

# AGENDA



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MEMBERSHIP: Her Worship the Mayor Rehette Stoltz (Chair), Josh Wharehinga (Deputy Chair), Meredith Akuhata-Brown, Bill Burdett, Andy Cranston, Shannon Dowsing, Sandra Faulkner, Larry Foster, Debbie Gregory, Isaac Hughes, Tony Robinson, Pat Seymour, Terry Sheldrake and Kerry Worsnop

## FINANCE & PERFORMANCE

DATE: Wednesday 4 August 2021

TIME: 9:00AM

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

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# Finance & Performance

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

## Purpose

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

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

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

## Terms of Reference

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

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

## **Power to Act**

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

To establish subcommittees, working parties and forums as required.

To appoint non-voting advisory members and/or Tangata Whenua representatives to assist the Committee.

## **Power to Recommend**

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

### 3.1. Confirmation of non-confidential Minutes 27 May 2021

# MINUTES

## Draft & Unconfirmed



P O Box 747, Gisborne, Ph 867 2049 Fax 867 8076  
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## MINUTES of the FINANCE & PERFORMANCE Committee

**Held in Te Ruma Kaunihera (Council Chambers), Awarua, Fitzherbert Street, Gisborne on Thursday 27 May 2021 at 9:00AM.**

### PRESENT:

Her Worship the Mayor Rehette Stoltz, Deputy Mayor Josh Wharehinga, Meredith Akuhata-Brown, Bill Burdett, Andy Cranston, Sandra Faulkner, Larry Foster, Debbie Gregory, Isaac Hughes, Tony Robinson, Pat Seymour, Terry Sheldrake and Kerry Worsnop.

### IN ATTENDANCE:

Chief Executive Nedine Thatcher Swann, Director Lifelines David Wilson, Director Internal Partnerships James Baty, Chief Financial Officer Pauline Foreman, Chief of Strategy & Science Joanna Noble, Revenue Team Leader Fiona Scragg, Democracy & Support Services Manager Heather Kohn and Committee Secretary Coral Dunn.

The meeting commenced with a prayer.

### 1. Apologies

MOVED by Cr Stoltz, seconded by Cr Akuhata-Brown  
That the apologies from Cr Dowsing be sustained.

**CARRIED**

### 2. Declarations of Interest

No interests were declared.

### 3. Confirmation of non-confidential Minutes

#### 3.1 Confirmation of non-confidential Minutes 17 February 2021

MOVED by Cr Seymour, seconded by Cr Wharehinga  
That the Minutes of 17 February 2021 be accepted as amended.

**CARRIED**

### **3.2 Action Sheet**

**Item 4.1:** Report on Waikanae to Waipaoa Cycle Trail work being done on behalf of Trust Tairāwhiti was on track for the due date.

**Item 12.3:** Update on exposed closed landfill at Tokomaru Bay was on track for the due date.

Matters arising from 17.2.21 Minutes:

- Cr Seymour noted that minutes regarding Log Retrieval from the Harbour (10.1.2, page 7, bullet point 4, line 4) varied to that stated by Andrew Gaddum during his Port Development Presentation on 18 February 2021 (Operations Meeting 6.2, page 7, bullet point 16).
- Monitoring of swimming pool fencing technical data (20.4.1, page 11, bullet point 8) yet to be provided to Council.

### **3.3 Governance Work Plan**

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

There were no leaves of absence.

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

There were no acknowledgements or tributes.

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

There were no public input or petitions

#### **7. Extraordinary Business**

There was no extraordinary business.

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

There were no notices of motion.

#### **9. Adjourned Business**

There was no adjourned business.

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

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

###### **10.1.1 21-104 Request to Bring FAR Reserves Forward into 2020/21 Financial Year**

The Committee was advised it was important to use the funding this financial year in order to attract the 88 cents in the dollar from Waka Kotahi otherwise if not used the funding would drop back to 66 cents in the dollar after 30 June 2021.

In response to a question the Committee was advised this money was separate from the Emergency Works Budget as it was unallocated money that had been set aside.

MOVED by Cr Seymour, seconded by Cr Burdett

That the Finance & Performance Committee:

1. Approves bringing forward \$378,000 from the Funding Assisted Rate Reserves allocated to the 2021/22 financial year. This will enable Waka Kotahi funding to be utilised at 88% and allow the works associated with the June 2020 Flood event to be carried out this financial year.

**CARRIED**

### **10.1.2 21-115 2021-2031 Long Term Plan Summary Changes**

Response to questions:

- \$1.8m funding had been confirmed for the 1000 Year Bridge as a reduced scope had been renegotiated with Lotteries.
- \$11m Water Reforms funding was Council money at this stage.
- The term carryovers should be amended to read carryovers/changes.
- The forestry multiplier was the forestry funds under pavement maintenance renewal.
- An update of confirmed grant funding would be provided.
- 99.9% of external funding was from national grants.
- \$500k budget was for the Ruatorea water supply exploratory work.

MOVED by Cr Foster, seconded by Cr Sheldrake

That the Finance & Performance Committee:

1. Approves the proposed changes listed in this report for inclusion in the 2021-2031 Long Term Plan.

**CARRIED**

## **10.2 INFORMATION Reports Finance**

### **10.2.1 21-102 Rates and Sundry Invoice Debt Management Report to 31 March 2021**

Response to questions:

- Rate arrears had to be reviewed annually and banks were notified of outstanding rates.
- Council chose not to pursue mortgagee sales and used Baycorp Debt Collection instead.
- The amount of statute barred rate debt being written off each year was slightly more than \$773k because of interest accumulated on penalty interest.

- Council could use postponed rates as a tool to recover rates but after six years it was difficult to finding landowners. Wherever possible tried to ensure an arrangement was in place.
- Did not have a lot of rates postponements as tend to make payment arrangements which are cleared in a 1-2 year period.
- Anything postponed was still open for collection in that six-year period.
- 1.25% of our rateable income was written off. Tairāwhiti and the Far North had the highest percentage of write-offs.
- Would check and report back on the quantum of solid waste rates overdue.
- \$80k resource consent overdue 90 days related to one disputed consent.
- The Committee would be provided with information about the science around the 90 days.
- Council applied both regulations in relation to Maori owned land and the Remission Policy.
- Reporting back on unpaid rates and options would be put on bring-up.
- Rate remissions would be reviewed for unintended consequences and the development of undeveloped land would be discussed.
- Trusts on Maori land had to pay rates on money generated from the land. If no money was generated did not have to pay rates.
- Rates would be struck on 1 July 2021.

MOVED by Cr Akuhata-Brown, seconded by Cr Robinson

That the Finance & Performance Committee:

1. Notes the contents of this report.

**CARRIED**

### **10.2.2 21-119 Financial Report - 31 March 2021**

Response to questions:

- Information reports this year were impacted by the Long Term Plan (LTP) and hearings.
- Hoped parking policy review would be sooner rather than later and date would be advised.
- Current drilling of bores on private land at Uawa to investigate the water resource had been completed:
  - Two bores had been turned into permanent ground water resource monitoring bores and the others had been capped as nothing had been found.
  - Awaiting resource consent to drill more bores as part of the investigation programme.
  - Would report back with information about commercialisation possibility.



- Early procurement of plant for the Wastewater Treatment Plan stage had occurred and was in transit in Australia. The Wastewater Committee would receive a contracting update.
- Waiting for swells to reduce for the revetment wall contract to be mobilised. Designs were completed and had been awaiting the contractor start date since March.
- While waiting for Paokahu Trust to advise meeting times had continued with monitoring and procuring the required contaminated site expertise.
- \$200k was approved for the new harbourmaster boat and final cost was \$117k.
- Peel Street toilets were in next year's LTP and the Committee would receive a report about the budget details etc.
- It was a good idea to do a 3-year LTP background so when going into next LTP can track that and also give the historical basis of things.
- Council's insurance policy did not cover vandalism of privately owned headstones. The vandalism budget was minimal and reparation, if any, came through the court process.
- Graffiti was an everyday issue and ratepayers had to pay what insurance did not cover.

