

# AGENDA/KAUPAPA



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MEMBERSHIP: Her Worship the Mayor Rehette Stoltz, Deputy Mayor Josh Wharehinga, Colin Alder, Andy Cranston, Larry Foster, Debbie Gregory, Ani Pahuru-Huriwai, Rawinia Parata, Aubrey Ria, Tony Robinson, Rob Telfer, Teddy Thompson, Rhonda Tibble and Nick Tupara

## COUNCIL/TE KAUNIHERA

DATE: Wednesday 28 June 2023

TIME: 9:00AM

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

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# Council

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<b>Chairperson:</b>	Mayor Rehette Stoltz
<b>Deputy Chairperson:</b>	Deputy Mayor Josh 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 number is uneven
<b>Meeting Frequency:</b>	Six weekly (or as required)

## Terms of Reference:

The Council's terms of reference include the following powers which have not been delegated to committees, subcommittees, officers or any other subordinate decision-making body, and any other powers that are not legally able to be delegated:

1. The power to make a rate.
2. The power to make a bylaw.
3. The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
4. The power to adopt a Long Term Plan, Annual Plan, or Annual Report.
5. The power to appoint a Chief Executive.
6. The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan or developed for the purpose of the Local Governance Statement.
7. The power to adopt a remuneration and employment policy.
8. Committee Terms of Reference and Delegations for the 2019–2022 Triennium.
9. The power to approve or amend the Council's Standing Orders.
10. The power to approve or amend the Code of Conduct for elected members.
11. The power to appoint and discharge members of Committees.
12. The power to establish a joint committee with another local authority or other public body.
13. The power to make the final decision on a recommendation from the Ombudsman where it is proposed that Council not accept the recommendation.
14. The power to make any resolutions that must be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer.
15. Consider any matters referred to it from any of the Committees.
16. Authorise all expenditure not delegated to staff or other Committees.

Council's terms of reference also includes oversight of the organisation's compliance with health and safety obligations under the Health and Safety at Work Act 2015.

Note: For 1-7 see clause 32(1) Schedule 7 Local Government Act 2002 and for 8-13 see clauses 15, 27, 30 Schedule 7 of Local Government Act 2002

### 3.1. Confirmation of non-confidential Minutes 18 May 2023

# MINUTES

## Draft & Unconfirmed



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## MINUTES of the GISBORNE DISTRICT COUNCIL/TE KAUNIHERA

Held in Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne on Thursday 18 May 2023 at 9:00AM.

### PRESENT:

Deputy Mayor Josh Wharehinga, Colin Alder, Larry Foster, Debbie Gregory, Ani Pahuru-Huriwai, Rawinia Parata, Aubrey Ria, Tony Robinson, Rob Telfer, Daniel Thompson, Rhonda Tibble and Nick Tupara.

### IN ATTENDANCE:

Director Lifelines David Wilson, Director Internal Partnerships James Baty, Director Liveable Communities Michele Frey, Chief Financial Officer Pauline Foreman, Chief of Strategy & Science Jo Noble, Democracy & Support Services Manager Heather Kohn and Committee Secretary Jess Taylor.

The meeting commenced with a karakia.

### 1. Apologies

MOVED by Cr Pahuru-Huriwai, seconded by Cr Robinson

That the apologies from Cr Parata and Cr Tupara (for lateness) and Cr Stoltz, Cr Cranston be sustained.

**CARRIED**

### 2. Declarations of Interest

There were no interests declared.

### 3. Confirmation of non-confidential Minutes

#### 3.1 Confirmation of non-confidential Minutes 30 March 2023

MOVED by Cr Robinson, seconded by Cr Ria

That the Minutes of 30 March 2023 be accepted.

**CARRIED**



### **3.2 Action Sheet**

Noted.

### **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**

Terry Loomis, Renee Raroa and Manu Caddie to present to Decision Report **23-102**.

### **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 for DECISION**

### **10.1 23-102 A Deliberative Democracy Approach to Tairāwhiti Climate Change Adaptation Planning**

**Secretarial Note:** Cr Tupara arrived at 09:15.

**Secretarial Note:** Cr Parata arrived at 0930.

- Intention is to focus on recovery activities and adaptation planning, not on the evaluation, initiatives or projects of recovery.
- It is not a formal evaluation of the Recovery Process, the purpose of it is to inform the Recovery Process.
- Te Weu are going to seek advice from and bring in experts (Statisticians and Polling Experts) to help with the random selection of citizens.
- Randomly selected citizens will be getting paid like a court-jury.
- Te Weu will come back to Council with more information around the needs from the Councillors for the designated representatives.
- Recommendation to consider a change to the name from "Citizens Assembly" to "Kāhui - a gathering, collective, in a space of sharing."
- Went with the institution AUT as they have most recently done research on this specific topic however happy to get any guidance from the institutions in the region.
- It was suggested having a peer reviewer from Te Tairāwhiti, Linda Smith.

MOVED by Cr Robinson, seconded by Cr Tibble that the recommendation be amended as follows:

That the Council/Te Kaunihera:

1. Notes, in particular the purpose, design and intended outcomes of the deliberative democracy climate adaptation research project being led by Te Weu Charitable Trust in cooperation with the Council.
2. Agrees to designate representatives to attend the citizen assembly; and
3. Agrees to recognize and provide for the recommendations of the assembly in progressing future regional adaptation and transition planning and actions.

**CARRIED**

### **10.2. 23-112 Providing Direction on Developing the National Planning Framework for Council**

- Councillors expressed concern of the one size fits all take in the framework, as what may help the rivers down south may not be the solution here in Tairāwhiti.
- Cr Tupara suggested he's happy to assist with defining the cultural heritage values for Māori in Te Tairāwhiti as archaeologically Māori has the highest representation.

MOVED by Cr Ria, seconded by Cr Gregory

That the Council/Te Kaunihera:

1. Provides direction on how to respond to the National Planning Framework document.  
For example:
  - a) Which matters are of most importance – where should we focus our efforts?
  - b) Any matters of immediate concern
  - c) Any matters that require clarification
  - d) What is missing?

**CARRIED**

### **10.3 23-106 Local Governance Statement - Local Government Act 2002**

- Cr Robinson is wondering why the Local Governance Statement doesn't expressly recognize Sections 4, 77 and 81 in the LGA as it expresses Section 95E of the RMA in the Statutory Acknowledgements on page 91, which are Māori specific empowerment and enabling clauses.
- Document will not be binding in regard to the Code of Conduct as there is still a conversation to be had with Council members and staff to update this.
- On page 84, number of iwi in Te Tairāwhiti has been amended from four to five.
- Cr Tupara suggests that on page 89 that the term iwi be changed to a word that better reflects community.
- Suggestion that there's artist acknowledgement, particularly on page 93.

MOVED by Cr Robinson, seconded by Cr Parata

That the Council/Te Kaunihera:

1. Approves the Local Governance Statement 2023 subject to changes agreed at the Council meeting 18 May 2023.

**CARRIED**

## **11. Reports of the Chief Executive and Staff for INFORMATION**

### **11.1 23-98 2022 Triennial Elections**

MOVED by Cr Gregory, seconded by Cr Ria

That the Council/Te Kaunihera:

1. Notes the contents of this report.

**CARRIED**

### **11.2 23-113 Three Waters Reforms Reset**

- The Bill is to be released on 30th of June, this is the last day Cabinet can approve submissions and there will be a Short Select Committee submission process once the Bill is released.
- Staff are unsure if they can get the draft submission in front of the Councillors before closing 31 August as there are not many opportunities between the timeframes.
- Staff unfortunately doesn't have a lot of answers to the questions being asked as they're still waiting for the legislation to drop, once it has, they're happy to convene a meeting with Councillors to talk through that.
- Impact assessments will be done which is our own modelling of the costs.
- Councillors are hōha with the little information the government has given on the Three Waters Reform.

MOVED by Cr Robinson, seconded by Cr Foster

That the Council/Te Kaunihera:

1. Notes the contents of this report.

**CARRIED**

## **12. Close of Meeting**

There being no further business, the meeting concluded at 11:42am.

Rehette Stoltz

**CHAIR**

### 3.2. Action Sheet

Meeting Date	Item No.	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
02/03/23	9.3	23-37 Health and Safety Governance Charter	In progress	Consideration to be given to cultural safety along with a connection linking back to tikanga and values.	Heather Kohn	<b>03/05/2023 Heather Kohn</b> Research underway on how other Councils address safety at Governance level.	05/07/23
30/03/23	11.3	23-11 Chief Executive Activity Report March 2023	In progress	Staff to prepare a report to Council relating to the Joint Management Agreement and the Waiapu Koka Huhua Partnerships and in particular outlining background information.	Michele Frey		18/07/23
30/03/23	13.2	Additional Action Items	In progress	<b>Report 23-11 Chief Executive's Activity Report</b> Staff to prepare a report to Council regarding reprioritising projects relating to the Better Off Funding.	Kelly Scott-Haenga		18/07/23

## 10. Reports of the Chief Executive and Staff for DECISION



23-109

**Title:** 23-109 2023/24 Annual Plan  
**Section:** Finance & Affordability  
**Prepared by:** Ally Campbell - Executive Policy Advisor  
**Meeting Date:** Wednesday 28 June 2023

Legal: No

Financial: Yes

Significance: **Medium**

### Report to COUNCIL/TE KAUNIHERA for decision

#### PURPOSE - TE TAKE

The purpose of this report is to present the 2023/24 Annual Plan (AP) for adoption (**Attachment 1**).

#### SUMMARY - HE WHAKARĀPOPOTOTANGA

The AP is an opportunity to present the proposed annual budget and capital works programme for the upcoming financial year. The AP identifies any changes to Council's plans for the year in comparison to those established in the 2021-2031 Long Term Plan (LTP). This AP covers the third year of our LTP.

We know that after the impacts of Cyclone Gabrielle next year's Annual Plan is very different. The 2023/24 AP is framed around delivering essential recovery and resilience work in the wake of the cyclones, whilst maintaining core services and delivering capital investment projects that Council committed to in the LTP.

Council adopted the 2023/24 AP Consultation Document on 1 June 2023 at the Sustainable Tairāwhiti Committee meeting (report **23-108**). Consultation occurred from 2 June to 16 June 2023, a shortened consultation period as allowed under the Severe Weather Emergency Recovery Legislation Act 2023 (the SWERL Act). We asked for feedback from the community on what they would like Council to consider as part of this Annual Plan.

A total of **15** submissions were received. The main themes were:

- Alternative transport options.
- A local economy.
- Environmental sustainability and resilience.
- Regional equity and fairness.
- Community involvement and empowerment.

The full submissions are shown in **Attachment 2**.

The Annual Plan is a short-term focus. It allows us to do what we need to do, while starting to plan for where we want to be. From July 2023, we will be starting comprehensive engagement and consultation on our medium-term outlook, with the three year recovery plan 2024-2027.

AP 2023/24 focusses on two core areas:

- Recovery works
- Achieving year 3 LTP deliverables

### **Recovery Focus Workstreams**

- A Recovery Coordination Centre has been set up to ensure a co-ordinated, collaborative programme of work to bring about immediate, medium, and long-term recovery for Tairāwhiti.
- Road Reinstatement – provision of \$65m for roading emergency works as a result of Cyclone Gabrielle.
- Woody Debris removal - \$26.4m for processing and disposal of sediment and debris and a further \$6.9m to help commercial businesses clean land and return to profit.
- Forestry Taskforce - to identify locations where there is forestry slash, debris and felled trees that could be mobilised in storm events and/or as a result of landslides.
- Growing the Land Management Team enabled by external funding - to support more informed freshwater plans, and to understand the long term impacts of increased rainfall events across Tairāwhiti.

### **Key Committed LTP Deliverables and Outcomes**

- The first year of operations for the:
  - i. Kiwa Pools – our modern multipurpose pool facility.
  - ii. Wastewater Treatment Plant upgrade – improving the water quality in Tūranganui-a-Kiwa Poverty Bay.
- Township Upgrades – Te Puia Springs, Waipiro Bay and Te Karaka.
- Continued focus on our building blocks such as regional plans, climate change, the environment, and working with our partners, Tangata Whenua and our communities, to deliver and get to where we need to be for the future.
- Continue to focus on our infrastructure, noting that it makes up the bulk of the capital program.

### **Financial Measures, Estimates and Key Considerations**

The key Financial Strategy measures remain consistent with the 2021-2031 LTP and mostly unchanged from Year 3 of the LTP:

- Total rates revenue increases over the previous year) is 6.5%<sup>1</sup> (LTP Year 3 - 5.8%).
- External debt of \$148m (LTP Year 3 - \$142m).
- External debt to revenue 122% of the Financial Strategy 130% threshold.
- Capital Expenditure Programme of \$70.2m<sup>2</sup> (LTP Year 3 \$39.4m).

While overall rates are within the Financial Strategy rates cap of 6.5%, there have been significant increases in interest rates, depreciation costs and insurance. The combined increase far exceeds the rates cap. The approach taken with the AP was to find a balance between increasing rates to meet our budget requirements while balancing the impacts to the ratepayer.

Council must consider the balanced budget requirement under the Local Government Act 2002 (LGA), where revenue should match its forecast operating expenditure. Council also has a general requirement to manage financial matters prudently, efficiently, and effectively, but also in a manner that promotes the current and future interest of the community.

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<sup>1</sup> Excluding Growth – such as new subdivisions - 0.57%

<sup>2</sup> The difference between AP and LTP, due mostly to Carryover projects \$20.6m and new externally funded projects.

In the AP estimates Council will be proposing to budget for an overall accounting surplus, as a result of capital grants/subsidies. However, while Council will have an overall accounting surplus, some activities will have deficits, as they will be either loan funded, or reserve funded.

Following the adoption of the Annual Plan, Councillors will be asked to 'set the rates' for the 2023/24 year in report **23-130** "Settling of Rates, Due Dates and Penalties for 2023/24".

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

## **RECOMMENDATIONS - NGĀ TŪTOHUNGA**

**That the Council/Te Kaunihera:**

- 1. Adopts the Gisborne District Council 2023/24 Annual Plan (Attachment 1) - subject to any minor changes (including formatting) or external legal changes.**
- 2. Approves the Capital Investment Programme for 2023/24 amounting to \$70.2 million:**
  - a) Noting that a total of \$26.4 million has been included within the operational cost for the clean up of woody debris and silt.**
  - b) Agrees that the expenditure noted under 2(b) of \$26.4m, may be used towards capital expenditure once the best use of the funds have been determined.**
- 3. Agrees that it is financially prudent to budget for an accounting surplus in the Annual Plan 2023/24.**
- 4. Agrees while noting the overall accounting surplus as set out in 3 above, that some activities will have an accounting deficit funded by loans or reserves. With having specific regards to:**
  - a) Agrees to rate fund the three waters depreciation expense based on the need to meet renewals capital programme, ensuring that the three waters renewals remain fully funded while mitigating the impact of depreciation expense on 2023/24 rates.**
  - b) Agrees to rate interest costs based on LTP levels with additional rates collected up to \$250k, and the balance of interest rate costs funded from special reserves and Wastewater (Three Waters) Reserve.**
  - c) Notes that most of the higher interest rates arise from meeting Council's significant infrastructure investment in Wastewater.**
  - d) Notes that the change approach in funding for depreciation and interest would otherwise result in operating costs exceeding the operating budget.**
  - e) Notes that under this approach, Council will have a balanced budget in 2026/27 and considers this approach to be financially prudent for the reasons outlined in this report.**

*Authorised by:*

**Pauline Foreman - Chief Financial Officer**

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**Keywords:** Annual Plan 2023/24, Long Term Plan, Consultation, Recovery

## **BACKGROUND - HE WHAKAMĀRAMA**

1. Under Section 95 of the Local Government Act (GGA) 2002, Council is required to adopt an Annual Plan (AP) in the second and third year of the LTP.
2. Under Section 82 of the LGA, consultation on the AP is only required if the Plan includes significant or material changes to the Long Term Plan (LTP).
3. Report **[23-10]** on the Draft Annual Plan at the Finance & Performance Committee on 23 March 2023 provided the draft financial estimates and outlined the proposed approach for the delivery of the Annual Plan. At the time, changes from what was in Year 3 of the 2021-2031 LTP were not significant and as such, consultation with the community was not required.
4. The 2023/24 Annual Plan report **[23-108]** was presented at the Sustainable Tairāwhiti Committee on 1 June 2023. This revised draft AP post Cyclone Gabrielle, provided new cost estimates for the recovery programme and changes to capital works programme. As the recovery programme including a provision of \$65m for roading reinstatement and \$33.4m for woody debris and silt clean-up, these constituted significant differences to Year 3 of the LTP.
5. An AP Consultation Document was approved by Council on 1 June 2023.
6. Consultation occurred from 2 June to 14 June 2024, a shortened consultation period as allowed under the Severe Weather Emergency Recovery Legislation Act 2023 (the SWERL Act). We asked for feedback from the community about what else they wanted Council to consider.
7. The 2023/24 Annual Plan is a short-term view and response. It is based on what is known now and allows Council to do what we need to do, while planning for where we want to be. The ongoing effort to reinstate access across the region will continue not only in next year's Annual Plan, but also in the years that follow.
8. Attached are:
  - **Attachment 1** – 2023/24 Annual Plan
  - **Attachment 2** – Submissions to the 2023/24 Annual Plan Consultation Document.

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

9. The discussion below covers the community feedback, key outcomes and deliverables of our 2023/24 Annual plan, key financial information and key considerations that are relevant to the approach taken with the AP.

### **Our Approach to community feedback**

10. The focus and intent of the 2023/24 Annual Plan Consultation Document was to inform the community on what was different about this Annual Plan. We have consulted previously within our 2021-2031 LTP on what the Year 3 would look like, what our rates and debt needed to be. Post Cyclone Gabrielle and our Draft 2023/24 Annual Plan (report **23-10**), there was significant changes which had a focus on recovery programmes and support.



11. The Consultation Document highlighted the areas that were different and explained what we are intending to do next year and how these things are going to be funded. This included:
  - Recovery Co-ordination Centre.
  - Roading reinstatement.
  - Woody Debris.
  - Forestry Focus.
  - Land Management.
  - Flood Protection.
12. We asked the community for their feedback on what we were doing, and what they wanted Council to consider.
13. We received a total of 15 submissions. The full submissions are included in **Attachment 2**.
14. Of the 15 submissions received, several key themes emerged, reflecting the concerns and suggestions of the community. These included:
  - Alternative transport options.
  - A local economy.
  - Environmental sustainability and resilience.
  - Regional equity and fairness.
  - Community involvement and empowerment.
15. One prominent theme focused on alternative and active transport opportunities, advocating for the integration of more walking and cycling pathways to ensure the safety of pedestrians and cyclists. Another theme highlighted the importance of local contracts and community investment, suggesting that contracts should be kept within the community to support local businesses and foster growth.
16. Infrastructure development and improvement were addressed in two submissions, calling for upgrades to play equipment, and revisions to the Ormond Township Plans for improved inclusivity.
17. Identification of a more suitable location for the Tokomaru Bay Rural Transfer Station was raised in one submission.
18. Flood mitigation and drainage maintenance were also raised as crucial issues in several submissions, emphasising the need to protect homes, schools, and infrastructure by addressing stream flooding and blocked culverts.
19. Equity in rates and resource allocation emerged as another concern, with a submission urging the re-evaluation of rates following property loss that has resulted in erosion into waterways. The submitter also highlighted the importance of fair resource allocation across the region, not solely in the main population hubs.
20. Connectivity and alternative routes were mentioned in relation to investing in infrastructure to provide access to essential resources for communities that may become isolated during road closures.

21. Beach and city cleanliness and safety were raised in two submissions, with calls for regular debris clearing on beaches, maintenance of inner-city infrastructure, and the organisation of events to create vibrant and safe spaces. The maintenance of existing infrastructure was raised as a priority, stressing the need to prioritise the preservation and improvement of roads, bridges, and drainage systems before undertaking new projects.
22. Support for community events, offering Council facilities to marginalised groups, and promoting social connection through community gardens and kitchens were proposed in one submission.
23. The planting of pine forests was questioned, with a suggestion to focus on native plants, Māori knowledge (Mātauranga Māori), and science to stabilise the land.
24. Another submission highlighted the importance of community engagement and involvement in decision-making processes, events, and volunteer activities, to help regenerate community spirit and pride.
25. Other specific concerns included addressing homelessness, particularly in the Gisborne city centre, child and youth vaping, air quality monitoring, and the need for greater support to prevent winter illness.
26. Staff have considered all feedback received from the community and have produced the **attached** Annual Plan document with the above feedback in mind.
27. Suggestions received which were not related to the recovery, or to any of Councils current projects, will be considered for inclusion as part of future planning and programmes, e.g. the Long Term/Three Year Plan.

## **Key Outcomes and deliverables of the 2023/24 Annual Plan**

### **Recovery Focused Programmes:**

28. The key initiatives that have been implemented as part of this recovery program include:
  - **Recovery Coordination Centre:** The Recovery Coordination Centre has been established. This centre serves as the hub for coordinating immediate, medium, and long-term recovery efforts throughout Tairāwhiti.
  - **Road Reinstatement:** Recognising the urgency of restoring our road network following the impact of Cyclone Gabrielle, \$65m has been provisioned for roading emergency works. Council's immediate priority is to reinstate safe access across our roads and enabling our communities to reconnect.
  - **Woody Debris Removal:** To address the significant challenges posed by sediment and debris, Council has allocated \$26.4m for processing and disposal work. An extra \$6.9m has been allocated to assist commercial businesses in land clean-up and restoration.
  - **Forestry Management:** Proactive measures have been taken to identify areas that contain forestry slash, debris, and felled trees, which can be mobilised during storm events or landslides. This information will be crucial in mitigating potential risks and enabling an effective response.
  - **Strengthening the Land Management Team:** Recognising the importance of proactive planning, Council has secured external funding to enhance the capabilities of the Land Management Team. This increased capacity will facilitate the development of freshwater plans and enable a deeper understanding of the long-term impacts associated with increased rainfall events across Tairāwhiti.

## Key Committed LTP Deliverables and Outcomes:

29. While efforts in the recovery space continue, Council is fully committed to our projects for year 3 of the LTP. The following are the key deliverables for this year:

- The first year of operations for the:
  - **Kiwa Pools** – our externally funded multi-purpose pool facility.
  - **Wastewater Treatment Plant upgrade** – improving water quality in Tūranganui-a-Kiwa Poverty Bay.
- **Township Upgrades** – Te Puia Springs, Waipiro Bay, and Te Karaka.
- Continued focus on **our building blocks** such as regional plans, climate change, the environment, and working with our partners, Tangata Whenua and our communities, to deliver and get to where we need to be for the future.
- Continued **focus on our infrastructure**, noting that it makes up the bulk of the capital programme.

## Key Financial Information

30. The proposed 2023/24 AP estimates are consistent with Council's Strategy as set for Year 3 of the 2021-2031 LTP.

31. The key Financial Strategy measures remain within the 2021-2031 LTP and mostly unchanged from Year 3 of the LTP:

- Total rates revenue increases over the previous year is 6.5% (LTP Year 3 - 5.8%).
- External Debt of \$148m (LTP Year 3 - \$142m).
- External Debt to revenue 122% of Financial Strategy 130% threshold.
- Capital Expenditure Programme of \$70.2m (LTP Year 3 \$39.4m).

32. While overall rates are within the Financial Strategy rates cap of 6.5%, as noted within the draft AP report **[23-10]**, there are several changes that have occurred since the adoption of the LTP. These include:

- Inflation has risen significantly since the LTP was adopted in June 2021, and it continues to rise far beyond what we originally forecast.
- Interest rates have risen from what was in the LTP, equating to an additional \$1.3m.
- Revalued assets which occur as part of the Annual Report process saw significant increases in depreciation costs, mainly in the Three Water assets (\$1.3m over what was expected in Year 3 of the LTP).
- Everyday costs have also increased, for instance insurance is up over 13% from what was expected in the LTP (or \$235k).

33. The additional costs for interest and depreciation far exceed the rates cap increase of 6.5%. The approach taken to developing this AP, was to find a balance between increasing rates to meet our budget requirements and mitigating the impacts to the ratepayer that would be felt next year.

34. Council approved at the Finance & Performance Committee on 2 March 2023, to reserve and loan fund some of the operational shortfalls.

35. For more information, refer to the "Financial Overview" under "Our Finances" section of the AP document.

## Capital Programme

36. The capital programme is \$70.2m, an increase of \$30.8m over year 3 of the LTP. Report **23-108** identified the changes to the capital projects. The changes related mostly to “carryovers” or projects that were expected to be completed by 30 June 2022, but now will be carried over into the AP. The total carryovers amount to \$20.6m, up slightly from what was identified at the time of the Sustainable Tairāwhiti Committee meeting on 1 June.
37. Since the **23-108** report, a number of other committed projects that won't be completed by 30 June 2023, have been carried over to 2023/24. These total \$552k and are:
- Conveniences Rural \$100k.
  - Refurbish Conveniences City \$200k.
  - Tifirangi restoration \$62k.
  - Sportsground facilities upgrades \$190k.
38. In addition to the carryover projects, there were also some new projects mostly as a result of external funding. External funding was granted post the adoption of the LTP and include:
- Waingake Lamella Filtration (\$5.5m). The source water in the supply impounding dams exhibits a high silt loading and cannot be treated adequately at the Waingake plant. Retrofitting the plant with prefiltration silt removal is necessary to effectively treat the water and reinstate the water supply following the impact of Cyclone Gabrielle. The funding for this project will be sourced through a 60/40 split between the National Emergency Management Agency and Council's insurers.
  - Better off Funding – Wheelie Bins \$2.78m.
39. For full details of the capital programme, refer to Note 14 in the Annual Plan document.

## Balanced Budget

40. Loan and reserve funding for operational costs means that these costs are not in 'balance' as our operating expenditure will be more than our operating income. Loan and reserve funding are not considered revenue.
41. This Annual Plan aims to be financially prudent in the medium to long term, as Council reverts to setting its budgets to a level where expenditure matches revenue. Report **[23-10]** identified that by 2026/27 we will have achieved our balanced budget, where we return to fully funding both interest and depreciation costs.
42. A summary of the other changes as outlined in **[23-10]** are:
- Higher depreciation costs because of Three Waters revalued assets.
  - Higher financing costs due to rising interest rates.
  - Accounting standards reclassification of intangible assets for cloud base services.
  - Other known changes.
43. For more information, refer to the “Financial Overview” under “Our Finances” section of the AP document.

## ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

Inconsistency with Council's current strategy and policy

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Medium Significance

**This Report:** Medium Significance

The effects on individuals or specific communities

**Overall Process:** Medium Significance

**This Report:** Medium Significance

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

**Overall Process:** Medium Significance

**This Report:** Medium Significance

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

## TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

45. There are no significant changes to the AP that required additional Māori engagement.

## COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

46. Due to cyclone recovery and resilience work, there are sufficient changes to the AP that the community has been consulted on. This was achieved through the 2023/24 Annual Plan Consultation Document which advised the community of the key changes to the AP and asked for feedback on Council's plans for 2023/24.
47. The full submissions are included in **Attachment 2** and the full discussion of what were the main considerations that the community wanted Council to consider is discussed under the section above (refer "our approach to community feedback").
48. After the adoption of the AP, we will inform the Tairāwhiti community through special e-News editions of stories highlighting our plans for 2023/24. We will also include additional information on our website, through our social media channels and via a media release upon adoption of the AP.
49. While the consultation period for this Annual Plan was formally two weeks, Council has been continually engaging and seeking feedback from our community through our website and other media channels since April.

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

50. Adverse weather events are increasing in our region. The AP takes some of this into account, within its budget estimates for the short-term response.
51. A longer-term response and review of initiatives and responses to climate change will occur with the recovery plan 2024-2027.

## **CONSIDERATIONS - HEI WHAKAARO**

### **Financial/Budget**

52. Loan funding of operational costs is one of the financial management considerations pursuant to sections 100-101 of the Local Government Act 2002.
53. Loan funding for operational costs (e.g. Freshwater Plan) means that these costs are not in “balance” as our operating revenue does not match the operating expenditure.
54. Loan funding is not considered an operation cost. Any unbalanced budget decisions such as the use of loan funding for operational expenditure, is provided for within the Revenue & Financing Policy.
55. It should be noted that while most of the loan funded operation costs are not in “balance” under a legislative definition, the costs are spread over a shorter period. This means the principle of intergenerational equity (i.e., the needs of the present ratepayers do not compromise future generations) is being adhered to. Today's ratepayers are paying their share of value of the plan (or services), as it is being used to enable the services to occur in a more affordable way.
56. The use of loan funding operation costs is applied when it is deemed prudent to do so to meet the expenditure needs of the local authority, whilst taking into account the spikes in rates that would have otherwise occurred without the use of loan funding.
57. This Annual Plan aims to be financially prudent in the medium to long term, as Council will revert to setting its budgets to a level where expenditure matches revenue. Report **23-10** identified that by 2023/27 we will have achieved a balanced budget, where we return to fully funding both interest and depreciation costs.

### **Legal**

58. The AP document has been prepared in accordance with the requirements of the Local Government Act 2002.
59. The Severe Weather Emergency Recovery Legislation act 2023 (SWERL Act) was passed in April 2023 to mitigate some of the impacts caused by cyclones Hale and Gabrielle and aid in the recovery efforts. One of the modified requirements of this Act allowed 14 days for written submissions and enabled Council to consult without hearings.

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

60. Our Significance and Engagement Policy has been considered when assessing the appropriate level of engagement required for the proposed changes.
61. The programme is within the Financial Strategy limits, Treasury Management Policy and Revenue & Financing Policy.

## RISKS - NGĀ TŪRARU

62. If the AP is not adopted at this meeting, Council will be unable to set the rates before the 2023/24 financial year.

## NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
28 June 2022	2023/24 AP adoption	Council meeting
	Setting of rates	

## ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Annual Plan 2023-23 FINAL [**23-109.1** - 90 pages]
2. Attachment 2 - CD Submissions [**23-109.2** - 24 pages]





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**Tō Tātau Tairāwhiti  
Māhere ā-Tau 2023/24**

**Our Tairāwhiti  
2023/24 Annual Plan**

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

*Adopted by Council on 28 June 2023*

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# Ngā kaupapa

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## **Mihimihi**

***Mai Pōtikirua ki Te Paritū, tae atu ki ngā pae maunga o te ao parauri, hoki atu ki ngā hukahuka o ngā tai, e ōku nui o Te Tairāwhiti tēnā koutou katoa.***

From our boundary markers in the north and in the south, traversing the inland ridgeline of the Raukumara ranges, returning to the shoreline spanning our district, to all of you our people of Te Tairāwhiti, a generous and warm welcome.

***Tātau katoa i roto i ngā rā o te mamae, o te tauwhāinga, rokohanga, tātau katoa i roto i ngā rā o te rangimārie, o te maungārongo, anō nei te mihi manawa nui ki a koutou katoa.***

Whilst we endure these times of sorrow and challenge, we remain buoyed by the days of resilience and progress, therefore our greetings to you all is without peer.

***Tēnā tātau me te kaupapa e whai ake nei. He kaupapa para huarahi engari he kaupapa mo te katoa. He kaupapa whakatairanga i ngā hiahiatanga, hāunga nā pikiheketanga kei waenganui i a tātau tonu.***

Greetings amidst the tasks set out in this plan. Ambitious be they may, but done so with the best interests of our community in mind. And whilst we have been beset with huge recent challenges, these plans are intended to reset and springboard us all to a promising future.

***Kāti rā, me pēwhea rawa? Maranga mai e Te Tairāwhiti. Kei ō tātau manawa te hiringa, kei o tātau ringa te oranga, ā, mā te mahinga tahitanga ka ora ai te tangata – tihe mauri ora!***

So, what are we to do? Let's rise up Te Tairāwhiti. With the collective will in our hearts, and the means in our hands, we can all work together for the betterment of our people - alas the breath of life!

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



Photo by: Josie McClutchie

### **Kia ora Te Tairāwhiti**

Thank you Tairāwhiti for telling us what you want Council to consider in our Annual Plan. We now present to you our final 2023/24 Annual Plan for our region.

This year's plan is different as we focus on dealing with the impacts of Cyclone Hale, Gabrielle and other severe weather events. We're still delivering the key projects that we said we would deliver in our 2021-2031 Long Term Plan such as Kiwa Pools (majority Government funded), Wastewater Treatment Plant Upgrade and Township Upgrades, but we're also focused on ensuring our communities are safe, connected and protected as we work towards our region's recovery.

We know that we can't do this on our own and we've sought funding from central government. This is to support roading and bridge reinstatement, removal of woody debris from our beaches and waterways, a forestry team to focus on forestry practices, support for increased monitoring and compliance, expanding our land management team and increasing flood protection.

To do all this we've made important changes to our 2023/24 Annual Plan to help us reprioritise and to manage our immediate to medium-term needs as we look to build the future resilience of Te Tairāwhiti.

This will mean for most of us, we'll see an increase in our rates to 6.5%. Despite costs continuing to rise more than this, we're committed to be within what we promised in our 2021-2031 Long Term Plan. We're also remaining within our debt limit of less than 130% of revenue to ensure capital investments we make now, can be sustained for future generations.

Council will continue to do critical work on our regional plans, climate change, the environment, working with tangata whenua and our communities to deliver our region's future needs.

Other major projects will continue such as Drainwise, Waingake Transformation Programme, Waipaoa Flood Control

Climate Change Resilience Project, Walking and Cycling Projects, Climate Change Adaption and the Tairāwhiti Resource Management Plan (TRMP) Review.

Also in 2023/24, we'll continue to provide the services we're required to deliver as your Council including our pool and library services, rubbish and recycling, building consents, parks and toilets.

We'll also have to consider legislative changes to freshwater management, the future of local government, resource management reforms and the Three Waters Reform.

As a region, we've got huge changes and challenges coming. It will not be easy and we'll rely heavily on investment from central government to build a Tairāwhiti community that continues to be resilient.

Kia kaha Tairāwhiti, we got this!

*I a tātau e ahū whakamua ana, ko te tino aronui ko te whakahaumarū me te tūhonotanga i o tātau hapori.*

**As we work towards resilience, our focus is on ensuring our communities are safe, protected and connected.**

**Mayor**  
**Rehette Stoltz**

**Chief Executive**  
**Nedine Thatcher Swann**

## He aha te Mahere ā-Tau? What is an Annual Plan?

The Local Government Act requires all councils to have a 10 year Long Term Plan (LTP), and to produce an updated LTP every three years.

In each of the years in between, we produce an Annual Plan which contains changes or additions to any projects, activities and financial forecasts originally included in the LTP.

This is what we consulted on in [Our Tairāwhiti 2021–2031 Long Term Plan](#).

Our 2023/24 Annual Plan is focused primarily on addressing our regions immediate needs and ensuring that we're protected and connected, as we recover from the impacts of repeated, severe weather events.

## Ngā mahi nā te LTP Projects from the LTP

While our key focus for this Annual Plan will be on recovery, Council's regular services will continue to operate. This includes our pool and library, rubbish and recycling, building consent processing, the maintenance of our parks and toilets, and the implementation of projects outlined in the LTP for the year 2023/24.

We remain committed to delivering several significant projects in the upcoming year, including:

- [Kiwa Pools](#) – our externally funded, multi-purpose community aquatics complex.
- [Wastewater Treatment Plant Upgrade](#) – improving the water quality in Tūranganui-a-Kiwa/Poverty Bay.

- Township Upgrades – Improvements and enhancements for Te Puia Springs, Waipiro Bay and Te Karaka.
- Our building blocks such as regional plans, climate change, the environment, and working with our partners, tangata whenua and our communities, to deliver and get to where we need to be for the future.
- Our infrastructure, although the details of some projects may change as we understand the condition and the priority of work needing to take place.
- We remain committed to advancing the [Waipaoa Flood Control Resilience project](#), with work focusing on the western side of the Waipaoa River.

## Ngā whakahoki kōrero a te hapori Our community feedback

We engaged the community on our plans for this Annual Plan through the 2023/24 Annual Plan Consultation Document (CD). The CD detailed the challenges we are facing going into the 2023/24 financial year, as we try to balance recovery with delivering on the projects that we committed to in our LTP.

The community was asked **'What do you want Council to consider?'** in the planning and delivery of the 2023/24 Annual Plan, noting that Council has an obligation to focus on prioritising recovery and resilience work. A shortened consultation period of two weeks, allowed under the Severe Weather Emergency Recovery Legislation Act 2023 (the SWERL Act) was undertaken.

The consultation period ran from 2 June to 16 June 2023. During that time, 15 submissions were received from members of the community.

