Council using a range of information sources. Land areas were categorised using these datasets to assess future severe weather risks:

- Recorded flood heights
- Post-Cyclone Gabrielle aerial photography
- Captured video footage
- Accounts from eye-witnesses
- Geotechnical site visits assessing landslide and erosion risks
- Historical data on flooding impacts. Risk assessments were conducted by Council using a range of information sources. Land areas were categorised using these datasets to assess future severe weather risks.

The following information outlines the details of the \$204m support package being offered by the Government, which Council will be consulting with the community about:

- \$64m for flood risk mitigation including upgrades and new assets such as stopbanks, for which the Government will pay 90% and Council will need to pay the remainder.
- \$125m for local road and bridge repairs to provide network resilience including a solution for Tiniroto Road.
- \$15m towards purchasing residential Category 3 properties. There is an opportunity to increase this amount if costs are higher than expected at the time the agreement is made. This \$15m represents 50% of the funding to purchase these properties, including relocation grants for mixed-use properties. These are where a house is located on land for farming or horticulture for example. The other 50% will come from Council. The purchase costs are less than any insurance proceeds.
- \$30m interest-free 10-year facility loan.

Category 1

Property owners of properties and land in Category 1 and who had received yellow stickers after Cyclone Gabrielle can live in their properties once necessary repairs are completed and Council inspections have been conducted.

Category 2

- 2C - This indicates a requirement for effective community level interventions to manage the risks of future severe weather events.
- 2P - This signifies the need for property-level interventions, such as lifting houses or improved property drainage, which are needed to address the risk posed by future severe weather events.
- 2A - These properties align with both 2C and 2P categories, but further assessment is needed.

Category 3

Category 3 represents the highest risk within the FOSAL classification scheme. Areas designated as high risk in this category are not considered safe for habitation due to the unacceptably high risk of severe weather events like flooding or landslides, posing a threat to life.

Preliminary estimates for the number of affected properties across Te Tairāwhiti are:

- Category 2 - approximately 1,800 properties
- Category 3 - 32 properties

Our focus so far has been on confirming Category 2 locations, assessing, and characterising the risks posed by flooding and landslides in these areas, and developing community and property-level interventions to manage the risk of future severe weather events. This will serve as the foundation for the creation of Hazard Management Plans, particularly where additional investment is deemed necessary.

Council and Central Government are establishing and implementing a framework for the acquisition of severely impacted land and properties, in cases where the risk for continued residential use is deemed excessively high. Preliminary evaluations suggest an estimated cost of approximately \$30m for this initiative.

To support property owners dealing with ongoing uncertainties, Council has run several meetings to provide information and certainty. Furthermore, rates remissions have been granted for Category 3 property owners and property owners who had been issued red stickers following Cyclone Gabrielle.

Public consultation on the Governments support package will open on 2 October and will run for a period of two weeks, until 16 October. Council will then consider feedback at its meeting on 1 November and decide on accepting the support package and entering into a funding agreement with Government.

Mayoral Relief Fund and Disaster Relief Trust

The Tairāwhiti Mayoral Relief Fund and Disaster Relief Trust were established to provide financial assistance to residents experiencing hardship as a result of natural disasters.

The purpose of these funds is to support communities, individuals, and families, in their recovery efforts. They offer a single payment to help alleviate the loss or damage they experienced when other avenues of support are not available, such as insurance, EQC, social services, or support directly from Central Government.

A mix of public donations and central government funding was provided in response to Cyclone Hale and Gabrielle. Applicants were eligible to apply for funding support if they had experienced hardship as a direct result of the cyclone(s) and were residents in the areas of Te Tairāwhiti most severely affected by the cyclones.

Given the limited amount of funding available, the fund was primarily allocated to repairing residential dwellings, septic tanks, refilling water tanks, clearing debris from properties, providing necessities like clothing, bedding, household goods, or additional financial needs not covered by other support funds.

Applicants were eligible for up to \$20k in immediate financial aid, depending on their assessed level of need. To date, we have distributed over 530 funding support packages for those whose houses and possessions were damaged or destroyed in this year's rain events. So far, \$2.8m has been paid out to affected individuals and families.

i For more information on this or to read the 2022/23 Disaster Relief Trust Annual Report, visit our [website](#)

» Disaster Relief Trust Annual Report, | Gisborne District Council (gdc.govt.nz)



Photography - Phil Yeo

Tā mātau whakatutukinga mahi

Our performance

Ā Mātau Whakatutukinga Mahi Our performance

How did Council do this year?

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

Our year in performance

The 2022/23 period posed significant challenges for Te Tairāwhiti. The region grappled with the impact of multiple severe weather events, including two cyclones, resulting in substantial damage to our townships and critical infrastructure.

Cyclone Gabrielle and subsequent flooding led to the closure of several major roads, deteriorated road conditions beyond initial projections and triggered landslides within the region. Our water supply network was severely damaged and has taken considerable work to repair. Progress achieved by Council over the past year was set back, affecting the provision of many Council services, including requests for services, roading maintenance, resource consents, building consents and water management.