MOVED by Cr Wharehinga, seconded by Cr Hughes

That the Finance & Performance Committee:

1. Notes the contents of this report.

**CARRIED**

### **10.3 DECISION Reports Performance - Nil**

### **10.4 INFORMATION Reports Performance - Nil**

### **11. Close of Meeting**

There being no further business, the meeting concluded at 9.55am.

Rehette Stoltz

**MAYOR**

### 3.2. Action Sheet

Meeting Date	Item No.	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
11/11/2020	10.2.3	20-332 Quarterly Activity Reporting - Quarter 1 Financial Year 2020/2021	In progress	Provide the Committee with an update on the stalled Memorandum of Understanding due to the separation of Waka Kotahi NZ Transport Agency and Tairāwhiti Roads.	David Wilson		13/07/2021
17/02/2021	10.4.1	211 Quarterly Activity Reporting - Quarter 2 Financial Year 2020-2021	In progress	<p><b>INFRASTRUCTURE - Waikanae to Waipaoa Cycle Trail:</b> Prepare a report for Council around the work Council would undertake on behalf of Trust Tairāwhiti and the work they would complete.</p> <p><b>INFRASTRUCTURE - Public Transport Passenger Numbers:</b> Provide Council with a breakdown of student and public bus passengers numbers.</p> <p><b>INFRASTRUCTURE - PGF Funding:</b> Provide Council with reporting measures regarding PGF spending.</p>	Dave Hadfield, David Wilson	<p><b>21/07/2021 Roimata Sinclair</b></p> <p>A report on 10.4.1 Infrastructure - Waikanae to Waipaoa Cycle Trail will be presented at the next Finance and Performance Committee 15 September 2021.</p>	24/08/2021
27/05/2021	10.2.2	21-119 Financial Report - 31 March 2021	In progress	Provide Councillors with information on the commercialisation possibility with regard to drilling of bores.	Joshua Hovell, Paul Murphy, Tom Porter	<p><b>27/07/2021 Roimata Sinclair</b></p> <p>Internal discussions regarding information on the commercialisation possibilities of drilling bores have commenced.</p>	03/09/2021
27/05/2021	12.1	Additional Action Items	Not yet started	<p><b>Matters Arising - Minutes of 17 February 2021</b></p> <p>Provide Councillors with the technical data arising from the monitoring of swimming pool fencing.</p>	Helen Montgomery, Ian Petty		16/07/2021

### 3.3. Governance Work Plan

<h2 style="text-align: center;">Finance &amp; Performance</h2> <h3 style="text-align: center;">May – Dec 2021</h3> <p style="text-align: center;">Additional meetings or workshops may be scheduled to discuss Council's position on a range of matters as and when required.</p>		
4 August	15 September	10 November
<p><b>INFORMATION</b></p> <ul style="list-style-type: none"> <li>– Financial Report 31 May 2021</li> <li>– Treasury Report 30 June 2021</li> <li>– 1000 Year Bridge Project</li> </ul> <p><b>PUBLIC EXCLUDED</b></p> <ul style="list-style-type: none"> <li>– Gisborne Holdings Limited Property Updates</li> </ul>	<p><b>INFORMATION</b></p> <ul style="list-style-type: none"> <li>– Rates and Sundry Invoice Debt Management Quarterly Report</li> <li>– Rates Remission Report to 30 June</li> <li>– Treasury Report</li> <li>– Waingake Financial Update</li> </ul>	<p><b>INFORMATION</b></p> <ul style="list-style-type: none"> <li>– Rates and Sundry Invoice Debt Management Quarterly Report</li> <li>– Tairāwhiti Museum Annual Report 2020/2021</li> </ul>

## 10.1. INFORMATION Reports Finance



21-160

**Title:** 21-160 Financial Report - 31 May 2021  
**Section:** Finance & Affordability  
**Prepared by:** Melanie Hartung - Finance Manager  
**Meeting Date:** Wednesday 4 August 2021

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Legal: No Financial: Yes Significance: **Low**

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### Report to FINANCE & PERFORMANCE Committee for information

#### PURPOSE

The report covers the Council's financial performance for the period ended 31 May 2021 of the 2020/21 financial year.

#### SUMMARY

The report covers the Council's financial performance for the period ended 31 May 2021. It includes commentary against a year to date (YTD) Annual Plan on the Statement of Comprehensive Revenue and Expenses and Capital Expenditure.

For the eleven months ended 31 May 2021, Council is on par with the Annual Plan. This represents a performance that is tracking to Plan after eliminating accounting gains and variances from unrealised external funding.

The unrealised external funding relates to the Titirangi Summit capital investment project where, at the time of the adoption of the Annual Plan, it was expected to have 100% external funding. As the project has not started it has no adverse impact to Council but, in terms of a variance to the Plan, there is a shortfall of approximately \$700k capital grant revenue.

A summary of the main key financial indicators for 31 May 2021 YTD are:

- A summary of the other main movements are:
  - YTD total revenue being \$156m, \$16.6m above the Annual Plan and is mostly due to higher operational grants than was expected. Operational grant income relates mostly to Waka Kotahi NZ Transport Agency, Tairāwhiti Redeployment Initiative Programme (TRIP) and the Provincial Growth Fund (PGF).
  - The YTD total expenditure is \$112m, \$16.6m above the Annual Plan. Expenditure on operating activities is \$19.1m over budget, which is mainly due to TRIP, emergency works and PGF operational costs. TRIP and PGF operating costs were approved after the adoption of the Annual Plan but the costs have 100% external funding.
  - Capital expenditure for April YTD is \$66m (74%) against the YTD Annual Plan of \$89.7m and includes major projects and the renewal programme. This compares to \$39.8m of capital works completed for the same period last year.

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

## **RECOMMENDATIONS**

**That the Finance & Performance Committee:**

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

*Authorised by:*

**Pauline Foreman - Chief Financial Officer**

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**Keywords:** financial report, annual plan, statement of comprehensive revenue and expenditure, capital expenditure

## **ATTACHMENTS**

1. Attachment 1 - 11 May 2021 Cover summary financials v2 Finance Performance 5 8 21  
[10.1.1.1 - 13 pages]



**Council  
Summary Financial Report**

**May 2021**

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**Statement of Comprehensive Revenue and Expenses**  
**For the Period Ended 31 May 2021**

	Note	YTD Actual \$000s	YTD Budget \$000s	YTD Variance \$000s	Full Year Budget \$000s
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>					
Grants and Subsidies - Operational	1	33,241	14,729	18,511	15,953
Grants, Donations, Subsidies and Contributions - Capital	2	42,493	46,618	(4,125)	50,410
Other Non Exchange Revenue	3	2,993	1,755	1,237	1,824
General Rates And Uniform Annual General Charge		20,338	19,987	351	19,987
Targeted Rates		41,809	41,809	(0)	41,809
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>					
Development and Financial Contributions		870	641	229	699
Other Revenue	4	9,481	9,367	114	10,406
Targeted Water Rates		3,040	2,747	293	2,997
Dividends	5	1,283	1,325	(42)	1,800
Interest Received		91	0	91	0
Other Gains/(Losses) - Profit on Sale of Assets		6	46	(40)	50
<b>Total Revenue</b>		<b>155,645</b>	<b>139,024</b>	<b>16,621</b>	<b>145,934</b>
<b>EXPENSES</b>					
Employee Benefit Expenses	6	22,043	22,721	678	24,786
Expenditure on Operating Activities	7	66,852	47,752	(19,100)	52,080
Depreciation and Amortisation	8	21,359	20,884	(475)	22,782
Financing Costs	9	1,516	3,862	2,346	4,213
<b>Total Expenses</b>		<b>111,769</b>	<b>95,218</b>	<b>(16,551)</b>	<b>103,862</b>
<b>Net Surplus/(Deficit) Before Taxation</b>		<b>43,876</b>	<b>43,806</b>	<b>70</b>	<b>42,072</b>
Gains/(Losses) on Property Revaluation	10	0	0	0	15,882
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES</b>		<b>43,876</b>	<b>43,806</b>	<b>70</b>	<b>57,955</b>
<b>CAPITAL EXPENDITURE</b>	11	<b>66,018</b>	<b>89,669</b>	<b>(23,651)</b>	<b>96,226</b>

**Notes to the Statement of Comprehensive Revenue and Expense****01 Grants and Subsidies – Operational**

The majority of this revenue comes from New Zealand Transport Agency (NZTA), Provisional Growth Fund (PGF) and Tairāwhiti Redeployment Initiative Programme (TRIP). We recover 68% of roading maintenance costs (excluding emergency works) from NZTA. Higher subsidies are received for high impact roading emergency works including 2018 and 2020 flood events and PGF operational works. Higher subsidies are also received for TRIP funding which was granted as a response to COVID-19 to get people within the region back into employment.