The following key themes were present across the submissions we received:

1. **Alternative transport options**
2. **A local economy**
3. **Environmental sustainability and resilience**
4. **Regional equity and fairness**
5. **Community involvement and empowerment**

In particular, submitters asked us to consider:

- Enhancing urban infrastructure, particularly by creating safe walking and cycling networks.
- Promoting local involvement, empowering the community, and fostering economic development within the region.
- Ensuring environmental sustainability and resilience, with an emphasis on forestry, flood mitigation, and infrastructure management.
- Upholding fairness and regional equity, including adequate consideration for smaller townships and equitable distribution of resources.
- Providing support for community well-being and recovery, centering efforts on those affected by Cyclone Gabrielle, especially rural and coastal communities.
- Addressing community health and wellbeing, with a specific focus on winter illnesses, healthy homes, air quality, and youth vaping.

Overall, the feedback received was constructive and helped inform where our priorities should be. The feedback has also reinforced our focus on recovery, not just for this Annual Plan but also for the three year recovery plan that will follow.



## **He aha te rerekētanga i tēnei tau?** **What's different this year?**

Council has reconsidered both our long term and annual planning processes in light of the impacts of the severe weather events we have experienced, and the feedback we received from the community. Our 2023/24 Annual Plan reflects a firm commitment to addressing the region's needs and ensuring that we remain protected and connected, while also planning for our long-term recovery.

To help with the ongoing recovery efforts, a Recovery Coordination Centre has been established to manage the delivery of the Recovery Plan – Our Road to Recovery Tairāwhiti. Council has contributed to the development of this plan, alongside our emergency management partners, and will continue to collaborate with the Recovery Coordination Centre to help deliver on its objectives.

As part of the Annual Plan for 2023/24, Council has identified specific key objectives that we want to achieve when it comes to recovery.

Our key recovery objectives include:

- Roothing reinstatement and the establishment of temporary road access throughout the region to ensure connectivity.
- Woody Debris removal from our beaches and waterways.
- 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.



Photo by: Phil Yeo

## Our Road to Recovery Tairāwhiti

Impact of severe weather events on our region

### Roading network



**3000** faults registered on local roads

More than **130** sites on state highways SH2, SH35 and SH38 needing repairs

**200+** major drop outs



**61** bridge repairs or replacement requirements

**77 bridges** require slash removal

**111** other structures damaged (retaining walls, river protection, stop banks)

### Welfare

**24%** of population required welfare support

**230** households headed to friends and whānau

**166** households evacuated to a Civil Defence Centre

**77** households required emergency accommodation

**1.2k** households required financial support

**2.9k** households required food support

**588** households required medical support



## Connectivity

**5 days** without communication

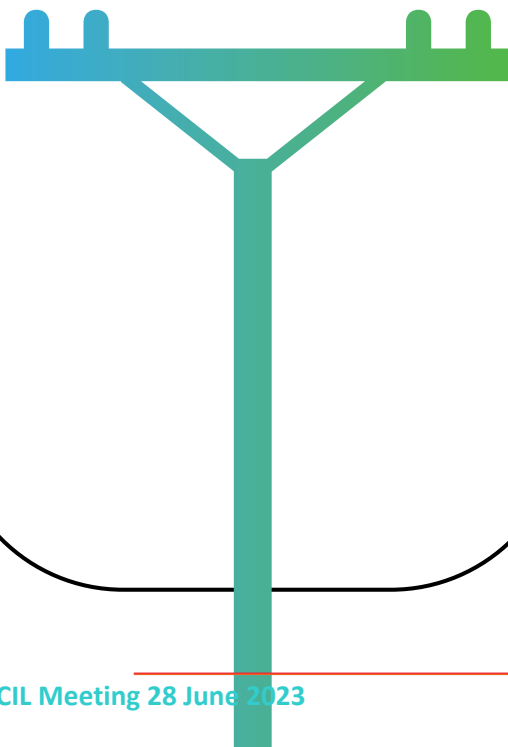
**9 fibre** connection breaks

**152** cell sites down



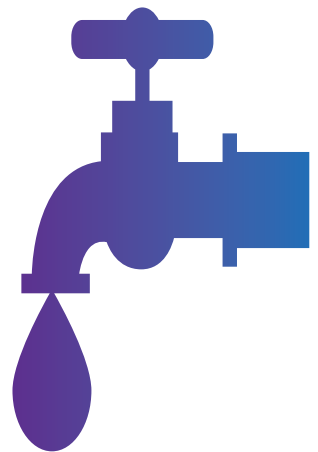
## Power

Power network severed for parts of the region



## Water

**9 breaks** in the pipeline to the main water supply



**45** days to repair pipeline

**45** days severe water restrictions for Gisborne City

**45** days until industries able to use full mains water



## Our recovery areas

Following Cyclone Gabrielle, Te Tairāwhiti experienced unprecedented widespread damage. Our roading network was broken, bridges were significantly impacted or completely swept away, houses and businesses were inundated with water and silt, our main town water supply was extensively damaged and whole communities were isolated for extended periods.

A safe, protected and connected Te Tairāwhiti began with Council's immediate recovery response after Cyclone Gabrielle, fixing damaged infrastructure.

Both our Annual Plan and our next LTP will focus on working towards resilience for our region as we continue to seek funding from central government.

Our 2023/24 Annual Plan will focus on these key recovery areas for Te Tairāwhiti.



### Road reinstatement

The impact of Cyclone Gabrielle on our local roading network was significant. Landslides, floodwaters, and heavy rain caused roads to collapse and bridges to be destroyed. As a result, several areas were left isolated, with some remaining cut off for weeks. The damage inflicted on our network was extensive, leading to substantial disruptions and challenges for our community.

The estimated total cost of reinstating our network falls within the range of \$320m to \$420m. Our Annual Plan for 2023/24 provides for \$65m of the total programme. While our goal is to fully restore our network, we must be realistic about what we can achieve with the resources available to us.

Council's immediate priority is, therefore, to reinstate safe access across our roads, enabling our communities to reconnect. While we implement temporary solutions and fixes, the design process for developing permanent solutions will get underway. These permanent solutions will be implemented as funding becomes available, ensuring a long-term and sustainable approach to our network's restoration.



Photo by: Phil Yeo

### Woody debris removal

Following Cyclone Gabrielle, Te Tairāwhiti was left with a substantial amount of silt and woody debris threatening our infrastructure, waterways and our beaches. This not only poses a threat to the safety of our community, but has also impacted on the security of our infrastructure assets and the prosperity of our waterways.

As an immediate response, Council is focusing on cleaning up the silt and debris left on our beaches and in our waterways. Council is now developing a Woody Debris Emergency Response Plan to better manage this risk in the future. The total amount of central government funds allocated to assist Council with this clean-up is \$31.4m.



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](http://gdc.govt.nz))**



### Forestry focus

Cyclone Gabrielle served as a reminder of the increasing impact of climate change and the potential damage our region is open to during extreme weather events.

Given the increasing severity of weather events caused by climate change, poor forestry practices pose a significant risk to our community. We know that as part of managing these risks, Council needs to allocate more resources to effectively monitor forestry practices in our region.

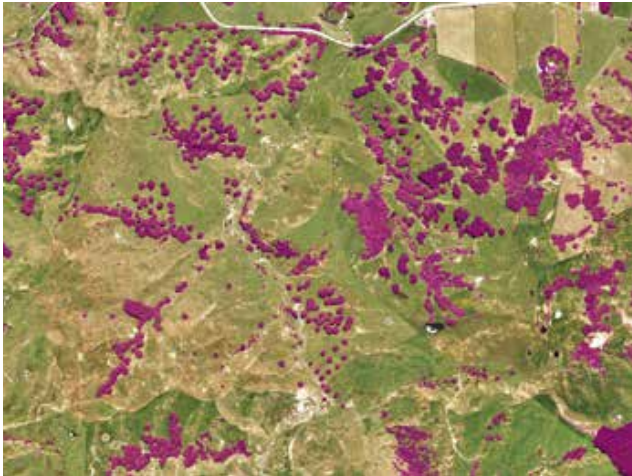
Council has now increased its resources in the monitoring and compliance areas through the establishment of a new forestry team. In addition to normal compliance functions, the team will conduct both aerial mapping and on-the-ground inspections across Te Tairāwhiti to identify areas where woody debris is at high risk of mobilising and posing a risk to property, infrastructure and the environment.

To support these efforts, Council will reallocate funds from its existing 2023/24 budget. This will enable the recruitment of ecologists and technical officers to promote safe and sustainable forestry practices within Te Tairāwhiti.



Photo by: Phil Yeo





### Land management

Due to an increase in rainfall 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 the Environment, the Ministry of Primary Industry Hill Country Erosion Fund, and Land Information New Zealand will contribute to the project.

These programmes will 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'll also be 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

Council remains committed to advancing the Waipaoa Flood Control Resilience project. We have witnessed first-hand how our existing flood protection system played a crucial role in protecting people and property during Cyclone Gabrielle.

We plan to complete \$4.2m of construction in 2023/24, with the work focusing on the western side of the Waipaoa River. We will conduct investigations and modelling over the year to identify optimal flood protection solutions for the entire Te Tairāwhiti region.

To further accelerate the progress of our flood protection programme, we are actively pursuing additional funding opportunities .



# Tā tātau arotahi matua o te Mahere Ā-Tau

## Our Annual Plan's key focus

### 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. For more information on our major projects please refer to our website.



### Waipaoa Flood Control Climate Change Resilience Project

#### Purpose

The Waipaoa Flood Control Scheme is considered to be one of Council's most valuable assets and protects some 10,000 hectares of fertile floodplain land.

#### What we're planning for the year

- Stopbank upgrade construction to occur between Caesar Road and Whitmore Road (Ormond Township, eastern side) to complete the stopbank improvements in the area and tie into the new Mahunga Floodgates will be completed. 0.5km of stopbank upgrades.
- Stopbank upgrade construction to occur upstream of Opou Road (near Manutuke, western side) and the Matawhero (SH2) Bridge. 1.5km of stopbank upgrades.
- Stopbank upgrade construction to occur between the Whatatuna floodgates and SH2 Bridge (Beside Te Arai River near Manutuke, western side). 0.7km of stopbank upgrades.
- Installation of two large rock groynes downstream of the KiwiRail Bridge (close to Karaua Stream near Manutuke, western side).
- Retreat and rebuild of the stopbank just downstream of the Railway Bridge near Karaua Stream. 0.2km of stopbank upgrades.
- Installation of side hinge floodgate across the railway corridor scheme low point. This can be swung across the railway in a flood event to achieve the design flood protection (close to Karaua Stream near Manutuke, western side).

- Stopbank upgrade construction to occur between the Matawhero (SH2) Bridge and the Patutahi Township (including Whakaahu Stream). 10km of stopbank upgrades.
- Design and investigation work for future stages on the western side of the Waipaoa River.
- Modifications to Kirkpatrick Road on either side of the Whakaahu Stream to align with the upgraded stopbank profile.

#### Dollars and cents

AP budget \$4.2m  
LTP budget \$33.6m



- The total project estimate is \$32-\$35m of which Council was awarded \$7.5m of Government funding.



For more information about the project, please see Council's website

» **Waipaoa Flood Control |  
Gisborne District Council ([gdc.govt.nz](http://gdc.govt.nz))**





### Kiwa Pools

#### Purpose

Kiwa Pools is largely Government funded and will be completed in 2023. The new facility will be a modern, year-round, temperature-controlled aquatic centre the whole community can enjoy. Ngāi Tāwhiri hapū is providing cultural guidance, paying careful attention to the relationship of the building, the land and the people of Te Tairāwhiti.

#### What we're planning for the year

The new Kiwa Pools will open to the public in spring of 2023. Kiwa Pools features inside pools, including the multi-purpose 50m pool with a moveable floor, so more sports can be played. It also includes a bulkhead so the pool can be divided in two.

#### Dollars and cents

AP budget \$1.1m  
LTP budget \$44.5m

- The total project estimate is \$44.5-46m of which Council received \$40m of Government funding.



For more information about the project, please see Council's website

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



### Wastewater Treatment Plant upgrade

#### Purpose

Our wastewater goes to the Wastewater Treatment Plant (WWTP) in Banks Street, where it is screened, then treated through a biological trickling filter breaking down the solids to biomass, such as snails, worms, and plant like material, then pumped to the outfall pipe in the bay. The treatment plant can receive and treat up to 33,000m<sup>3</sup> of wastewater per day.

The new upgrade of the WWTP will improve the quality of the discharge into the bay by removing solids (clarification), and the treatment of wastewater with UV disinfection. We acknowledge that doing this appropriately reflects the cultural importance placed on maintaining separation between waste streams and the food chain (kai moana and māra kai) – which is ultimately concerned with human health and wellbeing.

#### What we're planning for the year

The WWTP upgrade will see commissioning completed by the end of August 2023 and existing unspent budgets will be carried over into the new financial year.

#### Dollars and cents

AP budget \$0.8m  
LTP budget \$34.6m



For more information about the project, please see Council's website

» **Wastewater management options |**  
**Gisborne District Council (gdc.govt.nz)**



**DrainWise**

**Purpose**

DrainWise is about working together with property owners to help fix problems with wastewater and stormwater drains. The Gisborne city wastewater network and stormwater network are separate systems. Homeowners are responsible for all the pipes and gully traps within their property boundary.

**What we're planning for the year**

- The rapid inflow and infiltration program will continue property inspections throughout Gisborne to identify illegal stormwater connections and remediate low or broken gully traps. The target areas for the next financial year are Te Hapara, Elgin and Gisborne CBD.
- Proposals for public drains on private properties will be finalised and designs investigated this year. The project will aim for the execution of preferred options.

**Dollars and cents**

**AP budget \$4.4m**      The project is 100% Council funded.  
**LTP budget \$36.2m**



For more information about the project, please see Council's website

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



**Navigate Tairāwhiti**

**Purpose**

Navigate Tairāwhiti weaves together significant sites through storytelling and design to showcase our region's unique culture and heritage of first arrivals and great navigators.

This programme is delivered together with tangata whenua and partner organisations.

**Active projects pending external funding**

- Te Panuku Tū Whare/Tītīrangī Summit redevelopment – in partnership with Ngāti Oneone propose to redevelop the Tītīrangī summit and build a multi-purpose community facility. \$1.1m has been grant funded to date.
- 1000-year Walkway – construction of the new bridge design is planned to be completed in 2023/24. \$2.7m has been grant funded to date.

**Completed projects**

- Puhi Kai Iti/Cook Landing Site
- Tūpapa
- Tītīrangī maunga restoration
- Inner harbour upgrade

**Dollars and cents**

**AP budget \$1.5m**  
**LTP budget \$1.8m**



For more information about the project, please see Council's website

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





### **Waingake Transformation Programme**

#### **Purpose**

This is our ambitious plan to restore the vital ecosystem of Waingake to its natural state and back to indigenous forest, in partnership with mana whenua Maraetaha Incorporation.

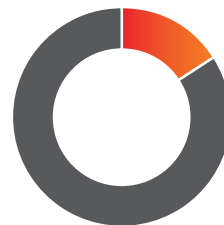
#### **What we're planning for the year**

- Planting 200,000 native trees to accelerate erosion control and restoration.
- Planting 1000 willow and poplar poles in highly erosion prone areas to protect our water supply pipeline.
- Sustained control of ungulates (goats, deer and pigs).
- Work with Maraetaha Incorporation to develop a master plan for the area.
- Continue control of wilding pine regrowth and emerging weeds which threaten the restoration and natural regeneration of Waingake.
- Ongoing biodiversity monitoring and control of rats, possums, stoats and feral cats in the Waingake Waterworks QEII Bush.

#### **Dollars and cents**

**AP budget \$2.9m**

**LTP budget \$18m**



For more information about the project, please see Council's website

**» Waingake Transformation Programme | Gisborne District Council ([gdc.govt.nz](http://gdc.govt.nz))**





## Walking and Cycling Projects

### Purpose

The walking and cycling network consist of a mixture of footpaths, shared paths, footbridges, bike lanes, mountain biking, boardwalks and cycleways.

### What we're planning for the year

- The business case for the Taruheru River Walking and Cycling shared path will determine the route that will gain approval for external funding to implement.
- Ūawa Trails walking and cycling path. Having completed the 5.6km path around the township north of Ūawa bridge work will continue to progress the second part of 2.6km connecting to the historic wharf.
- Streets for People, an initiative led by Waka Kotahi, is providing 90% of the funding for two important projects. Hei Huarahi Oranga Ūawa Project includes connecting the new trails along state highway 35 using adaptive urbanism led by the community and in Gisborne city 'Awa to Moana' on Grey Street project led by Tairāwhiti Adventure Trust focuses on the area between Childers Road and Waikanāe Creek adjacent the revitalised skate park facilities. Both projects involve temporary trialing of improvements that help slow down traffic and reallocate space to enhance and attract people to move to active modes through interactive installments using events to socialize and refine as a pathway to a permanent solution set in the 2024 funding round.
- Walking and cycling improvements at Gladstone Road / Stanley Road roundabout with raised pedestrian crossings. This is a busy intersection between Gisborne Boys High and Gisborne Girls High Schools on a main arterial into the city and aims to slow down traffic to allow better crossing opportunities for children and to encourage mode shift.
- Walking and cycling improvements at Palmerston Road / Derby Street roundabout with raised pedestrian crossings. This intersection has a high number of crashes and the design aims to slow down traffic for improved reaction times while enabling better opportunities for all abilities to cross the road and encourage mode shift.

- Raised pedestrian crossing on Nelson road outside Te Kura Kaupapa Maori O Nga Uri A Maui near Lytton Highschool for improved school safety walking and cycling to school.
- A strategy to inform the next steps to improve the walking and cycling network.
- Speed reductions around schools and in townships in accordance with the interim speed management plan and road safety education continues to support safer walking and cycling activities across the region.

### Dollars and cents

AP budget \$2.3m

LTP budget \$7.8m



For more information about the project, please see Council's website

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



## Other projects

Te Tairāwhiti is facing multiple critical issues that demand careful consideration and strategic planning. This section explores some of the key issues we'll face as we enter 2023/24 and beyond.

Our primary focus will be on supporting our communities, especially those who remain vulnerable to future weather events. Additionally, we'll need to carefully manage the shifting legislative landscape and address the impact of numerous central government reforms. These key issues will undoubtedly shape the way we serve and actively contribute to the development of our community as we move forward into the future.

### Future of Severely Affected Land (FOSAL)

After the devastating effects of Cyclone Gabrielle, central government began investigating ways to enhance community resilience against future severe weather events. This involved evaluating solutions for property owners who may need to relocate from high-risk flood-prone areas in the future, as well as considering funding mechanisms and regulatory considerations through the medium and long term.

Council is collaborating with central government on a project called the Future of Severely Affected Land (FOSAL), formerly known as managed retreat. This involves mapping the region and identifying properties that face the highest risk of damage during future severe weather events so that we can actively plan how we support our communities and ensure their continued safety.

Affected properties are being categorised based on how at risk they are, as outlined in the following schedule:

#### Category 1

For those in Category 1 who were yellow stickered, once repairs have been made, including silt removed from underneath the house if deemed necessary, and Council has undertaken the necessary inspections, these properties may be lived on.

#### Category 2

Category 2 has three sub-categories:

- 2C - which means effective community-level interventions are needed to manage future severe weather event risks
- 2P - which means property-level interventions are needed to manage future severe weather event risk
- 2A - which means these properties have the potential to fall within 2C/2P but significant further assessment is required.

Several residential locations in Te Tairāwhiti were severely affected by Cyclone Gabrielle earlier this year. Central government is developing a policy framework and funding support for councils making decisions in these areas. This will support work being undertaken by Council to assess and categorise affected properties and consider future flood and landslide risk.

Under the policy framework, Category 2 locations are those where community and/or property-level interventions are required to manage future severe weather event risk. These

interventions could include the raising of nearby stop banks, improving drainage or property-level works such as raising a floor level.

In 2023/24 we need to confirm Category 2 locations; assess and characterise the flooding and landslide hazard risk posed to these locations; and develop a suite of community and/or property-level interventions that will be effective at managing future severe weather event risk.

This information will be used to develop Hazard Management Plans, which will inform Business Case development if additional investment is needed.

We will also need to work alongside central government to develop and roll out a process for buying the most severely affected land, where the risk is too high for ongoing residential use. This is the category 3 land.

#### Category 3

Category 3 is the highest risk and is a Government classification. Category 3 means if there is a future severe weather or natural hazard event, risks cannot be mitigated and there may be a threat to life.

The Government classification of property risks is separate to Council's red and yellow sticker assessments. At the time of writing, we are still awaiting details from central government around this policy and classification. These classifications could still change after further hazard assessment work is carried out. Some properties could shift within Category 2, or even be shifted to Category 3 or 1.

We'll be working closely with central government and affected whānau to ensure support is provided throughout the process.

### Climate change adaptation

Climate change is the most significant long-term issue facing our region. It is important that we all prepare for the impacts of a shifting climate, including increased erosion, flash floods, wildfires, and heightened pressure on the productivity of the land we rely upon.

To prepare for and manage these challenges, while also focusing on the recovery efforts from Cyclones Hale and Gabrielle, we'll collaborate with our community to achieve several planned projects:

- conduct natural hazards mapping and climate change risk assessment to inform our adaptation planning
- develop adaptation plans to address the regional impacts of climate change, particularly along our coastlines
- enhance flood protection through the implementation of the Waipaoa flood control climate change resilience project
- implement the Waingake Transformation Programme, aimed at safeguarding the city's water supply and enhancing regional biodiversity
- undertake a comprehensive review of the Te Tairāwhiti Resource Management Plan to manage the utilisation of our natural resources
- reduce waste emissions through the implementation of the Waste Management and Minimisation Plan

- develop regional and Council mitigation plans to transition towards a low emissions future and a less polluting way of life
- collaborate with Trust Tairāwhiti to formulate a regional just/equitable transition plan, reducing the socio-economic impacts of climate action on our community
- facilitate deliberative democracy processes to engage the community in adaptation conversations and collective action.

### **Tairāwhiti Resource Management Plan review**

Our region has changed due to development, population growth, and changing demands on our natural resources. At the same time, national direction and community expectations about environmental outcomes, including how we manage our natural resources, has also changed.

A review of the Tairāwhiti Resource Management Plan (TRMP) is overdue as our current plan is outdated. The development of a new TRMP aims to protect vital elements, establish an ambitious and community-driven vision, enable positive contributions to Te Tairāwhiti, and effectively respond to future challenges.

Our current LTP includes significant investment to support the TRMP review, with Council investing \$25.6m (inclusive of \$7m for freshwater) in the TRMP programme.

The review consists of two phases.

Phase 1 is currently underway and includes the following components:

- development of a Regional Policy Statement (RPS), which establishes a comprehensive direction and sets the foundation for the entire Tairāwhiti Resource Management Plan (TRMP)
- support for urban growth and development planning, with a focus on achieving housing objectives
- ongoing implementation of regional freshwater planning provisions and catchment plans in compliance with the National Policy Statement for Freshwater Management 2020.

Phase 2 will cover years 4 to 8 of the plan, which will start in early 2024 with public notification of proposed changes planned for 2028. This phase will include completion of the Coastal Plan, remaining Regional Plan provisions, and the remaining parts of the District Plan.

There will also be a continued focus on the drafting of objectives, policies and methods to respond to issues of significance. The main focus of the Urban Growth and Development workstream remains on finalising the Tairāwhiti Future Development Strategy. This strategy will help guide future development and is also key to achieving the outcomes and aspirations for the rohe and ensuring Te Oranga o te Taiao is held to high regard.

The seven catchments in the Freshwater Planning workstream are in various stages of planning, and advisory groups are being established to discuss freshwater policy options, share information and inform the plans.

Consultation and engagement with the community will occur throughout 2023 and into 2024, and public notification is planned towards the end of 2024.



For more information about the Tairāwhiti Resource Management Plan Review, please see Council's website

» **Tairāwhiti Resource Management Plan | Gisborne District Council (gdc.govt.nz)**





### **A new approach to freshwater management**

We're also implementing the new National Policy Statement for Freshwater Management, which introduces a whole of region approach to freshwater management.

This includes collaborative partnerships with tangata whenua, ensuring their involvement in decisions regarding the wellbeing, mana, and mauri of our water resources. To implement this revised direction for freshwater management, we're engaging in the review and update of our Regional Freshwater Plan provisions. We're preparing seven catchment plans that align with the updated framework, aiming to enhance the sustainable management of our water resources.

### **Changing legislative environment**

Providing resilient infrastructure to ensure community wellbeing and economic growth, while fulfilling our role as kaitiaki, presents an escalating challenge for local councils. Recognising this, central government has initiated a series of significant reviews and reforms, including:

- a comprehensive examination of the future of local government
- the repeal and replacement of the Resource Management Act
- recommendations for transitioning towards a low emissions future
- the Three Waters Reform, which will determine the management approach for our critical water infrastructure.

These changes will significantly impact our operations and the legislative framework that governs our work.

### **Future for Local Government**

The roles and functions of local government must adapt to meet the evolving needs of the communities it serves. Aotearoa is facing a range of challenges, including climate change, environmental degradation, infrastructure deficits, and social and economic inequities.

In 2021, the Minister of local government established an independent panel to examine how our system of local democracy and governance should evolve over the next three decades. The goal is to enhance the wellbeing of communities and the environment while actively embracing Te Tiriti partnerships.

The independent Panel on the Future for Local Government presented its final report to the Minister in June 2023. For additional information, visit the Future for Local Government [website](#).

### **Resource Management Reforms**

The Government is repealing the Resource Management Act 1991 (RMA) and replacing it with three new pieces of legislation.

- the Natural and Built Environments Act (NBA), which will be the main replacement for the RMA
- the Strategic Planning Act (SPA), which will require councils, iwi/Māori, and central government agencies to develop 30-year regional spatial plans
- the Climate Change Adaptation Act (CAA), which deals with the legal and technical matters associated with climate change adaptation and managed retreat.

The intention behind these reforms is to bring about transformative and systemic change in the 'resource planning' space. The Natural and Built Environments Act and the Strategic Planning Act were introduced to parliament on 15 November 2022. Submissions closed in February 2023, and the Select Committee is due to report back to the House at the end of June 2023. The Climate Change Adaptation Act is expected to follow later in 2023.

### **Three Waters Reform**

Central government has initiated a major reform of our water services. This will see the management and delivery of drinking water, wastewater, and stormwater services transferred from local councils to a number of independent water services entities.

These new entities will be built on co-governance arrangements between mana whenua and councils. Their larger scale enables them to borrow more funds compared to individual councils, thereby increasing investment in water services and infrastructure. The goal is to achieve improved and more affordable water services.

Central government recently directed that the Three Waters Reform programme be reset and revised. Under this revised plan, instead of four super-regional water entities, there would be 10 entities, ensuring better representation for local communities. The timeline for the implementation of all entities will be extended until at least June 2026, with a staggered rollout to ensure successful implementation. The legislation to enact these changes is anticipated to be introduced by the end of August 2023.



Did you know you can search our website for more information about all our projects?

» **Gisborne District Council ([gdc.govt.nz](http://gdc.govt.nz))**



## Ngā hononga Tiriti

### Treaty relationships and partnerships

#### Last year

2022 was a big year for us. It saw the establishment of Māori wards, welcoming in five Māori ward Councillors. Each brings a wealth of knowledge, experience and with their wider Councillors, the collective desire for relationships founded in Te Tiriti, and decisions made together in partnership with mana whenua.

In 2022 Council adopted our Te Tiriti Compass, a tool used to focus our intent to honour Te Tiriti and form our organisations expectations for how we as Council, approach partnership under Te Tiriti o Waitangi, and act as a Tiriti partner.

At the end of 2022 Council committed to having a Te Tairāwhiti Plan Review Committee, appointing Councillor members to this body. This signaled Council's intent to reset our regional plan together, in partnership with tangata whenua. Iwi nominated members, a terms of reference (TOR) and other matters need to be resolved before this committee is operational.

As Council progresses its organisational understanding of Te Tiriti o Waitangi, our staff use Te Tiriti Compass to measure and inform an articles-based approach to implementing Te Tiriti across our mahi.

We also acknowledge that while legal and statutory obligations to Māori exist, 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 within a vacuum of goodwill and resource - it is subject to the ebbs and flows of our regional context. While Council's intent is clear - that we want to be a good partner - how and when we get there is not so clear.

Partnership can only occur when both parties are ready and able to put their energy into creating something enduring. Strong relationships must be in place. 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 has changed over the past year. Council is not alone in having our resources and effort re-prioritised. Two key challenges are recovery following Cyclones Hale and Gabrielle and needing to respond to and contextualise the implications of legislative reform posed by central government.

Iwi and hapū are also affected by these and other challenges. Iwi are actively leading the response to the needs and aspirations of their whānau, hapū and marae. We are both having our capacity, energy and ingenuity tested and stretched.

#### This year

We are still on a journey to establish meaningful Treaty Partnerships with ngā iwi o Te Tairāwhiti. This begins with building, and in some cases rebuilding, relationships bound in respect, trust, and openness.

This approach aims to progress from establishing strong relationships with an enduring respect and acknowledgment of each other's mana and responsibilities across our region to enabling joint decision making at the highest level.

Council intends to reset, refocus and return its energy to enhancing our Tiriti partnership mahi with mana whenua, while finding a path through the challenges currently facing us both. Using the compass, Council aims to redirect ourselves towards our goal of enduring Tiriti Partnership. This may mean revisiting co-governance discussions over key kaupapa - such as resource management planning and recovery, while formalising the relationships between Council and hapū/marae, and jointly responding to emerging opportunities and priorities.

*Me whiri ngātahi tātau i ngā āheinga me ngā tauwhāinga kia whakahī ai te hapori.*

**Let's navigate our opportunities and challenges together to make our community proud.**



## Ngā whakarerekētanga ki o tātau tātai paearu mahi Changes to our performance measures

Performance measures are measurable indicators used to assess the level of service provided. We established our performance measures in the 2021-2031 Long Term Plan (LTP). If there are any changes to the performance measures outlined in the LTP, we're obligated to inform our community about the modifications and provide reasons behind them.

We have made corrections to a handful of our performance measures in this Annual Plan. These changes were made to:

- correct minor errors
- meet new regulatory requirements
- capture the performance of new programmes.

What's changing	Why is it changing?	Existing performance measure	New performance measure
<b>Catchments and biodiversity</b>			
We're changing the way we monitor our Farm Environmental Plans (FEPs).	The Ministry for the Environment has updated its policies which have made FEPs obsolete.	50 work plans monitored per year.	Five Land Use Capability property maps produced per year.
	We have now introduced Land Use Capability property mapping and Erosion Control Plans which help us take care of our most vulnerable land from environmental damage.	40 farm Environment Plans produced per year.	Five Erosion Control Plans produced per year.
We have introduced a new measure that will help us track our reporting on Protection Management Areas (PMAs) conditioning, which will improve our ability to provide long term recommendation for PMA enhancements.	We want to do more with the assessments from PMAs to provide greater support to revitalisation and erosion control practice.	50 Protection Management Areas (PMAs) monitored to assess condition.	25 reports on Condition and Recommendations for PMAs per year.
<b>Roads and footpaths</b>			
We have adjusted the wording of one of our performance measures that track how many residents use our shared walking and cycleways.	This is a minor correction to align the performance measure with what we ask the community in the Annual Resident Satisfaction Survey.	Percentage of residents using the walking and cycling network.	Percentage of residents using the shared walking and cycleways.
We have adjusted our targets for the number of users of our bus services per year.	This measure was not aligned with our Regional Land Transport Plan. This change corrects that discrepancy.	145,000 passengers per year.	Gizybus >41,000 Waka Kura >80,000 Total 121,000 passengers per year.

What's changing	Why is it changing?	Existing performance measure	New performance measure
<b>Water supply</b>			
We have adjusted one of our measures for urgent call outs to water supply faults.	We have revised the target so that it is consistent with our service contract.	<p><b>Fault response times:</b></p> <p>Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.</p> <p>Target: 6 hours</p>	Target: 8 hours
We have changed the standards which we use to monitor and test our fresh water supply.	This DIA mandatory measure has changed as part of the updated Drinking Water Standards for New Zealand.	The extent to which the drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria).	The extent to which the drinking water supply meets the <a href="#">Drinking Water Quality Monitoring Rules 2022</a> for bacterial and protozoan control.

## **Ka aha tēnei ki ngā kaiutu rēti?** **What does this mean for our ratepayers?**

This year Council will collect \$75.4m (\$86.6m including GST) in rates. This is an increase of 6.5%\* (\*excluding growth) in overall rates revenue over the 2023/24 rates. This is in line with Year 3 of our 2021-2031 Long Term Plan Financial Strategy.

Individual ratepayers could pay more or less depending on:

- the capital value of the property
- increases in some fixed service- related targeted rates that apply to some properties.
- eligibility for rate remissions.

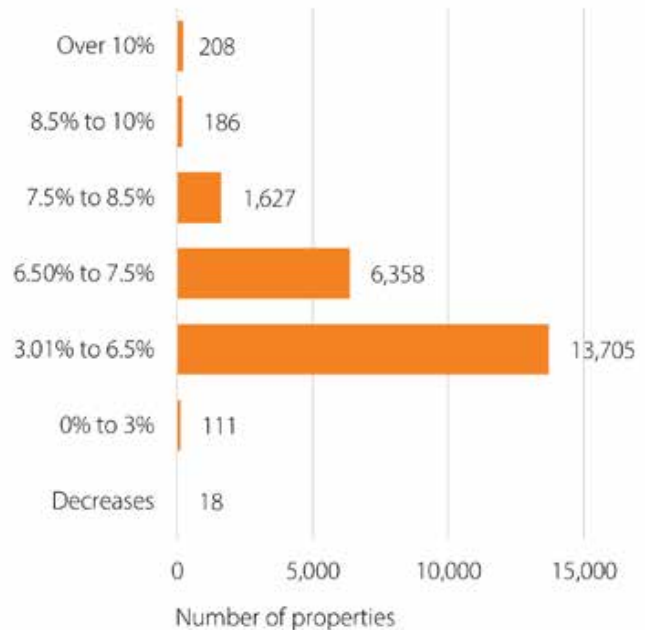
There are increases in services such as reticulation of wastewater and water supply as set out in the LTP. The targeted rating system means those that receive a service can expect t to pay more. City residents have more reticulated services than elsewhere in the community. In rural areas increase in rates have been driven mostly by unsubsidised roading and resource consents.

The majority of ratepayers will have increase in rates of 6.5% or less. In dollar terms over 85% of ratepayers, will have an increase of \$225 or less.

The graph shows the impacts of percentage terms, consistent with the Long Term Plan.

Refer to rating information under “Our Finances” section for more details.

**Rate movement for properties 2023/24**









# A tātau pūtea Our finances



# Ngā kaupapa Contents

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## Tirohanga whānui ahumoni

### Financial overview

#### Financial strategy

The 2021-2031 Long Term Plan (LTP) set two key financial limits:

- Rates revenue - an increase of 6.5% plus growth in years 1-3 and 5% plus growth in years 4-10
- Debt limit - to be within 130% of our revenue.

The strategy also provides key directions for the management of our finances over years 1-10 of the 2021-2031 LTP:

- prudently managing debt and smoothing increases to rates income
- keeping rates as affordable as practicable
- focusing on critical activities and infrastructure
- increase and optimise the use of alternative revenue streams
- ensure beneficiaries of services pay the costs.

#### Balanced budget

We have a general requirement to manage financial matters prudently and in a manner that promotes the current and future interests of the community. Council must consider the balanced budget requirement under the Local Government Act where forecast operating revenue are sufficient to meet forecast operating expenses.

We are budgeting for an operating surplus. This is the result of capital grants and subsidies and not funding all the costs of depreciation. We do not fund all of roading depreciation costs as they will be recovered from Waka Kotahi in the future.

While there is an overall bottom line surplus, some activities have been funded by reserves or loans. For the most part, the 2021-2031 LTP acknowledges and provisioned for operating costs to be funded from loans where we were facing steep increases in rates.

These included:

- Loan funding for plans that were long term in nature including our Freshwater plan, Tairāwhiti Regional Management Plan.
- Phasing the funding of new depreciation costs that arise from the Wastewater Treatment Plant and Kiwa Pools.
- Not funding all of the depreciation costs from revalued assets for three waters.
- Using reserves for some interest costs arising from the Wastewater Treatment Plant.

#### Financial estimates for 2023/24

Overall the financial estimates for 2023/24 are within the key financial strategy measures.

- Total rates revenue increases over the previous year is within the threshold of 6.5% (excluding growth).
- Total external debt is 122% of revenue, within the 130% revenue threshold.

Refer to Financial reporting and Prudence benchmarks within the "Our Finances Section".

Debt is forecast to be \$148m for 2023/24 this is an increase of \$6m on the LTP.

Post the adoption of the LTP, there were a number of changes that have occurred. These changes related to meeting new legislative requirements, new resilience projects and additional roading emergency works

The budget includes local share funding of \$3.3m for the roading emergency reinstatement works resulting from Cyclone Gabrielle. Other new projects not included in the LTP, affecting debt includes ultraviolet treatment for water processing, Te Arai Bridge and relocation of Tokomaru Bay transfer station.