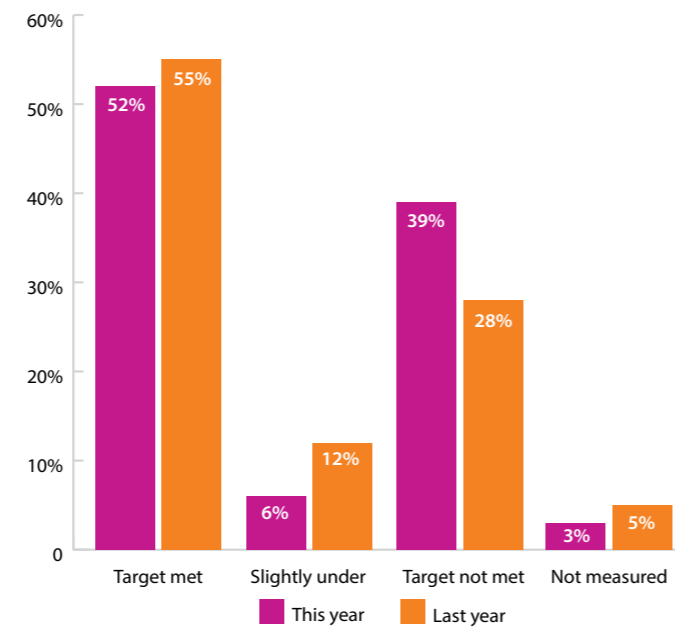
Overall, Council's capacity to meet performance measure targets was substantially restricted over the 2022/23 period. However, we have dedicated significant resource to ensure our services remain resilient through future challenges.

You can find detailed information on Council's performance measures in the "Our levels of service and how we measure progress" section of Our activities, starting on page 67 of the main Annual Report.



Overall performance metrics

The graph below illustrates Council's performance in meeting the targets set for 2022/23. We track a total of 104 measures, consisting of 30 mandatory measures, 26 measures directly derived from our Residential Satisfaction Survey, and 48 measures developed by Council for the 2021-31 Long Term Plan.



Overall, 52% of our performance measures were on target, with an additional 6% slightly falling below but remaining within 5% of the target. This contrasts with the 2021/22 period when Council met its target for 55% of its measures.

Mandatory Measures

Thirty of our performance measures are mandated by central government. They target our Three Waters (Stormwater, Wastewater, and Water Supply), Land, Rivers, and Coastal, and the provision of our local roads and footpaths. Council met performance targets for 77% (23/30) of its mandatory performance measures.

Targets met

Council met all targets for mandatory roading performance measures, we saw a reduction in the number of fatal and serious crashes on our roads, and prioritisation of work allowed us to meet targets for the resurfacing of roads and maintaining the standard of our footpaths throughout the district.

The quality of drinking water was maintained across the entire region, and both urgent and non-urgent water supply callouts were attended to and resolved in a timely manner, ensuring minimal disruptions for residents.

For our wastewater and stormwater systems, Council met targets for system fault response times, and there was a reduction in the number of wastewater and stormwater

complaints. Notably, there were no dry weather sewage overflows during this period. Furthermore, despite the significant damage caused by severe weather events, we managed to inspect 30% of our stopbanks, indicating a considerable effort in maintaining and assessing our flood protection assets.

Targets not met

We did not meet the target for our water supply customer satisfaction measure. The damage to our water treatment plants and pipe network resulted in a temporary loss of water supply. This situation led to an increase in complaints from residents, with the number of complaints more than doubling from the previous year.

For our stormwater measures, we did not meet the following system performance and adequacy targets:

- The number of flooding events in our district.
- The number of habitable floors affected during each flooding event.
- The median response time for service personnel to reach a flooding event site.
- Customer Satisfaction: The number of complaints received about the performance of our stormwater system.

During the rain events, our network was overwhelmed, leading to inundation of numerous properties and a surge in reported system faults. This generated a spike in demand for Council and contractor services that impeded our ability to respond within our typical time targets.

For our wastewater measures, we did not meet the following system performance and adequacy targets:

- Median response time for service personnel to reach the arrival site.
- Median resolution time, from notification of the fault to confirmation of resolution by service personnel.
- Customer Satisfaction: The number of complaints received about the performance of our wastewater system.

Responding to community views

Council conducts independent surveys to gauge resident satisfaction with our resources, facilities, and services, while seeking opportunities for continuous improvement.

We are currently reviewing our surveys to ensure they are both fit for purpose and reliable for informing improvements to our services and activities.

Our current survey involves inviting approximately 400 Te Tairāwhiti residents to participate in a quarterly online survey. The survey highlighted a decline in satisfaction with Council's services over the past year. This trend aligns with the observations across all 17 councils to which we benchmark ourselves. Satisfaction levels related to roading, water management, open spaces, and our facilities have dropped in comparison to previous years. Overall, services most impacted by severe weather events recorded the most significant drop in resident satisfaction.