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

The capital subsidies received are from NZTA for roading renewals and from PGF for the roading resilience programme.

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

This includes court enforced fees, penalties received and infringements. It also includes gain from fair value interest rates movement of swap financial instruments. The gain in fair value is an accounting recognition and it may or may not eventuate when the swaps are finally realised in the future.

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

Other revenue includes fees and charges such as dog registration fees, rents, parking fees and trade waste charges. As a result of COVID-19 parking fees reduced from \$2 per hour to \$1 per hour and free parking from 3pm-5pm. This initiative ended 27 May 2021, so parking income is forecast to increase.

**05 Dividends**

Subvention payment or dividends are recognised when they are declared or at the end of the financial year once the GHF financial statements are finalized.

**06 Employee Benefit Expenses**

Employee Benefit expenses are favourably under budget due to various vacant positions.

**07 Expenditure on Operating Activities**

Overall expenditure from operating activities is unfavourably over annual plan by \$19.1m, mostly due to TRIP, PGF operational costs and higher roading emergency works. While the TRIP and PGF operational works is not within the Annual Plan (as the funding was approved after the adoption of the Annual Plan), it has nil rate payer impact due to being 100% externally funded.

**08 Depreciation and Amortisation**

The depreciation for the year is based on estimates. Actual depreciation may move slightly after estimated growth movements are calculated for the year.

**09 Financing Costs**

Interest cost is lower than the Annual Plan due to actual interest rates being lower than Annual Plan budgeted interest rate of 5%.

**10 Gains/(Losses) on Property Revaluation**

Full year Annual Plan revaluations relates to infrastructure assets, which are revalued each year and occurs at the end of the financial year. Phasing of the budget reflects this, as there is nil budget recorded under the "YTD Budget" (Year to Date) but the Full Year Annual Budget is \$15.9m.

**Capital Expenditure**

**11** Overall, the financial year capital expenditure is \$66m against \$89.7m budget and includes major projects and renewal programs. This compares to \$39.8m of capital works completed for the same period last year.



Renewals

Total YTD Renewals is \$27m against a YTD budget of \$35m (or 77%). This includes infrastructure renewals:

Roading renewals Annual Plan program 80% - \$22.3m actual against \$28m budget

Wastewater 77% - \$2.3m vs \$3m

Stormwater 11% - \$132k vs \$1.2m\*

Water Supply 80% - \$2.4m vs \$3m

\*Delivery focus for stormwater capital projects YTD has been on the growth/increase level of service projects rather than the smaller renewal projects. \$1.2m renewal full year budget relates to 6 small renewal provisions, the biggest being Stanford Crescent at \$367k. Full details of stormwater programme can be found under “notes to the Statement of Capital Expenditure”.

Other Renewals 54%: \$3.5m vs 6.4m

Other Capital Projects

Other increase in level of service/growth capital expenditure is \$35m against a budget of \$48m.

About half of this expenditure is made up of Roothing PGF and TRIP heavy metaling programme where \$21.1m worth of expenditure has been completed for the eleven months of 2020/2021. Other large projects include the Waste Water Treatment Plant, the Olympic Pool and Waipaoa Stop Banks.

More information regarding each project can be found under “Notes to the Statement of Capital Expenditure” below.



**Statement of Financial Position**  
**As at 31 May 2021**

	Notes	YTD Actual \$000s	Full Year Budget \$000s
<b>CURRENT ASSETS</b>			
Cash & Bank	01	18,406	3,964
Non Exchange Trade and Other Receivables	02	5,134	14,874
Exchange Trade and Other Receivables	03	5,437	8,681
Inventories	04	97	61
Non Current Assets Held for Resale	05	0	684
<b>Total Current Assets</b>		<b>29,074</b>	<b>28,264</b>
<b>CURRENT LIABILITIES</b>			
Deposits Held	06	523	430
Trade and Other Payables	07	16,358	24,137
Employee Benefits and Suspense	08	2,642	1,906
Borrowings	09	0	15,680
Provisions for Other Liabilities	10	94	154
Derivative Financial Instruments	11	1,219	752
<b>Total Current Liabilities</b>		<b>20,836</b>	<b>43,060</b>
<b>Total Net Working Capital</b>		<b>8,238</b>	<b>(14,796)</b>
<b>NON CURRENT ASSETS</b>			
Property Plant and Equipment	12	2,342,478	2,267,668
Intangible Assets	13	5,467	6,531
Biological Assets	14	2,696	5,976
Investments	15	33,890	33,406
<b>Total Non Current Assets</b>		<b>2,384,531</b>	<b>2,313,581</b>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	09	68,600	78,420
Employee Benefit Liabilities	08	176	152
Provisions for Other Liabilities	16	2,893	2,638
Derivative Financial Instruments	11	1,696	3,226
Emissions Trading Scheme	17	1,950	1,542
<b>Total Non Current Liabilities</b>		<b>75,316</b>	<b>85,978</b>
<b>Total Net Funds Employed</b>		<b>2,317,452</b>	<b>2,212,806</b>
<b>EQUITY</b>			
Accumulated Surplus		485,639	510,659
Special Funds	18	43,006	28,233
Revaluation Reserves	19	1,788,807	1,673,914
<b>Total Equity</b>		<b>2,317,452</b>	<b>2,212,806</b>

**Notes to the Statement of Financial Position**

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

## Gisborne District Council

## Statement of Capital Expenditure for the period ended 31 May 2021

Activity	Notes	% Spent			
		May-21 Actuals YTD \$000s	May-21 Budget YTD \$000s	YTD Actuals of YTD Budget %	2020 / 2021 Full Year Budget \$000s
<b>Including Major Projects</b>					
<b>Community Lifelines</b>		<b>59,187</b>	<b>77,494</b>	<b>76%</b>	<b>82,423</b>
Wastewater	01	6,174	13,392	46%	15,431
Stormwater	02	1,895	3,585	53%	3,585
Water Supply	03	2,542	3,122	81%	3,304
Roading	04	43,818	53,866	81%	56,497
Flood Control Schemes	05	3,226	916	352%	916
Wainui Foreduke Protection		-	262		262
Rivers Control & Land Drainage	06	991	1,512	66%	1,512
Facilities & Plant Management	07	522	482	108%	526
Solid Waste	08	13	358	4%	390
CDEM		5	-		-
<b>Environmental Services &amp; Protection</b>		<b>373</b>	<b>423</b>	<b>88%</b>	<b>423</b>
Environmental Health & Risk	09	117	-		-
Parking	10	49	10	466%	10
Water and Coastal Resources	11	207	413	50%	413
<b>Finance &amp; Affordability</b>		<b>195</b>	<b>183</b>	<b>106%</b>	<b>200</b>
Property Management		-	-		-
Community Housing		195	183	106%	200
<b>Internal Partnerships</b>		<b>1,752</b>	<b>2,224</b>	<b>79%</b>	<b>2,401</b>
Information Services	13	1,752	2,224	79%	2,401
Human Resources		-	-		-
<b>Liveable Communities</b>		<b>4,451</b>	<b>9,268</b>	<b>48%</b>	<b>10,694</b>
Land & Soil Resources	14	668	1,148	58%	1,443
Theatres	15	50	-		-
Conveniences	16	69	439	16%	469
Reserves	17	928	2,429	38%	2,962
Cemeteries	18	31	24	131%	26
Community Property Mgmt	19	2,423	4,424	55%	4,935
Arts & Public Places	20	29	29	101%	31
Pool Operations	21	108	484	22%	484
District Library Operations	22	145	290	50%	344
<b>Transformation &amp; Relationships</b>		<b>61</b>	<b>77</b>	<b>79%</b>	<b>84</b>
Environmental Monitoring & Hyd		61	77	79%	84
<b>Grand Total (Including Major Projects)</b>		<b>66,018</b>	<b>89,669</b>	<b>74%</b>	<b>96,226</b>

**Notes to the Statement of Capital Expenditure 31 May 2021****1. Wastewater**

Total Wastewater capital projects for 2020/21 are made up of renewals and the Wastewater Treatment Plant "disinfection" major project.