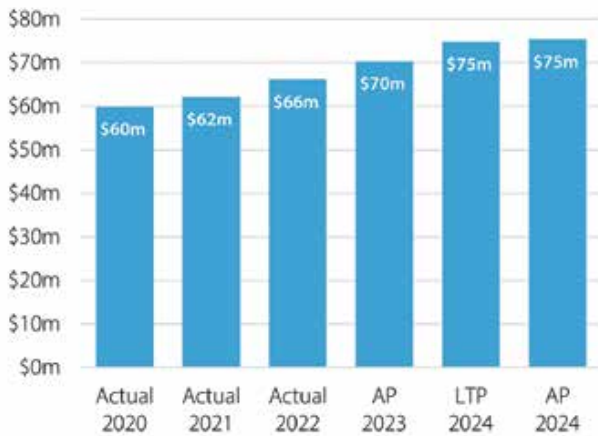
#### Net surplus

The Annual Plan forecasts a net surplus of \$11.2m, up \$8.8m on LTP Year 3. This is higher than the LTP due to higher capital grants subsidies including:

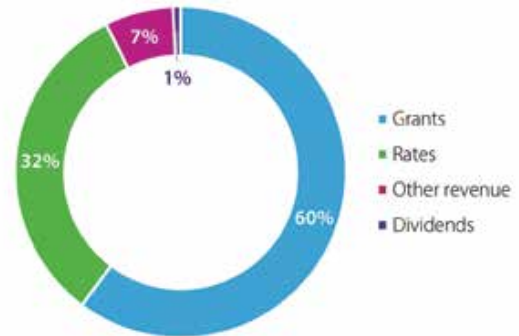
- Provincial Growth funding (PGF) roading projects that has rolled into Year 3.
- Some new projects such as Waingake Water Treatment Lamella filtration (insurance funded). Wheelie Bins (Better off Funding from Three Water reforms Central Government committed funding portion).
- Some projects that were forecast to be completed in Year 2 but will now roll into Year 3.

Net surplus after taxation is the difference between income received and expenses incurred. We record capital grants and capital subsidies as income, even though they are not used to fund operational expenses, as such this creates an accounting surplus. The surplus goes towards our capital projects and reduces Council's need to borrow funds.

**2023/24 rates increase**



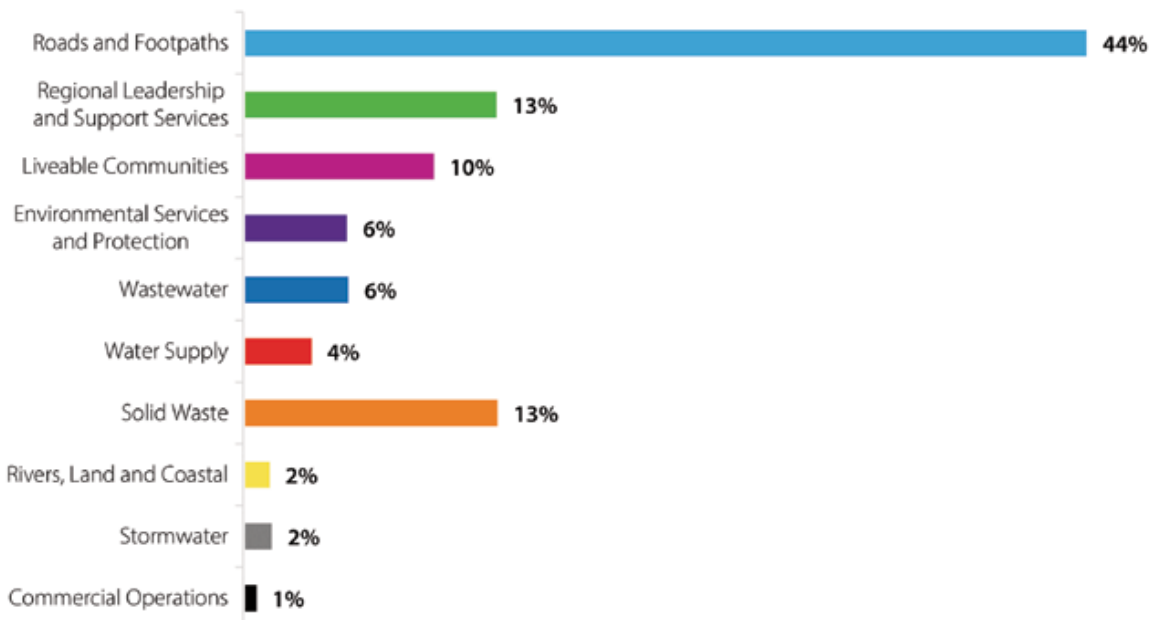
**Council's income**



Rates affordability continues to be a significant issue for our district. Council's commitment to minimising rates increases is set out in our Financial Strategy in the 2021-2031 LTP.

The financial strategy focused on increasing revenue from alternative sources to lessen the financial burden on ratepayers. The 2023/24 AP forecasts that on average rates would be 32% of total revenue required. This is less than the LTP forecast of 60% rates revenue. The use of external funding has meant that most of the significant operational expenditure has been sourced from external sources, reducing the reliance of rates.

**Council's operational expenditure**





## Capital investment programme

The capital investment for 2023/24 AP is \$70.2m, up \$30.8m on the LTP. The focus of the AP is both the delivery and key outcomes:

- Final stages of wastewater treatment plant upgrade improving the water quality in Turanganui-a-Kiwa.
- Final stages of Kiwa Pools - externally funded multi-purpose pool facility the whole community can enjoy.
- Water treatment quality and stabilisation of water production, with the Ultra violet processing and the Water Lamella Filtration (more effective filtration aiding water production at Waingake Treatment Plant.
- Better off Funded Wheelie Bins - service delivery for kerbside collection.
- Focus on critical infrastructure (roading, Four Waters) of \$48.3m or 69% of the total capital investment programme.

The proposed Capital Programme for 2023/24 is included in Note 14 in the "Our Finances Section".

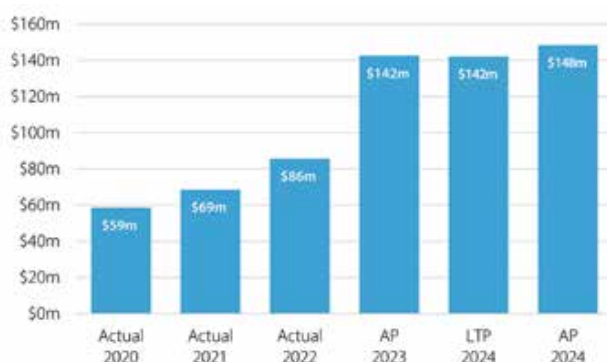
## Council's debts

Council's ability to raise loans is not dependent on the quantified debt limit that is set within the Financial Strategy. Council's ability to raise loans is based upon debt covenant thresholds around its revenue levels, where overall debt is to be less than 175% of revenue.

Council's actual debt to revenue is forecast to be 122% of recurring revenue. This excludes non-recurring revenue such as one-off grants (eg Woody debris and silt grants, Better Off funding and grants relating to specific one off purpose).

The financial strategy acknowledges affordability with a lower threshold limit of 130% compared to covenant threshold of 175%. The lower limit reflects the ability to repay the loan and the impacts of servicing the higher interest costs on our relatively small rating base.

### Council debts



## Significant forecasting assumptions

The estimates contain prospective financial information. Actual results are likely to vary from the information presented and the variations may be material. For more detail see the Introduction section of Our Finances.

## Fees and charges

The Council fees and charges are used to fund the operation and maintenance of a variety of services provided to the community. Fees and charges have predominantly increased by the rate of inflation for 2023/24. Fees were increased in some activities to meet Council's Revenue and Finance policies or to recover increased costs.

Full details of the fees and charges can be found on the Council's website: [www.gdc.govt.nz](http://www.gdc.govt.nz)

# Tīmatatanga kōrero

## Introduction

The Annual Plan sets out Council's priorities and identifies how Council intends to fund its operations and capital projects.

The forecasts prepared for Council have been prepared based on agreed levels of service for each activity. The levels of service are set out in detail in the 2021-2031 LTP.

The prospective financial information contained in the Annual Plan is a forecast. It has been prepared on the basis of assumptions as to future events that the Council reasonably expects to occur, associated with the actions it reasonably expects to take at the date the forecast was prepared. The forecast relates to events and actions which have not yet occurred and may not occur.

The forecasts are presented in:

- Prospective Statement of Comprehensive Revenue and Expenses
- Prospective Statement of Financial Position
- Prospective Statement of Changes in Equity
- Prospective Statement of Cash flows
- Prospective Statement Concerning Balanced Budget.

Further detailed information is provided in the Notes to the Prospective Financial Statements which identifies revenue and expenditure for each group of activities (Note 2) and a full list of capital projects planned for 2023/24 with comparative figures to Year 3 of the 2021-2031 LTP (Note 14).

The operational and capital costs within the Annual Plan include:

- **existing costs** - costs to continue to deliver the current level of service
- **growth costs** - costs to deliver current level of service to a larger community due to growth
- **level of service changes** - costs to deliver an increase in level of service
- **project costs** - costs such as depreciation and interest that arise from Council undertaking capital projects
- **inflation** - increases in revenue and costs due to price changes.

### **The nature of the prospective financial information - cautionary note**

The prospective financial information contained in the Annual Plan is a forecast. It has been prepared on the basis of assumptions as to future events that the Council reasonably expects to occur, associated with the action it reasonably expects to take at the date the forecast was prepared. The forecast relates to events and actions which have not yet occurred and may not occur. The actual results achieved for the period covered are likely to vary from the financial information presented and the variations may be material. Uncontrollable events will significantly affect the forecast.

### **Please note**

Revenue from the Grants, Subsidies and Contributions - Capital includes grants received where the associated expenditure will be capitalised. Expenditure relating to these projects will be recognised (primarily as depreciation) over the life of the capitalised assets.

Council has budgeted for a net surplus in the 2023/24 Annual Plan. This is mainly the result of the capital grants and subsidies. Further information is available in the Prospective Statement Concerning Balanced Budget later in this section.

The financial information contained within the 2023/24 Annual Plan may not be appropriate for purposes other than those described.

There may be rounding differences throughout the financial statements and notes included in this section. They do not impact the overall usefulness of the information presented.

## Ngā tauākī haurapa

### Prospective statements

#### Prospective statement of comprehensive revenue and expenses for the year ended 30 June 2024

AP 2023		LTP 2024	AP 2024
\$000s	Notes	\$000s	\$000s
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>			
12,885	Grants and Subsidies - Operational	12,795	112,745
44,535	Grants, Donations, Subsidies and Contributions - Capital	13,618	34,496
2,170	Other Non Exchange Revenue	2,149	2,196
24,113	General Rates And Uniform Annual General Charge	26,439	24,276
46,270	Targeted Rates	48,385	51,081
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>			
1,622	Development and Financial Contributions	1,658	1,658
11,645	Other Revenue	11,695	12,795
3,594	Targeted Water Rates	3,921	3,771
1,600	Dividends	1,700	1,800
(231)	Other Gains/(Losses) - Profit on Sale of Assets	(315)	(230)
<b>148,205</b>	<b>Total Revenue</b>	<b>122,044</b>	<b>244,588</b>
<b>EXPENSES</b>			
30,672	Employee Benefit Expenses	28,020	33,428
61,205	Expenditure on Operating Activities	59,126	164,692
24,907	Depreciation and Amortisation	28,181	29,473
4,482	Financing Costs	4,888	6,158
<b>121,266</b>	<b>Total Expenses</b>	<b>120,215</b>	<b>233,751</b>
<b>26,939</b>	<b>Net Surplus/(Deficit) before Taxation</b>	<b>1,829</b>	<b>10,837</b>
600	Subvention Payment from GHL	600	400
<b>27,539</b>	<b>Net Surplus/(Deficit) after Taxation</b>	<b>2,429</b>	<b>11,237</b>
62,321	Gains/(Losses) on Property Revaluation	48,223	48,223
<b>89,860</b>	<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES</b>	<b>50,652</b>	<b>59,460</b>

<sup>1</sup> Grants and Subsidies (Operational) - Increase mostly due to grant for Woody debris and silt removal, and roading emergency works.

<sup>2</sup> Grants (Capital) - Increase mostly due to Provincial Growth Fund for roading projects. Waingake Water Treatment Lamella filtration, Wheelie bins Better off Funding and other projects that were due to be completed by 30 June 2023 but have now rolled into Year 3.

**Prospective statement of financial position as at 30 June 2024**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
<b>CURRENT ASSETS</b>			
19,575	Cash & Bank	9,967	7,798
8,806	Non Exchange Trade and Other Receivables	11,588	11,475
9,182	Exchange Trade and Other Receivables	12,100	20,471
38	Inventories	101	120
0	Derivative Financial Instruments	0	37
80	Non Current Assets Held for Resale	0	80
<b>37,682</b>	<b>Total Current Assets</b>	<b>33,757</b>	<b>39,981</b>
<b>CURRENT LIABILITIES</b>			
498	Deposits Held	431	535
35,744	Trade and Other Payables	30,047	39,558
2,754	Employee Benefits and Suspense	2,574	3,180
7,100	Borrowings	5,000	5,000
279	Provisions for Other Liabilities	94	85
1,116	Derivative Financial Instruments	1,219	0
<b>47,491</b>	<b>Total Current Liabilities</b>	<b>39,365</b>	<b>48,359</b>
<b>(9,808)</b>	<b>Total Net Working Capital</b>	<b>(5,608)</b>	<b>(8,378)</b>
<b>NON CURRENT ASSETS</b>			
0	Derivative Financial Instruments	0	861
2,666,688	Property Plant and Equipment	2,666,561	3,030,144
6,548	Intangible Assets	6,427	7,447
2,741	Biological Assets	2,663	1,540
33,893	Investments	33,595	34,387
<b>2,709,870</b>	<b>Total Non Current Assets</b>	<b>2,709,245</b>	<b>3,074,379</b>
<b>NON CURRENT LIABILITIES</b>			
135,399	Borrowings	137,170	143,444
179	Employee Benefit Liabilities	176	122
2,571	Provisions for Other Liabilities	3,008	2,249
1,618	Derivative Financial Instruments	4,029	0
1,950	Emission Trading Scheme Liabilities	1,950	2,570
<b>141,717</b>	<b>Total Non Current Liabilities</b>	<b>146,334</b>	<b>148,386</b>
<b>2,558,345</b>	<b>Total Net Funds Employed</b>	<b>2,557,302</b>	<b>2,917,615</b>
<b>EQUITY</b>			
575,479	Accumulated Surplus	595,922	586,304
32,477	Special Funds	20,190	33,554
1,950,389	Revaluation Reserves	1,941,191	2,297,758
<b>2,558,345</b>	<b>Total Equity</b>	<b>2,557,302</b>	<b>2,917,615</b>

<sup>1</sup> Cash at bank represents the carrying value of short-term deposits with original maturity dates of three months or less approximate their fair value.

<sup>2</sup> Borrowing have increased due to new capital works to meet legislative changes and resilience projects.

<sup>3</sup> The Council owns pre 1990 forest land that was compulsorily entered into the ETS. Compensation credits were received for this and the Council is required to ensure this land is replanted following harvest. The obligation to replant this land has not been quantified.

**Prospective statement of changes in equity as at 30 June 2024**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
<b>EQUITY OPENING BALANCES</b>			
533,381	Accumulated Funds and Retained Earnings	590,502	564,731
47,036	Special Funds and Reserves	23,181	43,890
1,888,068	Revaluation Reserves	1,892,968	2,249,535
<b>2,468,485</b>	<b>Total Equity Opening Balance</b>	<b>2,506,651</b>	<b>2,858,155</b>
<b>CHANGES IN EQUITY</b>			
<b>Accumulated Surplus (Retained Earnings)/ Revaluation Reserves</b>			
89,860	Total Comprehensive Income for the Year	50,652	59,460
14,559	Transfer to/(from) Special Funds and Reserves	2,991	10,336
<b>Special Funds and Reserves</b>			
(14,559)	Transfer to/(from) Retained Earnings	(2,991)	(10,336)
<b>89,860</b>	<b>Total Changes in Equity</b>	<b>50,652</b>	<b>59,460</b>
<b>EQUITY CLOSING BALANCES</b>			
575,479	Accumulated Funds and Retained Earnings	595,922	586,304
32,477	Special Funds and Reserves	20,190	33,554
1,950,389	Revaluation Reserves	1,941,191	2,297,758
<b>2,558,345</b>	<b>Total Equity Closing Balance</b>	<b>2,557,302</b>	<b>2,917,615</b>
<b>Attributable to :</b>			
2,558,345	Gisborne District Council	2,557,302	2,917,615



**Prospective statement of cash flow for the year ended 30 June 2024**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash provided from:			
68,531	Rates Receipts	73,032	73,499
57,681	Government Grants and Subsidies	26,646	147,518
20,410	Receipts from Activities	20,466	21,451
0	Interest Received	0	0
1,600	Dividends Received	1,810	1,800
600	Subvention	600	400
<b>148,822</b>		<b>122,444</b>	<b>244,669</b>
Cash provided to:			
91,322	Payments to Suppliers and Employees	86,350	197,791
992	Grants	1,020	1,004
4,495	Interest Paid	4,901	6,169
<b>96,809</b>		<b>92,270</b>	<b>204,963</b>
<b>52,013</b>	<b>Net Cash Inflow/(Outflow) Operating Activities</b>	<b>30,174</b>	<b>39,705</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Cash provided from:			
50	Sale of Property Plant and Equipment	50	50
287	Forestry stumpage adjustment	365	561
<b>337</b>		<b>415</b>	<b>611</b>
Cash provided to:			
99,198	Purchase of Property Plant and Equipment	39,440	70,229
0	Purchase (w/down or sale) of Investments	0	0
<b>99,198</b>		<b>39,440</b>	<b>70,229</b>
<b>(98,861)</b>	<b>Net Cash Inflow/(Outflow) Investing Activities</b>	<b>(39,024)</b>	<b>(69,618)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Cash provided from:			
46,848	Increase/(Decrease) in Borrowings	8,851	29,914
<b>46,848</b>		<b>8,851</b>	<b>29,914</b>
<b>46,848</b>	<b>Net Cash Inflow/(Outflow) Financing Activities</b>	<b>8,851</b>	<b>29,914</b>
<b>0</b>	<b>Net Increase/(Decrease) in Cash</b>	<b>0</b>	<b>0</b>
19,575	Cash at beginning of the year	9,967	7,798
<b>19,575</b>	<b>Cash and Cash Equivalents at Year End</b>	<b>9,967</b>	<b>7,798</b>

**Explanation of terms used in the prospective statement of cash flows**

Cash and Cash Equivalents is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

Investing Activities are those activities relating to the acquisition, holding and disposal of fixed assets and investments. Investments can include securities not falling within the definition of cash.

Financing Activities are those activities which result in changes in the size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash.

Operating Activities include all transactions and other events that are not investing or financing activities.

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes. The GST rate assumed in these estimates is 15%.

## Prospective statement concerning balanced budget for the year ended 30 June 2024

AP 2023		LTP 2024	AP 2024
\$000s		\$000s	\$000s
148,205	Operating Revenue	122,044	244,588
121,266	Operating Expenditure	120,215	233,751
600	Subvention Payment	600	400
<b>27,539</b>	<b>Net Operating Surplus/(Deficit) After Taxation</b>	<b>2,429</b>	<b>11,237</b>
	<b>LESS</b>		
1,272	Capital Rates Income	2,002	1,875
44,519	Capital Grants and Subsidies	13,574	34,496
1,638	Other Capital Grants, Donations and Contributions	1,701	1,658
(9,358)	Operations Funded by Reserve Funds	(2,214)	(12,784)
	<b>PLUS</b>		
10,253	Depreciation not Funded	12,233	13,547
279	Increase/(Decrease) in Deficit	401	461
<b>0</b>	<b>Balanced Budget - operating income agrees to operating expenditure</b>	<b>0</b>	<b>0</b>

### Balancing the budget

Council sets operating income at a level to meet each year's operating expenditure. This is to ensure that there is access to enough funding to enable the services to continue to be provided long term. However, there are activities where this approach may not be practical or prudent due to the activity's long term nature i.e. wastewater, forestry or soil conservation nurseries. Council is forecasting an accounting surplus for 2023/24.

Council intends to:

- find additional sources of income, enabling us to keep rates affordable through grants and dividends, partnerships and some increase to user pays
- not fund a portion of depreciation on specific assets or components of assets funded through capital rates or subsidies (i.e. waste water treatment plant and some roading assets)
- increase borrowing to a sensible level in order to build, renew and maintain critical infrastructure.
- Loan fund some operational costs including
  - Tairāwhiti Regional Management Plan, Freshwater Plan
  - Enterprise Solutions Project
- Reserve fund some operational costs including
  - Some higher interest costs over what was provided within the LTP for the Wastewater Treatment Plant.
- Fund depreciation costs for revalued Three water assets to the extent that was provided within the LTP and to the extent of meeting renewals.

When preparing and reviewing the budget, Council has had regard to the following specific matters in relation to all activities of Council, as per the LGA section 100:

- maintaining levels of service
- maintaining the service capacity and integrity of assets
- intergenerational equity
- compliance with Council's funding and financial policies established under LGA section 102.

# Kupu tāpiri ki ngā tauākī haurapa

## Notes to the prospective statements

### Note 1: Statement of accounting policies

#### Reporting entity

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

The Gisborne District Council Group (the "Group") consists of Gisborne District Council and its subsidiary, Gisborne Holdings Ltd (100% owned). Gisborne Holdings Ltd is incorporated in New Zealand, and pursuant to the Local Government Act 2002 is a Council Controlled Trading Organisation.

Council has not presented economic entity prospective financial statements because the Council believes that the controlling entities, prospective statements are more relevant to users. The main purpose of prospective financial statements in the Annual Plan is to provide users with information about the core services that Council intends to provide ratepayers, the expected cost of those services and, as a consequence, how much Council requires by way of rates to fund the intended levels of services. The level of rates funding required is not affected by controlled entities, except to the extent that the Council obtains distributions from, or further invests in, those controlled entities. Such effects are included in the prospective financial statements presented.

The Council is a Public Benefit Entity (PBE) for the purposes of Financial Reporting. The Financial Bill, enacted in December 2013, defines a PBE as "entities whose primary objective is to provide goods or services for community or social benefit, and where equity has been provided with a view to supporting that primary objective, rather than for a financial return to equity". Gisborne District Council is defined as a Tier 1 entity with expenditure in excess of \$30m.

#### Basis of preparation

The Council's prospective financial statements have been prepared in accordance with the requirements of the LGA 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Public Benefit Entity (PBE) Standards and other applicable Financial Reporting Standards, as appropriate for public benefit entities. This includes compliance with PBE Financial Reporting Standard No. 42 (PBE FRS-42) 'Prospective Financial Statements'.

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of certain fixed assets, forestry assets, livestock assets and certain financial instruments to reflect fair value.

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Council is New Zealand dollars.

#### The nature of the prospective financial information - cautionary note

The prospective financial information contained in the Annual Plan is a forecast. It has been prepared on the basis of assumptions as to future events that the Council reasonably expects to take at the date the forecast was prepared. The forecast relates to events and actions which have not yet occurred and may not occur. The actual results achieved for the period covered are likely to vary from the financial information presented and the variations may be material.

A number of assumptions need to be made about the economic and financial conditions which will apply over the life-time of the model. The major assumptions underpinning this Plan are set out in the Significant Assumptions section.

The financial information contained within the Annual Plan may not be appropriate for purposes other than those described.

#### Specific accounting policies

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

##### Revenue recognition

Revenue has been split into Exchange and non Exchange as per the requirements of the Public Benefit Entity (PBE) accounting standards. Non Exchange revenue is categorised as receiving value without giving approximately equal value in exchange e.g. general rates, government grants.

Revenue is measured at the fair value of consideration received. The following specific recognition criteria must be met before revenue is recognised.

##### Rates revenue

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

### **Government grants and subsidies**

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

Council receives government subsidies from Waka Kotahi, which subsidises part of Council's costs in maintaining the local roading infrastructure.

The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

### **Other revenue**

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

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

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

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

### **Borrowing costs**

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

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

### **Grant expenditure**

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

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

### **Income tax**

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

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

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit.

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

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

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

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

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

## **Leases**

### **Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

### **Finance leases**

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

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the Prospective Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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



### **Trade and other receivables**

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

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

### **Inventories**

Inventories are recognised at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the first-in first-out (FIFO) principle and includes expenditure in acquiring the inventories and bringing them to their existing location and condition.

### **Financial assets**

Council classifies its financial assets in the following two categories:

- available-for-sale financial assets
- loans and receivables.

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

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

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price is the current bid price. The fair value of financial instruments not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

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

### **Derecognition of financial assets**

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

Council presently has the following categories of financial assets:

#### **a. Loans and receivables**

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

Loans to community organisations made by Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method.

The difference between the face value and present value of the expected future cash flows of the loan is recognised in the Prospective Statement of Comprehensive Revenue and Expenses as a grant. Loans to other parties at market rates are measured at amortised cost using the effective interest method.

Non-current loans are discounted at the current market rate of return for a similar asset.

#### **b. Available-for-sale financial assets**

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

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

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

### **Impairment of financial assets**

At each balance sheet date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Prospective Statement of Comprehensive Revenue and Expenses.

## **Accounting for derivative financial instruments and hedging activities**

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

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

Council does not satisfy all the conditions for hedge accounting and therefore all gains or losses in fair value of instruments used to manage cash flow and interest rate risk are recognised through the Prospective Statement of Comprehensive Revenue and Expenses.

### **Financial liabilities - borrowings**

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

### **Non-current assets held for sale**

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

Any impairment losses for write-downs of assets held for sale are recognised in the Prospective Statement of Comprehensive Revenue and Expenses.

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

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

### **Property, plant and equipment**

Property, plant and equipment consists of:

#### **Operational assets**

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

#### **Infrastructural assets**

Infrastructural assets are the fixed utility systems owned by Council and comprise the sewer, water, storm water, roading, flood control and the waste disposal infrastructures.

Each asset type includes all items that are required for the network to function, for example, sewer reticulation piping and sewer pump stations.

### **Biological assets**

#### **Forestry Assets**

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

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

Council has committed to reverting 70% of the current net stocked area of exotic planting to native.

### **Intangible assets**

Intangible assets predominately comprise computer software and carbon credits.

#### **Software acquisition and development**

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

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

#### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation is charged to the Prospective Statement of Comprehensive Revenue and Expenses on a straight line basis over the useful life of the asset.

Typically, the estimated useful lives of these assets are as follows:

- computer software three to six years.

### **Emissions trading scheme**

The Groups forestry holdings incorporates forestry assets held by Council.

Gisborne Holdings Limited (GHL) has voluntarily entered the New Zealand Emissions Trading Scheme (ETS) in respect of 1,224.2 hectares of forest land located in the Tauwhareparae area. This entitles GHL to receive emissions units (units) for carbon stored in the specified area from a 1 January 2008 baseline.

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

Units received are recognised at fair value on the date they are received and subsequently measured at cost subject to impairment. While there are no specific conditions attached to units received, should carbon stored in the specified area fall below the amount compensated for, a portion of the units received must be returned.

Units received are recorded on the Prospective Statement of Financial Position as an intangible asset until it is clear that they will not be required to meet future emissions obligations. The value of units is then recognised in the Prospective Statement of Comprehensive Income.

Where there is an obligation to return units this liability is recognised on the Prospective Statement of Financial Position, measured with reference to the carrying value of units on hand. Where there is insufficient units on hand to meet the emissions obligation, this is measured by reference to the current market value for units held.

### **Property, plant and equipment valuation**

Council has elected to use the Public Benefit Entities exemption to revalue property, plant and equipment on an asset class basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Prospective Statement of Comprehensive Revenue and Expenses. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Prospective Statement of Comprehensive Revenue and Expenses will be recognised first in the Prospective Statement of Comprehensive Revenue and Expenses up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### **Additions**

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

### **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Prospective Statement of Comprehensive Revenue and Expenses.

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### **Subsequent costs**

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

### **Operational assets valuations**

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

- operational land
- operational land is valued at fair value and is not depreciated
- operational buildings.

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

### **Library books - general collection**

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

### **Library books permanent collection**

The permanent collection is carried at deemed cost.

## Infrastructure assets valuations

### Infrastructural assets

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

### Roading assets

Roading assets are independently revalued annually.

### Airport assets

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

### Depreciation

Depreciation is provided on a straight-line basis on all fixed assets other than land and land under roads.

The depreciation rates used will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

### Infrastructure assets

#### Roads

Pavement Surface (seal)	5 - 20 years
Pavement Surface (unsealed) - Wearing Course	5 years
Pavement Layers (basecourse)	40 - 100 years
Formation	(not depreciated)
Culverts	70 years
Footpaths	20 - 75 years
Surface Water Channels	75 years
Signs	12 years
Street Lights	15 - 25 years
Bridges	25 - 80 years
Retaining Structures	80 years
Traffic Signals	15 years
Parking Meters	15 years
Railings	10 - 15 years
Safety Projects	10 - 13 years

#### Water reticulation

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

#### Sewage reticulation

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

#### Stormwater systems

Pipes	62 - 100 years
In-drain Structures	25 - 100 years
Flood Control Systems	25 - 100 years
Solid Waste	4 - 25 years

#### Operational assets

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



## **Assets under construction**

Assets under construction are valued at cost but they are not depreciated. The total cost of a project is transferred to freehold buildings, plant and equipment or infrastructural assets on its completion and then depreciated.

## **Impairment of non-financial assets**

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

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

The carrying amount of a non-financial asset that has previously been written down to a recoverable amount is increased to its current recoverable amount if there has been a change in the estimates used to determine the amount of the write down. The increased carrying amount of the item will not exceed the carrying amount that would have been determined if the write down to recoverable amount had not occurred.

## **Trade and other payables**

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

## **Financial liabilities: borrowings**

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

## **Employee entitlements**

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

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

## **Long service leave and retirement leave**

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

## **Superannuation schemes**

### **Defined benefit scheme**

Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme, the extent to which the surplus/deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

## **Provisions**

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

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

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Prospective Statement of Comprehensive Revenue and Expenses net of any reimbursement.

## **Public equity**

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

- Accumulated funds and retained earnings
- Special funds and reserves
- Asset revaluation reserves.

## **Accumulated funds**

Comprise accumulated surpluses over the years.

### **Special funds and reserves**

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

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

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

### **Asset revaluation reserve**

Comprise accumulated revaluation increments or decrements.

Detail on the movement of reserves held by Council (with exception of revaluation reserve) can be found in Note 12.

### **Prospective statement of cash flows**

Cash flows from operating activities are presented using the direct method.

Definitions of terms used in the Prospective Statement of Cash Flows:

- **operating activities** - These activities include all transactions and events that are not investing or financing activities
- **investing activities** - These comprise those activities relating to the acquisition, holding and disposal of fixed assets and investments. Investments can include securities not falling within the definition of cash
- **financing activities** - These are activities which result in changes in the size and composition of the capital structure of Council; inclusive of both equity and debt not falling within the definition of cash.

### **Changes to accounting policies**

There has been no changes in accounting policies during the Annual Plan. All accounting policies have been applied on a consistent basis throughout the years presented.

### **Critical accounting estimates and assumptions**

In preparing these prospective financial statements Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### **Landfill post closure costs**

#### **Paōkahu**

As former operator of the Paōkahu landfill site, Council has an obligation to ensure the ongoing maintenance and monitoring services at this landfill site after closure.

A landfill after care provision has been recognised as a liability in the Prospective Statement of Financial Position. Provision is made for the present value of post closure costs expected to be incurred in restoring the area to its former status. The calculated cost is based on estimates of future site maintenance, supervision and monitoring costs. The estimated length of time needed for post closure care for the Paōkahu site is 35 years from 31 December 2002.

The calculations assume no change in the legislative requirements or technological changes for closure and post closure treatment.

#### **Waiapū**

As operator of the Waiapū landfill site, Council has an obligation to ensure the ongoing maintenance and monitoring services at this landfill site after closure.

A landfill after care provision has been recognised as a liability in the Prospective Statement of Financial Position.

Provision is made for the present value of post closure costs expected to be incurred in restoring the area to its former status. The calculated cost is based on estimates of future site maintenance, supervision and monitoring costs. The estimated length of time needed for post closure care for the Waiapū site is 35 years from 30 June 2025.

## **Infrastructural assets**

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

- The physical deterioration and condition of asset, for example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example storm water, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition-modeling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth.
- If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under-estimating the annual depreciation charge recognised as an expense in the Prospective Statement of Comprehensive Revenue and Expenses. To minimise this risk, Council's infrastructural asset's useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience.
- Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, which provides Council with further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructural asset revaluations.

## **GST**

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

## **Budget figures**

The budget figures are those approved by Council and published in the 2021-2031 LTP and this Annual Plan.

The Annual Plan 2023/24 figures have been produced in accordance with the requirements of the Public Benefit Entity (PBE) accounting standards.

## **Cost allocation**

Expenditure has been reported by the nature of the expense.

## **Capital management**

Council's capital is its equity (or ratepayers' funds) which comprises accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve inter generational equity, which is a principle promoted in the Act and applied by Council. Inter generational equity requires today's rate payers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Annual Plan to meet the expenditure needs identified by those plans. The Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's LTP.

**Note 2: Prospective summary cost of services by activity**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
<b>EXPENSES</b>			
1,756	Commercial Operations	1,733	1,918
12,288	Environmental Services & Protection	11,797	13,018
3,331	Land, Rivers & Coastal	3,349	3,554
19,801	Liveable Communities <sup>1</sup>	21,515	23,579
22,422	Regional Leadership & Support Services <sup>2</sup>	17,754	31,257
34,318	Roading <sup>3</sup>	36,635	103,373
4,699	Solid Waste <sup>4</sup>	4,840	31,389
3,216	Urban Stormwater	3,282	3,819
11,996	Wastewater	11,704	13,197
7,439	Water Supply	7,606	8,646
<b>121,266</b>	<b>Total Expenses</b>	<b>120,215</b>	<b>233,751</b>
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>			
1,947	Commercial Operations <sup>5</sup>	2,007	1,438
4,977	Environmental Services & Protection	4,447	5,199
285	Land, Rivers & Coastal	292	292
2,522	Liveable Communities <sup>6</sup>	2,982	3,623
2,355	Regional Leadership & Support Services	2,462	2,592
48	Roading	49	124
232	Solid Waste	211	234
535	Wastewater	512	536
3,708	Water Supply	4,038	4,098
<b>16,608</b>	<b>Total Revenue From Exchange Transactions</b>	<b>17,001</b>	<b>18,136</b>
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>			
1,170	Environmental Services & Protection	1,149	1,196
174	Liveable Communities	0	854
1,000	Regional Leadership & Support Services	1,000	9,677
12,711	Roading <sup>7</sup>	12,795	76,815
0	Solid Waste <sup>8</sup>	0	26,400
<b>15,055</b>	<b>Total Revenue From Non-Exchange Transactions</b>	<b>14,944</b>	<b>114,941</b>
<b>89,602</b>		<b>88,270</b>	<b>100,674</b>

<sup>1</sup> Liveable Communities - Increase due mostly to externally funded expansion of Integrated Catchment Management activity supporting Freshwater Farm Plans and complying with Freshwater Reform requirements.

<sup>2</sup> Regional Leadership & Support Services - Increase due mostly to a change in accounting treatment of the Enterprise Solutions project that was moved from capital to an operational expense. Also, the rephasing and timing of the Plans (Tairāwhiti Regional Management Plan, Freshwater Plan) which have been rolled into the Annual Plan, from Year 2.

<sup>3</sup> Roothing - Includes \$67.5m of emergency rooothing reinstatement work after Cyclones Gabrielle and Hale.

<sup>4</sup> Solid Waste - Increased expenditure due to clean up of woody debris and silt, focusing on waterways, beaches and areas threatening our infrastructure.

<sup>5</sup> Commercial Operations - Reduced revenue due to timing of forestry harvest proceeds.

<sup>6</sup> Liveable Communities - External Funding for increased land management services within the Integrated Catchment Activity.

<sup>7</sup> Roothing - Grants from Waka Kotahi relating to emergency works reinstatement.

<sup>8</sup> Solid Waste - Grant for woody debris and silt clean up.



**Note 3: Rates revenue**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
73,979	Rates Revenue	78,745	79,128
	Rates revenue consists of:		
7,083	General Rates	8,380	8,015
17,031	Uniform Annual General Charge	18,058	18,174
46,270	Targeted Rates	48,385	49,168
3,594	Metered Water Rates	3,921	3,771
<b>73,979</b>	<b>Rates Revenue</b>	<b>78,745</b>	<b>79,128</b>
	Less		
620	Remissions	633	633
<b>73,359</b>	<b>Net Rates Revenue</b>	<b>78,112</b>	<b>78,495</b>

**Forecast rating base information**

		2023/24 forecast capital value \$000	2023/24 forecast land value \$000	Forecast growth
Rateable units	22,337	16,609,148	9,694,950	
Non-rateable units	1,372	343,465	213,966	0.57%
<b>Total</b>	<b>23,709</b>	<b>16,952,613</b>	<b>9,908,916</b>	

**Note 4: Revenue from grants and subsidies**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
	Revenue from Grants and Subsidies		
23,088	Central Government Grants & Other Grants and Subsidies	1,134	50,484
34,332	NZ Transport Agency Rooding Subsidies	25,280	96,757
<b>57,420</b>	<b>Total Revenue from Grants and Subsidies</b>	<b>26,413</b>	<b>147,241</b>

<sup>1</sup>Central Government Grants/Other - mostly relates to Better Off Funding (Wheelie Bins) grant for cleaning up Woody debris and silt, Waingake restoration, recovery co-ordination centre IAF funding for water supply upgrades and insurance revenue for reinstatement of water supply.