Throughout the spate of severe weather events, Council experienced a twofold increase in Requests for Service, with a peak observed in the immediate aftermath of Cyclone Gabrielle. Consequently, the handling of these requests experienced delays, as both staff and contractors were engaged in urgent emergency reinstatement work.

Online and service-user surveys

We've made improvements to enhance our survey data collection by introducing point of service surveys through QR codes and kiosks at the library, Olympic Pool and the reception at our Awarua office.

Our library survey told us that users appreciate the clean facilities, variety of resources and the library's role as a community asset. Some suggested we make improvements, like more specific signage and adding colour to the environment, book availability and pricing structure. Responders acknowledged excellent staff support and having a safe space for youth. Users gave the library an overall experience rating of 8.6/10.

Results from our pool survey highlighted positive staff interactions, affordability of entry fees and anticipation for the new Kiwa Pool complex. Concerns raised involved issues such as the pool's temperature, cleanliness of changing rooms and the need for more staff training. Users gave the Olympic Pool an overall experience rating of 7.5/10.

Performance highlights and areas for improvement

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

Performance highlights

1 Rooding service requests
Despite our Rooding team receiving more than double the number of Requests for Service compared to the previous year, Council managed to resolve 97% against the target (80%) time frames.

2 Resource consents
We have improved the way we manage our resource consent process, and over 80% of consents were processed within the target timeframe.

3 Educational programmes
Throughout the year, we conducted over 30 educational sessions on waste minimisation and Civil Defence and Emergency Management, despite major pressure on both activities.

4 Water supply
Council met all targets for urgent and non-urgent response times to interruptions in our water supply system.

5 Cultural activities
The number of bookings for the Lawson Field and War Memorial Theatre substantially surpassed the set targets.

Areas for improvement

1 Building consents
While nearing the target, we want to enhance the speed of our consent processes to prevent any unwanted delays.

2 Solid waste
The impact of severe weather events has led to a surge in solid waste directed to landfills, accompanied by a notable increase in incidents of illegal dumping.

3 Storm and wastewater network
Our storm and wastewater networks encountered unprecedented challenges, notably from Cyclone Gabrielle. The disruption to our networks led to slower response times to faults and inflicted significant damage to our core infrastructure.

4 Engagement and customer service
This year saw a massive increase in demand for engagement and customer service from Council staff. This demand put pressure on Council resources in these areas, and this is reflected in our scores.

5 Increase our patronage
Council will focus efforts to increase user numbers for our bus service, library, and museum, which have seen a temporary decline in popularity after the severe weather events over the year.

Ngā āhuatanga pūtea Finances at a glance

This section provides an overview of Council's financial results for 2022/23 and how it compares to our 2021-2031 Long Term Plan (LTP). Our Annual Report 2022/23 is the Year two of the 2021-2031 Long Term Plan.

For further detailed information on the Council and the Group's financial results, refer to the full financial statements in the "Our Finances" section.

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

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

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

Financial Prudence Benchmarks are shown in Note 37: Disclosure Statement under the "Our Finances" section of the report. They graph Council's planned financial performance against actual results. They help assess whether Council is prudently managing its revenue, expenses, assets, liabilities and general financial dealings.

All benchmarks have been met and are within planned performance measures.

Financial position overview

Council holds long-term assets of \$2.6 billion including operational and infrastructure assets. When investing in infrastructure, we borrow funds so repayments can be spread across the generations who benefit from these assets.

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

At year end our total debt was \$124.8m, lower than what was expected to be in the Annual Plan at \$142.5m. Most of this lower debt has been driven by the timing of capital projects and having more cash on hand due to grants being received in advance of the capital programme.

The majority of projects that had timing differences to the Annual Plan 2022/23 are expected to be completed within 2023/24, within the LTP timelines.

Financial performance

Our Annual Report is about not only our Long Term Plan programme but also Council's response to damage caused by the cyclones.

Our past year has been a year of two halves - our delivery of the Long Term Plan over the first half of year, but in the second half of the year - it was more around the response to the challenges posed by Cyclones Hale and Gabrielle.

But despite the challenges, Council continues to perform well financially.

We recorded a \$19.8m net surplus after taxation, against a \$27.5m Annual Plan budget.

While this represents a \$7.7m net surplus less than we expected, most of the differences arose from the timing of receiving capital grants, write-off of cyclone damaged assets, local share of roading emergency works (pre-cyclone and the 100% grant from Waka Kotahi) and not receiving planned dividend revenue.

The receiving of capital grants is dependent on when projects are completed. Initially projects were planned to be completed by 30 June 2023 but now will roll into the beginning of Year three of the LTP. The extreme weather events during the past year impacted on the delivery of some of our projects.