Wastewater Renewals for the year to date are \$2.3m or 77% against the YTD budget of \$3m. Most of the expenditure incurred to date relates to pipeline renewals delayed from 2019/20 due to material delivery. These works were completed in January 2021. Construction work on the pipeline renewals for 2020/2021 started in February 2021, and is on track to be completed by year end.

The Wastewater Treatment Plant Disinfection Stage has actual spend to date of \$3.7m against the full year budget of \$11.9m. Designs are being finalized and ground works are due to start in early June 2021. Remaining budget from 2021 has been carried over as part of the final 2021-2031 LTP.

**2. Stormwater**

Overall capital spend is \$1.9m against the full year budget of \$3.6m. The capital investment is based on mostly growth/level of service (\$2.4m) with the balance on renewals (\$1.2m or 33%).

Priority has been given to complete the more complex growth/level of service projects for the capital expenditure completed Year to Date. Growth/level of service project is made up of one project (Rutene Road) and renewals is made up of 6 smaller provisions ranging from \$52k to \$367k.

The Rutene Road project is forecasted to complete with savings of \$300k under budget.

Stormwater renewal spend is \$132k YTD. Stanford Crescent Upgrade has the largest of the renewal projects budget (ie \$367k), and it is forecast to be will be completed with savings of \$100k. The relining of existing earthenware pipes began in May and work will carry on in 2022.

**3. Water Supply**

Water supply renewals is \$2.4m or 80% of the \$3m YTD budget. Most of the work completed has been renewals of pipelines. Overall, water supply is expected to be on track at year end.

**4. Roading**

Roading renewals consist of three components, the regular Long Term Plan (LTP) renewals, Provincial Growth Fund (PGF) and Tairāwhiti Redeployment Programme (TRP) projects. Journey's capital budget for the year is \$56.5m. Total project costs YTD is \$43.8m or 81% of \$54m YTD budget.

Priority has been given to the time-sensitive PGF and TRIP projects, largely completed by January 2021. Roading renewal projects started from the third quarter of 2020/21. Currently, costs relating to renewals are \$22.3m or 80% of the \$28m YTD budget.

PGF renewals are \$10.1m vs YTD budget of \$14.9m. At the time of the Annual Plan 2021 was prepared, all PGF projects were budgeted as capital. However, the PGF portfolio is managed as total costs both capital and operational. The \$4.8m variance relates to classification of the operational costs, overall the PGF portfolio is on track and within external funding.

The TRP funded projects have been completed. The heavy metalling renewal project was completed at a cost of \$14.3m, on par with budget and external funds.

## 5. Flood Control Schemes

Actual spend to date is \$3.2m, ahead of the phased YTD budget of \$916k.

The investment is largely for the Waipaoa River Flood Control Scheme. The main construction commenced in October with new funding available. 75% of costs will be covered by external funds provided by central government.

The Wainui Beach to Tuahine access project has not started, no works are expected this financial year.

## 6. Rivers Control and Land Drainage

Tauwhatanui detention dam (total budget of \$955k) and Taruheru/Turanganui River Revetments (total budget \$524k) are the two main projects. Tauwhatanui dam construction started in January 2021, with \$323k spend to date. The surplus funds will be used to replace a failing revetment of around 80m in length. Main works on the revetment project were planned to commence in March to June.

Actual expenditure of \$408k has been spent YTD unbudgeted emergency works at Tokomaru Bay and at Awatere River, sites surrounding the landfill.

## 7. Facilities & Plant Management

Vehicle replacements are slightly over budget with actual YTD cost of \$522k against the full year budget of \$526k. No additional spend is forecasted for the remaining financial year.

## 8. Solid Waste

YTD spend is \$13k against the YTD budget of \$359k. Most of the budget is for the Paokahu Closed Landfill, a full assessment of what is needed for the site is currently under review. Until this is completed, it is unlikely that there will be anymore costs this year.

## 9. Environmental Health & Risk

Actual and final unbudgeted costs of \$117k relates to the new harbour master boat. Approval was given for \$200k for purchase of the boat but it occurred after the Annual Plan 2020/21 final changes.

## 10. Parking

Purchasing of new parking meters occurred in March for \$49k against a budget of \$10k. The 8 new parking meters purchased this year are part of an overall plan to replacing obsolete existing meters. The 2021-2031 LTP has full replacement of parking meters spread over Year 1 and Year 2.

## 11. Water and Coastal Resources

The YTD costs of \$207k versus a YTD budget of \$413k. Most of the budget is for the bore drilling project.

The first phase of the bore drilling project took place in March 2021. Two permanent scientific monitoring bores were made during this phase. These bores are on council owned land.

Information during the first drilling phase identified further potential drilling sites to be explored during a second phase. This second phase was put on hold to allow further investigative work and the participation of mana whenua and community representatives in the identification of the drilling sites. A consent for the drilling of five scientific monitoring bores in the Uawa catchment has been granted. All of the proposed bore sites are on council owned land. The second phase of drilling is scheduled to commence on 16 August 2021 with the project due to be completed by the end of October 2021.

## 12. Community Housing

YTD spend is \$195k versus a fully year of \$200k. Spend is on track as per the program of works. The capital work has focused on Healthy Homes upgrades for ventilation to meet the new government standards.

**13. Information Services**

YTD spend is \$1.8m versus a YTD budget of \$2.2m. The underspend is driven by lower-than-expected resources for Enterprise Solution and Digitisation, and the global semiconductor shortage for IT renewals. A carry-over of \$734k to next financial year was requested to continue the projects to completion.

**14. Land and Soil Resources**

Waingake Restoration actual costs are \$660k against the YTD budget of \$1m. At the time of the adoption of the Annual Plan, costs were estimated on areas that were expected to be harvested. It is expected that by year end \$850k of the \$1.2m full year budget will be needed.

Included within the total Land and Soil Resources budget is \$208k, for land remediation work. While it will be underspent in this area, costs have been incurred under Rivers control (#6).

**15. Theatres**

YTD spend is \$50k versus a nil budget. Capital spend relates mainly to air-conditioning units at Lawson Field Theatre. Some of these overall costs will be funded by the War Memorial Trust.

**16. Conveniences**

Actual spend on renewals across all of Council's conveniences is \$69k versus a YTD budget of \$439k. The underspend relates to the Peel Street toilets project and delays related to the current demand for construction in the region. The earliest work can commence is August/September 2021. A budget of \$366k has been carried over to 2021/22 to complete the project.

**17. Reserves**

YTD spend is \$928k versus a YTD budget of \$2.4m. The main project underspends are the Sportsgrounds Facilities renewals (under \$203k), Street Trees Planting (under \$413k), and Titirangi Summit Te Panuku Tu (under \$653k). The latter is dependent on securing external funds to continue the project. Underspend in the Street Trees project is due to seasonal constraints around planting new trees and \$100k budget has been carried over to 2021/22 so planting can be carried out in the winter months.

Sportsgrounds includes a number of smaller projects, such as the Oval (estimated \$210k), Harry Barker Reserve, and a series of capital renewals. Although this work will continue and expected to be completed by the financial year end, there is a carryover of \$280k to enable further works on the upgrade and renewals of the sportsground facilities for the 2021/22 year.

**18. Cemeteries**

YTD spend is \$31k versus a full year budget of \$24k. This includes capital fencing work, berm repairs and unbudgeted spend on the Heritage Headstone Restoration project.

**19. Community Property Management**

Actual costs are \$2.4m versus a YTD \$4.4m budget. The majority of spend relates to the Olympic Pool Redevelopment project which due to delays around the final design will be carried over to 2021/22.

**20. Arts and Public Places**

YTD spend is \$29k and is on par with budget.

**21. Pool Operations**

Aquatic Facilities Renewals YTD spend is \$108k vs a YTD budget of \$484k. Scope of renewal works were reduced with the pending pool re-development, where the focus was on health and safety outcomes given a less than two years of useful life associated with the remaining assets.