<sup>2</sup>NZ Transport Agency Waka Kotahi - Rooding subsidies - the increase is due to the provision of emergency reinstatement works after Cyclones Gabrielle and Hale.

**Note 5: Revenue from operating activities**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
	Revenue from Operating Activities		
1,622	Development Contributions	1,658	1,658
1,000	Rates Penalties	1,000	1,000
12,450	Activity Revenue	12,479	13,626
1,600	Dividends	1,700	1,800
365	Petroleum Tax	365	365
<b>17,038</b>	<b>Total Revenue from Operating Activities</b>	<b>17,201</b>	<b>18,448</b>

**Note 6: Revenue from other gains/(losses)**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
	Revenue from Other Gains		
50	Gain / (Loss) on Disposal of Property, Plant and Equipment	50	50
(281)	Gain / (Loss) on Changes in Fair Value of Non-Current Receivables / Investments	(365)	(280)
<b>(231)</b>	<b>Total Revenue from Other Gains</b>	<b>(315)</b>	<b>(230)</b>

**Note 7: Employee benefit expense**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
	Employee Benefit Expense		
33,741	Salary and Wages	29,517	39,592
877	Defined Contribution Plans Expense	778	927
(3,946)	Less Recharged to Other Expense Categories**	(2,275)	(7,091)
<b>30,672</b>	<b>Total Employee Benefit Expense</b>	<b>28,020</b>	<b>33,428</b>

<sup>1</sup> At the time of the adoption of the LTP, planning costs were provisioned under operating budgets. The plans will now be completed in house (e.g. Tairāwhiti Regional Management Plan, Freshwater Plan, Waingake Restoration). In addition, there are new costs relating to externally funded projects - such as the Recovery Co-Ordination Centre and the Integrated Catchment Management activity.

**Note 8: Depreciation and amortisation expense**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
	<b>Depreciation and Amortisation Expense</b>		
681	Commercial Operations	659	807
47	Environmental Services & Protection	39	63
225	Land, Rivers & Coastal	205	237
2,393	Liveable Communities	3,395	3,592
1,642	Regional Leadership & Support Services	1,847	1,813
12,906	Roads & Footpaths	14,772	14,110
272	Solid Waste	314	418
1,107	Urban Stormwater	1,119	1,486
2,951	Wastewater	3,128	3,624
2,684	Water Supply	2,703	3,322
<b>24,907</b>	<b>Total Depreciation and Amortisation Expense</b>	<b>28,181</b>	<b>29,473</b>
24,907	Total Depreciation as per Note 24	28,181	29,473
<b>24,907</b>		<b>28,181</b>	<b>29,473</b>

**Note 9: Expenditure on operating activities**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
	<b>Expenditure on Operating Activities</b>		
2,408	Administration Expenses	2,575	2,612
369	Audit Fees - Financial Reporting	295	369
1,755	Consultants and Professional Services	2,139	1,981
890	Elected Members and Director's Fees	946	946
154	Indirect Employment Costs	208	152
992	Grants and Donations	1,020	1,004
1,491	Insurance Costs	1,546	1,782
2,115	Rental and Operating Leases	2,038	2,037
13,021	Repairs and Maintenance	13,594	13,173
1,013	Bad Debts Written Off - Rates	906	972
(97)	Bad Debts Written Off - Other	(78)	(84)
185	Change to Impairment of Receivables	172	172
170	IRD Compliance Costs	174	174
1,977	Litter Bins and City Cleaning	2,028	2,028
2,093	Emergency Works	2,156	69,656
32,667	Other Operating Expenditure*	29,407	67,717
<b>61,205</b>	<b>Total Expenditure on Operating Activities</b>	<b>59,126</b>	<b>164,692</b>

<sup>1</sup> Emergency works - increase due to provision for roading reinstatement works after Cyclones Gabrielle and Hale.

<sup>2</sup> Other operating expenditure - includes items such as electricity, operational contracts, treatment plants, pump stations, internal interest costs, vegetation planting contracts, facilities contracts. Increase in budgets over the LTP due mostly to clean up in woody debris and silt removal.

**Note 10: Finance costs**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
<b>Finance Costs</b>			
3,075	Interest on Debentures and Interest Rate Swaps	2,680	3,510
1,347	Interest on Bank Borrowings and Commercial Paper	2,148	2,588
60	Line Fee	60	60
<b>4,482</b>	<b>Total Finance Costs</b>	<b>4,888</b>	<b>6,158</b>

**Note 11: Development contributions revenue**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
<b>Development Contributions Revenue</b>			
44	Reserves & Open Spaces	45	45
357	Roading	364	364
180	Water Supply	182	182
829	Wastewater	850	850
212	Stormwater	216	216
<b>1,622</b>	<b>Total Development Contributions Revenue</b>	<b>1,658</b>	<b>1,658</b>

**Note 12: Movements in reserves**

	Opening balance 1 July 2023 \$000s	Transfers to reserves \$000s	Transfers from reserves \$000s	Closing balance 30 June 2024 \$000s
<b>Special Funds and Other Reserves</b>				
Waipaoa River Flood Control Scheme	719	13	66	666
Civil Defence Disaster Relief	416	7	128	294
Capital Development Fund	2,325	46	0	2,371
Quarry Rehab	1,231	24	0	1,255
Olympic Pool Development	31	1	0	32
Reserves Contributions	123	2	0	126
Land Transport - Urban Development Contributions	15	368	0	383
Water Supply - Urban Development Contributions	39	184	38	185
Wastewater - Urban Development Contributions	1,327	877	34	2,169
Stormwater - Urban Development Contributions	(727)	190	348	(885)
Reserves - District Development Contributions	384	38	628	(206)
HMNZ Blackpool Scholarship Fund	7	0	0	7
GHL Forestry Reserve	6	(1)	75	(70)
Pamoia Restoration Reserve	2,879	301	580	2,600
Roading FAR Reserve	1,670	0	0	1,670
Land Subdivision	369	7	0	376
Parking	50	50	0	100
Organisation Development Reserve	3,136	0	1,652	1,485
Depreciation	29,739	29,523	38,416	20,846
Water Demand and Water Preservation	150	0	0	150
<b>Total Special Funds and Other Reserves</b>	<b>43,890</b>	<b>31,629</b>	<b>41,965</b>	<b>33,554</b>

**Note 13: Reconciliation of funding impact statement with prospective statement of comprehensive revenue and expenses**

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
<b>RECONCILIATION OF REVENUE</b>			
<b>Sources of operating funding</b>			
101,997	Total operating funding (A) as per Funding Impact Statement	106,718	208,384
<b>Add Sources of capital funding</b>			
44,535	Subsidies and grants for capital expenditure	13,618	34,496
1,622	Development and financial contributions	1,658	1,658
50	Profit / (Loss) on Sale of Assets	50	50
0	Lump sum contributions	0	0
148,205		122,044	244,588
<b>148,205</b>	<b>As per Prospective Statement of Comprehensive Income - Total Operating Income</b>	<b>122,044</b>	<b>244,588</b>
<b>RECONCILIATION OF EXPENDITURE</b>			
<b>Applications of operating funding</b>			
96,359	Total applications of operating funding (B) as per Funding Impact Statement	92,035	204,278
24,907	Add depreciation and amortisation expense	28,181	29,473
121,266		120,215	233,751
<b>121,266</b>	<b>As per Prospective Statement of Comprehensive Income - Total Operating Expenditure</b>	<b>120,215</b>	<b>233,751</b>
<b>RECONCILIATION OF TOTAL COMPREHENSIVE INCOME</b>			
44,535	Add subsidies and grants for capital expenditure	13,618	34,496
5,638	Surplus/(deficit) of operating funding (A-B)	14,684	4,106
600	Add Subvention Payment	600	400
50	Add Profit / (Loss) on Sale of Assets	50	50
1,622	Add development and financial contributions	1,658	1,658
(24,907)	Add depreciation and amortisation expense	(28,181)	(29,473)
62,321	Add gains/(loss) of property revaluation	48,223	48,223
89,860		50,652	59,460
<b>89,860</b>	<b>As per Prospective Statement of Comprehensive Income - Total Comprehensive Income</b>	<b>50,652</b>	<b>59,460</b>



**Note 14: Capital expenditure 2023/24**

Description	Level of service	LTP	AP	Variance
		2024	2024	
		\$000s	\$000s	
<b>COMMERCIAL OPERATIONS</b>				
Commercial Property - Staff Housing Upgrades	Maintain	74	74	0
Community Housing - Upgrades	Maintain	210	210	0
<b>Total</b>		<b>284</b>	<b>284</b>	<b>0</b>
<b>LAND, RIVERS &amp; COASTAL</b>				
Waipaoa River Flood Control Scheme Resilience Improvements	Increase/Maintain	3,186	4,186	(1,000)
Mahanga Stream Improvements	Increase	0	86	(86)
<b>Total</b>		<b>3,186</b>	<b>4,272</b>	<b>(1,086)</b>
<b>LIVEABLE COMMUNITIES</b>				
Waingake Restoration (pamoa)	Increase	2,629	2,879	(250)
Titirangi To Tuamotu	Increase	11	11	0
Flooring Replacement Wmrt	Maintain	11	11	0
Amenities	Maintain	247	547	(300)
Peel St Toilets	Maintain	0	120	(120)
Parks and Reserves	Increase/Maintain	452	554	(102)
Parks & Reserves - Land Improvements (dc's)	Growth	181	628	(446)
Parks - Kopututea Private Reserve - Co-Governance	Maintain	16	16	0
Sportsground Facilities Upgrades and Renewals	Maintain	0	190	(190)
Street Trees Planting	Increase	79	130	(51)
Signage	Maintain	21	21	0
Land Remediation (asbestos Contamination On Reserve Land)	Maintain	79	79	0
Waihirere Domain Development	Increase/Maintain	79	239	(160)
Community Strategy Implementation Capex	Increase	2,630	2,630	0
Cemeteries Renewals	Maintain	82	139	(56)
Jetties And Boat Ramps	Maintain	53	53	0
Star Of Canada Renewals	Maintain	263	263	0
Lysnar House Renewals	Maintain	0	257	(257)
Redevelopment Of Olympic Pool Complex	Increase/Maintain	0	1,090	(1,090)
Hawaiki Turanga	Increase	0	810	(810)
Public Art	Maintain	53	93	(40)
1000 Year Bridge	Increase	0	1,456	(1,456)
Aquatic Facilities Renewals (external)	Maintain	21	21	0
Library Books, Furniture & Fittings	Maintain	196	237	(40)
Library Books Ex Book Trust	Maintain	20	20	0
<b>Total</b>		<b>7,122</b>	<b>12,491</b>	<b>(5,369)</b>
<b>REGIONAL LEADERSHIP &amp; SUPPORT SERVICES</b>				
Orthophoto Regeneration - Aerial Photography	Maintain	41	41	0
Existing Core Hardware & Software Renewals	Maintain	798	1,102	(305)
Digitisation Of Records- Capex	Increase	649	849	(200)

Description	Level of service	LTP	AP	Variance
		2024	2024	
		\$000s	\$000s	
Business Analytics	Increase/Maintain	139	139	0
Bore Drilling And Renewals	Increase	0	408	(408)
Groundwater Abstraction Device	Increase	63	63	0
Freshwater Improvement Fund	Increase	0	662	(662)
Telemetry And Hydrological Equipment	Maintain	90	90	0
Air Quality And Noise Monitoring Equipment	Maintain	21	21	0
Vehicle and Minor plant renewals	Maintain	428	428	0
<b>Total</b>		<b>2,229</b>	<b>3,805</b>	<b>(1,576)</b>
<b>ROADING</b>				
Roading Renewals	Maintain	13,323	15,623	(2,300)
Minor Improvements Projects	Maintain	1,420	1,420	0
Resilience Improvement	Increase/Maintain	484	484	0
Gisborne City Carpark Facility	Maintain	22	22	0
Taruheru River Walkway And Cycling	Increase	2,188	2,188	0
Streetlight Upgrades To Led	Increase/Maintain	250	250	0
Footpath Replacements - Funded	Maintain	84	84	0
Pgf - 50 Max	Increase/Maintain	650	650	0
Pgf - Route Security (east Cape)	Increase	0	5,400	(5,400)
Pavement Maintenance-Forestry	Increase	500	500	0
IAF - Back Ormond & Hanson Rds	Growth/Maintain	0	753	(753)
<b>Total</b>		<b>18,923</b>	<b>27,376</b>	<b>(8,453)</b>
<b>SOLID WASTE</b>				
Waiapu Landfill - Stage 3	Maintain	42	42	0
Paokahu Closed Landfill	Maintain	0	120	(120)
Solid waste renewals	Maintain	80	80	0
Heritage Landfill Remediation	Maintain	191	191	0
Tokomaru Trnsfr Stn Relocation	Maintain	0	750	(750)
BOF - Waste Resilience	Increase/Maintain	0	2,765	(2,765)
<b>Total</b>		<b>313</b>	<b>3,948</b>	<b>(3,635)</b>
<b>URBAN STORMWATER</b>				
Stormwater Pipeline Renewals	Maintain	1,765	3,077	(1,311)
Integrated Catchment Plan	Growth/Increase/Maintain	27	27	0
<b>Total</b>		<b>1,792</b>	<b>3,103</b>	<b>(1,311)</b>
<b>WASTEWATER</b>				
Wastewater renewals and Urban upgrades	Growth	2,454	2,966	(512)
Wastewater Treatment Plant Further Treatment	Growth/Increase	0	820	(820)
Mortuary Waste Drain Field	Increase	0	157	(157)
<b>Total</b>		<b>2,454</b>	<b>3,943</b>	<b>(1,489)</b>
<b>WATER SUPPLY</b>				
Water supply renewals and upgrades	Maintain	1,854	2,491	(637)

<b>Description</b>	<b>Level of service</b>	<b>LTP</b>	<b>AP</b>	<b>Variance</b>
		<b>2024</b>	<b>2024</b>	
		<b>\$000s</b>	<b>\$000s</b>	
Rural Reticulation Renewal	Maintain	456	781	(325)
IAF Water Supply Upgrades	Growth	0	784	(784)
Waingake - Lamella Filtration	Maintain	0	5,500	(5,500)
<b>Total</b>		<b>2,310</b>	<b>9,556</b>	<b>(7,246)</b>
<b>TOWNSHIPS</b>				
Township Upgrades	Increase/Maintain	76	751	(675)
Township Subsidised Improvements	Increase/Maintain	750	700	50
<b>Total</b>		<b>826</b>	<b>1,451</b>	<b>(625)</b>
<b>Grand Total</b>		<b>39,440</b>	<b>70,229</b>	<b>(30,789)</b>

## Te pūrongo ahumoni me ngā taumata matawhāiti

### Financial reporting and prudence benchmarks

The purpose of this statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the group is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its Annual Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

#### Benchmark

Benchmark	Limit	Planned	Met
<b>Rates affordability benchmarks</b>			
- quantified limit on rates income (per LTP)	75,360	75,357	Yes
- quantified limit on rates increase (per LTP) <sup>1</sup>	6.5%	6.5%	Yes
<b>Debt affordability benchmark</b>			
- quantified limit on borrowing	<130%	122%	Yes
Balanced budget benchmark >100% <sup>2</sup>	100%	104%	Yes
Essential services benchmark >100%	100%	212%	Yes
Debt servicing benchmark <10% (borrowing costs/revenue)	10%	3%	Yes

<sup>1</sup> Quantified limit on rates increase is 6.5% plus growth.

<sup>2</sup> Higher balanced budget benchmark is due to Roading emergency reinstatement works.

#### Notes

##### Rates affordability benchmark

- For this benchmark, Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the Council's LTP; and
- The Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the Council's LTP.

##### Council meets the rates affordability benchmark if

- Its planned rates income for the year equals or is less than each quantified limit on rates; and
- Its planned rates increases for the year equals or are less than each quantified limit on rates increases.

##### Debt affordability benchmark

- For this benchmark, the Council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the Council's LTP.
- The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

##### Balanced budget benchmark

- For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

##### Essential services benchmark

- For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

##### Debt servicing benchmark

- For this benchmark, the Council's planned borrowing costs are represented as a proportion of planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant or equipment).
- Because Statistics New Zealand projects that the Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs are less than 10% of its planned revenue.



## Ngā whakamārama hiranga

### Significant assumptions

The following section details the assumptions Council has made in preparing this Annual Plan. These assumptions are necessary as they ensure that readers are aware of the basis for the estimates and forecast. The Annual Plan provides forecast financial information in accordance with New Zealand Financial Reporting Standard 42 (FRS42), Prospective Financial Statements. Actual results are likely to vary from the information presented and the variations may be material.

#### Significant forecasting assumptions and risks

Schedule 10 (Section 11) of the Local Government Act 2002 contains provisions relating to 'significant forecasting assumptions'. The Act requires that Council identifies the significant forecasting assumptions and risks underlying the financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions.

#### General

It is assumed there will be no changes in the nature of the Gisborne District Council's business.

#### Interest rates

The interest rate on Council external debt is approximately 3.6% in this Annual Plan. Council covers its interest rate exposure using interest rate swaps. The interest rates are based on estimates of the 90-day bank bill rate and include bank margins and the effect of continuing use of interest rate swaps.

#### Inflation

The forecast financial information includes provision for inflation. Council has used forecasts of price level changes prepared by Business and Economic Research Limited (BERL) to calculate the inflation rate for each year of the LTP. Council has left the inflation at levels used in the 2021-2031 LTP. Council has not included any inflation on Roading operation costs for the 2023/24 financial year. This is based on firm indications from National Roading bodies.

#### Renewability of funding

Bank facilities are arranged with multiple banks and structured to ensure there is a range of maturity dates. Bank facilities are reviewed annually. The Annual Plan assumes that the necessary level of funding will continue to be available through a mixture of bank facilities and debentures.

#### Forecast returns on investment and strategic assets

Council maintains a range of commercial and strategic investments. Council has used forecast the return for significant investments and business units. Council is currently reviewing all its investments and strategic assets to ensure it is receiving an adequate rate of return. The Annual Plan does not currently include any significant strategic or investment asset disposals.

#### External funding

Included in the forecast financial statements are a number of operational and capital projects that are assumed to be either significantly or 100% funded by another agency or grant. There are also a number of major projects to be funded by a combination of Council and external funding.

Council has \$70.2m planned for capital projects in the 2023/24 Annual Plan (after project prioritisation). Of this, \$34.5m is budgeted to be funded from grants, subsidies or donations. There is a risk that sources of funds for some capital projects may not eventuate. It is assumed that if the external funds budgeted are not available then the projects will be reviewed and the availability of other funding sources will be assessed.

#### Depreciation

All assets, excluding those listed below, are assumed to be replaced at the end of their useful life. The following assets are assumed not to be replaced at the end of their useful life:

- Tolaga Bay Wharf
- Pātūtahi Hall.

Council does not fund depreciation on these assets.

Council does not fully fund the depreciation on its roading assets in the Forecast Financial Statements. It is assumed that a set proportion of the Land Transport capital expenditure will continue to be funded through NZTA financial assistance subsidies. It is therefore considered appropriate to only collect rates revenue on the portion of roading depreciation funded from Council reserves.

Council does not fund depreciation on the Airport assets as it is assumed that the Council lease of the Airport assets and operations to East land Infrastructure Ltd will result in the assets being returned to Council at the end of the lease in the same condition as when the lease began on 1 April 2005.

Council funds depreciation costs for revalued Three water assets to the extent that was provided within the LTP and to extent of meeting its renewals.

Useful lives of assets are as recorded in Asset Management Plans or based upon professional advice. There is a risk that some assets may wear out and fail sooner or later than calculated. There is no certainty that asset components will last exactly their design lives. However, replacement is budgeted at the expected end of useful life and earlier replacement will result in a loss on disposal of any residual value.

Earlier replacement may result in deferring other discretionary capital projects in order to remain within the total Annual Plan capital budget and Council's borrowing limits as set out in the Council Liability Management Policy.

The depreciation rates used for planned asset acquisition are in line with current policies.

### **Depreciation on planned asset acquisitions**

The depreciation rates used for planned asset acquisitions are in line with current policies.

### **Asset sales**

The forecast financial information does not make any provision for income from the sale of Council assets.

### **Resource consents**

All of Council's works projects require resource consents to be granted before works can commence. It has been assumed that

resource consents can be obtained for all capital works, and that obtaining those resource consents will not significantly impact on the timing of capital works shown in the Annual Plan.

It is also assumed that the currency and conditions of existing resource consents held by Council will not be altered significantly during the term of the Annual Plan.

### **Revaluation of assets**

The forecast financial information includes an annual estimate to reflect the change in asset valuations and depreciation. The effect of the revaluations, is a best estimate based on historical asset values, forecast capital expenditure, the BERL inflation indices and recent revaluation information.

The most recent revaluation of Council's assets were Land, Buildings & Gisborne Airport landside/airside 1 July 2019; Roading infrastructure, utilities and flood assets are revalued annually. It is assumed revaluations will result in an increase in the asset values, revaluation, reserves and the depreciation expense.

### **Emissions trading scheme**

Council has made no provisions for the effects of the Emissions Trading Scheme in this Annual Plan. The effects of the scheme are difficult to predict. It is anticipated that any increase in costs will be mostly offset by increased efficiency gains.

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## **Revenue and financing mechanisms**

The following information is presented solely and for the purpose of clause 20 of Schedule 10 of the Local Government Act 2022 and the Local Government (Financial Reporting and Prudence) Regulation 2014 with additional information provided to assist ratepayers in understanding the rates for the financial year commencing 1 July 2023 and ending 30 June 2024.

These statements are not NZ GAAP compliant. The information presented is incomplete, (in particular it does not include depreciation and internal overheads).

This statement should not be relied upon for any other purpose than compliance with the local Government (Financial Reporting and Prudence) Regulation 2014.

We have provided a reconciliation between Council's Prospective Statement of Comprehensive Revenue and Expenses and Councils Funding Impact Statement in Note 13.

In addition to rating income, Council has a number of other sources of revenue including:

- **subsidies and grants** - From government and non-government organisations to fund maintenance or capital projects
- **fees and charges** - Council charges for services provided, for example building consents and dog licences
- **interest received and dividends income** - From funds invested or Council investments
- **capital rates** - Rates used to repay Loans and Capital Expenditure, for example solid waste loan
- **development contributions** - Money received to fund capital expenditure for new development
- **asset sales** - Money received from the sale of assets
- **reserves** - Money set aside to fund expenditure for a specific purpose. For further details of Council's revenue funding mechanisms, please refer to the Revenue and Financing Policy in 2021-2031 LTP.

## Funding impact statement

This statement sets out the information required by Schedule 10 of the Local Government Act 2002, together with additional information provided to assist ratepayers in understanding the impact of the Annual Plan.

AP 2023 \$000s		LTP 2024 \$000s	AP 2024 \$000s
<b>SOURCES OF OPERATING FUNDING</b>			
25,113	General rates, uniform annual general charges, rates penalties	27,439	25,276
49,865	Targeted rates	52,306	54,852
12,885	Subsidies and grants for operating purposes	12,795	112,745
10,598	Fees and charges	10,816	11,422
1,600	Interest and Dividends from Investments	1,700	1,800
1,936	Local authorities fuel Tax, fines, infringement fees and other receipts	1,663	2,288
<b>101,997</b>	<b>Total Operating Funding (A)</b>	<b>106,718</b>	<b>208,384</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
91,895	Payments to staff and suppliers	87,165	198,141
4,464	Finance costs	4,869	6,137
0	Other operating funding applications	0	0
<b>96,359</b>	<b>Total applications of operating funding (B)</b>	<b>92,035</b>	<b>204,278</b>
<b>5,638</b>	<b>Surplus/(deficit) of operating funding (A-B)</b>	<b>14,684</b>	<b>4,106</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
44,535	Subsidies and grants for capital expenditure	13,618	34,496
1,622	Development and financial contributions	1,658	1,658
23,716	Increase/(decrease) in debt	2,161	8,097
50	Gross proceeds from sale of assets	50	50
0	Lump sum contributions	0	0
<b>69,923</b>	<b>Total sources of capital funding (C)</b>	<b>17,487</b>	<b>44,301</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
3,442	- to meet additional demand	893	2,789
48,035	- to improve level of service	14,117	26,431
47,722	- to replace existing assets	24,430	41,009
(23,636)	Increase/(decrease) in reserves	(7,269)	(21,822)
0	Increase/(decrease) of investments	0	0
<b>75,562</b>	<b>Total applications of capital funding (D)</b>	<b>32,171</b>	<b>48,407</b>
<b>(5,638)</b>	<b>Surplus/(deficit) of capital funding (C-D)</b>	<b>(14,684)</b>	<b>(4,106)</b>
<b>0</b>	<b>Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>

## Whakamāramatanga rēti

### Rating information

This year Council will collect \$86.6m including GST or \$75.4m excluding GST.

#### Overview

The Revenue and Financing policy outlines the choices Council has made in deciding the appropriate sources for funding its operating and capital expenditure. One of these sources are rates.

There are three broad categories of rates:

- 1 A general rate under section 13 of the Local Government (Rating) Act 2002 (LGRA). These are set on all rateable land in the district, at a set rate in the dollar of the rateable value of land. The Council sets a uniform general rate based upon the capital value of the land.
- 2 A uniform annual general charge (UAGC) under section 15 of the LGRA for all rateable land within the district. This may be set per "rating unit" or per "separately used or inhabited part of a rating unit" (SUIP). The Council sets its UAGC per SUIP.
- 3 Targeted rates under section 16 of the LGRA. Targeted rates may be set on all rateable land within the district or on certain identified categories of land and are used to fund identified activities or groups of activities.

Under section 18 of the LGRA, targeted rates may be calculated based upon different factors of liability. These are set out under Schedule 3 and include:

- capital value
- land value
- number of SUIPs
- number of water closets and urinals (pans).

The Council does not invite sum contributions in respect of its targeted rates.

#### Differentials and factors of liability

The general rate and targeted rates may be set differentially, with different categories of land attracting a different level of rate. The matters that may be used to define different categories of land are set out in Schedule 2 of the LGRA, and include:

- The use of the land.
- The area of the land.
- The provision or availability to the land of a service provided by, or on behalf of, the Council.
- Where the land is situated.

The Council uses different categories of rateable land to set rates differentially. These include categories of property use, Differential Rating Areas (DRAs) and Drainage Scheme Areas.

#### Rating Category Definitions

##### Residential, Lifestyle and Other

This is a general rating category. It includes residential, lifestyle, arable, utilities network and other properties units, as well as any other properties that do not fall into the Horticulture, Pastoral, Commercial, Industrial and Forestry (exotic) categories. Native forests and vacant forest land are rated in this category. A horticultural or pastoral property that is less than 5 hectares (ha) is rated in this category. There is a weighting of 1.0 for subsidised, and flood damage and emergency reinstatement roading rates.

##### Horticulture

Horticultural properties that are 5 ha or greater in area. There is a weighting of 1.5 for subsidised, and flood damage and emergency reinstatement roading rates.

##### Pastoral

Properties that are pastoral and are 5 ha or greater in area. There is a weighting of 1.5 for subsidised, and flood damage and emergency reinstatement roading rates. Where 20ha or more of the property is planted in exotic forestry, the area will be rated with the forestry weighting of 12.5 for subsidised, and flood damage and emergency reinstatement roading rates.

##### Forestry

Properties that are Exotic forestry. There is a weighting of 12.5 for subsidised, and flood damage and emergency reinstatement roading rates. The roading forestry differential weighting is based on industry specific forecast forestry maintenance costs, updated with AP 2023/24 planned roading expenditure. [Stantec April 2020 report].

Where 20ha or more of the property is planted and used for pasture, the area will be rated with the pastoral weighting of 1.5 for subsidised, and flood damage and emergency reinstatement roading rates.

Properties that are native forests or vacant forestry land are included for rating in the Residential, Lifestyle and Other general category. There is a weighting of 1.0 for subsidised, and flood damage and emergency reinstatement roading rates.

##### Commercial and Industrial

Properties that have a commercial, industrial or utilities use other than where it is a utilities network. There is a weighting of 2.0 for subsidised, and flood damage and emergency reinstatement roading rates.

## Rates as the Council sets them

### Targeted rates

- Rates which can fund a particular activity or group of activities and can apply to certain areas, categories or to certain ratepayers.
- The matters and categories used to define categories of rateable land and calculate liability for targeted rates are set out in the Local Government (Rating) Act 2002 Schedule 2 and Schedule 3.

**Aquatic and recreation facilities rate** - The cost of maintaining the Olympic Pool complex and our Theatres and Halls based on a properties capital value. Properties in the Inner Zone contribute at a weighting of 1.0 and the Outer Zone contribute less with a weighting of 0.3.

**Animal control rate** - The cost of minimising danger, distress and nuisance caused by stray dogs and controlling stock on roads. This is a uniform targeted rate on residential properties throughout the district.

**Building services rate** - The cost of providing advice to the public on regulatory requirements with the Building Act and cost of resolving complaints about building related issues including stormwater on private property based on a properties capital value. Residential and lifestyle properties in Gisborne city and on the Poverty Bay Flats contribute 85%. The remaining 15% is paid by rural properties.

**Business area patrols in CBD rate** - The cost of providing security in the CBD and operating CCTV security cameras for crime prevention as set out on the map at the end of this section. This is based on capital value in the CBD.

**Commercial recycling rate** - A targeted rate on non-residential properties within Gisborne city on each separately used or inhabited part of a property which elect to receive the recycling collection service.

**Drainage rate** - The cost of providing land drainage in the designated areas of benefit. There are 2 groups - direct beneficiaries and contributors. Both rates are based on the area of land receiving the benefit. Maps of the drainage areas are at the end of this section.

**Economic development and tourism rate** - The costs of preparing for and supporting economic and tourism activity throughout the district. This rate is payable by all industrial and commercial properties over the whole district based on capital value.

**Flood control schemes rate** - This is the cost of operating flood protection works. General rates fund 60% and the balance is targeted collection from those who receive benefit from the scheme in the City and Poverty Bay flats. Maps of the Flood Control Schemes is available at the end of this section.

- Waipaoa there are 6 classes of the scheme from A-F
- Te Karaka – the targeted rates is split between residential and non-residential properties

**Noise control rate** - This is the cost of responding to noise complaints. This is uniform targeted rate to residential properties in Gisborne city, Makaraka, Wainui and lifestyle properties on the Poverty Bay Flats.

**Non-subsidised road rate** - This is the cost of non-subsidised road works in the district. This is a differential targeted rate on the Inner Zone and Outer zone based on capital value.

**Passenger transport rate** - This is a uniform targeted rate for providing a subsidised passenger transport service payable on residential properties per separately used or inhabited part of a property in Gisborne City.

**Parks and reserves rate** - The cost of maintaining all the parks, reserves, playing fields, beach access points. This is a fixed amount per rating unit. The Inner Zone contributes 85% of costs and Outer Zone 15%.

**Plant and animal pests rate** - To keep nuisance pests and noxious plants under control. All properties contribute, but farms pay a larger contribution. This is rated on land value.

**Resource consents rate** - The focus is to allocate the use of natural resources to consent holders and to protect the quality of the natural and physical environment and to provide assistance and clarity to the public. This rate is based on Land value.

**Roading flood damage and emergency and subsidised local roads rate** - Roothing costs are partly fund by Waka Kotahi (NZTA). The rate targeted portion is based on capital value and is split into differential rating groups that are weighted as follows: Residential, lifestyle and other properties 1.0; Horticulture and Pastoral farming 1.5; Industrial and Commercial 2.0; Forestry 12.5. The remaining portion is collected as part of the Uniform Annual General Charge.

**Subsidised Roothing Rate - Residential lifestyle and other properties** - This is a general sector that includes residential, lifestyle, arable, utilities network and other properties that do not fall into the horticulture, pastoral, commercial, industrial and forestry sectors. A horticultural or pastoral property that is less than 5 hectares (ha) is rated in this sector.

**Subsidised Roothing Rate - Horticulture properties** - Have horticulture use and are 5 hectares (ha) or greater in area.

**Subsidised Roothing Rate - Pastoral properties** - Have pastoral use and are 5ha or greater in area. Where 20ha or more of the property is planted in forestry, that portion will be rated with the weighting for forestry for subsidised and non-subsidised roading rates.

**Subsidised Roothing Rate - Forestry exotic properties** - Have a forestry use. Where 20ha or more of the property is pastoral, that portion will be rated with the weighting for pastoral for subsidised and non-subsidised roading rates.

**Subsidised Roothing Rate - Commercial and industrial properties** - Have a commercial and industrial and utilities use other than where it is a utilities network.

**Flood damage and emergency works rate** - This rate covers approximately 25% of cost of repairs to roading network from



an adverse event on capital value. The remaining balance is funded by a Waka Kotahi subsidy.

**Rural transfer stations rate** - Partially covers the cost of operating 8 transfer stations at Tolaga Bay, Tokomaru Bay, Te Puia Springs, Tikitiki, Waiapū, Te Karaka, Whatatūtū and Matawai. This includes the cost of cartage to Waiapū Landfill or Gisborne city. Residential properties within a 15km radius of a rural transfer station contribute to this rate per separately used or inhabited part of a property eg If you have multiple dwellings you will be charged per dwelling. Refuse stickers are issued to use when taking refuse to a transfer station. Ruatoria township have both kerbside collection and the use of the transfer station. A charge is payable for each service.

**Soil conservation rate** - Advocacy and land use – This rate is concerned with erosion, land stabilisation and the effective use of land and the advice, communication and enforcement of this legislation and is based on land value.

**Stormwater and drains rate** - This is for the cost of stormwater reticulation to dispose of rainwater and maintain assets in Gisborne city and rural townships. Funded by a charge per separately used or inhabited part payable by residents living in Gisborne city, Wainui, Okitu and rural towns including Patutahi and Manutuke. The basis for stormwater and drains on commercial properties is capital value.

**Theatres rate** - This is for the cost of maintaining theatres in the district. Some costs are part funded by fees and charges and part funded by a targeted rate on capital value in the Inner zone and the Outer zone.

**Water conservation rate** - This is the cost of monitoring the quality and volume of natural water, and ensuring that we are using these water resources wisely and is based on land value.

#### **Waiapū River erosion control scheme rate**

Covers the operating costs and loan repayments of protection works on the river. This activity is partially funded by the general rate with the balance split between:

- direct beneficiaries in Ruatoria Township and around the river pay 60% of the cost of the activity balance on capital value
- indirect beneficiaries inside the catchment area pay 15% of the cost of the activity balance on capital value
- contributors at the edges of the catchment pay 15% of the activity balance based on land area.

**Wastewater rate** - Ten percent of costs are funded in the general rate with the balance paid by a **pan charge rate** to connected users.

**Wastewater (pan charge) rate** - A usage charge based on the number of toilet pans and urinals connected. A residential dwelling pays only one pan charge, no matter how many toilet pans are installed. All other properties pay one pan charge for each toilet pan or urinal installed and connected.

**Waste management charge rate** - Solid waste / household refuse collection including the cost of recycling where the service

is provided throughout the district. This is a uniform amount for each separately used or inhabited part of a property.

#### **Water rate**

- **Uniform water charge** is the cost of delivering drinking water where the service is provided, payable per separately used or inhabited part of a property, for example if there are 3 flats on the property there will be 3 water charges.
- **Availability charge** - the charge if you are in an area where water service is supplied, but the property is not connected.
- **Fixed water by meter rate** per cubic metre to properties identified as an extra-ordinary use and some rural domestic users as defined in the Water Supply Bylaw 2015. Metered domestic users receive a free of charge allowance of 300 cubic metres.

Lump sum contributions will not be invited in respect of the targeted rates.

#### **General rates**

A general rate in accordance with the Local Government (Rating) Act 2002 13(2)(a) based on the capital value of each rating unit in the district, on a uniform basis. The general rate is used to fund Council activities that are deemed to generally benefit all ratepayers in the Gisborne district and are on activities which user pays are not applied.

The general rate funds rivers control, storm water, treasury, economic development, animal and plant pests, strategic planning and engagement, coastal erosion management scheme maintenance, waste minimisation, solid waste legacy and aftercare provision, water and wastewater.

#### **Uniform annual general charges (UAGC)**

A fixed amount charged to each Separately Used or Inhabited part of a Rating Unit.