The projects include the Provincial Growth Fund East Cape Road resilience project and the 1000 year walkway bridge. The grants for these projects will still occur, but will now fall into Year three when the projects will be completed.

The timing of capital grants doesn't affect Council's bottom line, but it does create the variance of a lesser surplus than was expected within this Annual Report.

There was a total of \$2.7m local share paid for the unplanned emergency roading maintenance costs. These costs related to the reinstatement work for damage caused by the adverse weather events that occurred prior to the cyclones. The funding assistance rate from Waka Kotahi ranged from 67 to 87%, where the remaining share was left for Council to fund. The initial response roading costs for Cyclone Hale and Gabrielle were fully funded by Waka Kotahi.

There are accounting write off losses of around \$2.7m, mostly relating to bridges that were swept away during Cyclone Gabrielle. These accounting losses were partially offset by accounting gains recognised from the movements in fair value of interest rate swaps, forestry values and carbon credits.

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

Total revenue was \$210m, \$62m more than what was in the Annual Plan. This increase was mostly due to receiving grants from Waka Kotahi for other emergency related responses.

Total expenditure was \$191m, \$69.5m more than what was in the Annual Plan. A total of \$67m of roading emergency works was completed during the year, with \$51m being spent on fixing the damage from Cyclones Gabrielle and Hale.

A total capital investment programme of \$83.6m. Including:

- \$15.7m construction costs for the Wastewater Treatment Plant
- \$19.7m spent on the Kiwa Pools
- \$4m spent on the Waipaoa flood control project.

Other variances from the Annual Plan, both favourable and unfavourable, arose during the year. More detailed analysis of all Council's activities are included in "Our Activities" section of this report.

Cyclone Gabrielle impacts to financial performance

The key financial impacts were

- Reduced income / increased expenditure
- Significant impact on the local roading network.
- Water Supply halted with the water main pipeline being broken in 10 places.
- Wastewater reticulation disrupted by tomos and sink holes
- Damage to Flood Protection
- Welfare response and Recovery Office costs.

During this time Council focused on disaster recovery and supporting the community impacted by these weather events. Several revenue generating services were either temporarily disrupted or made available to the community at reduced or no cost. Activities that were dependent on water were halted, including the Olympic Pools and Water services (commercial water metering).

For the most part, Council costs were covered either from central government and our insurance. However, some costs remain Council only costs, including an insurance deductible of \$1.5m and residual \$126k that mostly relate to Council's CDEM responsibilities. In addition, there was an accounting write off of \$2.7m, mostly relating to the bridges that were damaged or destroyed beyond repair. These costs are likely to be recouped in the future from Waka Kotahi funding.

Capital Investment Programme

Cyclone Gabrielle has impacted the delivery of our capital projects in terms of:

- delay in construction, due to loss of access to the roading network where nil or minimum work could progress
- availability of people, due to redeployment of staff and contractors
- shortages or delays in supply of material
- higher costs of materials due to higher demand

	Actual 2023 \$millions
Cyclone Gabrielle cost summary	
Funding received	
Waka Kotahi subsidy	48.3
Other grants	5.3
Insurance/NEMA proceeds	1.2
Emergency Works incurred	
Roading	48.5
Response	3.4
Three waters + flood control	1.7
Other	2.2
Total surplus/(deficit)	(1)
Capital Expenditure	
Roading	2.7
Response	0.1
Three waters + flood control	4.7
	7
Funded by	
Waka Kotahi	2.7
Insurance/NEMA	3.2
Council Contribution	1.5
	7

1. Funding received is \$55m. This relates to roading emergency reinstatement as a result of Cyclone Gabrielle (\$48m), the initial response and recovery funding \$4.0m towards welfare, \$1.3 for woody debris and silt removal and \$1.2m funding from NEMA and Insurance for repairs to critical infrastructure.

2. Expenditure is \$56m. This is consistent with the above additional funding received for costs relating to Cyclone Gabrielle.

3. Capital costs are \$6m. This is made up of Roothing emergency reinstatement \$2.6m and reinstatement of critical infrastructure as a result of Cyclone Gabrielle \$4.7m, this includes insurance deductible of \$1.5m.

Financial relief and remedies

Our recovery efforts have been greatly assisted by the overwhelming support our community has received through the Mayoral Relief Fund and the Disaster Relief Trust. These funds, which consist mainly of public donations, have been used to assist those whose homes were red or yellow stickered, and who experienced substantial damage to their properties or possessions due to these events. To date over 530 payments have been issued, totaling over \$2.8m.