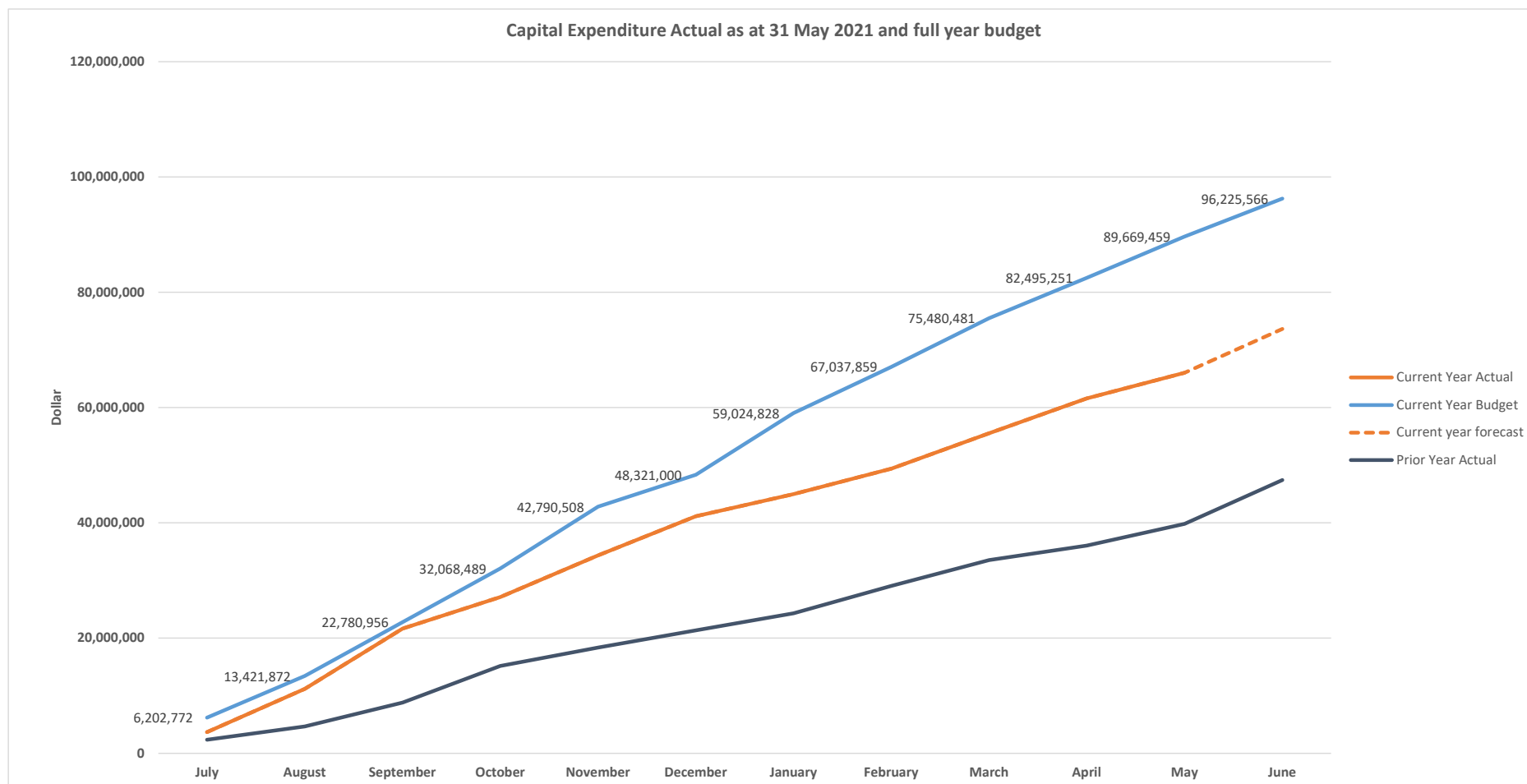
**22. Library Operations**

Capital projects are made up of business as usual collection renewals (\$214k) and renewal of Integrated Library Management System (\$130k). Most of the YTD expenditure spend has been on renewals for the library collection. It is forecast to be close to budget by year end. The Integrated Library System projected is under reviewed, where the existing system will be customised. Total costs are expected to be \$70k and will now occur in 2021/22.

**23. Environmental Monitoring & Hydrology**

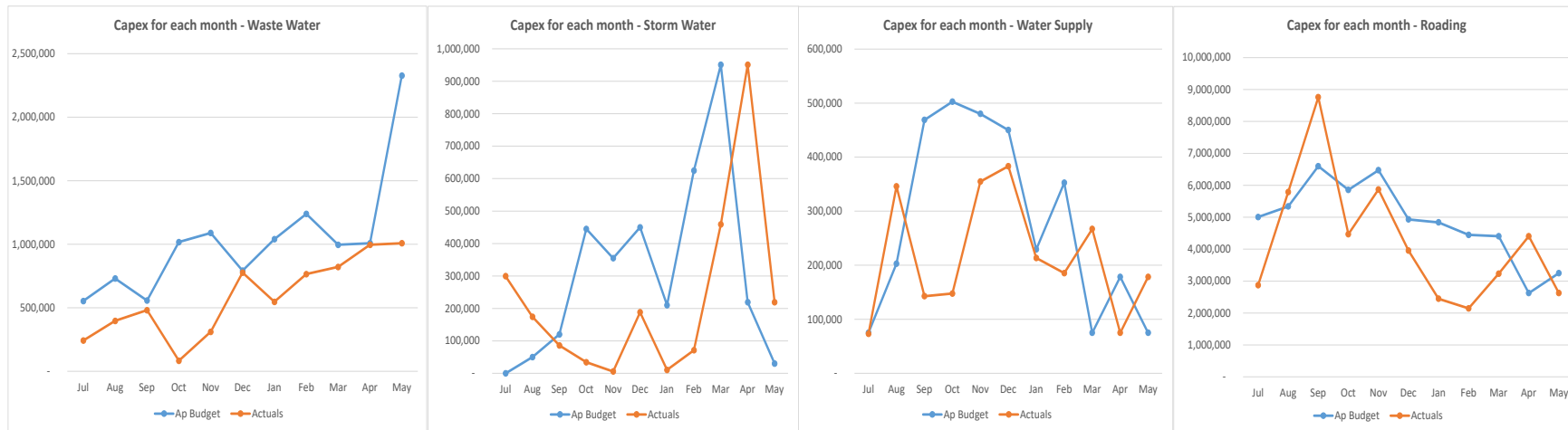
YTD spend is \$61 versus a YTD budget of \$77k and expecting to be on budget at year end.



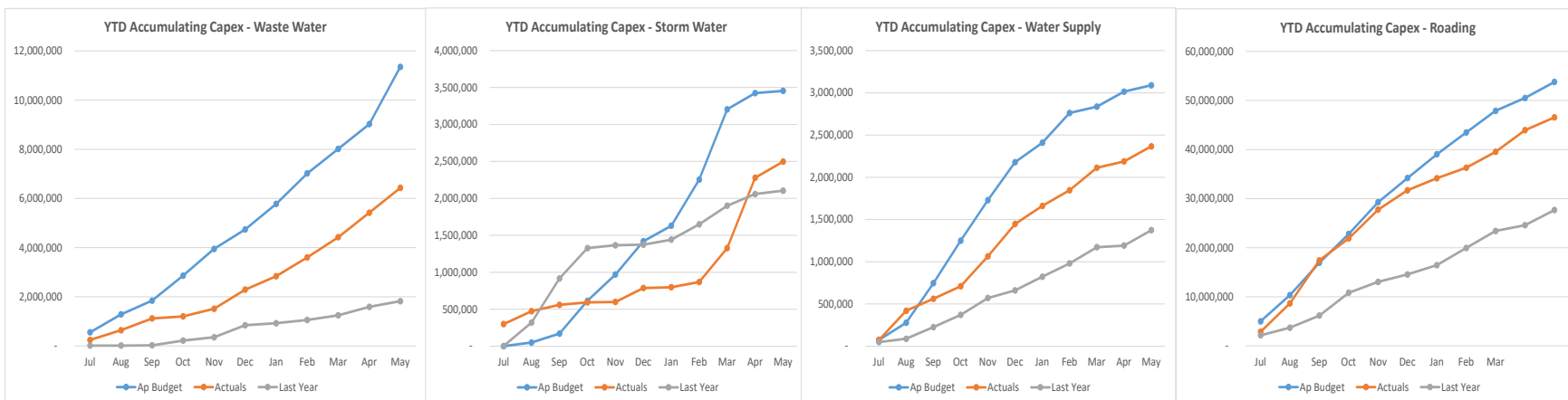


**Gisborne District Council**

**Periodical CAPEX charts for the period ended 31 May 2021**



**YTD Accumulating CAPEX Charts**



**Title:** 21-161 Treasury Report - 30 June 2021  
**Section:** Finance & Affordability  
**Prepared by:** Melanie Hartung - Finance Manager  
**Meeting Date:** Wednesday 4 August 2021

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Legal: No

Financial: Yes

Significance: **Low**

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## Report to FINANCE & PERFORMANCE Committee for information

### PURPOSE

The purpose of this report is to report on the Council's interest rate exposure, debt and cash position as at 30 June 2021 compared to forecasts and policy limits.