The indicative UAGC for 2023/24 is \$914.43, inclusive of GST

Activities funded by UAGC 2023/24

- Cemeteries
- HB Williams Memorial and rural libraries
- Subsidised local roads
- Civil Defence
- Litter bins and cleaning public areas
- Strategic planning and customer engagement
- District civil and corporate expenses
- Managing solid waste and transfer stations
- Tairāwhiti Museum
- Economic development and tourism
- Mayor and Councillor representation costs
- Environmental and public health protection
- Public toilets - cleaning and maintaining

## Definition of a separately used or inhabited part of a rating unit

A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner / a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

### Interpretation rules

Each separate shop or business activity on a rating unit is a separate use, for which a separate UAGC is payable. (See Guidance Note 1.)

Each dwelling, flat, or additional rentable unit (attached or not attached) on a residential property which is let for a substantial part of the year to persons other than immediate family members is a separately inhabited part of a property, and separate UAGCs are payable. (See Guidance Note 2.)

- a. Each residential rating unit which has, in addition to a family dwelling unit, one or more non-residential uses (ie home occupation units) will be charged an extra UAGC for each additional use. (See Guidance Note 3.)
- b. Each non-residential activity which has, in addition to its business or commercial function, co-sited residential units which are not a prerequisite part of the business or commercial function, will pay additional UAGCs for each residential unit. (See Guidance Note 4.)
- c. Individually tenanted flats, including retirement units, apartments and town houses (attached or not attached) or multiple dwellings on Māori freehold land are separately inhabited parts, and will each pay a separate UAGC. (See Guidance Note 5.)
- d. Each title on a multiple-managed forestry holding (that is, where the forest is broken into several individual small titles) is a separately used part except when one or more titles are adjacent and under the same ownership, in which case the rules of contiguity apply.
- e. Each block of land for which a separate title has been issued is liable to pay a UAGC, even if that land is vacant. NOTE: for the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.
- f. Two or more adjacent blocks of vacant land are not eligible for Remission under "Contiguity" (S.20 of LG(R)A02) because they are not "used for the same purpose" (i.e. they are not used at all).
- g. Each dwelling, flat, or additional rentable unit (attached or not attached) on a pastoral, horticultural or forestry property which is let for a substantial part of the year to persons other

than immediate family members is a separately inhabited part of a property, and separate UAGCs are payable.

- h. For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.
- i. A substantial part of the year is considered to be three months or more (this total period may be fragmented, and may occur at any part of the rating year).

## Guidance notes

The following notes are not rules, but are intended to aid Officers in the interpretation of the Rules.

### 1. Commercial properties

- A single building on one title with 24 separate shops would pay 24 UAGCs.
- A motel with an attached dwelling would pay only one UAGC, because the attached dwelling is essential to the running of the motel. (See rule d above).
- A motel with an attached restaurant which is available to the wider public has two separately used parts, and would pay two UAGCs. Likewise, a motel with an attached Conference Facility would pay an additional UAGC.
- A business which makes part of its income through the leasing of part of its space to semi-passive uses such as billboards, or money machines, is not regarded as having a separately used or inhabited part, and would not be charged a separate UAGC.
- For the avoidance of doubt, an apartment block, in which each apartment is on a separately owned title, is merely a series of co-sited Rating Units, and each will pay a UAGC.
- If, however, in the above example a management company leases the individual titles for 10 years or more, and those leases are registered on the titles, and the leases stipulate that the management company is responsible for paying the rates, and if the management company then operates the apartments as a single business operation, that business operation may be considered for a remission under Council's remission policies and have all but one UAGC remitted.
- An apartment block with a separate laundry, or restaurant, which are available to the general population as a separate business enterprise, would pay an additional UAGC for each of these functions as separately used parts.

### 2. Residential properties

- The rule will apply to properties identified as "flats" on the valuation record, administered by Council's Valuer. Sleep-outs and granny flats will generally be identified as "sleep-out" on the valuation record and will not normally qualify for additional UAGCs.
- If a property is identified on the valuation record as having flats, but these in fact are used only for family members or

for others for very short periods, then the additional UAGCs may be remitted on Council receiving.

- Proof of their use, including a signed declaration from the property owner (see remission policies). A property owner who actively advertises the flats for accommodation will not qualify for the remission.
- A property such as a large house which is identified as being split into, say, three internal flats at the time the valuation records were established, but which is not actually used as such, will need to apply for remission under Council's remission policy. (Note: This property should be referred to Council's Valuer for correction on the next valuation cycle).

### **3. Residential with non-residential part**

- A residence with a separately accessible "office" such as may be used for surveyor, architect, or medical services, will pay an additional UAGC for the office, because it is a separately used part which generates additional use of roads, services, planning resources, and democratic processes.
- A residence with a "Home Occupation" (commonly called a "hobby business") will not generally be charged a separate UAGC unless the intensity of operation is high. For example, a resident who occasionally manufactures boat trailers in his garage on the weekends would not incur an additional UAGC, but someone who works for most of the week panel beating or painting, particularly if the activity is accompanied by advertising, clearly has a separately used or inhabited part of the rating unit, and would incur an additional UAGC.
- A residential property, part of which is used continually for storage of large industrial machinery, has a separately used part, and would incur an additional UAGC.

### **4. Non-residential activity with co-sited dwelling**

- A fish and chip shop, with a flat above which can be accessed without passing through the shop, does have a separately used part, and would normally incur an additional UAGC charge.
- A dairy which has an integral dwelling attached, would not incur an additional UAGC, because the home is an integral part of the operation of the dairy.
- A boarding house containing a caretaker's apartment and several separately let rooms (with or without facilities) all within the structure of the one building, is a single (commercial) use and would not incur an additional UAGC. (The same applies to home-stays and bed and breakfast homes).
- Certain government agencies, churches, marae, and the like are automatically rate exempt (except for service charges such as water and wastewater) but if these organisations undertake accommodation or business activities which are not related to their core function, they may be charged rates and additional UAGCs for each separately used or inhabited part of the rating unit.

### **5. Individually tenanted flats**

- Each flat, apartment, or retirement or disability home, and each property under a "licence to occupy", is a separately used or inhabited part of a rating unit, no matter how many people may be living in the unit, and each does pay an additional UAGC charge.
- If, because of construction work, poor condition, public health, or specific conditions pertaining to the property owner, one or more flats cannot be let on the open market, then the unit may be granted a remission under Council's remission policy. (A specific condition pertaining to the property owner might include the use of one of the units for a live-in caregiver). (Note: This property should be referred to Council's Valuer for correction on the next valuation cycle).

## Rates information 2024

The rates will be set by Council for the financial year commencing 1 July 2023 and ending June 2024. This year Council will collect \$86.6m including GST or \$75.4 m plus GST. (all financial statements are excluding GST, except rates information which must be stated including GST). All figures in the Rates Funding Impact Statement include GST.

## Penalties

Under section 57 of the Local Government (Rating) Act 2002, any portion of the rates invoices not paid by the due date will incur a 10% penalty.

Rate instalment dates	Due date	Date penalty added
<b>Invoiced quarterly</b>		
Instalment 1	21 Aug 2023	25 Aug 2023
Instalment 2	20 Nov 2023	24 Nov 2023
Instalment 3	20 Feb 2024	26 Feb 2024
Instalment 4	20 May 2024	24 May 2024

## Due dates for water charges

Water meters are read on a monthly, quarterly, or six-monthly cycle and are payable on the month following the issue of the invoice as set out below. There is a free 300 cubic metre domestic allowance on rural domestic supplies.

## Penalties on water charges

Under Sections 57 & 58 of the Local Government (Rating) Act 2002, any portion of the water rates invoices not paid by the due date will incur a 10% penalty on the following dates.

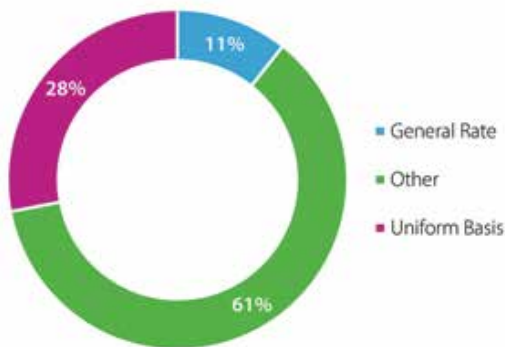
Month of invoice	Due date	Date penalty added
<b>Invoiced six-monthly</b>		
Jun 2023	20 Jul 2023	26 Jul 2023
Dec 2023	22 Jan 2024	26 Jan 2024
Jun 2024	22 Jul 2024	26 Jul 2024
<b>Invoiced quarterly</b>		
Jun 2023	20 Jul 2023	26 Jul 2023
Sep 2023	20 Oct 2023	26 Oct 2023
Dec 2023	22 Jan 2024	26 Jan 2024
Mar 2024	22 Apr 2024	26 Apr 2024
Jun 2024	22 Jul 2024	26 Jul 2024
<b>Invoiced monthly</b>		
Jun 2023	20 Jul 2023	26 Jul 2023
Jul 2023	21 Aug 2023	25 Aug 2023
Aug 2023	20 Sep 2023	26 Sep 2023
Sep 2023	20 Oct 2023	26 Oct 2023
Oct 2023	20 Nov 2023	24 Nov 2023
Nov 2023	20 Dec 2023	21 Dec 2023
Dec 2023	22 Jan 2024	26 Jan 2024
Jan 2024	20 Feb 2024	26 Feb 2024
Feb 2024	20 Mar 2024	26 Mar 2024
Mar 2024	22 Apr 2024	26 Apr 2024
Apr 2024	20 May 2024	24 May 2024
May 2024	20 Jun 2024	26 Jun 2024
Jun 2024	22 Jul 2024	26 Jul 2024

### Cap on certain rates

The total of uniform or fixed charges that Council can rate cannot exceed 30% of the total rates collected. The uniform cap for 2023/24 is 26.7%. If the 30% cap is in threat of being exceeded Council may move the uniform rates to the general rate based on capital value for these activities:

- planning & performance and strategic planning & engagement (Funding Stream FS-019)
- economic development (funding stream FS-020)
- civic and corporate expenses of the district (FS-049)

### Council's rates for 2023/24



### Allocation of payments

Any payments received will be applied to the oldest outstanding rates before being applied to the current rates. All payments are allocated to the oldest debt first. In a situation where the instalment amount is paid but the amount is allocated to an older debt, a 10% penalty is added to any amount of the instalment still outstanding.

### Rate changes for 2023/24

The Revenue and Financing policy is in the 2021-2031 Long Term Plan, This policy determines when debt and rates will be used as a funding source. This includes targeted rates for the cost of an activity or service that should be paid for by particular groups or ratepayers who benefit from the activity or service. The Revenue and Financing policy can be found on our [website](#).

This year Council will collect \$75.4m in rates or (\$86.6m, including GST). This is an increase of 6.5%\* (\*excluding growth) in overall rates revenue over the 2022/23 rates. This is in line with Year 3 of our 2021-2031 Long Term Plan Financial Strategy.

Individual ratepayers could pay more or less depending on:

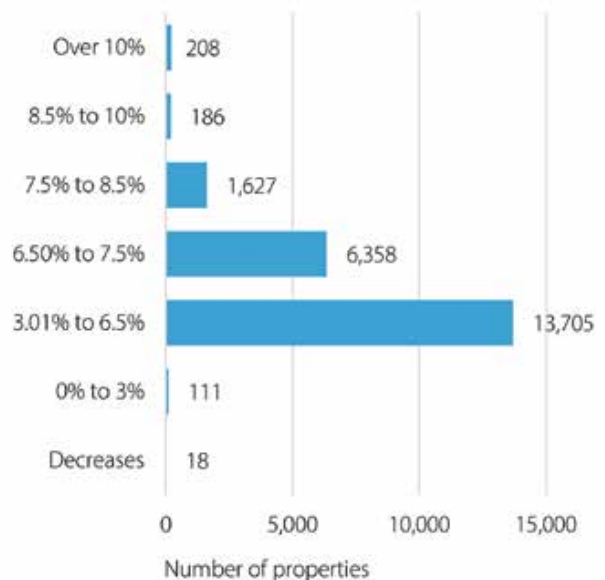
- the capital value of the property
- increases in some fixed service related targeted rates that apply to some properties
- eligibility for rate remissions.

There are increases in services such as reticulation of wastewater and water supply as set out in the LTP. The targeted rating system means those that receive a service can expect to pay more. City residents have more reticulated services than elsewhere in the community. In rural areas increase in rates have been driven mostly by unsubsidised roading and resource consents.

The majority of ratepayers will have increase in rates of 6.5% or less. In dollar terms over 85% of ratepayers, will have an increase of \$225 or less.

The graph shows the impacts in percentage terms, consistent with the Long Term Plan.

### Rates movements for properties 2023/24





## Rate examples 2023/24

<b>Including GST</b>	<b>Capital value (at Sep 2020)</b>	<b>2022/23 GDC rates</b>	<b>2023/24 GDC rates proposed</b>	<b>\$ change</b>	<b>% change</b>
City - Residential Low Value	330,000	3,112	3,301	189	6.1%
City - Residential Mid Value	560,000	3,478	3,689	212	6.1%
City - Residential High Value	1,185,000	4,581	4,875	294	6.4%
Rural Town - Te Karaka/Whatatutu	188,000	1,765	1,862	97	5.5%
Rural Town - Other	152,000	1,639	1,736	97	5.9%
Commercial - with more than 10 Toilet Pans	1,315,000	12,966	13,662	696	5.4%
Commercial	530,000	3,681	3,891	210	5.7%
Industrial	1,300,000	4,596	4,866	270	5.9%
Rural - Lifestyle	1,230,000	3,245	3,480	235	7.2%
Rural Horticulture - with G3 Kiwifruit*	13,310,000	26,386	28,285	1,899	7.2%
Rural Horticulture - Other	1,945,000	6,033	6,470	437	7.2%
Rural Pastoral - Large Farm	31,800,000	72,353	77,533	5,179	7.2%
Rural Pastoral - Medium Farm	2,025,000	4,808	5,170	362	7.5%
Forestry	851,000	7,907	8,417	510	6.5%
Forestry	9,880,000	69,057	74,806	5,749	8.3%

\*does not include Permanent Crop Remission

## Statement about District Rating Revaluation for 2023

Every three years Councils must value all properties in their district for rating purposes. The last district wide revaluation was carried out in 2020 by Councils Valuation Service Provider Lewis Wright Limited. There will be a district wide rating revaluation this year. The Valuations will be a snapshot of the market at 1 August 2023 and are calculated using mass appraisal techniques.

The district was impacted by Cyclone Hale and Cyclone Gabrielle earlier this year. Our valuers will work to identify and value the properties that were damaged in the cyclones as much as possible and reflect their physical condition as part of the revaluation.

The new valuations will be sent out in December 2023 and will be used for rating purposes from July 2024. If you disagree with the valuation, you can lodge an objection. The objection process will be a good way to pick up the weather impacted properties if you consider that your property values have been overstated.

## Rates funding impact statement

Rates funding source	Categories of rateable land	Category	Factors	Factor used	Revenue sought 2023/24 \$ (Includes GST)
Category = (Sch 2) s14, 17 Local Govt (Rating) Act 2002					
Factors = (Sch 3) Local Govt (Rating) Act 2002					
General Rate	Capital value on all Rateable land.			Capital Value	9,217,096
Uniform Annual General Charge		All rateable land.		Separately Used or Inhabited Part of a Rating Unit (SUIP)	20,900,402
<b>Targeted Rate</b>					
<b>Environmental Services and Protection</b>					
Animal Control	A uniform targeted rate on Residential properties: DRA1, DRA1A and Residential Rural Townships in DRA3, DRA4 and DRA5.	6	7	Separately Used or Inhabited Part of a Rating Unit	696,484
Building Services	Differential targeted rate on Inner Zone 85% of Revenue Sought.	6	2	Capital Value	798,875
	Differential targeted rate on Outer Zone 15% of Revenue Sought.	6	2	Capital Value	140,979
Noise Control	A uniform targeted rate on Inner Zone Residential Properties.	6	7	Separately Used or Inhabited Part of a Rating Unit	60,628
Resource Consents And Planning	A uniform targeted rate on all rateable land.	6	3	Land Value	4,341,719
<b>Land, Rivers and Coastal</b>					
Land Drainage - Contributors	Drainage Rate - Contributors. Eastern Hill Catchment 8 and Western Hill Catchment F. See map of scheme area at end of this section.	6	5	Per hectare	16,994
Land Drainage - Direct Beneficiaries	Drainage Rate - Direct Beneficiaries, per Drainage Scheme maps at end of this section. 1. Ormond 2. Eastern Taruheru 3. Western Taruheru 4. Willows 5. Waikanae Creek 6. City/Wainui 7. Taruheru, Classes A-D 8. Waipaoa 9. Patutahi 10. Ngatapa 11. Manutuke 12. Muriwai.	6	5	Per hectare	715,470
Te Karaka Flood Control	A differentiated targeted rate on Non Residential properties based on Capital Value. See map at end of this section.	5 & 6	2	Capital Value	6,684

<b>Rates funding source</b>	<b>Categories of rateable land</b>	<b>Category</b>	<b>Factors</b>	<b>Factor used</b>	<b>Revenue sought 2023/24 \$ (Includes GST)</b>
	A differentiated targeted rate on Residential properties based on Capital Value. See map at end of this section.	5 & 6	2	Capital Value	29,738
Waipau River Erosion Protection Scheme	Direct Beneficiaries within the defined area on Capital Value. See map at end of this section.	5 & 6	2	Capital Value	19,734
	Indirect Beneficiaries within the defined area on Capital Value. See map at end of this section.	5 & 6	2	Capital Value	4,751
	Contributors within the defined area per hectare. See map at end of this section.	6	6	Per hectare	4,751
Waipaoa River Flood Control Scheme	Waipaoa River Flood Control Scheme classes A - F. See map at end of this section.	5 & 6	2	Capital Value	343,557
<b>Liveable Communities</b>					
Aquatic And Recreation Facilities	Differential targeted rate on Inner Zone 1.0 weighting.	6	2	Capital Value	1,651,811
	Differential targeted rate on Outer Zone 0.3 weighting.	6	2	Capital Value	212,843
Parks And Reserves	Differential targeted rate on Inner Zone 85% of revenue sought.	6		Per Rating Unit	6,080,616
	Differential targeted rate on Outer Zone 15% of revenue sought.	6		Per Rating Unit	1,073,050
Pests & Plants	A differential targeted rate on Inner Zone (20%).	6	3	Land Value	139,581
	A differential targeted rate on Outer Zone (80%).	6	3	Land Value	558,327
Soil Conservation-Advocacy And Land Use	A differential targeted rate on Inner Zone (20%).	6	3	Land Value	439,930
	A differential targeted rate on DRA3 & DRA4 (30%).	6	3	Land Value	659,895
	A differential targeted rate on DRA5 (50%).	6	3	Land Value	1,099,826
Theatres	Differential targeted rate on Inner Zone 1.0 weighting.	6	2	Capital Value	775,788
	Differential targeted rate on Outer Zone 0.3 weighting.	6	2	Capital Value	99,949
Water Conservation	Differential targeted rate on Inner Zone 70% of revenue sought.	6	3	Land Value	1,779,678
	Differential targeted rate on Outer Zone 30% of revenue sought.	6	3	Land Value	762,719
<b>Regional Leadership and Support Services</b>					
Business Area Patrols	Commercial Properties within the CBD Area: Non-residential properties on both sides of the	1,2 & 6	2	Capital Value	101,425

Rates funding source	Categories of rateable land	Category	Factors	Factor used	Revenue sought 2023/24 \$ (Includes GST)
	roads bounded by Carnarvon Street, Childers Road, Reads Quay and Palmerston Road and all roads inside this area and also that part of Grey Street as far as the skateboard park and Customhouse Street as far as the Waikanae Cut. See map at end of this section.				
Economic Development Including Tourism	All Industrial, Commercial retail and Accommodation Properties.	1 & 2	2	Capital Value	466,586
<b>Roads and Footpaths</b>					
Flood Damage And Emergency Reinstatement	Residential and Lifestyle Properties weighting of 1.0.	1,2 & 4	2	Capital Value	277,924
	Industrial and Commercial weighting of 2.0.	1,2 & 4	2	Capital Value	83,789
	Horticulture and Pastoral farming weighting of 1.5.	1,2 & 4	2	Capital Value	219,717
	Forestry weighting of 12.5.	1,2 & 4	2	Capital Value	200,129
Non-Subsidised Local Rooding	Differential targeted rate on Outer Zone 50% of Revenue Sought.	6	2	Capital Value	86,576
	Differential targeted rate on Inner Zone 50% of Revenue Sought.	6	2	Capital Value	86,575
Passenger Transport	DRA1 Residential.	5 & 6	7	Separately Used or Inhabited Part of a Rating Unit	311,629
Subsidised Local Roads	Residential and Lifestyle blocks weighting of 1.0.	1,2 & 4	2	Capital Value	4,060,925
	Industrial and Commercial weighting of 2.0.	1,2 & 4	2	Capital Value	1,224,290
	Horticulture and Pastoral farming weighting of 1.5.	1,2 & 4	2	Capital Value	3,210,416
	Forestry weighting of 12.5.	1,2 & 4	2	Capital Value	2,924,205
<b>Solid Waste</b>					
Commercial Recycling Charge	Within scheme recycling collection area, being non-residential area within the CBD who have elected to receive the service.	5 & 6	7	Separately Used or Inhabited Part of a Rating Unit	1,237
Waste Management Gisborne District	Within scheme refuse collection areas - Residential properties in Gisborne City and environs and Ruatoria. See map at end of this section	5 & 6	7	Separately Used or Inhabited Part of a Rating Unit	1,822,602
Rural Transfer Stations	Within 15km radius scheme area. See map at end of this section.	5 & 6	7	Separately Used or Inhabited Part of a Rating Unit	468,323
<b>Urban Stormwater</b>					

<b>Rates funding source</b>	<b>Categories of rateable land</b>	<b>Category</b>	<b>Factors</b>	<b>Factor used</b>	<b>Revenue sought 2023/24 \$ (Includes GST)</b>
Stormwater	A differential targeted rate. DRA1 and DRA1A all Commercial and Industrial properties.	6	2	Capital Value	539,225
	A differential targeted rate. All Rural Towns in DRA3,DRA4 and DRA5 and also Manutuke and Patutahi.	6	7	Separately Used or Inhabited Part of a rating unit	183,957
	A differential targeted rate. DRA1 and DRA1A Residential properties.	6	7	Separately Used or Inhabited Part of a rating Unit	2,871,654
<b>Wastewater</b>					
Gisborne City Wastewater	Wastewater charge per water closet or urinal connection.	5 & 6	12	Per water closet or urinal	10,707,750
	Te Karaka Wastewater charge per water closet or urinal. See map at end of this section.	5 & 6	12	Per water closet or urinal	104,150
<b>Water Supply</b>					
Water - Availability	Within scheme areas, where service can be supplied but is not supplied (being a rating unit within 100 metres of any part of the waterworks).	5 & 6	7	Separately Used or Inhabited Part of a rating unit	48,796
Water - Connection	Within scheme areas where the service is supplied and connected.	5 & 6	7	Separately Used or Inhabited Part of a rating unit	4,027,005
<b>Subtotal</b>					<b>86,660,760</b>
Metered Water Rates 1	Extraordinary and Rural Domestic users.		8		4,337,070
<b>Subtotal</b>					<b>90,997,830</b>
Rates Penalties					1,000,000
<b>Net Rates Revenue</b>					<b>91,997,830</b>
<b>OTHER FUNDING SOURCES</b>					
Grants and Subsidies					169,327,655
Development and Financial Contributions					1,906,174
Other Revenue					15,824,584
Dividends and Interest					1,800,000
<b>TOTAL FUNDING</b>					<b>280,856,243</b>



## Rating definitions

**Note:** Differential Rating Areas (DRAs) such as DRA1, DRA2, DRA3, DRA4 and DRA5 and Inner and Outer zones are categorised based upon location under the Local Government (Rating) Act 2002 schedule 2 and are shown on the map on the next page.

Short title	Areas covered	Categories
DRA1	Former Gisborne City Council boundaries, excluding Rural Farm Land.	Residential, lifestyle, commercial, industrial and other properties
DRA1A	All Rural Farm Land within the previous Gisborne City Boundaries and the area surrounding the City, including Wainui and Makaraka.	Residential, lifestyle, rural, commercial and industrial and other properties
DRA2	Turanganui-a-Kiwa/Poverty Bay Flats including fringe hill properties; Muriwai, Ormond, Waihirere, Waerenga-a-hika, Bushmere, Manutuke and Patutahi.	Residential, lifestyle, rural and, all other properties
DRA3	The area within reasonable and currently exercised commuting distance to Gisborne, including part Waerenga-o-kuri and Ngatapa, Whatatutu and Te Karaka.	Rural and all other properties and rural townships
DRA4	The inland rural areas beyond DRA3, up to the boundary of DRA5 Tolaga Bay, Matawai, Tiniroto and Otoko.	Rural and all other properties and rural townships
DRA5	The whole of the East Cape area from a line running inland from a point in the vicinity of Rural and all other properties and Mangatuna north of Tolaga Bay Township, to the tip of the East Coast. Hicks Bay, Te Araroa, Tikitiki, Ruatoria, Waipiro Bay, Te Puia Springs and Tokomaru Bay.	Rural and all other properties and rural townships
Inner Zone	The total land area of DRA1, DRA1A and DRA2.	Urban and rural properties as above
Outer Zone	The total land area of DRA3, DRA4 and DRA5.	All other properties as above

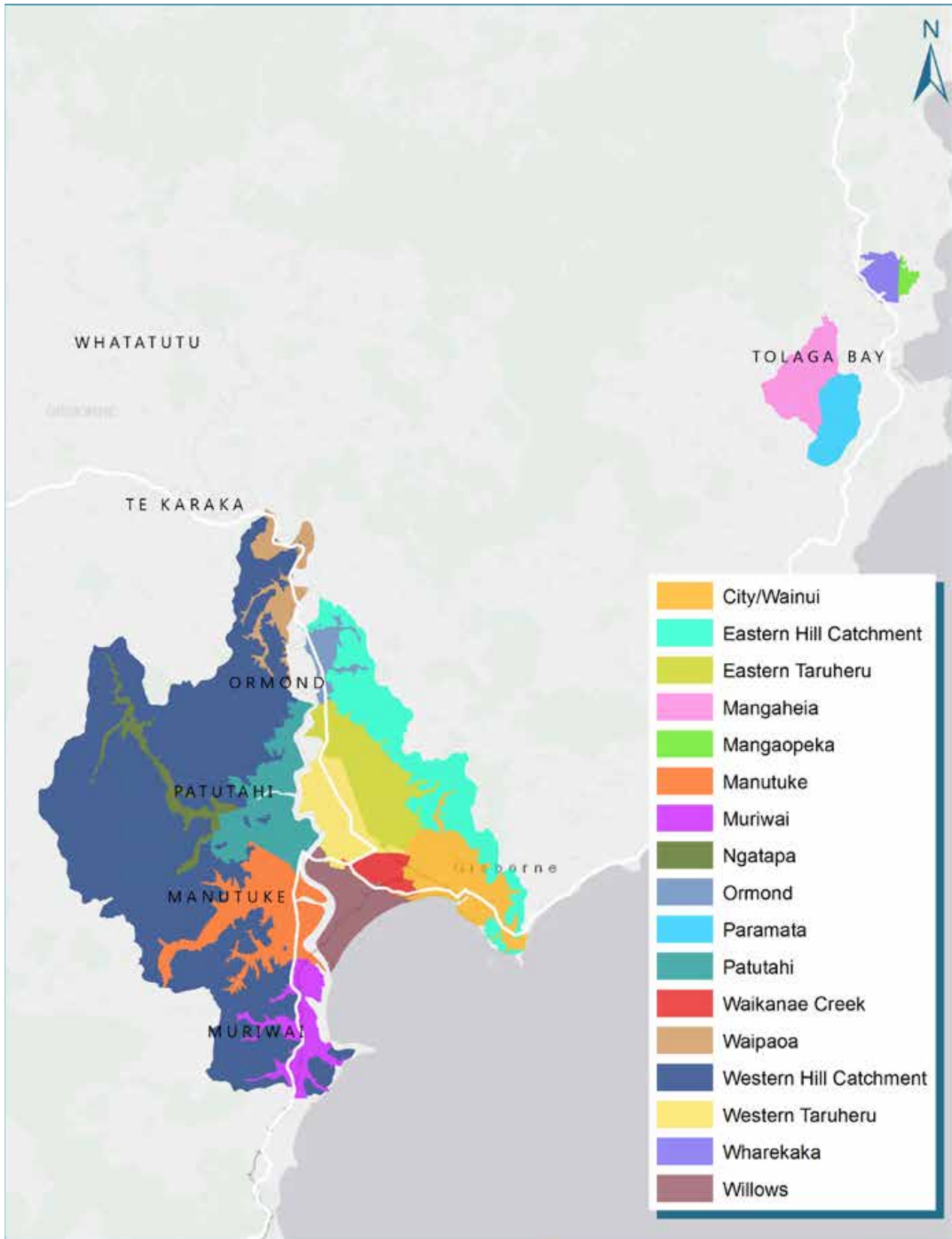
### Rates funding impact statement maps

These maps display the differential rating areas in the district, and targeted rating zones for certain rates as set out in the Rates Funding Impact Statement.

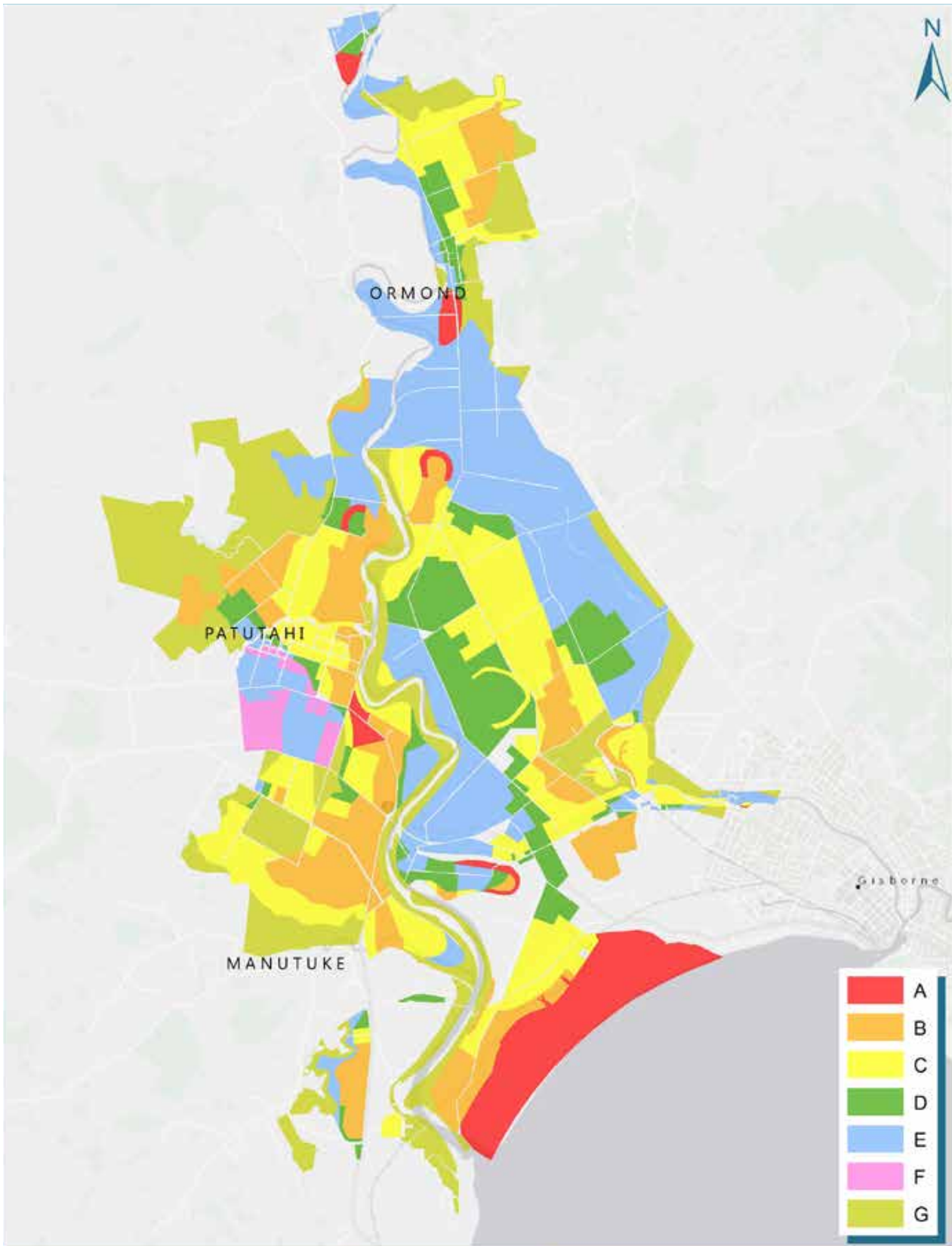
#### Map showing the area in each differential rating area