	ANNUAL PLAN 2022/23 \$000s	ACTUAL 2022/23 \$000s	VARIANCE FAVOURABLE/ (ADVERSE) \$000s
Revenue from Rates	73,979	73,350	(629)
Grants and Subsidies - Operational	12,885	80,487	67,602
Grants, Donations, Subsidies and Contributions - Capital	44,535	42,919	(1,616)
Revenue from Operating Activities	17,037	15,015	(2,022)
Other Gains/(Losses)	(231)	(1,415)	(1,184)
Total Operating Income	148,205	210,355	62,150
Employee Benefit Expenses	30,672	28,965	1,707
Depreciation and Amortisation	24,907	25,966	(1,059)
Operating Activities	61,205	130,997	(69,792)
Finance Costs	4,482	4,886	(404)
Total Operating Expenditure	121,266	190,814	(69,548)
Net surplus/(deficit) before taxation	26,939	19,541	(7,398)
Subvention Income	600	300	(300)
Income Tax Expense (Benefit)	0	0	0
Net Surplus/(Deficit) after Tax	27,539	19,841	(7,698)
Gains/(Losses) on Property Revaluation	62,321	(215,596)	(277,917)
TOTAL COMPREHENSIVE REVENUE AND EXPENSES	89,860	(195,755)	(285,615)

Significant Changes in revenue/expenditure compared to the 2022/23 Budget

	\$000s
Higher revenue from grants and subsidies	65,986
Lower employee benefit expenditure	1,707
Total Positive Variances	67,693
Less	
Lower gains from infrastructure assets valuations	(277,917)
Lower revenue from operating activities	(2,322)
Lower gains from movement in fair value	(1,184)
Lower revenue from rates	(629)
Higher finance costs	(404)
Higher operating expenditure and depreciation costs	(70,852)
Total Negative Variances	(353,308)
TOTAL FACTORS CONTRIBUTION TO THE UNDERLYING VARIANCE	(285,615)

Asset Revaluation

The total movement of assets on from impairment and revaluation are shown in the table below. A loss of \$230m was recorded.

The majority of the losses relate to downward movement in land (under roads) and from damage caused by Cyclone Gabrielle.

The majority of losses are on our roads. Water supply mains damage that occurred during the cyclone, was mostly reinstated and paid for by insurance/NEMA. The impairments recorded below, are to those assets that have yet to be reinstated.

Significant changes in gains/(losses) on Revaluations

	\$000s
Losses From	
Land under roads	(195,519)
Roading Impairment	(59,876)
Flood Impairment	(2,419)
Water Impairment	(1,981)
Total Negative Variances	(259,795)
Higher values from	
Roading network	25,185
Flood	5,095
Storm	3,371
Water Supply	5,381
Wastewater	5,167
Total Positive Variances	44,199
Overall net revaluation	(215,596)

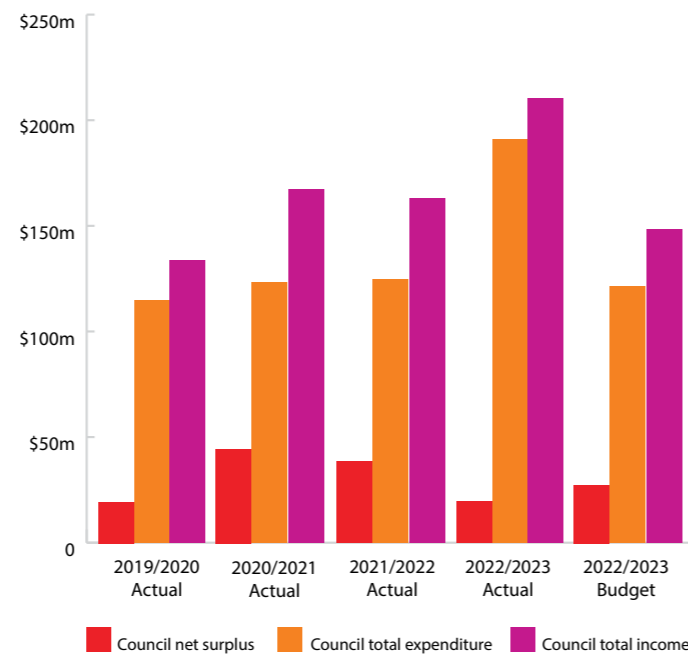
Council sets its operating income at a level to meet each year's operating expenditure. In some cases, this may not be practical or prudent due to the long-term nature of the activity (i.e. wastewater, forestry and soil conservation nurseries) or where there is capital project funding being received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

Council's budget and actual net surplus for 2022/23 is shown below.

The net surplus for 2022/23 at \$19.8m. The overall net surplus is lower than the Annual Plan, mainly due to the timing of capital grants.

The average net surplus over the last five years is \$30.6 million, and while this year's result is lower it is more representative of the pre-COVID period where we received significant stimulus grant funding, including the Provincial Growth Funding packages.