### SUMMARY

The Council was compliant with its Treasury Policy as at 30 June 2021.

At 30 June 2021, the Council's external debt was \$68.6m which is lower than the budget of \$94.1m. External debt is lower than planned due mostly to the timing of the Wastewater Treatment Plant, the phased timing of the redevelopment of the Pool, and surplus funds received from the timing of grants.

Interest rate cover is \$42m for the month of June 2021 and the Council also has \$3m of forward start swap in place. This is in line with Council's Treasury Strategy to keep within our minimum fixed/floating interest rate cover. At the end of June 2021, our fixed-rate cover was 55% of our debt forecast (Council policy is 55–90%).

Currently Council has 46% of its debt facilities maturing in 0–3 years (Council policy is 15–60%), 32% in 3–5 years (Council policy is 15–60%), and 22% in 5 years plus (Council policy is 10–40%). Council is looking at opportunities to prefund maturing core debt, and to blend and extend an existing swap to take advantage of current market conditions.

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

### RECOMMENDATIONS

**That the Finance & Performance Committee:**

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

*Authorised by:*

**Pauline Foreman - Chief Financial Officer**

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**Keywords:** treasury report, interest rate exposure, debt and cash position, Tairawhiti redeployment

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## TREASURY REPORT 30 JUNE 2021

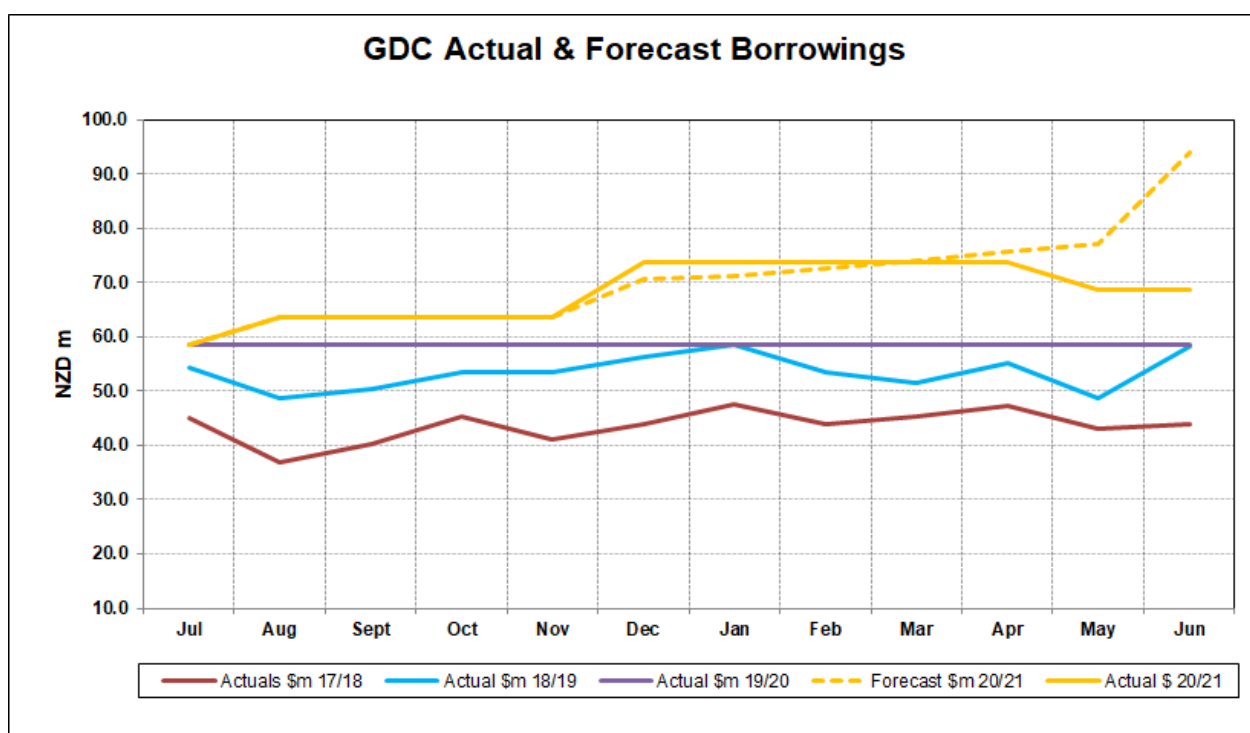
### Detailed Reports

Cash Management (General Funds)				
Deposit/Loan	Rate	S&P Rating	Maturity	Amount \$000s
Westpac Bank Balance - WPB	0.25%	AA-	Current	5,005
Money Market Loan - WPB	0.25%	AA-	Current	6,040
Short Term Deposit - ANZ	0.25%	AA-	Current	8,780
Term Deposit - WPB	1.64%	AA-	May 2021	

### Debt Position

External (Public) Debt	30 June 2021 \$000s	31 December 2020 \$000s
Opening Balance	73,600	73,600
Plus: Long Term Loans Raised	-	-
Less: Long Term Loans Repaid	5,000	-
<b>Plus/(less): Movement in Short Term Loans</b>	-	-
Total External Debt	68,600	73,600

June 2021	December 2020	2020/21 YE Annual Plan	2019/20 YE Actual
\$68.6m	\$73.6m	\$94.1m	\$58.6m



## BACKGROUND

1. Council updated its Treasury Management Policy in July 2019 [Report 19-233]. The policy replaced the previous interest risk management, which had a 12-month debt forecast focus on a 'corridor style' approach. The new policy provides greater certainty over interest rate fluctuations when looking at debt over extended periods.
2. This approach is more flexible and is typically a better fit for councils with increasing debt over longer than a ten year plus time horizon. The new policy now strategically aligns the interest rate risk management framework within the Long-Term Plan (LTP) and associated debt path.
3. PricewaterhouseCoopers (PWC) are engaged by the Council to monitor, review and give advice over the Council's Treasury management. Monthly meetings will assist us to match our treasury strategies' alliance with current market conditions.