Drainage schemes

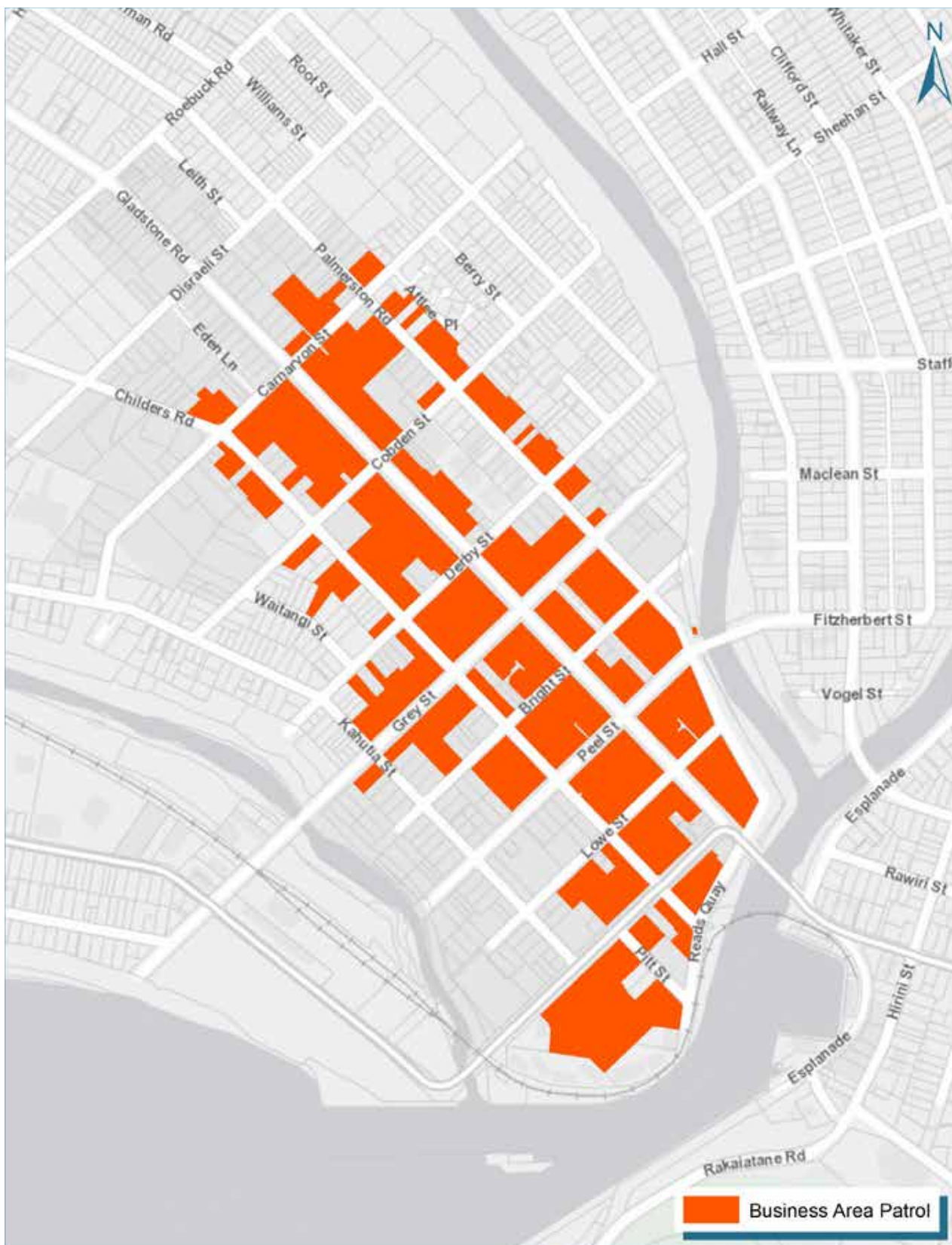


Waipaoa River flood control scheme



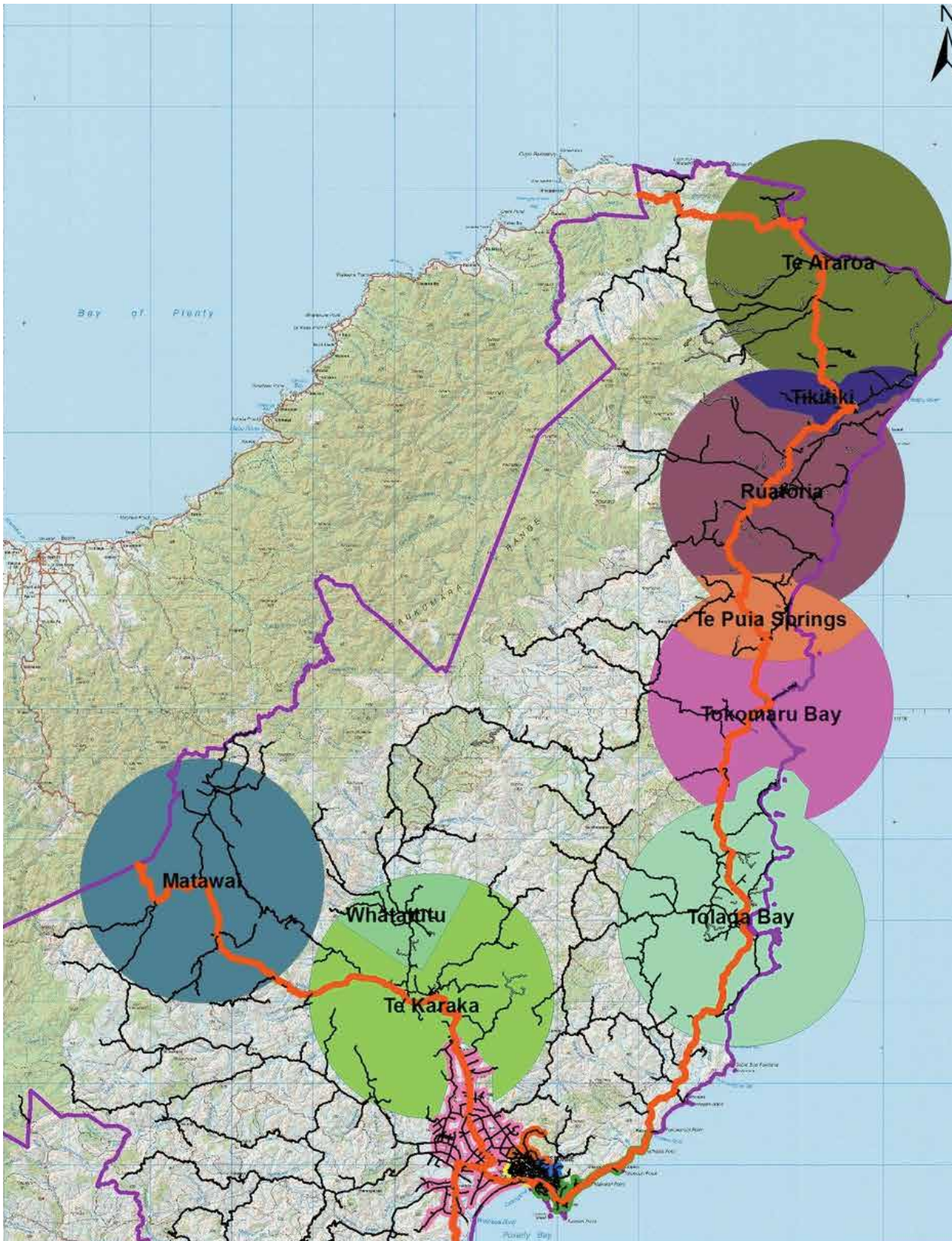


Business area patrols

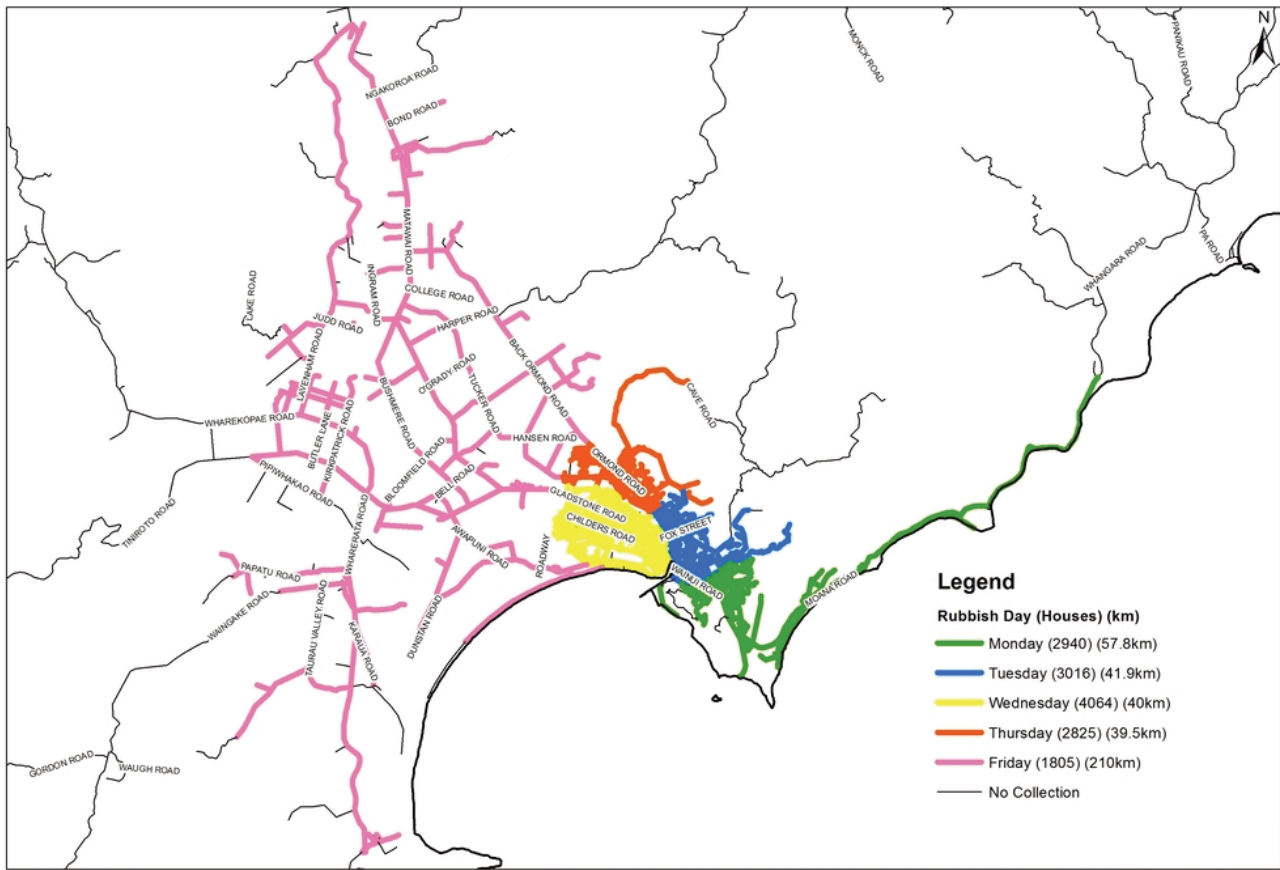




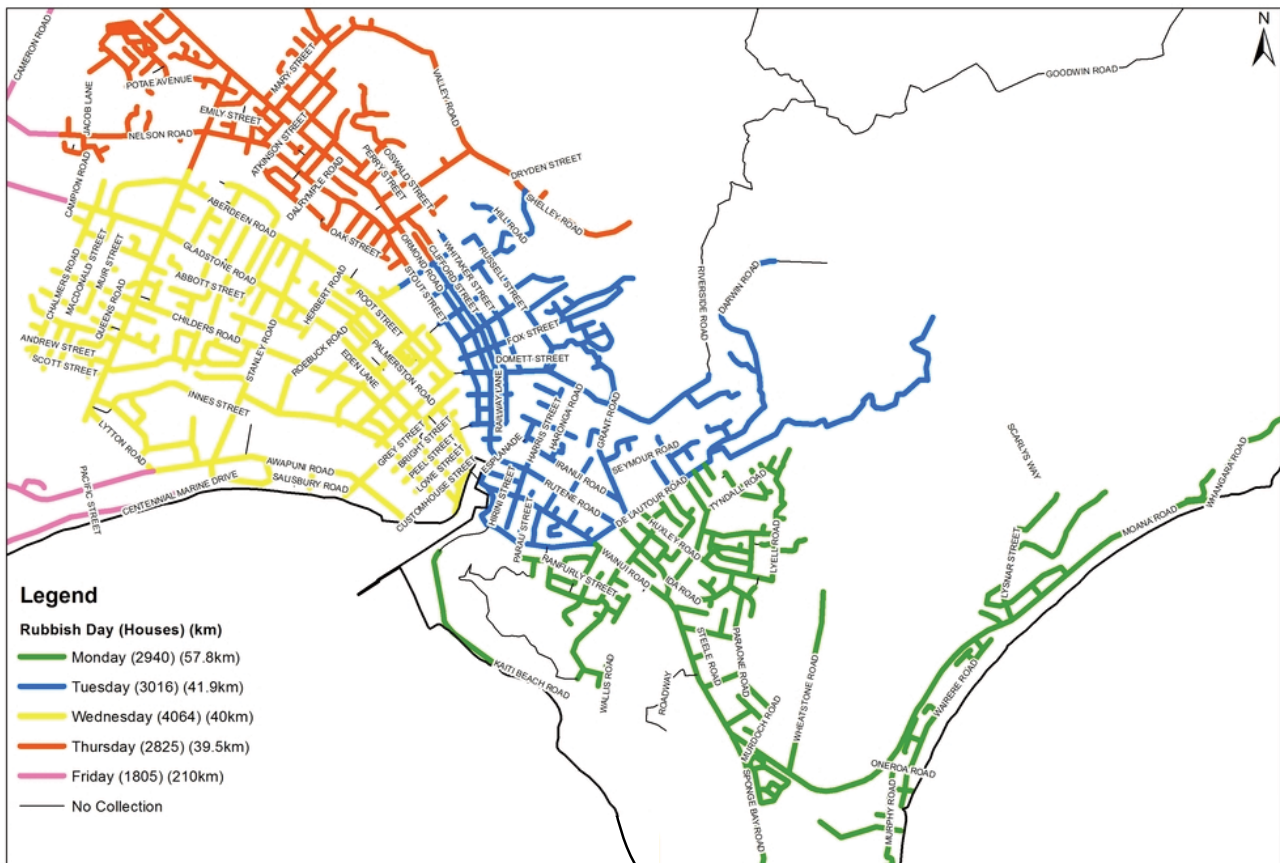
Rural transfer stations



Rural refuse and recycling collection

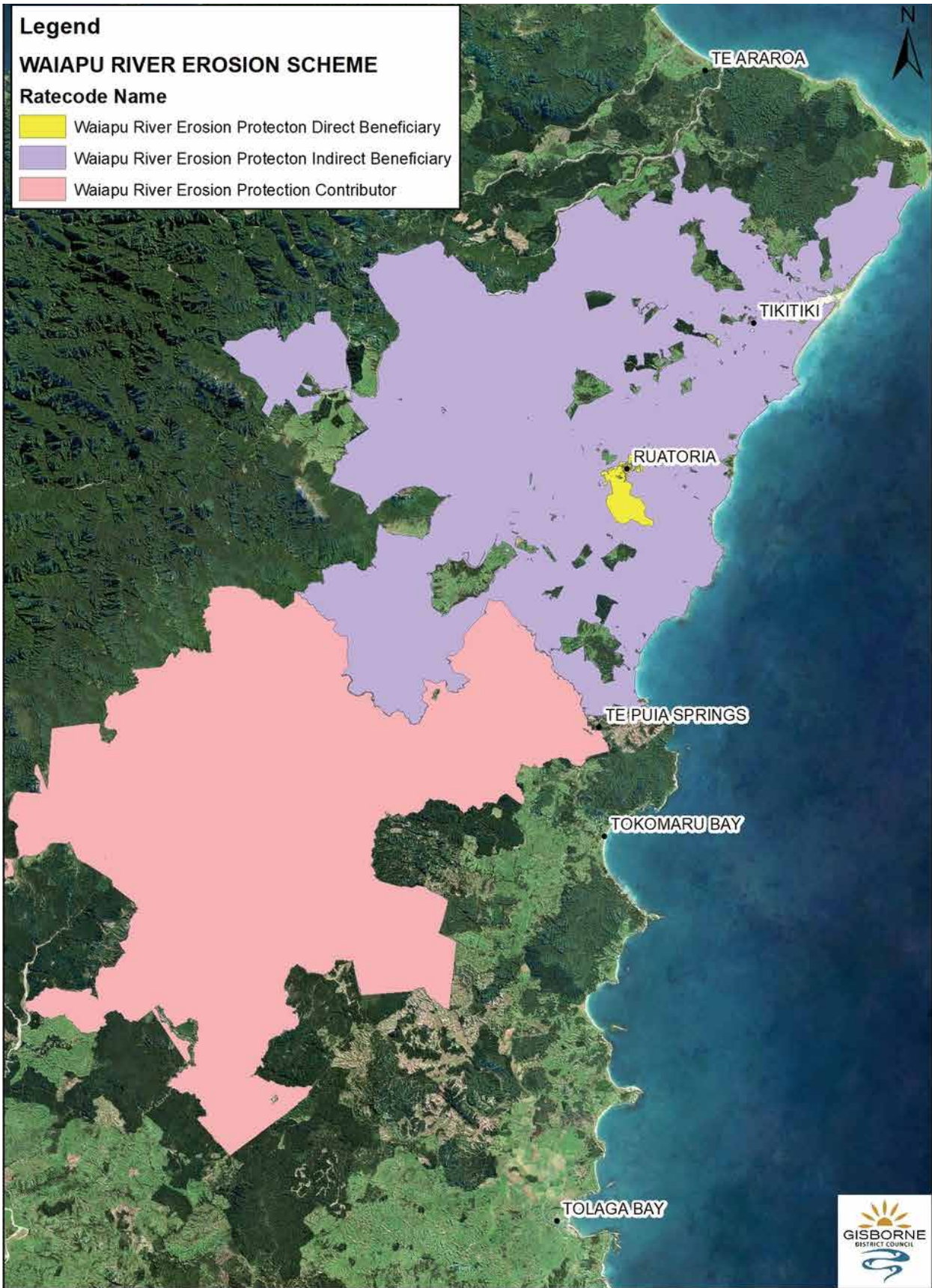


Urban refuse and recycling collection



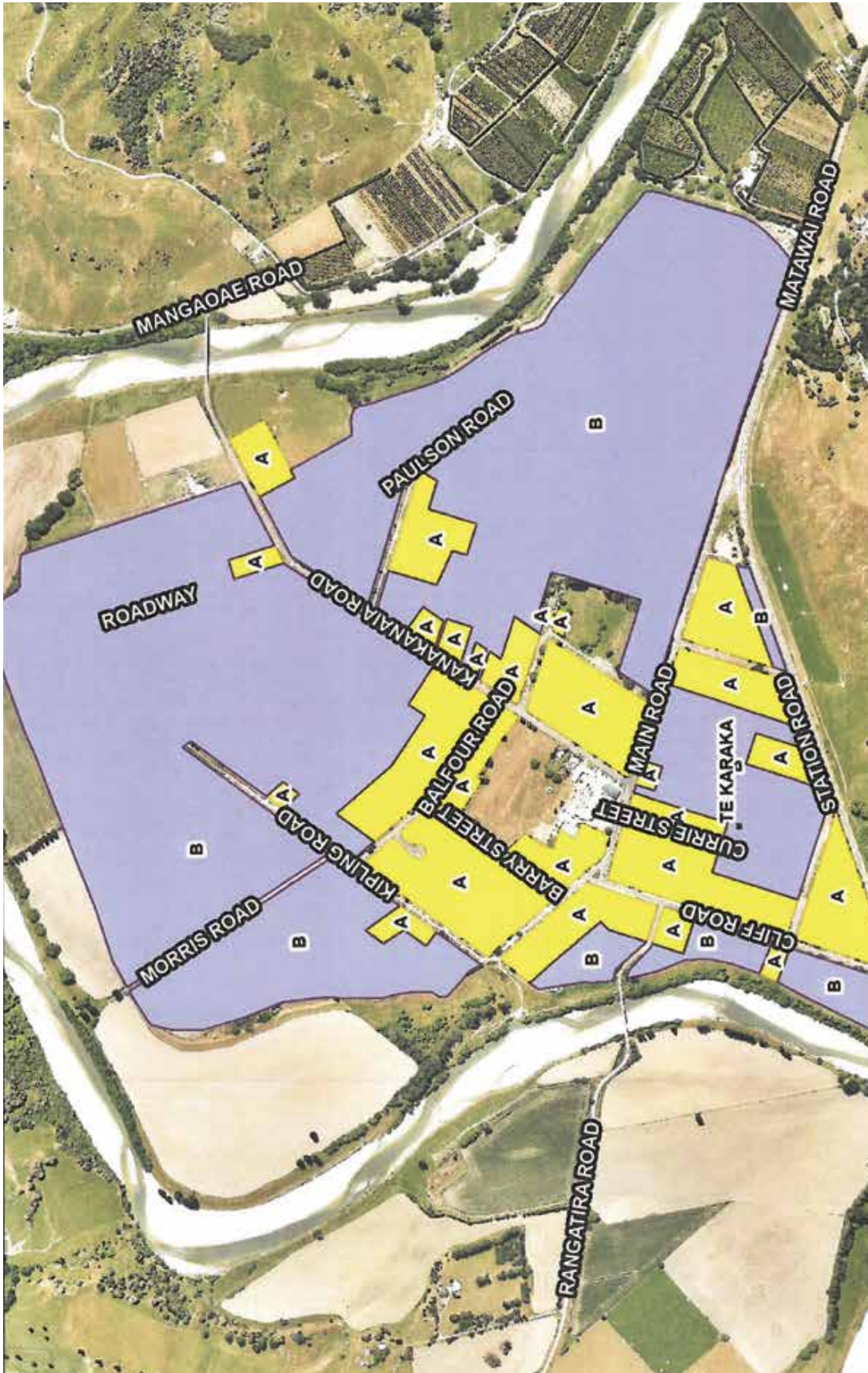


Waiapu River erosion scheme

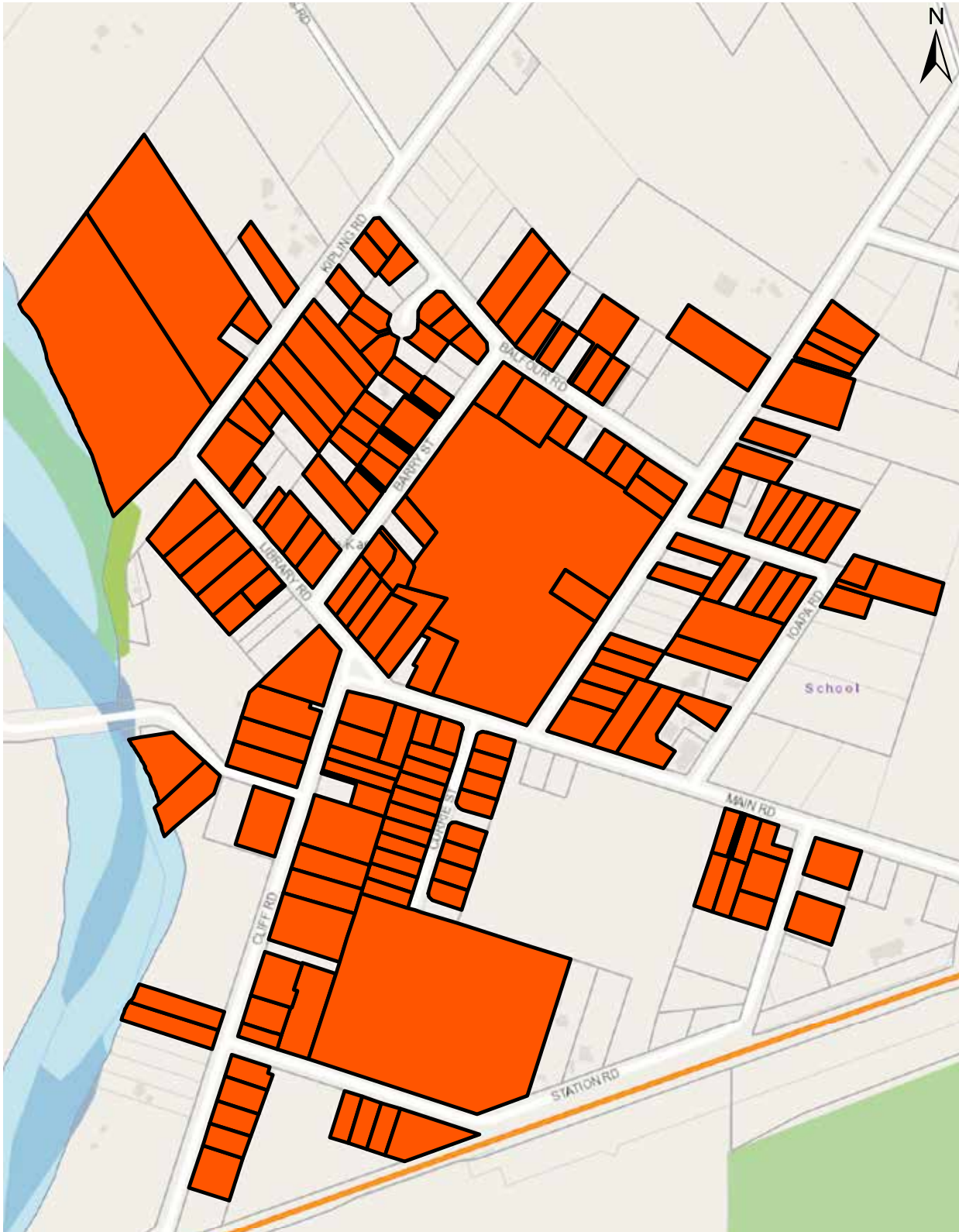




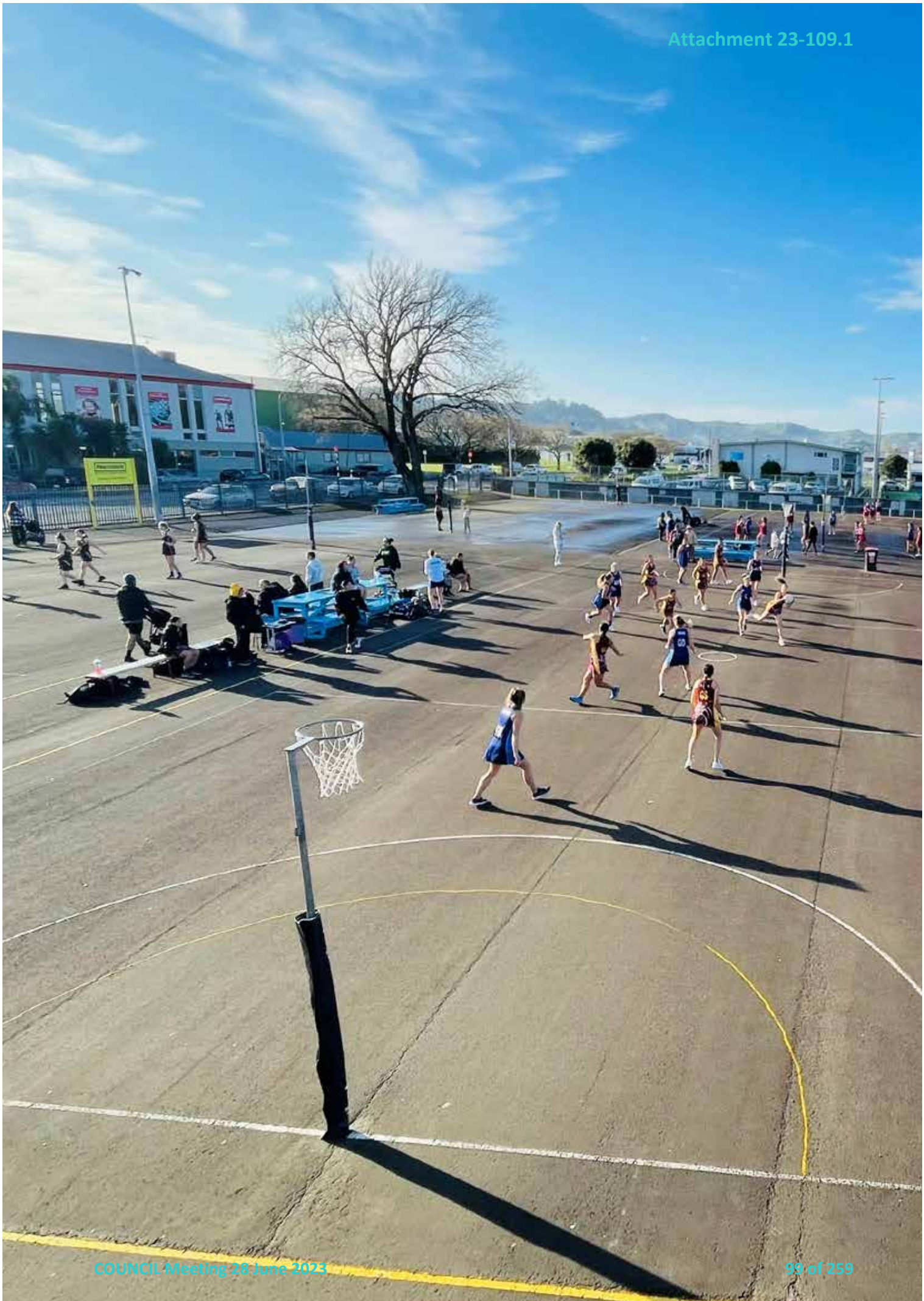
Te Karaka Flood Control



Te Karaka Wastewater Scheme









*He whakamārama anō*

**Additional information**



# Ngā kaupapa Contents

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## Tō Tātau Kaunihera Our Council



### Our role

As one of only six Unitary Authorities, the Gisborne District Council combines the functions, duties and powers of a territorial council with those of a regional council. In most other parts of the country, the functions of regional councils and territorial councils are split as follows:

### Regional Councils



#### Biosecurity

control of regional plant and animal pests



#### Civil defence

natural disasters, marine oil spills.



#### Regional land transport

planning and contracting of passenger services



#### Resource management

quality of water, soil, coastal planning etc



#### River management

flood control and mitigation of erosion

### Territorial councils



#### Community wellbeing and development



#### Environmental health and safety

including building control, and environmental health matters



#### Infrastructure

roading and transport, sewerage, water/ stormwater



#### Recreation and Culture



#### Resource management

including land-use planning and development control



# Ngā māngai o te Kaunihera

## Council leadership

### Mayor



**Rehette Stoltz - Mayor**  
[mayor@gdc.govt.nz](mailto:mayor@gdc.govt.nz)  
(06) 868 5382 | 021 279 7948



**Larry Foster**  
[larry.foster@gdc.govt.nz](mailto:larry.foster@gdc.govt.nz)  
027 450 8814



**Debbie Gregory**  
[debbie.gregory@gdc.govt.nz](mailto:debbie.gregory@gdc.govt.nz)  
027 319 4300

### General Ward



**Josh Wharehinga - Deputy Mayor**  
[josh.wharehinga@gdc.govt.nz](mailto:josh.wharehinga@gdc.govt.nz)  
027 512 5195



**Colin Alder**  
[colin.alder@gdc.govt.nz](mailto:colin.alder@gdc.govt.nz)  
021 149 0729



**Rob Telfer**  
[rob.telfer@gdc.govt.nz](mailto:rob.telfer@gdc.govt.nz)  
(06) 868 1535 | 027 294 5961



**Andy Cranston**  
[andy.cranston@gdc.govt.nz](mailto:andy.cranston@gdc.govt.nz)  
(06) 868 1160 | 027 273 3192



**Tony Robinson**  
[tony.robinson@gdc.govt.nz](mailto:tony.robinson@gdc.govt.nz)  
022 085 0902



**Teddy Thompson**  
[teddy.thompson@gdc.govt.nz](mailto:teddy.thompson@gdc.govt.nz)  
027 583 3391

### Māori Ward



**Rhonda Tibble**  
[rhonda.tibble@gdc.govt.nz](mailto:rhonda.tibble@gdc.govt.nz)  
021 924 782



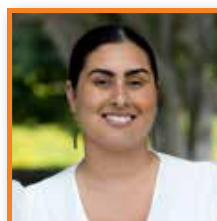
**Aubrey Ria**  
[aubrey.ria@gdc.govt.nz](mailto:aubrey.ria@gdc.govt.nz)  
022 413 7821



**Nick Tupara**  
[nick.tupara@gdc.govt.nz](mailto:nick.tupara@gdc.govt.nz)  
022 019 2705



**Ani Pahuru-Huriwai**  
[ani.pahuru-huriwai@gdc.govt.nz](mailto:ani.pahuru-huriwai@gdc.govt.nz)  
(06) 868 4186 | 021 885 602



**Rawinia Parata**  
[rawinia.parata@gdc.govt.nz](mailto:rawinia.parata@gdc.govt.nz)  
021 351 075

## Organisation structure

Council has one elected employee, the Chief Executive, Nedine Thatcher Swann, who is responsible for implementing and managing Council's policies and objectives within the budgetary constraints established by the Council.

Six directors are employed by the chief executive and make up our management team COR (Central Organising Rōpū). This includes 395 employed staff employed by the chief executive, that carry out the day-to-day operations of Council activities and provide advice to the Council.



## Our management team COR (Central Organising Rōpū)



**Chief Financial Officer**  
**Finance and Affordability**

**Pauline Foreman**

(06) 869 2899

[pauline.foreman@gdc.govt.nz](mailto:pauline.foreman@gdc.govt.nz)

Finance and Affordability deliver a range of integrated support services to the organisation.

- Finance
- Revenue
- Planning and Performance
- Internal Audit
- Risk Support

The hub supports the social, cultural, economic and environmental development of our communities – Mōtātou Te Tairāwhiti.



**Director Community Lifelines**

**David Wilson**

(06) 869 2356

[david.wilson@gdc.govt.nz](mailto:david.wilson@gdc.govt.nz)

Community Lifelines manages Council's capital and infrastructure assets.

- Roads and footpaths
- 4 Waters - Drinking Water, Wastewater, Stormwater, Land, Rivers and Coastal
- Solid Waste
- Civil Defence Emergency Management
- Building Services
- Harbour Master

The hub provides strategic direction for the future needs of our community in these essential lifelines. Providing professional and integrated activity planning to ensure the capital works and maintenance programmes meet the infrastructural and service level needs of the community as determined by Council.



**Director Internal Partnerships**

**James Baty**

(06) 869 2881

[james.baty@gdc.govt.nz](mailto:james.baty@gdc.govt.nz)

Internal Partnerships delivers a range of support services to the organisation:

- People and Capability - HR, Health and Safety
- Democracy and Support Services
- Legal Services
- Information Services - Information Technology, Information Management, Land Information, Business Solutions and Business Analytics
- Risk and Assurance
- Compliance, Monitoring and Enforcement

The hub provides professional and customer-focused support services based on specialised knowledge, best practices and technology to serve our internal and external customers.



### Chief Executive

#### **Nedine Thatcher Swann**

(06) 869 2414 | [ceo@gdc.govt.nz](mailto:ceo@gdc.govt.nz)

The Chief Executive is supported by five directors and a Chief Financial Officer, whose hubs reflect the range of activities that Council undertakes in order to contribute to the social, cultural, environmental and economic outcomes of our communities.

The hubs are:

- Community Lifelines
- Internal Partnerships
- Strategy and Science
- Liveable Communities
- Finance and Affordability
- Engagement and Māori Responsiveness



### Director Engagement and Māori Responsiveness

#### **Anita Reedy-Holthausen**

(06) 869 2647

[anita.reedy-holthausen@gdc.govt.nz](mailto:anita.reedy-holthausen@gdc.govt.nz)

Engagement and Māori Responsiveness is about being a committed and responsible Treaty partner and delivering exceptional customer services, communication and engagement practices to our community.

- Te Kai Arataki Tuia Whakapakari
- Customer Service
- Communication and Engagement
- Culture and Development
- Funding

We work on developing a culture to deliver services that support us to achieve the vision and values that make Te Tairāwhiti a great place for our whānau to live, work and play.

We actively seek funding from stakeholders to lessen the burden on our ratepayers.



### Director Liveable Communities

#### **Michele Frey**

(06) 867 2049

[michele.frey@gdc.govt.nz](mailto:michele.frey@gdc.govt.nz)

Liveable Communities contributes to Council as a customer-focused organisation that supports its unique community.

- Liveable Spaces (Aquatic Services, Amenity and Horticulture, Cemeteries)
- Community Assets and Resources
- Community Projects
- Catchments and Biodiversity
- Cultural Activities (Library and Theatres)

The hub ensures the effective delivery of community facilities to meet the community's needs at the strategic level through managing safe, fun and engaging places and spaces.



### Chief of Strategy and Science

#### **Jo Noble**

(06) 869 2720

[joanna.noble@gdc.govt.nz](mailto:joanna.noble@gdc.govt.nz)

Strategy and Science are responsible for:

- Strategic Planning
- Environmental Monitoring and Science
- Resource Consents

The hub provides specialist skills in strategy and policy, science, monitoring and research, and multifunction project management.

## **Whakapā mai ki a mātau**

### **How to contact us**

#### **Schedule of agents**

<b>Bankers</b>	<b>Westpac Banking Corporation</b> 101 Gladstone Road, Gisborne		<b>ANZ National Bank Ltd</b> 36 Gladstone Road, Gisborne	
<b>Solicitors</b>	<b>Cooney Lees Morgan</b> 247 Cameron Road, Tauranga	<b>Simpson Grierson</b> 195 Lambton Quay, Wellington	<b>Buddle Findlay</b> 1 Willis Street, Wellington	<b>Nolans</b> 180 Palmerston Road, Gisborne
<b>Insurance Brokers</b>	<b>Aon New Zealand</b> 85 Tristram Street, Hamilton			
<b>Auditors</b>	<b>Ernst &amp; Young</b> 21/100 Willis St, Wellington (on behalf of the Auditor General)			

#### **Whakapā mai**

##### **Contact us**

##### **Phone us**

06 867 2049 or freephone 0800 653 800

Our phones are monitored 24 hours a day, 7 days a week.

##### **Email us**

[service@gdc.govt.nz](mailto:service@gdc.govt.nz)

##### **Facebook message us**

[www.facebook.com/GisborneDC](https://www.facebook.com/GisborneDC)

##### **Visit us**

Our main administration municipal centre is Awarua, 15 Fitzherbert Street, Gisborne.

We also have a service centre in Te Puia Springs – 4746 Waiapu Road, Te Puia Springs.

Our business hours are 9am - 4pm Monday to Friday.

##### **Send us a letter**

PO Box 747, Gisborne 4010, New Zealand







☎ 0800 653 800

✉ [service@gdc.govt.nz](mailto:service@gdc.govt.nz)

🌐 [www.gdc.govt.nz](http://www.gdc.govt.nz)

📘 @GisborneDC

📍 15 Fitzherbert Street,  
Gisborne 4010, New Zealand

2023/24 Annual Plan  
Content correct as of 28 June 2023



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**Ngā whakahoki kōrero  
a te hāpori 2023/24  
Our community  
feedback 2023/24**

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*Te Kaunihera o Te Tairāwhiti  
Gisborne District Council*

## 1. Our consultation process for AP 2023/24

Council consulted the Tairāwhiti community on the Annual Plan 2023/24 (AP) through the Annual Plan 2023/24 Consultation Document (CD). The focus and intent of the CD was to inform the community on what was clearly different to our 2021-2031 Long Term Plan (LTP).

In our previous consultations for the LTP, we outlined the vision for Year 3, as well as the required rates and debt. However, the impacts of Cyclone Gabrielle caused significant disruptions to our work programme. Consequently, after the release of our Draft 2023/24 Annual Plan (report 23-10), substantial changes were necessary to prioritise recovery programmes and community support, leading us to seek consultation with the community.

The CD highlighted the areas that were different from our LTP and explained what we intend to do over the next financial year and how they are going to be funded.

This included:

- Recovery Co-ordination Centre
- Roading reinstatement
- Woody Debris
- Forestry Focus
- Land Management
- Flood Protection

We asked the community for their feedback on what we are doing, and what they want Council to consider over 2023/24. Submissions were open for two weeks from 02 June 2023 to 16 June 2023.

Residents were encouraged to complete submissions by:

- Completing the submission form online at [participate.gdc.govt.nz](https://participate.gdc.govt.nz); or
- Emailing their completed form to [annualplan@gdc.govt.nz](mailto:annualplan@gdc.govt.nz); or
- Filling in their submission form, dropping it into our customer service desks at our Gisborne and Te Puia Springs offices; or
- Posting their submission for free.