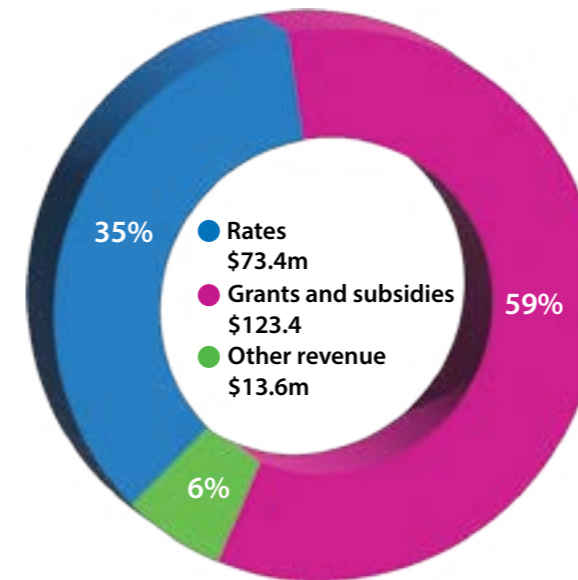
Total net surplus 2022/23



Council income

In 2022/23 the Council received income of \$210m compared to a budget of \$148.2m.

Council 2022/23 income \$210.3m



In 2022/23 rates income represents 35% of the total operating revenue. Grants and subsidies income accounts for 59% of total income.

The 2021-2031 LTP average rates income is 60% and grants income is 24%. This year's lower 35% rates proportion of income, represents significant external funds supporting our emergency response and reinstatement costs. While Council is not fundamentally better off from the grants - as they were to reinstate where we were before the cyclone - it does mean the funding support from central government and from our insurance proceeds, results in a significantly reduced burden on the rate payer.

A key direction in Council's financial strategy is to reduce the reliance on rates income.

Council expenditure

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

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

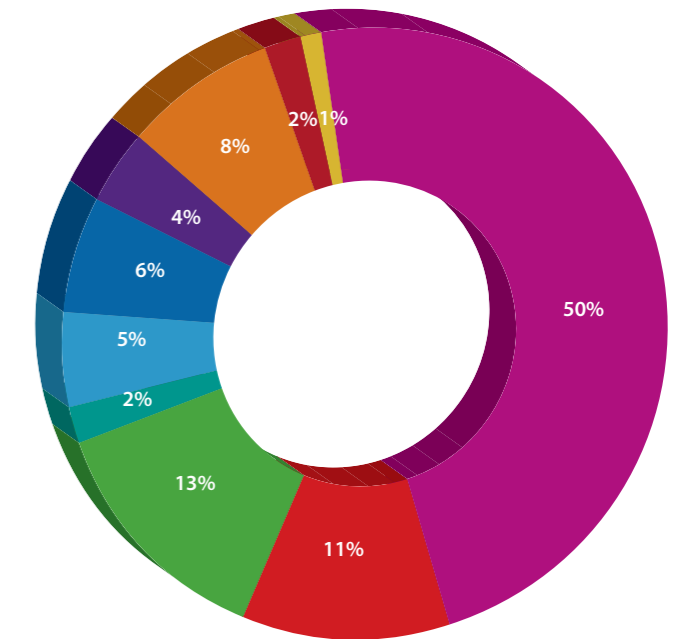
As shown by the pie graph below Journeys (Roothing), Four Waters, Solid Waste and Environmental Services made up 75% of total operating expenditure of the Council. The roading activity on its own, represents 50% (or \$95m) of the total costs.

Council has over \$2.6b invested in assets. These are mainly used to provide essential services to our communities – roads, water, stormwater, wastewater, flood protection, parks, open spaces and community facilities. Council must ensure these assets are

maintained and replaced if necessary, so that the services they provide can continue now and into the future.

The maintenance and depreciation on Councils assets are costly. In 2022/23 depreciation and amortisation charges totalled \$25.9m, this is 14% of our total costs. Repairs and maintenance costs – excluding roading emergency works reinstatement - were \$13.3m, or 7% of our total costs.

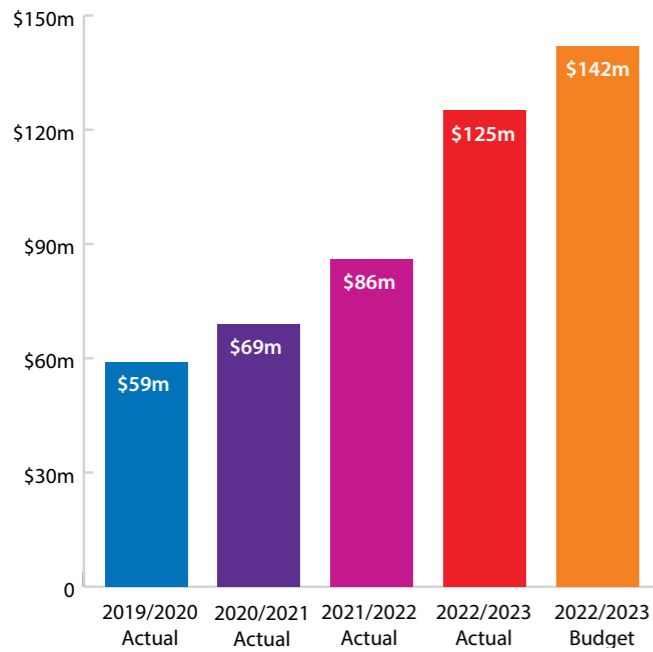
The total cost of all services were \$191m.