## DISCUSSION and OPTIONS

4. At 30 June 2021, Council's external debt was \$68.6m; lower than the budget of \$94.1m. This is mostly due to the timing of the Wastewater Treatment Plant and the phased timing of the redevelopment of the Pool. Receiving some grant funds in advance from Central Government has also mitigated the need to draw down additional debt.
5. Total external debt is \$68.6m. Borrower notes of \$1.2m offset this debt balance which results in a debt level of \$67.4m.
6. In the Local Government Funding Agency (LGFA) August tender, Council prefunded the \$5m repayment of the LGFA loan maturing in May 2021 (core debt). This was to mitigate any repricing risks and the \$5m is held in term deposit until needed in May. This loan has now been repaid resulting in lower debt.
7. As part of the response to COVID-19 a \$23.7m package was announced for the Tairāwhiti Redeployment Initiative Programme. The programme encompasses five key projects and aims to provide work and training to help get people in the region redeployed and back in paid employment. As at 30 June all funds have been fully utilised.
8. The table below shows the Council's Loan Funding Facilities:

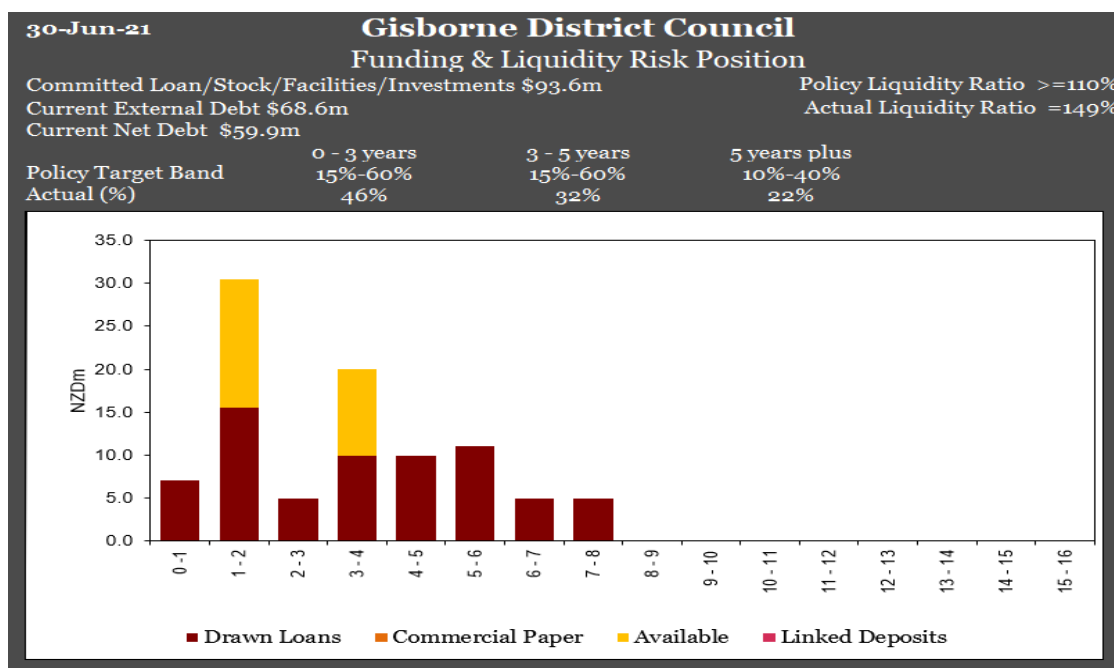
**Table 1 - Loan Funding Facilities as at 30 June 2021**

Bank		This Month \$m	Available Facility \$m	Unutilised Facility \$m
ANZ (Bank Facility)		-	15.0	15.0
WPB (Bank Facility)		-	10.0	10.0
LGFA (Debenture Stock)		68.6	68.6	0.0
LGFA Borrower Notes		(1.2))	-	0.0
<b>Total Debt</b>	<b>A</b>	<b>67.4</b>	<b>93.6</b>	<b>25.0</b>
Short Term Deposit	<b>B</b>	(8.7)	-	-
<b>Total Debt less short-term deposit</b>	<b>A - B</b>	<b>58.7</b>	<b>93.6</b>	<b>25.0</b>

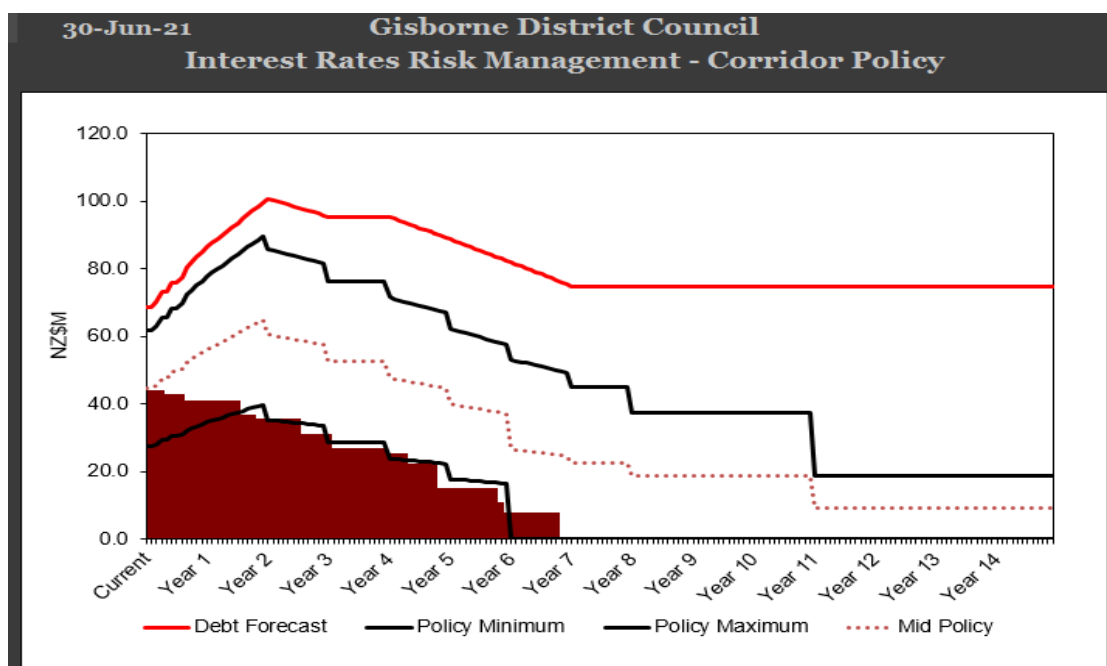
9. The following graph and table show the Council's current debt maturity profile:

**Table 2 - Council's current debt maturity profile**

Maturity Profile	Borrowing \$m	Borrowing	Facilities \$m	Facilities (Excluding Deposits)	Policy	Compliance
0 – 3 years	27.6	40%	42.6	46%	15–60%	Yes
3 – 5 years	20.0	29%	30.0	32%	15–60%	Yes
5+ years	21.0	31%	21.0	22%	10–40%	Yes
<b>Total</b>	<b>68.6</b>	<b>100%</b>	<b>93.6</b>	<b>100%</b>		



10. The following graph and table show the Council's Interest Rate Risk Policy:

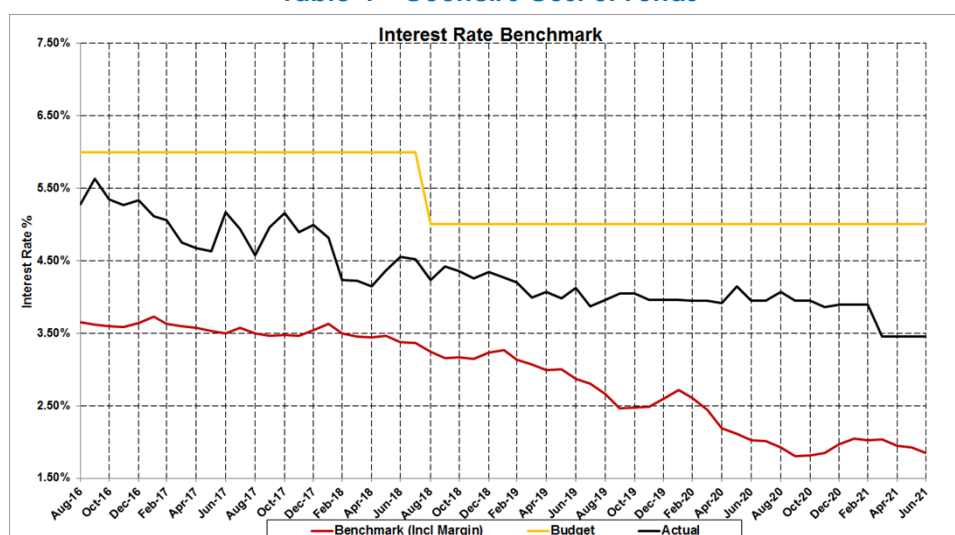


**Table 3 - Council's Interest Rate Risk Policy**

Debt Period Ending	Minimum %	Maximum %	Actual	Compliant (Y/N)
Current	40%	90%	64%	Yes
Year 1	40%	90%	47%	Yes
Year 2	35%	85%	35%	Yes
Year 3	30%	80%	32%	Yes
Year 4	25%	75%	27%	Yes
Year 5	30%	70%	41%	Yes
Year 6	0%	65%	10%	Yes
Year 7	0%	60%	0%	Yes
Year 8	0%	50%	0%	Yes
Year 9	0%	50%	0%	Yes
Year 10	0%	50%	0%	Yes
Year 11	0%	25%	0%	Yes
Year 12	0%	25%	0%	Yes
Year 13	0%	25%	0%	Yes
Year 14	0%	25%	0%	Yes
Year 15	0%	25%	0%	Yes

- Council currently has \$42m of interest rate cover in place, along with forward start swaps of \$3m.
- The Council is currently looking to blend and extend an existing swap to take advantage of the lower rates currently on offer. The Council will continue to look for opportunities to blend and extend existing swaps or enter forward start swaps to further reduce the cost of debt.