Printed copies of the CD were also available at our customer service centres.

A Media Release and Facebook posts were made to support the consultation process. He Pānui (Council's eNewsletter) also featured a story and a link to the online survey. Additionally, the Gisborne Herald published a front-page article that discussed the Council's 2023/24 Annual Plan and the consultation process.



## 2. Feedback to our consultation document

We received 15 submissions, all of which were submitted online through [participate.gdc.govt.nz](https://participate.gdc.govt.nz).

Submitters asked us to consider:

- Enhancing urban infrastructure, by creating safe walking and cycling networks.
- Promoting local involvement, empowering the community, and fostering economic development within the region.
- Ensuring environmental sustainability and resilience, with an emphasis on forestry, flood mitigation, and infrastructure management.
- Upholding fairness and regional equity, including adequate consideration for smaller townships and equitable distribution of resources.
- Providing support for community well-being and recovery, centring efforts on those affected by Cyclone Gabrielle, especially rural and coastal communities.
- Addressing community health and wellbeing, with a specific focus on winter illnesses, healthy homes, air quality, and youth vaping.

### Submission: 1

#### Type: Individual

There is an incredible opportunity to install vast amounts of urban walking and cycleway into the current and proposed future networks as the recovery work goes on from the cyclones. I would like the council to push the central government to include cycle and walkways with as many rebuild projects as possible.

### Submission: 2

#### Type: Individual

Keep contracts local and money in the community. Review and overhaul your building consent process.

### Submission: 3

#### Type: Individual

Where is Ormond on your township list???. The "play" equipment is atrocious, minimal and never considered in any plans to date, while iteration of the township plans up the coast are on versions 2

### Submission: 4

#### Type: Individual

Please consider ways of making Gisborne roads safer for pedestrians and cyclists, especially through the CBD and around schools.

**Submission: 5****Type: Individual**

I think this is a very sensible decision to make. well done to all involved in putting it together and good luck to us all.

**Submission: 6****Type: Individual**

Reconsider the learn to swim contract. Comet the the best choice for the community. An out of town agency will end up costing you more as well as building (even more) resentment from the community

**Submission: 7****Type: Individual**

Full recovery support and investment of Tokomaru Bay that has been hit time and time again & isolated twice in 11 months. Recovery actions from every other weather event hasn't been done or has been done and failed.

Requested focuses:

- Flood mitigation along Waiotu Stream to save homes and Hatea-a-Rangi School, all of whom have been flooded by the stream at least twice in 18 months.
- Seawalls - Consultation with our community was meant to happen in 2020 however Covid lockdowns and mandates followed by weather events put these on the back burner.
- Joined up Waterways plan consulted and endorsed by hapu and hapori. ALL work in our waterways to be mandated by Tokomaru Bay representatives that have the support of our community and not those who have mandated from whanau who do not live in Tokomaru!
- Serious work to be planned from the beginning with MANDATED hapu members and implemented, due to established trees being felled by GDC whanau have lost a lot of land and out buildings, the threat to their properties are real and serious.
- Find a new location and move Tokomaru Bay Rural Transfer Station away from ALL waterways - We are sick and tired of the transfer station being taken by the Mangahauini river and residents having to pick up the rubbish from along the beach.
- Re-evaluation of rates based on actual land - Whanau have lost land in Tokomaru Bay but are still paying rates for land that is now part of the rivers/streams. This is unfair and unjust.
- Rates paid by Tokomaru Bay, Te Puia Springs and Waipiro Bay residents are FULLY invested back into the communities that paid for them. Access to Gisborne Facilities is always challenging and for the majority of us we do not utilise those facilities.

Additionally we totally disagree with paying for Gisborne Citys water supply and waste management system when that LUXURY is not extended to the entire Tairāwhiti Region. If people in Gisborne want water then they need to pay not rural rate payers that pay for their own water tanks and septic tanks to be installed and emptied. UNFAIR and UNJUST.

NZTA investment into the Ihungia, Tuakau, Mata, Fernside, Tauwhareparae - Hokoroa and Waimata Valley. This is the only alternative route when the crappy SHW35 closes and isolates Tokomaru, Te Puia and Waipiro Bay residents from receiving food, petrol, diesel, natural gas. This alternative needs to cater for 2WD vehicles and to travel without RTs.

**Submission: 8**

**Type: Individual**

I think the plan is ok with its emphasis on recovery of roads and bridges and houses when first and foremost its the people within themselves who need help to recover .

I would like the Mayor, Councilors and GDC staff to firstly prioritise constant clearing of our City beaches and Kaiti beach and then further, East Coast beaches of woody debris, to the point that they return to the pristine beaches we were once proud of. ..Its not impossible to plan that when the last logs are removed and a weekly sweep by volunteers is all thats required to keep them in top class condition ..then children, families, schools, visitors and sports clubs alike can enjoy the beaches in safety..

The NZ Army and govt recovery teams must be engaged to assist clearance of debris from the banks and properties inland up the Waimata river and further. The largest logs constantly removed from beaches so that volunteers can regularly remove the rest. ASAP/Now

2nd priority is the condition of the inner City. To concentrate on the city cleanliness and safety and events so that Tairawhiti residents can again be proud of this first city to see the sun . water blast pavements and doorways, use empty shop frontages to advantage, hold regular events from city to surf. safe crossings and vehicle free areas.

3rd priority is Communication and involvement with local residents and clubs as Tourism will be our biggest future drawcard and earner .Pristine Beaches and a Sparkling, Vibrant City can compete with the best.

Regular Q&A meetings with residents/clubs/council . flyers into letter boxes and Gisborne herald announcements from council with invitation for volunteers to form area teams and be involved in events, gardening, beach sweeping etc ...all of the above 3 priorities would help lift the spirits and return pride and energy to the people of Tairawhiti . Give them a break!!!.

Nga mihi

**Submission: 9**

**Type: Individual**

I would like council to consider adding Ormond township to the township plan.

There is a large lifestyle and rural community in Ormond whom don't know each other and there are not many if opportunities to meet others in the community. I have seen some of the improvements that have been made in Patutahi with community events, establishment of a community committee etc. Would be great to have the same in Ormond.

Also the Waerenga-A-Hika Hall is in desperate need of a face life. Everything in there is so run down and shabby. That would be a great wedding venue and could be utilised more for community events if the place wasn't so run down.

**Submission: 10**

**Type: Individual**

Please get on to clearing drains and culverts in the 5 Bridges area. Blocked culverts had a part to play in the damage caused in this area by the cyclones, and continue to be non functional now. Maintenance of drainage around the roads is in need of higher priority than it has had to date.

The road at the flood point at Stallion Creek needs to be raised over a big culvert. This piece of road is in shocking condition and needs to be fixed.

Less focus on cycleways in town until rural roads are again of good standard.

Forget the silly 1,000 year bridge - it is real bridges that are needed with decent roads.

Maintain existing infrastructure before vanity projects.

There is a considerable quantity of wood in and around waterways that is simply inaccessible to machinery without doing a lot more damage to the land. The wood will keep going downstream in rain events for years to come and will need to be factored in to future plans.

**Submission: 11**

**Type: Individual**

Bring Ormond to the plan, it is the gateway to Gateway to Gisborne and reflects on the region, council and its residents, it lacks footpaths to the school, there is no cycle way to town, the logging trucks have destroyed our roading around the village and up the valley and resembles a war zone.

**Submission: 12**

**Type: Individual**

I would like the Council to consider the safety of our children crossing the main road from Ormond Township to school. It's extremely dangerous for our children wanting to bike to school - traffic especially trucks do not slow down. Our school could bolster from funding to ensure a safe and community orientated place for children and family to gather. We need upgrades



to our community hall, better parking and a school playground that could also benefit and bring the community together more.

The roads in the township are also in need of repair - not just a quick top up in a pot hole

**Submission: 13**

**Type: Individual**

The council provides the infrastructure and local services vital for the Public Health: water, sewerage, waste management, transport, housing, and other services. Council also licenses food premises for food safety, as well as businesses of all kinds. The potential for council to do more than nationally mandated/restricted was highlighted in the recent Forestry Commission report. So, a strong and explicit commitment to the health and well-being of all the communities, whanau, and individuals in the district is an important element of the council's work and plan that are currently implicit. Specific targets or goals for health and/or well-being could be part of council's plan and monitoring. I would be happy to discuss further, including these specific suggestions for GDC to consider or explore:

**Emergency Preparedness and Resilience**

- Support community plan development by the community for future emergencies, building on existing efforts using lessons from the cyclone Gabrielle response that covers all the people in the district. Consider testing the plans
- Establish more emergency housing options for each community, by using /expanding community resources such as marae, schools – and ensuring that they have adequate capacity, including hygiene facilities
- Plan for water security for reticulated supplies, in case of another disruption in supply. (eg support for households to collect roof water; alternative supplies if all infrastructure damaged); establish and promote water stations to be activated in emergencies.
- Support households with limited resources to be able to store water, food, medicines in readiness for next emergency (with Trust, MSD. And other funding); and to have first aid kits and 'clever radios'.
- Support development of solar power in rural communities and those with medical needs to prepare for power outage
- Emergency communications plans and processes to keep community informed (eg, the radio channels AND times for key info, local networks to share information)

**Water and sanitation**

- Explore (with Public Health) how to enhance both safety and security of self-supplied households (eg, support installation of flush filters from rainwater collection)
- Continue and accelerate development of waste water to prevent contamination of water used for recreation or food gathering.
- Make notices about safety of water for swimming more interactive to show latest/current data on microbial contamination – the LAWA site only shows last and average, not current risk level that would need to be modelled.

**Build social capital for communities**

- Support for community events for the range of different communities (with Trust Tairāwhiti)
- Offer council facilities and resources (eg, library meeting rooms) for communities to meet and develop, especially marginalised groups (eg, LGBTQI)

**Healthy Food environment and food waste**

- Develop a district policy to reduce the availability of ultra-processed food (UPF) and 'fast food', especially in low income areas; including reviewing the internal food policy for GDC
- Support community gardens and kitchens; encourage communal eating – ideally develop as a cheaper alternative than fast food, but using whole foods and to build social connection.
- Offer alternative to food waste going to landfill, so that it can be used to replete soil and reduce greenhouse gas emission. Ideally, through supporting a local enterprise to make this cost neutral.

**Forestry**

- Stop any further planting of pine forests – not good for the land or people (allergies in August from the pollen); stabilise the earth using native plants, mātauranga Māori and science.

**Active transport**

- Consider incentives for households with primary and intermediate school children to not drive to school for pick-up and drop-offs; creating safe pathways for walking and bike to schools.
- Consider making central Gisborne car-free
- Continue to develop bike networks for commuting and for recreation
- Air quality
- Identify priority causes of breaches in PM10 and address quality of wood burning as one of the issues; another being diesel vehicles.

**Homeless people**

- Can we repeat the lockdown experience and offer alternatives so people do not live on street?

**Child and youth vaping**

- Can GDC explore the legal options to stop the sale of vapes in dairies; and limit the number of vape retailers?

**Winter illness**

- A major operational issue for Health in winter is child sickness that keep them home and stop people working. In addition, many children attend care or school, despite symptoms as parents have no other options - Can GDC consider establishing specialised daycare for children who have infections? Or supporting a local enterprise to do so – needs to be done in a way that children do not infect each other

I look forward to working with you on any of these issues

**Submission 14: Royal Forest and Bird Protection Society of New Zealand**



Head Office PO Box 613  
Wellington

16 June 2023

New Zealand

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**Feedback on the Gisborne District Council (GDC) Annual Plan 2023/24**

**Summary**

- We highlight that climate change adaptation through nature-based solutions is crucial to build the resilience of local communities in the rohe.
- We emphasise a requirement for increased funding for invasive animal and plant pest control.
- We welcome the proposed establishment of a team of professionals to enable safe and sustainable forestry practices and the funding of the land management team.

**Introduction**

1. The Royal Forest & Bird Protection Society Inc. of New Zealand (Forest & Bird) is Aotearoa New Zealand's leading independent conservation organisation. Forest & Bird has played an important role in protecting and preserving New Zealand's environment and native species for a century. Forest & Bird is independently funded by private subscription, donations, and bequests. The Society's mission is to protect and preserve New Zealand's unique ecological values, flora and fauna, and natural habitats in a climate crisis and to continue that mission into the next century.
2. Forest & Bird has a dedicated volunteer branch in Gisborne, whose multigenerational members and supporters play an important and active role in protecting and restoring the region's native species and habitats, in biosecurity, as well as in education and advocacy for nature in a climate crisis. Within Forest & Bird there is a wealth of knowledge and expertise on protecting and restoring Aotearoa New Zealand's native ecosystems and species.

3. Forest & Bird is grateful for the opportunity to provide feedback on the Gisborne District Council Annual Plan for the term 2023/24. Forest & Bird acknowledges the work that Councillors and staff are doing to improve the region in those challenging times through the annual and long-term plan processes, to assess what changes are needed to reflect current circumstances and community needs.
4. Considering the increased likelihood of climate change driven extreme weather events, without urgent action, commitment, and investment now, there is a risk of compounding costs on people and the environment and piling additional costs on to an already overburdened future generation.
5. It is important to recognise that Aotearoa New Zealand is facing both a biodiversity crisis and a climate crisis, and instruments like Council annual plans must appropriately reflect and fund these.
6. Forest & Bird wishes to be heard in support of this feedback.

### **Planning for the future through Nature Based Solutions**

New Zealanders received a wakeup call about the impacts of climate change with the immense devastation caused by Cyclone Gabrielle and the Tāmaki Makaurau/Auckland floods. As we look to recover from these disasters and reduce the impact of future extreme weather events, nature has a key role in helping us to adapt. By protecting nature, we can protect ourselves and our communities.

One key lesson from the years since Cyclone Bola in 1988, is that action which should have been taken to build resilience has been neglected, and where action was taken, it was not properly thought through, which has resulted in the damage from forestry slash. We cannot afford to repeat these mistakes. There are limits to adaptation and some of our own communities lack the resources needed to adapt. We must step up action to reduce emissions and minimise the impacts of unavoidable climate change.

Critical actions in the light of Cyclone Gabrielle include:

- Doubling the extent of wetlands
- Creating room for rivers to flood safely and function more naturally
- Restoring and expanding native forest and shrublands
- Improving land use
- Adapting in ways that protect and enhance nature
- Keeping emission reductions at the core of climate change policy

## a) Every wetland counts

Forest & Bird have mapped the areas of historic wetland on public land that are now grass, i.e., those wetlands that have been lost but which remain in public ownership and could be readily restored. These maps are available to the public online.<sup>1</sup> We would like to see Council investigate whether it has any areas of historic wetland in its ownership that could be restored and invest in that restoration.

Wetlands are vital to help us slow and adapt to the impacts of climate change. Every drained or destroyed wetland has a negative impact on the climate. To date, only 10% of Aotearoa's historic wetlands remain.

Wetlands help buffer communities from extreme weather – for example, absorbing heavy rain during storms, slowly releasing water during floods, and buffering the coast from storm surges. They are a nature-based solution to the impacts of climate change and are more resilient than engineering. They can be used in urban settings to increase resilience of communities by managing sediment run off as well as holding and cleansing stormwater. Wetlands also provide crucial habitat for coastal birds who are facing increased pressure and disturbance from development and activities in their coastal habitats.

Furthermore, wetlands are taonga for tangata whenua as they were often sources of culturally significant plants, including harakeke and raupō used for weaving; and plants and trees that were used for carving and making tools. Wetlands are also identified as ripe picking grounds for rongoā Māori.<sup>2</sup> It is time to acknowledge the role of mana whenua as kaitiaki of the places everyone cares about.

## b) Making Room for Rivers

The Room for Rivers concept – allowing rivers to reclaim parts of their natural flood plains in strategic places while not overly relying on stopbanks for flood protection – is a nature-based climate solution that will protect communities from devastating floods while increasing biodiversity and local recreation opportunities that is already successfully implemented overseas.

Following consultation with flood management experts and practitioners, Forest & Bird proposes three steps in our 'Making Room for Rivers'<sup>3</sup> plan to kickstart improved river

<sup>1</sup> <https://koordinates.com/layer/113000-areas-of-historic-wetland-that-are-now-grass-but-still-in-public-ownership-sept-2022/>

<sup>2</sup> Harmsworth, G.R. (2002). Coordinated monitoring of New Zealand wetlands. Phase 2, Goal 2. Maori environmental performance indicators for wetland condition and trend. A Ministry for the Environment SMF project – 5105. Landcare Research Contract Report LC 0102/099. 65 p. <http://www.landcareresearch.co.nz/research/social/maoriindicators.asp>

<sup>3</sup> [https://www.forestandbird.org.nz/sites/default/files/2022-11/F%26B\\_Room-For-Rivers\\_Report\\_online\\_0.pdf](https://www.forestandbird.org.nz/sites/default/files/2022-11/F%26B_Room-For-Rivers_Report_online_0.pdf)



management in Aotearoa and better protect communities and wildlife. At a local level, this can be implemented by GDC by:

- **developing a Room for Rivers plan**, including considering strategic managed retreat from high-risk flood plains. This modern approach to flood management should be **embedded** in regional and district plans and bylaws (on issues like stormwater management).
- **Prioritise investment in nature-based solutions** and 'green infrastructure' as a way to mitigate flood risk, rather than investing in hard-engineered "solutions" (which are often not long-term solutions)

More than 100 towns and cities across New Zealand have families and communities living alongside rivers or on flood plains protected by flood mitigation schemes, highlighting the urgency for flood protection schemes to build our resilience.<sup>4</sup> Many marae and urupā are located near rivers and flood prone areas. Hence, they are increasingly vulnerable to erosion caused by climate change induced extreme weather impacts.<sup>5</sup>

Looking after our wai and restoring it back to its natural state will also benefit its biodiversity. In te ao Māori, different water bodies are home to different taonga species and kaitiaki, protecting the mauri of the wai.<sup>6</sup> Similarly, there is a link between health and wellbeing of wai and those of local communities (for many Māori, the freshwater environment is central to tikanga Māori, mātauranga Māori, and mahinga kai.<sup>7</sup>

Forest & Bird are imploring council to use nature-based solutions to protect horticulture, farmland, and communities from the potentially devastating effects of downstream flooding and drought in extreme weather events like we have seen recently and will only happen more frequently. This is also the best outcome for native species and the environment.

- c) Prioritising the extension of native forests and their protection through holistic pest-control

Native forests have been recognised by the Climate Change Commission as nationally significant carbon sinks that are vital to climate protection efforts. The Commission has called for a massive

<sup>4</sup> [Tukua Ngā Awa Kia Rere | Making Room for Rivers](#)

<sup>5</sup> Awatere S, King DN, Reid J, Williams L, Masters-Awatere B, Harris P, Tassell-Matamua N, Jones R, Eastwood K, Pirker J, & Jackson A-M. (2021). He huringa āhuarangi, he huringa ao: a changing climate, a changing world. <https://www.landcareresearch.co.nz/assets/researchpubs/He-huringa-ahuarangi-hehuringa-ao-a-changing-climate-a-changing-world.pdf>

<sup>6</sup> Stewart-Harawira, M. W. (2020). Troubled waters: Maori values and ethics for freshwater management and New Zealand's fresh water crisis. *Wiley Interdisciplinary Reviews: Water*, 7(5). <https://doi.org/10.1002/wat2.1464>

<sup>7</sup> Ministry for the Environment & Stats NZ (2023). New Zealand's Environmental Reporting Series: Our freshwater 2023. Retrieved from [environment.govt.nz](https://environment.govt.nz).

forest restoration programme alongside a ramped-up browsing pest and weed control programme to protect all existing native forests.

Introduced browsers such as deer, pigs, goats and wallabies have been eating their way through native forests, shrubland, and tussock lands. The combined impact of these animals consuming seedlings, leaf litter, leaves, buds, bark, and branches and killing trees has significantly reduced the natural ability of native habitats to lock in carbon, to hold the whenua together, and to absorb and slow the movement of water.

When native forests collapse, huge volumes of carbon dioxide are released as trees die and rot. Our largest forest type, kāmahi-podocarp forest, is presently bleeding 3.4 million tonnes of CO2 every year – three times the equivalent to the country’s 2018 domestic air travel emissions.<sup>8</sup>

The issue of feral deer and their land-destabilizing impacts are within scope of the inquiry and a key outcome needs to be solutions to feral browsing pest animal numbers in Te Tairāwhiti.

In the Government Budget 2022 there was \$30 million allocated over three years to start tackling the explosion of deer and goats nationally. The aftermath of Cyclone Gabrielle calls for a ring-fenced and targeted budget beyond this to knock down deer, goats and pigs in the inquiry area and Forest & Bird would suggest broader culling nationally in upper catchments such as in Te Urewera. Browser control is essential for the forest to effectively work as ‘natural infrastructure’ to protect downstream productive land and residential areas from flooding and should therefore be actively supported, funded and advocated for by the Council.

Forest & Bird is calling for increased funding for invasive animal and plant pest control which are a huge issue in the rohe. Particularly, investment in browser pest control has to be prioritised to safeguard this crucial natural taonga.

Although it appears on the surface that many of these actions fall into the responsibility of regional authorities, there is plenty that city and district councils can be doing to support these actions and comply with their responsibilities under the Resource Management Act (RMA) and Local Government Act (LGA):

- Section 31 of the RMA allocates several functions to territorial authorities related to climate change and environmental wellbeing, including ‘integrated management’ of natural and physical resources, ‘the avoidance or mitigation of natural hazards’, and ‘the maintenance of indigenous biological diversity’.

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<sup>8</sup> [Protecting our Natural Ecosystems' Carbon Sinks](#)

- The LGA also sets out its purpose ‘to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.’

District councils such as GDC can advocate for and integrate nature-based solutions through their district planning, land use and subdivision consents and code of subdivision and development, parks and reserves network, infrastructure planning (including transportation and three waters), Significant Natural Areas (SNA) identification and mapping, climate change/zero carbon planning and policy, waste management and more.

The above concepts should underpin Council’s decision making within its longer- and shorter-term planning and policy documents, including the activities proposed in the Annual Plan. Forest & Bird therefore submit the following in regard to the activities listed for funding in the Annual Plan for 2023-24:

Forest & Bird

- a. Supports the Council’s plan to
  - establish a Forestry Team who will work with the industry to enable safe and sustainable forestry practice within Tairāwhiti.
  - To further fund the Council’s land management team for a period of up to 4 years as part of the Integrated Catchment Management activity to support Freshwater Farm Plans and comply with new Freshwater Reform requirements.
- b. Asks for the Council to consider nature-based solutions when planning their flood protection approach. All proposed Council policies and funded activities and works including those to address erosion should implement the nature-based solutions approach, including making room for rivers and protecting and enhancing nature as part of our ‘natural infrastructure’.
- c. Welcomes the Council’s continuous commitment towards the delivery of normal service functions, e.g. regional plans, climate change and the environment. However, this will require more human resources and financial assistance from Government and industry to achieve this, since the preservation of the natural character of wetlands, lakes and rivers and their margins is a matter of national importance under the RMA.

## Conclusion

In dealing with the dual crises of climate and biodiversity, no single portfolio can be looked upon in isolation. Integrating ideas, proper resourcing and working effectively with others while being inclusive of those in the community with knowledge and expertise, will help achieve environmental outcomes and climate resilience, faster.

Forest & Bird strongly supports innovative green funding mechanisms to deal with climate change, on the condition that nature-based solutions cut across all portfolios and underpin any climate change action plan for Te Tairāwhiti.

We wish you all the best in your deliberations. Thank you for the opportunity to provide feedback.

A handwritten signature in black ink, reading "Chantal Pagel". The signature is written in a cursive style with a large initial 'C'.

Dr Chantal Pagel  
**Regional Conservation Manager (RCM) – Bay of Plenty and East Coast** Royal Forest and Bird Protection Society of New Zealand Incorporated. [c.pagel@forestandbird.org.nz](mailto:c.pagel@forestandbird.org.nz)

Submission 15: Federated Farmers of New Zealand

# Submission

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To: Gisborne District Council

Submission on: Annual Plan 2023-2024

Date: 16 June 2023

Contact: **GISBORNE/WAIROA FEDERATED FARMERS**

**HUNAARA WAEREHU**

**PROVINCIAL PRESIDENT GISBORNE/WAIROA**

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1. The Gisborne/Wairoa Province of Federated Farmers (Federated Farmers) welcomes the chance to submit on Gisborne District Councils (the Council) Annual Plan 2023/24.
2. Rates are among the top ten operational expenses of a farming business. They are a source of considerable financial pressure for all farmers. Federated Farmers makes submissions on Annual Plans and Long-Term Plans to ensure councils exercise fiscal prudence, and consider affordability, fairness, and equity issues regarding rates. We support councils making use of the full suite funding tools available i.e., differentials, targeted rates, the UAGC and alternative funding sources. We acknowledge any submissions made by individual members of Federated Farmers.
3. Federated Farmers would be keen to meet with Council to provide continual feedback on any likely issues of significance for the rural community, and particularly any changes proposed to the funding policy.
4. We would like to be heard in support of our submission.

#### **Summary of key recommendations**

5. The following key recommendations are drawn from each of the subsequent sections of this submission:
  - That the Council Cap the percentage rates increase to no greater than stated in the Council's 2021 Long Term Plan for the 2023/24 financial year and reduce expenditure to ensure there is no need for loans to cover revenue shortfall.
  - Clearly report the percentage of the total rates revenue that the Uniform Annual General Charge (UAGC) makes up in the Consultation Document.
  - Provide transparency and clarity on how rates are used by including a table of rates on benchmark properties or examples of itemized rates bills assessed on different categories of rateable land.
  - The Council needs to prioritise spending to focus on its core functions and the fundamental needs of its community such as protection from natural hazards. This includes ensuring that river maintenance is not reduced.
  - FFNZ recommends that GDC should fully utilise the UAGC mechanism at 30% of the total rates income, to provide equity between ratepayers.
  - That the Council continue to exclude rural landowners from being charged rates for Water Supply, Wastewater and Sewerage, and Stormwater and Drainage activities as they receive no benefit from these services.
  - Allocate funding for flood protection works for the whole district and increase efforts to counteract flood events, including riverbed maintenance works.
  - Facilitate and encourage gravel extraction and river works by commercial entities and adjoining landowners to minimize costs to ratepayers.
  - That any increase in roading debt which is incurred by transportation projects in non-rural areas be recovered from ratepayers in non-rural areas where the transportation projects are situated, unless there is a demonstrable benefit to rural ratepayers.
  - That the Council to continue to improve and seal more roads in Gisborne District's rural areas.

- That the funding for the Forestry Team should be derived from a targeted rate rather than a general increase in rates across the board.
  - Develop a rates remission policy for land affected by extreme natural calamities, enabling the remission of rates charges for affected productive land.
6. These recommendations aim to address concerns related to rates, fairness, transparency, river management, infrastructure, forestry oversight, and road network improvement, with the goal of benefiting farmers, the wider community, and the Gisborne District as a whole.

## Submission

### Rates

7. The Annual Plan consultation document does not provide any information around whether the rates are proposed to change from what was proposed in the Long-Term Plan (a rates increase of 6.5% was proposed under the LTP). We are aware of the uncertainty that many councils are facing due to external factors such as inflation and central government implications of Three Waters and other reforms, as well as the costly response to the February Cyclone and ongoing weather events.
8. In terms of the outlook for agriculture, Beef & Lamb NZ recently announced farm profit before tax for sheep and beef farmers is expected to fall by a third in the 2023 following reduction in exports<sup>1</sup>. For dairy, Fonterra has recently announced a further fall in farmgate price/kg of milk solids, which have continued to decline over the last 12 months<sup>2</sup>. These factors point to harder times ahead for the entire community in the Gisborne District.
9. Farmers are not an infinite source of revenue for Council rate increases. Incomes of rural ratepayers will in no way increase to the same extent as the proposed increases in rates, with the implication that the costs the Council is imposing on its ratepayers, will squeeze out other areas of expenditure. This is especially so for farming, where, despite farm properties having higher land values than residential properties, the ability of farmers to pay rates is tied to their ability to productively farm the land, rather than relative or absolute wealth in land. The reality is that for our members, rural ratepayers, the increase will have a real impact on their livelihoods.
10. Drops in the income of farms will be felt by the whole region with farmers having to reduce or defer costs where possible such as deferring repairs, maintenance and general spending within the local economy. An inefficient or ineffective local government rate is one that takes money from ratepayers, thereby reducing the money available to those ratepayers to meet regulatory obligations or for business investment and innovation. These inefficiencies are magnified where a council economic development initiative

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<sup>1</sup> <https://www.rnz.co.nz/news/country/486059/farm-profit-expected-to-drop-by-third-beef-lamb-nz> accessed 16 March 2023

<sup>2</sup> <https://www.fonterra.com/nz/en/investors/farmgate-milk-price.html> accessed 4 April 2023

spends ratepayer money or resources poorly, in impractical areas, and without accountability.

11. In the context of the gloomy economic outlook for farming, we would prefer that rates are capped at existing levels or reduced. It is therefore recommended that the Council cap the percentage rates increase to no greater than stated in the Council's 2021 Long Term Plan for the 2023/24 financial year and reduce expenditure to ensure there is no need for loans to cover revenue shortfall.

### **Uniform Annual General Charge**

12. FFNZ considers that the uniform annual general charge (UAGC) is a fair way for Council to rate for services that provide an indistinguishable amount of benefit across ratepayer groups. When these mechanisms are utilised, every ratepayer pays the same amount for the public good services of council without one group subsidising another. There is no correlation between high value rateable farmland and the ability for farming businesses to pay the significantly higher costs for the exact same services.
13. The use of UAGC's can, in part, help to address that inequity by being a fairer way to rate for services that provide an equal or indistinguishable amount of benefit across ratepayer groups. Especially when compared to a general rate calculated by capital or land value which results in groups such as farmers paying more for an activity which they are unlikely to use more than any other group in a community.
14. A focus on the UAGC and keeping this close to the 30% maximum, as most of council's services will be 'people based' and the UAGC is the best 'people focussed' rating tool available to council other than user charges.
15. The legislative cap on use of UAGC is 30% of rating revenue. In apportioning ratepayer burden for funding Council activities, we support the Council utilising the full maximum 30% Uniform Annual General Charge (UAGC) permissible under section 21 of the Local Government (Rating) Act 20023.
16. Federated Farmers considers it important to have the percentage of UAGC clearly reported in the Consultation Document (the documentation provided by Council fails to do so). The Consultation Document and Supporting Documents do not reveal what percentage of the total rates revenue the UAGC makes up. For example, the Consultation Document outlines that general rates and UAGC are expected to make up \$24,276,000 of the Councils revenue, however, it fails to identify what percentage of that is general rates and what percentage is UAGC. Clarification is requested from Council as to what percentage of the rates is made up of UAGC's. Transparency of rate funding sources and spending is extremely important to Federated Farmers. It is considered that further information should be provided in the Annual Plan which would assist ratepayers in understanding how their rates are used.

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<sup>3</sup>

<https://www.legislation.govt.nz/act/public/2002/0006/latest/DLM132235.html>

17. Whilst we appreciate the information provided by the Council in the draft Annual Plan summary, perhaps the most useful information for ratepayers in terms of understanding 'who pays for what' is a table of the rates on benchmark properties or examples of itemised rates bills assessed on different categories of rateable land over a range of property values. This level of transparency is important as it provides ratepayers with a close view of how the rating system is working and the ability to assess the value of council activities. This would allow ratepayers to see how close to the legislative maximum the UAGC is, and how fair the rating system is consequently.

### **River Management**

18. \$4.2 million in spending is proposed through the Annual Plan for flood protection works, with work currently proposed to the western side of the Waipaoa River. Federated Farmers is supportive of this however it is considered that the Council needs to provide this for the whole district. Chronic underinvestment is already a major contributor to the region's flooding and weather events issues.
19. Feedback from our Federated Farmers members has expressed concern regarding the Council's river management at a time when impacts of climate change and the increased prevalence and intensity of flood events is causing major disruptions to the community. It is requested that Council increases its efforts to counteract flood events, including riverbed maintenance works (such as gravel/sand raking and channel grade maintenance) as part of the climate response strategy. Where possible, gravel extraction and river works by commercial entities and adjoining landowners should be facilitated and encouraged, so that the cost to ratepayers is minimised.
20. Given the current additional demands on financial resources, such as flood recovery and future flood protection, Council needs to prioritise spending to focus on its core functions and the most fundamental needs of its community such as protection from natural hazards and bolstering community resilience to climate change disruptions.

### **Three Waters Infrastructure**

21. Federated Farmers note that the Draft Annual Plan for 2023/24 indicates there are variations in the planned work programme for Water Supply, Wastewater and Sewerage, and Stormwater and Drainage activities. As rural landowners get no benefit from these Council activities, we expect rural landowners not to be charged any rates for these.

### **Forestry**

22. In response to the devastating impacts of Cyclone Gabrielle the Council has pledged to increase its resources in the monitoring and compliance areas with the establishment of a Forestry Team. The establishment of a dedicated Forestry Team is an important step towards better management and oversight of forestry activities in our region. It will help ensure that proper monitoring and compliance measures are in place to mitigate the risks

associated with future cyclones or other natural disasters. Federated Farmers acknowledges the Council's commitment to addressing this issue and recognizes the need for additional resources to achieve these goals.

23. Federated Farmers considers that the funding for the Forestry Team should be derived from a targeted rate rather than a general increase in rates across the board. A targeted rate would ensure that the burden of funding this initiative falls directly on those who benefit from or engage in forestry activities, rather than spreading the cost across all ratepayers indiscriminately. This approach aligns with the principle of fairness and accountability, as it places the responsibility for funding on the industry directly involved in forestry operations.
24. Implementing a targeted rate would also provide an opportunity for the Council to engage with forestry stakeholders and involve them in the decision-making process. By working collaboratively with industry representatives, the Council can ensure that the funding mechanism is reasonable, transparent, and considers the specific needs and concerns of the forestry sector. This would foster a sense of partnership and shared responsibility, leading to more effective outcomes in the long run.
25. Furthermore, a targeted rate would allow the Council to allocate resources more efficiently, directing them towards the monitoring and compliance activities related to forestry. This focused approach would enhance the Council's ability to address the challenges posed by future cyclones or other natural disasters, reducing the likelihood of significant damages and associated costs.

### **Roading**

26. The quality of the rural roading network is a hugely important and often contentious area for farmers and councils. The roading network is a major cost to local government, particularly for councils with a large geography and relatively small populations. There are expectations from all sectors that roading will deliver a minimum level of service and a safe travel experience.
27. A good rural roading network is essential for transporting farm resources and produce, for allowing rural families to travel, and for other industries, particularly tourism. In turn the roading network overall is fundamental to the economic and social wellbeing of the wider community. Farmers pay a considerable amount to the roading rate, and we wish to see additional value brought from the rate to rural Gisborne. While maintenance of unsealed roads is important, Federated Farmers encourages the Council to continue to improve and seal more of Gisborne District's unsealed rural road network. Sealing improves road safety, reduces road damage from vehicle use and weathering, and improves rural connectivity which helps support rural communities. Rural local roads need to continue to be maintained to a reasonable standard to keep these social and economic lifelines.
28. We note that page 4 of the Draft Annual Plan document discusses road reinstatement following Cyclone Gabrielle. However, we urge the Council to prioritize not just the



reinstatement but also the enhancement and future-proofing of the road network to withstand similar weather events in the future. Cyclone Gabrielle has highlighted the vulnerability of the region's roads and the need for comprehensive planning and investment in resilient infrastructure. By adopting a comprehensive and forward-thinking approach to road reinstatement, the Council can not only recover from the immediate impacts of Cyclone Gabrielle but also build a more resilient and reliable road network that will benefit the entire Gisborne District in the long term.

29. While maintenance of unsealed roads is important, Federated Farmers encourages the Council to continue to improve and seal more of Gisborne District's unsealed rural road network (excluding paper roads). Sealing improves road safety, reduces road damage from vehicle use and weathering, and improves rural connectivity which helps support rural communities. Farmers pay a considerable amount to the roading rate and we wish to see additional value brought from the rate to rural Gisborne. Rural local roads need to continue to be maintained to a reasonable standard to keep these social and economic lifelines.
30. Federated Farmers acknowledges the challenges faced by the council in allocating resources for road maintenance, particularly in rural areas with limited population density. However, we believe that investing in the improvement and sealing of the rural road network is a wise long-term strategy. It would not only address the concerns of farmers but also contribute to the overall well-being and prosperity of the Gisborne District.

#### **Rates remission for productive land affected by natural disasters**

31. We note that the Council does not have a remission policy for rates and charges for land that is affected by an extreme natural calamity. This enables the Council to remit rates charges for land that has been detrimentally affected by a natural disaster such as erosion, falling debris, subsidence, slippage, inundation, or earthquake. Gisborne District Councils rates remissions and postponement policy contains policies for fragmented and uneconomical rural coastal land, and financial hardship. The extent of the February 2023 cyclones in the North Island has highlighted that some ratepayers need relief and assistance on rates on rural productive land when an extreme adverse event occurs.
32. In previous instances the Government has worked with local councils to provide assistance, however, this may not be possible in the future. To be able to provide rates remissions in future adverse circumstances, a natural calamity policy enabling rates remissions on productive land that is affected by a natural disaster must be considered by the Council.