- Roads and footpaths - \$94.9m
- Liveable communities - \$20.6m
- Regional leadership and support - \$24.9m
- Land, rivers and coastal - \$3.3m
- Water supply - \$8.7
- Wastewater - \$10.7m
- Solid waste - \$7.3m
- Environmental services and protection - \$14.5m
- Storm water - \$3.3m
- Commercial operations - \$2.4m

Council debt

Council has debt of \$124.8m, \$7.7m lower than the LTP. Lower debt was driven by timing of capital projects and having more cash on hand due to grants being received in advance of the capital programme.

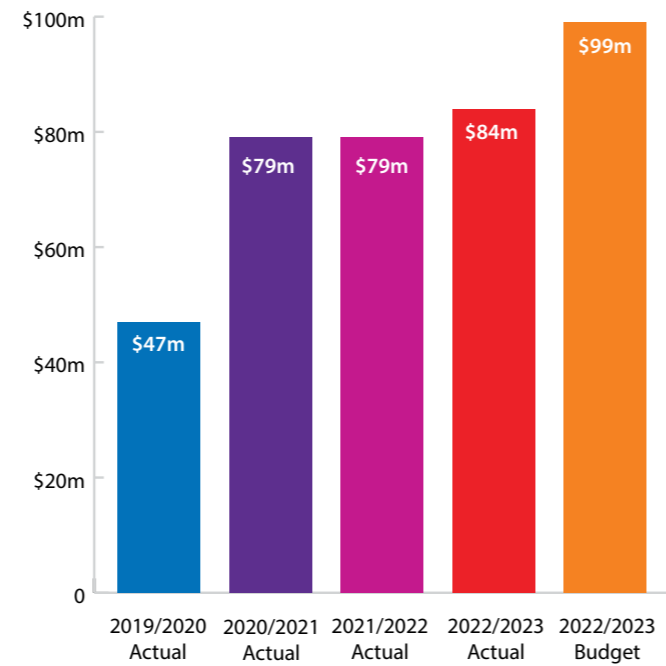


Council capital expenditure

During the year we spent \$83.6m of capital investment on our existing and new assets against the LTP budget of \$99m.

Key highlights included:

- \$15.7m spent on Wastewater Treatment Plant.
- \$19.7m spent on the Kiwa Pools.
- \$19.8m of capital investment spent on our roading network.
- \$4m spent on the Waipaoa flood control project.
- \$2.9m of Cyclone damage reinstatement for the Water mains supply.
- \$1.6m Muriwai Pipeline and reticulation.



Summary statement of comprehensive income

	Council			Group	
	Actuals 2022/23 \$000s	AP 2022/23 \$000s	Actual 2021/22 \$000s	Actual 2022/2023 \$000s	Actual 2021/2022 \$000s
Revenue					
Rates (Including Metered Water Rates)	73,350	73,979	69,387	73,076	69,121
Grants & Subsidies	123,406	57,420	77,468	126,168	77,468
Development Contributions	1,864	1,622	914	1,864	914
Dividends & Interest	1,180	1,600	1,806	1,194	147
Other Revenue	11,971	13,815	11,227	22,035	21,120
Other Gains/(Losses)	(1,415)	(231)	2,473	(3,776)	3,325
Total Revenue	210,355	148,205	163,275	220,562	172,095
Expenses					
Employee Benefit Expenses	28,965	30,672	26,221	31,975	29,270
Depreciation and Amortisation	25,966	24,907	23,226	27,126	24,404
Expenditure on Operating Activities	130,997	61,205	73,182	135,547	76,601
Finance Costs	4,886	4,482	2,050	5,503	2,430
Total Expenditure	190,814	121,266	124,679	200,151	132,705
Net surplus/(Deficit) before Tax	19,541	26,939	38,596	20,411	39,390
Subvention Payment GHL	300	600	200	0	0
Income Tax Expense (Benefit)	0	0	0	421	1,294
Net Surplus/(Deficit) after Tax	19,841	27,539	38,796	19,990	38,096
Other Comprehensive Income					
Gains/(Loss) on Property Revaluations	(151,321)	62,321	335,384	(179,220)	387,555
Impairment	(64,276)	0	0	(64,276)	0
Deferred Tax on Building Revaluations	0	0	0	(832)	(60)
Total Other Comprehensive Income	(215,596)	62,321	335,384	(244,328)	387,495
Total Comprehensive Income	(195,755)	89,860	374,180	(224,338)	425,591