**Table 4 – Council's Cost of Funds**



- The above graph shows the actual weighted average cost of funds for June at 3.29%, which is higher than the 1.87% benchmark rate but below the budget rate of 5%. An interest rate of 5% was used throughout the 2018–2028 Long Term Plan (LTP). The forecast rate used within the 2021–2031 Long Term Plan was assumed to be 3.4%.

14. The Budget (yellow line) is the interest rate used in the 2020/21 budget, based on a set of assumptions around debt levels, capital spends, income and expected Official Cash Rate (OCR) changes.
15. The Benchmark (red line) refers to a basket of interest rate swaps, Council uses to benchmark against, assuming no interest management in place.
16. The Actual (black line) is the weighted average cost of the Council's debt – including bank margins, interest rate swaps and line fees. The actual line fluctuates based on the debt levels and short-term cash requirements.

## Interest Costs

**Table 5 – Council's interest costs**

	YTD Actual June 2021 \$000	YE Budget June 2021 \$000	YTD Actual June 2020 \$000
Interest Cost	1,923	4,213	1,982
Fair Value of Swaps	(2,734)		(5,248)

17. The fair value of swaps is the bank's current market pricing (as at 30 June 2021) of the difference between the 90-day swap rates and the fixed rate of the swap for the duration of the swap. The bracketed amount is the estimated paper value liability, recognised under New Zealand accounting rules. The Council pays no actual cash for the change in the fair value of its swaps, however the movement is recognised in the Council's Statement of Financial Performance (an increase in fair value resulting in a loss and a decrease resulting in a gain).

## Counterparty Credit Risk

18. Policy Credit Limit (NZ\$) per New Zealand Registered bank for interest rate risk management instruments only. All counterparty banks are Standard & Poor's AA-rated.

**Table 6 – Council's counterparty credit risk**

Bank	Notional \$m	Credit Exposure \$m	Compliance
ANZ	35.6	3.98	Within Policy
WBC	0	0.00	Within Policy

**Table 7 - Borrowing Limit Compliance as at 30 June 2021 \***

Ratio/Covenant	Policy Compliance	Net Debt
Net debt as a % of income =<100%	✓	47%
Net interest as a % of income <10%	✓	1%
Total debt per capita <\$2,500	✓	\$1,429
Net external debt per rateable unit <\$4,700	✓	\$3,197
Net interest as a % of rates income <15%	✓	3%
Liquidity over existing external debt >= 110%	✓	149%

\* End of financial is still being finalised therefore these figures are likely to change, however we do not expect it to be significant.



## ASSESSMENT of SIGNIFICANCE

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

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

Inconsistency with Council's current strategy and policy

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

The effects on individuals or specific communities

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

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

## 10.2. INFORMATION Reports Performance



21-159

**Title:** 21-159 1000 Year Walkway Bridge Project  
**Section:** Community Lifelines  
**Prepared by:** Wiremu Tamati – Assets and Resources Manager  
**Meeting Date:** Wednesday 4 August 2021

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Legal: No Financial: Yes Significance: **Low**

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### Report to FINANCE & PERFORMANCE Committee for information

#### PURPOSE

The purpose of this report is to update the Committee on the progress of the project and expenditure to date.

#### SUMMARY

The 1000 Year Walkway bridge contract was signed by Currie Construction (2012) Ltd and Gisborne District Council on 16 July 2021. Construction is likely to commence in the second quarter of this year and much of the bridge will be made off-site. Council has secured \$1.75m in external funding from Lottery Significant Projects Fund Grant and Currie Construction have agreed to a design-build contract for the delivery of the bridge. A new project manager and contract engineer from the Lifelines Hub have been appointed to oversee the delivery of this project.

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

#### RECOMMENDATIONS

**That the Finance & Performance Committee:**

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

*Authorised by:*

**David Wilson - Director Lifelines**

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**Keywords:** 1000 Year Bridge, Walkway, Puhi Kai Iti, Cook Landing Site

## BACKGROUND

1. The Puhi Kai Iti/Cook Landing Site is a joint project with Ngati Oneone and the Department of Conservation (DOC) that includes redevelopment of:
  - Puhi Kai Iti/Cook Landing Site.
  - 1000 Year Walkway bridge connecting the site to Titirangi.
  - Ruatanuika Lookout and Te Maro sculpture.
  - Redevelopment of the Puhi Kai Iti/Cook Landing Site was fully externally funded by the Department of Conservation and PGF for a total of \$2.26m. A further \$3.07m grant from the Lottery Significant Projects Fund was secured in 2018 to construct Te Maro, Ruatanuika Lookout (\$389k) and the 1000 Year Walkway bridge (\$2.68m).
  - Construction of the Puhi Kai Iti/Cook Landing Site upgrades and Te Maro were completed in time for the October Tuia 250 commemorations.
  - Minor enhancements at Puhi Kai Iti and the installation of a viewing deck at Ruatanuika are still to be completed.
  - The 1000 Year Walkway (connecting the site to Titirangi) is the final component of the project to be built.
  - Steel purchased for the walkway: Council has incurred a total cost of \$756k associated with purchase and storage of the walkway bridge steel, design, engineering, project management and resource consents. Staff will endeavour to utilise as much of this steel for the new linear walkway bridge.

## ASSESSMENT of SIGNIFICANCE

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

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

Inconsistency with Council's current strategy and policy

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

The effects on individuals or specific communities

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Medium Significance

**This Report:** Low Significance

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

## TANGATA WHENUA/MĀORI ENGAGEMENT

- Extensive engagement with mana whenua has occurred over the planning of this project. Ngati Oneone is an integral partner on this project, and they have provided significant input into the design of this walkway bridge and the artwork that will shape the structure.

## COMMUNITY ENGAGEMENT

- As part of the Navigations Programme that was aligned with the Tuia 250 celebrations, this project has been part of the Navigations community engagement strategy and the communications operation. Staff have also answered various queries from members of the public in relation to the delivery of the walkway bridge.

## CLIMATE CHANGE – Impacts / Implications

- No negative effects on climate change are expected as a result of this project.

## CONSIDERATIONS

### Financial/Budget

- A further amount of funding will be sought to assist with the artwork on the walkway bridge and a function lighting scheme that will accentuate the project at night. Joint applications to external funders will be lodged in August to also cover the Te Maro viewing platform project. These are the last remaining projects to the Navigations Programme.
- Expenditure incurred to date which includes the Te Maro Project. A further breakdown will be tabled.

Date	Expenditure	Comments
Jan 2017-Jun 2021	\$1,286,262.70	Includes Navigation programme work
Jun 2020-Jun 2021	\$18,592.96	Project Management fees inclusive
Jul 2021-Jun 2022	\$1,750,000.00	TBC, forecasting for the artwork and Te Maro platform not included, walkway bridge work only

## POLICY and PLANNING IMPLICATIONS

- No negative policy and planning implications are expected.

## RISKS

- No major risks associated with the project at this stage of planning.

## NEXT STEPS

Date	Action/Milestone	Comments
September 2021 TBC	Contractor to confirm start date	
October 2021 TBC	Bridge components built off site	
November 2021 TBC	Components driven to site	Contractor only requires about four weeks on site to fix pieces into place.

## 11. Public Excluded Business

### RESOLUTION TO EXCLUDE THE PUBLIC

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

That:

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

#### Public Excluded Business

Item 11.1 21-163 Gisborne Holdings Limited Property updates

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

	7(2)(b)(i)	Protect information where the making available of the information would disclose a trade secret.
Item 11.1	7(2)(j)	Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).