Summary statement of financial position

	Council			Group	
	Actuals	AP	Actual	Actual	Actual
	2022/23	2022/23	2021/22	2022/2023	2021/2022
	\$000s	\$000s	\$000s	\$000s	\$000s
Total Current Assets	78,421	37,681	39,711	80,979	42,393
Total Non-current Assets	2,687,078	2,709,870	2,849,348	2,790,461	2,983,632
Total Assets	2,765,499	2,747,551	2,889,060	2,871,439	3,026,025
Total Current Liabilities	94,172	47,489	59,661	96,111	74,483
Total Non-current Liabilities	112,708	141,717	75,025	128,473	80,346
Total Liabilities	206,880	189,206	134,685	224,584	154,829
Total Equity	2,558,619	2,558,345	2,754,374	2,646,856	2,871,194

Summary statement of changes in equity

	Council			Group	
	Actuals	AP	Actual	Actual	Actual
	2022/23	2022/23	2021/22	2022/2023	2021/2022
	\$000s	\$000s	\$000s	\$000s	\$000s
Equity at the beginning of the year	2,754,374	2,468,485	2,380,194	2,871,194	2,445,604
Total Comprehensive Income	(195,755)	89,860	374,180	(224,338)	425,591
Transfer to Retained Earnings	0	0	0	0	0
Total Changes in Equity	(195,755)	89,860	374,180	(224,338)	425,591
Accumulated Funds and Retained Earnings	534,082	575,479	514,910	539,742	520,421
Special Funds and Reserves	53,188	32,477	52,250	53,188	52,250
Revaluation Reserves	1,971,349	1,950,389	2,187,214	2,053,926	2,298,524
Total Equity Closing Balances	2,558,619	2,558,345	2,754,374	2,646,856	2,871,194

Summary cashflow statement

	Council			Group	
	Actuals	AP	Actual	Actual	Actual
	2022/23	2022/23	2021/22	2022/2023	2021/2022
	\$000s	\$000s	\$000s	\$000s	\$000s
Net Cash from Operating Activities	69,298	52,014	50,901	72,249	50,546
Net Cash from Investing Activities	(87,467)	(98,861)	(79,779)	(85,798)	(75,978)
Net Cash from Financing Activities	39,100	46,848	17,100	34,509	16,103
Net Increase/(Decrease) in Cash	20,931	1	(11,777)	20,960	(9,328)
Cash at the beginning of the year	7,797	19,575	19,575	10,249	19,577
Cash at the end of the year	28,728	19,576	7,797	31,209	10,249

Council's Five Year Financial Performance Summary

	2019	2020	2021	2022	2023
Public Debt (\$000)	58,280	58,600	68,600	85,700	124,800
Net Surplus/(Deficit)	18,280	19,464	44,621	38,796	19,841
Total Comprehensive Revenue and Expenses	78,814	156,377	118,097	374,180	(195,755)
Net debt as a % of equity <10%	2.77%	2.59%	2.88%	3.11%	4.88%
Net interest as a % of income <10%	1.77%	1.47%	1.29%	1.30%	1.75%
Total debt per capita <\$1700	\$1,335	\$1,342	\$1,365	\$1,664	\$2,395
Working Capital (excluding current portion of public debt)	1,093	(1,261)	(3,589)	(4,450)	(751)
TOTAL CAPITAL EXPENDITURE	\$42,830	\$47,427	\$78,603	\$79,010	\$83,562

How do we compare?

	Gisborne 2023	Gisborne 2022	Nelson 2022	Tasman 2022	Marborough 2022
	\$000s	\$000s	\$000s	\$000s	\$000s
Total Operating Income	210,355	163,275	156,967	252,711	208,307
Income from Rates	73,350	69,387	74,123	82,308	75,882
Total Operating Expenditure	190,814	124,679	133,437	160,102	146,277
Total Liabilities	206,880	134,685	190,606	279,322	171,306
Total Assets	2,765,499	2,889,060	2,192,463	2,417,159	2,073,454
External Debt	124,800	85,700	150,650	239,973	137,433

Notes: This summary has been prepared in accordance with PBE Financial Reporting Standard 43: Summary Financial Statements. The disclosures included in this summary have been extracted from the full financial statements in the Annual Report and cannot be expected to provide as complete an understanding as the full report. The full Annual Report adopted by Council on 12 October 2023 has received an unqualified audit opinion. The full Annual Report is available free of charge from Council's website (www.gdc.govt.nz). A copy of the full report is held at the Council offices, Te Puia Springs service centre and the HB Williams Memorial Library. The Council has complied with Tier 1 PBE Standards, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. These standards represent generally accepted accounting practice in New Zealand. They prescribe the way we must recognise and disclose all financial transactions in our financial accounts. A statement of compliance can be found in the full Annual Report on page 142. Gisborne District Council is a unitary authority governed by the Local Government Act 2002. These summary financial statements of the Group are for the year ended 30 June 2023. The summary financial statements were authorised for issue by the Chief Executive on 12 October 2023. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).



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