**Federated Farmers thanks GDC for considering Federated Farmers submission on the Annual Plan 2023-2024.**

## **ABOUT FEDERATED FARMERS**

Federated Farmers is a not-for-profit primary sector policy and advocacy organisation that represents most farming businesses in New Zealand. Federated Farmers has a long and proud history of representing the interests of New Zealand's farmers.

The Federation aims to add value to its members' farming businesses. Our key strategic outcomes include the need for New Zealand to provide an economic and social environment within which:

- Our members may operate their business in a fair and flexible commercial environment.
- Our members' families and their staff have access to services essential to the needs of the rural community; and
- Our members adopt responsible management and environmental practices.

This submission is representative of member views and reflect the fact that local government rating and spending policies impact on our member's daily lives as farmers and members of local communities.

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**Title:** 23-130 Setting of Rates, Due Dates and Penalties for 2023/24  
**Section:** Finance & Affordability  
**Prepared by:** Fiona Scragg - Revenue Team Leader  
**Meeting Date:** Wednesday 28 June 2023

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Legal: Yes

Financial: Yes

Significance: **High**

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## Report to COUNCIL/TE KAUNIHERA for decision

### PURPOSE - TE TAKE

The purpose of this report is to set the rates, due dates, and penalties for the 2023-2024 financial year after the 2023/24 Annual Plan (AP) has been approved.

### SUMMARY - HE WHAKARĀPOPOTOTANGA

**Report 23-109**, being the 2023/24 Annual Plan, asks Council to adopt the 2023/24 Annual Plan. After the Annual Plan is adopted, Council must then set the rates for 2023/24 under Section 23 of the Local Government (Rating) Act 2002.

The rates requirement for 2023-2024 is \$86.6m (including GST) or \$75.4m (excluding GST). This report recommends that the Council set the rates set out below for the 2023-24 financial year. All amounts are exclusive of GST.

Different categories of rateable land are used to set some targeted rates and to set rates differentially. These include categories of property use, rating areas and drainage scheme areas. These categories are defined in the Funding Impact Statement, as is the Council's definition of a "separately used or inhabited part of a rating unit".

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

## RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

1. Having adopted the 2023/24 Annual Plan (report 23-109) including the 2023/24 Funding Impact Statement, Council resolves under section 23 of the Local Government (Rating) Act 2002 to set the following rates for the year commencing 1 July 2023 and concluding 30 June 2024:

### General Rate

- 1.1 A uniform general rate of 0.00049853 (exclusive of GST) per dollar of capital value, set on all rateable land in the district.

### Uniform Annual General Charge

- 1.2 A uniform annual general charge of \$795.16 (exclusive of GST) per separately used or inhabited part of a rating unit, set on all rateable land in the district.

### Animal Control Targeted Rate

- 1.3 A uniform targeted rate for animal control of \$39.72 (exclusive of GST) per separately used or inhabited part of a rating unit, set on Residential land in areas DRA1 and DRA1A and Residential Rural Townships in areas DRA3, DRA4 and DRA5.

### Building Services Targeted Rate

- 1.4 A targeted rate for building services set on all rateable land in the district and differentiated as follows:

- 1.4.1 Inner Zone: A rate of \$0.00006176 (exclusive of GST) per dollar of capital value on rateable land.
- 1.4.2 Outer Zone: A rate of \$0.00002538 (exclusive of GST) per dollar of capital value on rateable land.

### Noise Control Targeted Rate

- 1.5 A uniform targeted rate for noise control of \$3.47 (exclusive of GST) per separately used or inhabited part of a rating unit, set on Residential land in the Inner Zone.

### Resource Consents and Planning Targeted Rate

- 1.6 A uniform targeted rate for resource consents and planning of \$0.00039664 (exclusive of GST) per dollar of land value, set on all rateable land in the district.

### Land Drainage (Contributors) Targeted Rate

- 1.7 A uniform targeted rate for land drainage of \$0.56135532 (exclusive of GST) per hectare, set on all rateable land in the following Drainage Scheme Areas as set out in the Annual Plan 2023/24 Funding Impact Statement map:

- Eastern Hill Catchment 8
- Western Hill Catchment F



#### **Land Drainage (Beneficiaries) Targeted Rate**

**1.8 A uniform targeted rate for land drainage of \$28.99515772 (exclusive of GST) per hectare, set on all rateable land in the following Drainage Scheme Areas as set out in the Annual Plan 2023/24 Funding Impact Statement map:**

- Ormond
- Eastern Taruheru
- Western Taruheru
- Willows
- Waikanae Creek
- City/Wainui
- Taruheru, Classes A-D
- Waipaoa
- Patutahi
- Ngatapa
- Manutuke
- Muriwai

#### **Te Karaka Flood Control Targeted Rate**

**1.9 A targeted rate for Te Karaka Flood control set on all rateable land in the Te Karaka Flood Control Non-Residential and Residential Areas as set out in the Annual Plan 2023/24 Funding Impact Statement map, differentiated as follows:**

**1.9.1 Non-residential: A rate of \$0.00045423 (exclusive of GST) per dollar of capital value on rateable land in the Te Karaka Flood Control Non-Residential Area**

**1.9.2 Residential: A rate of \$0.00062562 (exclusive of GST) per dollar of capital value on rateable land in the Te Karaka Flood Control Residential Area**

#### **Waiapu River Erosion Protection Scheme Targeted Rate**

**1.10 A targeted rate for the Waiapu River Protection Scheme set on all rateable land in the Waiapu River Erosion Protection Scheme Area as set out in the Annual Plan 2023/24 Funding Impact Statement map and differentiated as follows:**

**1.10.1 Contributors: A rate of \$0.05421688 (exclusive of GST) per hectare on rateable land in the Contributors Area.**

**1.10.2 Direct Beneficiaries: A rate of \$0.00035635 (exclusive of GST) per dollar of capital value on rateable land in the Direct Beneficiaries Area.**

**1.10.3 Indirect Beneficiaries: A rate of \$0.00001261 (exclusive of GST) per dollar of capital value on rateable land in the Indirect Beneficiaries Area.**

### **Waipaoa River Flood Control Scheme Targeted Rate**

- 1.11 A uniform targeted rate for the Waipaoa River Flood Control Scheme of \$0.00004100 (exclusive of GST) per dollar of capital value, set on all rateable land in the Waipaoa River Flood Control Scheme Area as set out in the Annual Plan 2023/24 Funding Impact Statement map.

### **Aquatic and Recreation Facilities Targeted Rate**

- 1.12 A targeted rate for aquatic and recreation facilities set on all rateable land in the district and differentiated as follows:

1.12.1 Inner Zone: A rate of \$0.00012772 (exclusive of GST) per dollar of capital value on rateable land.

1.12.2 Outer Zone: A rate of \$0.00003832 (exclusive of GST) per dollar of capital value on rateable land.

### **Parks and Reserves Targeted Rate**

- 1.13 A targeted rate for parks and reserves set on all rateable land in the district and differentiated as follows:

1.13.1 Inner Zone: A rate of \$350.30000000 (exclusive of GST) per rating unit.

1.13.2 Outer Zone: A rate of \$182.27000000 (exclusive of GST) per rating unit.

### **Animal and Plant Pests Targeted Rate**

- 1.14 A targeted rate for animal and plant pest control set on all rateable land in the district and differentiated as follows:

1.14.1 Inner Zone: A rate of \$0.00002157 (exclusive of GST) per dollar of land value on rateable land.

1.14.2 Outer Zone: A rate of \$0.00012485 (exclusive of GST) per dollar of land value on rateable land.

### **Soil Conservation, Advocacy and Land Use Targeted Rate**

- 1.15 A targeted rate for soil conservation, advocacy and land use, set on all rateable land the following differential categories:

1.15.1 Inner Zone: A rate of \$0.00006796 (exclusive of GST) per dollar of land value on rateable land.

1.15.2 DRA3 and 4: A rate of \$0.00018566 (exclusive of GST) per dollar of land value on rateable land.

1.15.3 DRA5: A rate of 0.00119847 (exclusive of GST) per dollar of land value on rateable land.

### **Theatres Targeted Rate**

**1.16 A targeted rate for theatres set on all rateable land in the district and differentiated as follows:**

**1.16.1 Inner Zone: A rate of \$0.00005998 (exclusive of GST) per dollar of capital value on rateable land.**

**1.16.2 Outer Zone: A rate of \$0.00001799 (exclusive of GST) per dollar of capital value on rateable land.**

### **Water Conservation Targeted Rate**

**1.17 A targeted rate for water conservation set on all rateable land in the district and differentiated as follows:**

**1.17.1 Inner Zone: A rate of \$0.00027507 (exclusive of GST) per dollar of land value on rateable land.**

**1.17.2 Outer Zone: A rate of \$0.00017055 (exclusive of GST) per dollar of land value on rateable land.**

### **Flood Damage and Emergency Reinstatement Targeted Rate**

**1.18 A targeted rate for flood damage and emergency reinstatement, set on all rateable land in the following differential categories:**

**1.18.1 Forestry: A rate of \$0.00032618 (exclusive of GST) per dollar of capital value on all Forestry land and on Pastoral properties with 20 hectares or more of forestry.**

**1.18.2 Horticultural and Pastoral Farming: A rate of \$0.00003914 (exclusive of GST) per dollar of capital value on all Horticulture and Pastoral land over 5 hectares, and on forestry properties with 20 hectares or more of pastoral land.**

**1.18.3 Industrial and Commercial: A rate of 0.00005219 (exclusive of GST) per dollar of capital value on all Industrial and Commercial land.**

**1.18.4 Residential and Lifestyle and other: A rate of \$0.00002609 (exclusive of GST) per dollar of capital value on the following:**

- Residential, Lifestyle, Arable and other land.
- Horticulture and Pastoral land with land area less than 5 hectares.

### **Non-subsidised Local Rooding Targeted Rate**

**1.19 A targeted rate for local rooding set on all rateable land in the district and differentiated as follows:**

**1.19.1 Inner Zone: A rate of \$0.00000669 (exclusive of GST) per dollar of capital value on rateable land.**

**1.19.2 Outer Zone: A rate of 0.00001559 (exclusive of GST) per dollar of capital value on rateable land.**

#### **Passenger Transport Targeted Rate**

1.20 A targeted rate for passenger transport of \$22.11000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on Residential land in area DRA1.

#### **Subsidised Local Roding Targeted Rate**

1.21 A targeted rate for local roading, set on all rateable land in the following differential categories:

1.21.1 Forestry: A rate of \$0.00476601 (exclusive of GST) per dollar of capital value on all Forestry Exotic land and on Pastoral land with 20 hectares or more of forestry.

1.21.2 Horticultural and Pastoral Farming: A rate of \$0.00057192 (exclusive of GST) per dollar of capital value on all Horticulture and Pastoral land over 5 hectares, and on forestry properties with 20 hectares or more of pastoral land.

1.21.3 Industrial and Commercial: A rate of \$0.00076256 (exclusive of GST) per dollar of capital value on all Industrial and Commercial land.

1.21.4 Residential and Lifestyle and other: A rate of 0.00038128 (exclusive of GST) per dollar of capital value on the following:

- Residential, Lifestyle, Arable and other land.
- Horticulture and Pastoral land with land area less than 5 hectares.

#### **Commercial Recycling Targeted Rate**

1.22 A targeted rate for commercial recycling of \$53.80000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on participating non-residential land.

#### **Uniform Waste Management Targeted Rate**

1.23 A uniform targeted rate for waste management for refuse and recycling of \$107.62000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on all rateable land in the district for which the service is provided, Area as defined in the Annual Plan 2023/24 Funding Impact Statement and map.

#### **Rural Transfer Station Targeted Rate**

1.24 A uniform targeted rate of \$173.81000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on all rateable land within a defined 15km radius scheme area of a Rural Transfer Station, as identified in the Funding Impact Statement and map.

#### **Stormwater Targeted Rate**

1.25 A targeted rate for stormwater, set on all rateable land in the following differential categories:

1.25.1 DRA1 and DRA1A: A rate of \$191.49000000 (exclusive of GST) per separately used or inhabited part of a rating unit on all Residential land.

1.25.2 All Rural Townships, including Manutuke and Patutahi: A rate of \$86.58000000 (exclusive of GST) per separately used or inhabited part of a rating unit.

1.25.3 Commercial and Industrial land in DRA1 and DRA1A: A rate of \$0.00041158 (exclusive of GST) per dollar of capital value.

### **Wastewater Targeted Rate**

1.26 A targeted rate for wastewater, set on all connected rating units in the following differential categories:

1.26.1 Te Karaka: A rate of \$448.34000000 (exclusive of GST) per pan (water closet or urinal) on land in the Te Karaka area connected to the wastewater system.

1.26.2 Gisborne City: A rate of \$582.78000000 (exclusive of GST) per pan (water closet or urinal) on all land in the Gisborne City area connected to the wastewater system.

### **Water (Availability) Targeted Rate**

1.27 A uniform targeted rate for water supply of \$126.29000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on all rateable land that is not connected to the water supply, but for which connection is available. Connection is deemed available where a rating unit is situated within 100 metres of any part of the waterworks.

### **Water (Connection) Targeted Rate**

1.28 A uniform targeted rate for water supply of \$252.56000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on all rateable land that is connected to the water supply.

### **Water (Metered) Targeted Rate**

1.29 A targeted rate for water supply as defined in the Water Supply Bylaw 2015 for connected rating units and differentiated as follows:

1.29.1 A rate of \$1.64000000 (exclusive of GST) per cubic metre of water supplied for identified extraordinary users.

1.29.2 A rate of \$1.64000000 (exclusive of GST) per cubic metre of water supplied for identified extraordinary domestic users for water supplied above 300 cubic meters.

### **Business Area Patrol Targeted Rate**

1.30 A uniform targeted rate for monitoring the Central Business District Area of \$0.00028760 (exclusive of GST) per dollar of capital value on all commercial land within the Central Business District area and as set out in the Funding Impact Statement map.

### **Economic Development and Tourism Targeted Rate**

1.31 A uniform targeted rate for economic development and tourism of \$0.00029062 (exclusive of GST) per dollar of capital value on all Industrial, Commercial, Retail and Accommodation land.

2. Resolves under section 24 of the Local Government (Rating) Act 2002 that all rates (excluding the Water (Metered) Targeted Rate) be payable in four equal instalments, with each instalment due on the rates due date stated in the Table 1.



3. Resolves under sections 57 and 58 of the Local Government (Rating) Act 2002 to authorise the addition of a penalty of 10% of the amount of any rates (excluding the Water (Metered) Targeted Rate) unpaid after the rates due date, with the penalty to be added on the Penalty Date stated in Table 1 below:

Table 1

Rate instalment dates invoiced quarterly	Rates Due Date	Date penalty added
Instalment 1	21 Aug 2023	25 Aug 2023
Instalment 2	20 Nov 2023	24 Nov 2023
Instalment 3	20 Feb 2024	26 Feb 2024
Instalment 4	20 May 2024	24 May 2024

4. Resolves under sections 24 of the Local Government (Rating) Act 2002 that the Water (Metered) Targeted Rate be payable on the rates due date stated in the Table 2.
5. Resolves under 57 and 58 of the Local Government (Rating) Act 2002 to set the following due dates for the payment of the Water (Metered) Targeted Rate, and to add a penalty of 10% of the amount remaining unpaid after the due date. The penalty will be added on the Penalty Date in Table 2 over the page.

**Table 2**

Month of invoice	Due date	Date penalty added
<b>Invoiced six-monthly</b>		
Jun 2023	20 Jul 2023	26 Jul 2023
Dec 2023	22 Jan 2024	26 Jan 2024
June 2024	22 Jul 2024	26 Jul 2024
<b>Invoiced quarterly</b>		
Jun 2023	20 Jul 2023	26 Jul 2023
Sep 2023	20 Oct 2023	26 Oct 2023
Dec 2023	22 Jan 2024	26 Jan 2024
Mar 2024	22 Apr 2024	26 Apr 2024
June 2024	22 Jul 2024	26 Jul 2024
<b>Invoiced monthly</b>		
Jun 2023	20 Jul 2023	26 Jul 2023
Jul 2023	21 Aug 2023	25 Aug 2023
Aug 2023	20 Sep 2023	26 Sep 2023
Sep 2023	20 Oct 2023	26 Oct 2023
Oct 2023	20 Nov 2023	24 Nov 2023
Nov 2023	20 Dec 2023	21 Dec 2023
Dec 2023	22 Jan 2024	26 Jan 2024
Jan 2024	20 Feb 2024	26 Feb 2024
Feb 2024	20 Mar 2024	26 Mar 2024
Mar 2024	22 Apr 2024	26 Apr 2024
Apr 2024	20 May 2024	24 May 2024
May 2024	20 Jun 2024	26 Jun 2024
June 2024	22 Jul 2024	26 Jul 2024

Authorised by:

**Pauline Foreman - Chief Financial Officer**

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**Keywords:** Rates 2023/24, Annual Plan 2023/24

## BACKGROUND - HE WHAKAMĀRAMA

1. After the 2023/24 Annual Plan (AP) is approved, and under Section 23 of the Local Government (Rating) Act 2002 (LGRA), Council must set the rates by Council resolution in accordance with Council's 2023-2024 AP and the provisions of the Funding Impact Statement for 2023/24.
2. The Financial Strategy for the 2021–2031 Long Term Plan (LTP) proposed a limit of overall rate revenue increases of 6.5% (plus growth) for Years 1 to 3. The total rates revenue required for the 2023/24 AP is within the financial parameters.

## DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

3. The 2023/24 Rates Funding Impact Statement budget within the 2023/24 AP is \$75.4m plus GST or \$86.6m including GST.
4. The schedule of rates charges, due dates and penalty dates is set out in the recommendation.
5. The LGRA Section 21 has a limit of 30% on the revenue sought by Council from targeted rates set on a uniform basis and the Uniform Annual General Charge (UAGC). This is referred to as the Section 21 cap.
6. The LGRA Section 21 cap for 2023/24 is 26.7% of the rates including water by meter rates. The cap is made up of the UAGC being \$18.1m plus GST and other fixed targeted rates of \$2.9m plus GST.

### Uniform Annual General Charge (UAGC)

7. The UAGC for 2023/24 is \$795.16 plus GST or \$914.43 including GST. The UAGC is a fixed charge on all Separately Used or Inhabited Parts of a rating unit in the district. The activities funded by the UAGC are set out in the 2023/24 AP Funding Impact Statement.

## ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

Inconsistency with Council's current strategy and policy

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** High Significance

**This Report:** Medium Significance

The effects on individuals or specific communities

**Overall Process:** High Significance

**This Report:** Medium Significance

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

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

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

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

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

9. There are no significant changes to the Annual Plan rates setting that required additional Iwi/hapū engagement.

## **COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI**

10. The AP 2023-24 includes the Rates Funding Impact Statement which informs the community of the Rates Information for 2023-24. Council's website includes a rates calculator for ratepayers to check their estimated rates for 2023-24.

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

11. Climate change affects many local authority functions and responsibilities. The Revenue and Financing Policy puts Council in a position to respond to changes. Some of the functions and responsibilities are funded from Council rates. There is a portion of rate funding for at-risk activities like water security, coastal communities, and natural ecosystems.

## **CONSIDERATIONS - HEI WHAKAARO**

### **Financial/Budget**

12. The adoption of the 2023/24 AP budget enables Council to collect rates revenue to fund its operations as set out in the Funding Impact Statement and in the Revenue and Financing Policy.
13. The Forestry roading weighting for Flood Damage and Emergency Reinstatement works, and subsidised roads was increased from 12.0 to 12.5 for the forestry sector damage on roads. The forestry roading differential is based on Stantec April 2020 report, for forestry roading maintenance costs, updated with AP 2023/24 budgets.
14. The Financial Strategy for the 2021–2031 LTP proposed a limit of overall rate revenue increases of 6.5% (plus growth of 0.57%) for Years 1 to 3. The total rates revenue required for the 2023/24 AP is within the financial parameters.
15. Rates trends and rate examples are included within the 2023/24 AP under “Our Finances: Rates information 2024”.

### **Legal**

16. This rates resolution is made under the local Government Act 2002 and the Local Government (Rating) Act 2002. Section 23 of the Local Government Rating Act 2002 requires Council to set the rates by Council resolution.

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

17. The recommendation proposed is detailed in the Funding Impact Statement for 2023/24 in the 2023-2024 AP.
18. The recommendation is consistent with the Revenue and Financing Policy in the 2021-2031 LTP.
19. The decision is not expected to directly affect any of the community outcomes or strategic challenges.

## **RISKS - NGĀ TŪRARU**

20. The risks associated with the setting of the rates for the 2023/24 year are around financial and legal risks. If we do not set the rates, then there is risk of Council not being able to meet its financial commitments.
21. There is a risk when setting rates, that they must be fully compliant with legislation, primarily the Local Government (Rating) Act 2002. However, the rates setting process have rigorous checks and balances for each stage of rates required for a new year, including legal review, and subsequent external audit, risks that rates are not set within legal requirements are minimal.

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

<b>Date</b>	<b>Action/Milestone</b>	<b>Comments</b>
28 June 2023	Council sets rates for 2023/24.	
July 2023	Send Ratepayers rate assessments and rates invoices for instalment one.	Due date for payment 21 August 2023.
October 2023	Send Ratepayers rate assessments and rates invoices for instalment two.	Due date for payment 20 November 2023.
January 2024	Send Ratepayers rate assessments and rates invoices for instalment three.	Due date for payment 20 February 2024.
April 2024	Send Ratepayers rate assessments and rates invoices for instalment four.	Due date for payment 20 May 2024.



**Title:** 23-134 Supplementary to Report 22-228 - Committee Structure & Appointments

**Section:** District Mayor

**Prepared by:** Annie Cousins - Executive Advisor to the Mayor

**Meeting Date:** Wednesday 28 June 2023

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Legal: Yes

Financial: No

Significance: **Low**

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## Report to COUNCIL/TE KAUNIHERA for decision

### PURPOSE - TE TAKE

The purpose of this report is to appoint an additional elected member to the Bylaw Hearing Panel.

### SUMMARY - HE WHAKARĀPOPOTOTANGA

The Chair of the Bylaw Hearing Panel has requested that the Panel be broadened to include at least one more member.

Current Panel members are; Councillors Tony Robinson (Chair), Larry Foster, Aubrey Ria, Debbie Gregory, Nick Tupara and Teddy Thompson.

The Panel has been convened this year for two Bylaw Hearings and one Reserve Act Hearing.

The Mayor asked for expressions of interest from the balance of elected members not currently on the panel.

The Mayor wishes to appoint Ani Pahuru-Huriwai to the Bylaw Hearing Panel.

One expression of interest was received from Ani Pahuru-Huriwai.

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

### RECOMMENDATIONS - NGĀ TŪTOHUNGA

**That the Council/Te Kaunihera:**

- 1. Agrees to confirm the appointment of Ani Pahuru-Huriwai as a member of the Bylaw Hearing Panel.**

*Authorised by:*

**Rehette Stoltz - Mayor**

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**Keywords:** councillor, appoint, Bylaw Hearings Panel

## BACKGROUND - HE WHAKAMĀRAMA

1. Under Section 41A(3) of the Local Government Act 2002 (LGA) a mayor has the following powers:
  - a. To establish committees of the territorial authority.
  - b. To appoint the chairperson of each committee (which may be him or herself).
2. At the 17 November Council Meeting, last year Council established its committees (Report 22-228 Committee Structures and Appointments) [Report 22-228](#)
3. Recently the Chair of the Bylaw Hearing Panel has requested that the Panel be broadened to include at least one more member.
4. Expressions of interest were called for and one elected member volunteered.
5. The Bylaws Hearing Panel currently has six members including the Chair. The panel when it meets usually has a membership of three of the six members.
6. The Panel has held three hearings this year and is due to hold a further hearing in July 2023.

## DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

7. A Bylaw Submissions Hearing Panel was added, separate to the Regulatory Hearings Panel. This Panel will consider and hear submissions on Council bylaws and in addition the Panel will also consider any other matters for determination by Council under legislation such as the Reserves Act 1977 and the Dog Control Act 1996.
8. The addition of an additional elected member will provide greater flexibility for the Chair when convening a hearing panel.

## ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

Inconsistency with Council's current strategy and policy

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

The effects on individuals or specific communities

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

9. 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 - TŪTAKITANGA TANGATA WHENUA**

10. No consultation external to Council is required when deciding on Council's governance arrangements. Council is bound by the principles in the LGA relating to governance.

### **COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI**

11. No consultation external to Council is required when deciding on Council's governance arrangements. Council is bound by the principles in the LGA relating to governance.

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

12. There are no climate change impacts or implications arising from the matters being considered in this report

### **CONSIDERATIONS - HEI WHAKAARO**

#### **Financial/Budget**

13. The Remuneration Authority has determined that Bylaw Hearings, Reserve Act Hearings and Dog Control Act Hearings are the normal business of elected members and therefore there will be no additional remuneration.

#### **Legal**

14. The Council may appoint the committees, subcommittees, joint committees or other subordinate decision-making bodies it considers appropriate under clause 30, Schedule 7 of the LGA.

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

15. There are no Policy and Planning implications arising from this decision.

### **RISKS - NGĀ TŪRARU**

16. There are no major risks associated with this decision.

**Title:** 23-137 Local Government New Zealand Annual General Meeting 2023

**Section:** Democracy & Support Services

**Prepared by:** Heather Kohn - Democracy & Support Services Manager

**Meeting Date:** Wednesday 28 June 2023

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Legal: Yes

Financial: No

Significance: **Low**

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## Report to COUNCIL/TE KAUNIHERA for decision

### PURPOSE - TE TAKE

The purpose of this report is to provide direction to the Mayor on how Council wishes to vote on the Local Government New Zealand (LGNZ) remits at the Annual General Meeting (AGM) 26 July 2023 and to appoint an alternate voting delegate.

### SUMMARY - HE WHAKARĀPOPOTOTANGA

In 2023 the LGNZ AGM will be held in Christchurch prior to the LGNZ Conference, in addition to the Mayor Councillors Telfer and Ria will also be in attendance.

Council determines how its presiding delegate (the Mayor) votes at the AGM, at this AGM there are 11 remits to consider.

Council is asked to consider the remits approved by the LGNZ Remit Screening Committee, sent by LGNZ 7 June 2023 in **Attachment 1** and decide whether to support (or not) each remit.

1. Allocation of risk and liability in the building sector.
2. Rates Rebate.
3. Roothing/Transport Maintenance Funding.
4. Local election accessibility.
5. Ability for co-chairs at formal meetings.
6. Parking infringement penalties.
7. Rural and regional public transport.
8. Establishing resolution service.
9. Earthquake prone buildings.
10. KiwiSaver contributions for elected members.
11. Audit NZ Fees.

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

## RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

1. Instructs the Mayor, as presiding delegate, to vote to support – or oppose – the Local Government New Zealand remits as follows:
  - a. That LGNZ;
    - i. Engage directly with the Minister for Building and Construction to advocate for a change to the current joint and several liability framework, including examination of the MBIE policy position statement Risk, Liability and Insurance in the Building Sector.
    - ii. Make the case for alternatives and changes to joint and several liability through updating policy advice and engaging with industry groups.
  - b. That LGNZ advocate to Central Government to:
    - i. Raise the income threshold for rates rebate eligibility to enable more low and fixed income property owners access to the rebate.
    - ii. Adjust the rebate amount in line with inflation and the cost of living.
    - iii. Investigate options to make rates rebates more accessible for residents by implementing an income data sharing process similar to that of Horowhenua District Council and Levin MSD office. This will enable Councils to obtain benefit income on behalf of the ratepayer and make it easier to apply for the rates rebate.
    - iv. Investigate options for data sharing between Councils, Internal Affairs and Ministry of Social Development to proactively identify households that qualify for a rates rebate rather than waiting for people to apply.
  - c. That LGNZ:
    - i. Publicly lobby all political parties to increase Crown funding for state highway and local road maintenance budgets.
    - ii. Consider and pursue other avenues including the Office of the Auditor General to seek resolution of the issues facing the country in relation to the systemic rundown of our national roading infrastructure.
  - d. That LGNZ ensure Local Government Elections are fully accessible by advocating to central government to make local government candidates eligible for the Election Access Fund.
  - e. That LGNZ explores and promotes options that enable councils to make greater use of co-chair arrangements for standing committees, joint committees and sub committees.
  - f. That LGNZ advocate to central government to enable councils to determine penalties for parking infringements.



- g. That LGNZ:
  - i. Acknowledges the Government stated support for a major uplift in all urban bus networks nationwide under New Zealand's first emission reduction plan.
  - ii. Calls on the Government and opposition parties to commit to increasing investment in public transport for rural and regional communities to support access to essential services and amenities, vibrant rural communities and just transition to a low emission transport system.
- h. That LGNZ:
  - i. Investigates the creation of an LGNZ independent, national process to handle complaints or concerns, ensuring fairness, protection, and accountability in local government.
  - ii. Works with the Local Government Commission to implement findings from its September 2021 report – Local Government Codes of Conduct.
- i. That LGNZ investigate and report to members on ways to help councils and communities that are struggling with the time frames in the Earthquake Prone Building (EPB) sections of the Building Act and council policies pertaining to Priority Thoroughfares.
- j. That LGNZ ask the Government to amend the law to enable councils to make contributions to an elected members' KiwiSaver scheme.
- k. That LGNZ calls on central government to take action to reduce council audit fees by:
  - i. Revisiting the scope and requirements of reporting and auditing on councils.
  - ii. Conducting a review on the practice of audit in councils and work on best practice guidance to streamline this process.
  - iii. This review should examine whether the reporting and audit requirements of councils are consistent with the level of reporting and audit that is required of other public entities.

**2. Appoints Councillor Ria as the alternate voting delegate.**

*Authorised by:*

**James Baty - Director Internal Partnerships**

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**Keywords:** LGNZ, Annual General Meeting, AGM, remits

## **ATTACHMENTS - NGĀ TĀPIRITANGA**

- 1. Attachment 1 - LGNZ 2023 Annual General Meeting - Remits [23-137.1 - 34 pages]



# REMITTS

// 2023 Annual General Meeting



Please note that this document is not the full set of papers for this year's AGM. It just includes the remits going forward to the AGM so members can decide how they will vote on them. The full set of AGM papers will be shared no later than 10 working days before the AGM.

## // 01

**Allocation of risk and liability in the building sector**

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Remit: *That LGNZ:*

- *Engage directly with the Minister for Building and Construction to advocate for a change to the current joint and several liability framework, including examination of the MBIE policy position statement Risk, Liability and Insurance in the Building Sector.*
- *Make the case for alternatives and changes to joint and several liability through updating policy advice and engaging with industry groups.*

**Proposed by:** Queenstown-Lakes District Council

**Supported by:** LGNZ Metro Sector

**Why is this remit important?**

This remit is important because the current joint and several liability approach to building defects sees councils/Building Consent Authorities (BCAs) often being the only party left to compensate homeowners, known as the 'last party standing'.

Ratepayers are therefore bearing a disproportionate burden, affecting the ability of councils throughout Aotearoa New Zealand to carry out core services. Councils are having to borrow money to pay for significant claims to cover the failures of other parties because they are the last party standing, reducing their ability to invest in other council services (e.g. infrastructure, community services etc). There is a presumption in the current system that ratepayers are able to bear these costs that is not tenable.

**Background and Context**What has caused this issue?

When there are claims by property owners relating to weather tightness and other building defects, the existing joint and several liability rule places the risk of insolvency or lack of insurance of one party onto other parties. This arbitrarily increases the liability of remaining parties (defendants) above their proportionate responsibility.

It is Queenstown Lakes District Council's (QLDC) position that requiring ratepayers to pay compensation where defendants are missing is unjust. QLDC is not unsympathetic to the need for losses to be recovered, but risk management is a shared responsibility. It is important that all participants in the system have clear accountabilities and not be able to escape their share of responsibility by ceasing to operate or liquidating.

Weather tightness and other building defect claims are a national problem.

The joint and several liability system has significant impacts including:

1. **Rates increases.** The settlement of large defective building claims has led to higher borrowing and interest costs for QLDC. The annual cost of the borrowing required to fund the settlements made in the past two years is \$5.3M and the increase in interest costs for

2. 2023-24 is \$4.4M, which has a rates effect of 4.03% for the year. The legal and financial challenges facing councils from these claims are ongoing and more costs can be anticipated in the future; it is not an issue that is diminishing.
3. Reduced ability to invest in community development. The subsequent effects of funding legal claims through the joint and several liability system include a loss in borrowing capacity, that could result in the reduction of investment in community assets such as parks, libraries, performing arts and recreation facilities.
4. A more cautious and demanding building consent function. The risk of being left liable has a negative impact on BCA performance and also creates higher compliance costs for the building sector. It also reduces willingness to consider non-standard solutions which potentially have a higher chance of failure. This negatively affects market performance and innovation that is vital in an era of climate adaptation.

#### Proposed changes

It is recommended that the liability framework should change to one of proportionate liability. This would reflect the roles and responsibilities of the parties involved and encourage those best placed to manage the risk (building practitioners) to actively manage it. This should be accompanied by a system of compulsory home warranty guarantee (that is effective) and/or insurance products. The homeowner interest would then be protected and there would no longer be an impediment to moving to proportional liability.

In the alternative, if the joint and several approach to liability remains, it is recommended that there should be a cap on BCA liability. A limit of 20% would be proportionate to the supervisory role BCAs perform under the Building Act 2004 and current apportionments underpinned by meaningful warranties and insurance (with a government underwrite if necessary) for residential properties and significant alterations.

#### What QLDC has already done to address this issue and bring about the proposed change

Alongside a vigorous defense of claims, QLDC is also advocating for a change to the process to address the inequitable outcomes of the current system for rate payers. It is doing this by advocating to central government, partnering with LGNZ in drafting submissions and discussion via the Metro Sector Mayors forum.

MBIE are currently reviewing the building consent process. They have refused to consider or address the impacts of the current liability settings. LGNZ (and QLDC reps in particular) have lobbied to broaden this scope, and the wider industry also seems sympathetic. It is time to escalate the issue with central government beyond officials.

#### **How does this remit relate to LGNZ's current work programme?**

LGNZ is engaged in the MBIE Review of the Building Consent System through submissions and participation on the Sector Reference Group but does not have a broader advocacy work programme of its own beyond this. And to date, LGNZ's advocacy to political leaders on the issue has been minimal.

Adopting this remit will give LGNZ a stronger and more specific mandate to progress this issue, particularly at the political level, which may assist with achieving greater traction given MBIE officials



have taken the position that the joint and several liability regime is outside the scope of building consent sector reform programmes.

**How will the proposing council help LGNZ to make progress on this remit?**

This is an acute issue for QLDC, but it affects any council that has a BCA function. QLDC is committed to advocating for a change to the current regime, and continuing to work alongside LGNZ, providing policy and strategy support and expertise where needed.

**Is the remit relevant to local government as a whole?**

Yes. This remit is about the BCA function of councils, which includes all unitary and territorial authorities.

**Is the remit of a major policy nature?**

Yes. This remit deals with joint and several liability within the building sector.

## // 02

### Rates Rebate

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**Remit:** *That LGNZ advocate to Central Government to:*

- *Raise the income threshold for rates rebate eligibility to enable more low and fixed income property owners access to the rebate*
- *Adjust the rebate amount in line with inflation and the cost of living*
- *Investigate options to make rates rebates more accessible for residents by implementing an income data sharing process similar to that of Horowhenua District Council and Levin MSD office. This will enable Councils to obtain benefit income on behalf of the ratepayer and make it easier to apply for the rates rebate*
- *Investigate options for data sharing between Councils, Internal Affairs and Ministry of Social Development to proactively identify households that qualify for a rates rebate rather than waiting for people to apply.*

**Proposed by:** Horowhenua District Council

**Supported by:** LGNZ Zone Three

### Why is this remit important?

Rates rebates are an important mechanism to assist low- and fixed-income ratepayers to pay their annual rates. In this cost of living crisis we are experiencing, more low and fixed income people are experiencing poverty and extreme hard times.

To support and assist all eligible ratepayers, the process should not be onerous, it should be streamlined, accessible and able to be carried out in a way where applicants' dignity is upheld.

### Background and Context

Available from the Department of Internal Affairs, a rates rebate is a partial rebate for eligible, low-income ratepayers who pay rates on their home to a Council.

The Rates Rebates Scheme provides a rebate for eligible applicants who need to apply each year and:

- Provide the total household income, before tax;
- Complete the rates rebate application form;
- If applicable, complete the retirement village or company-share declaration form; and
- Return their application to the relevant Council by 30 June each year.

To apply for the rebate, applicants must be:

- Living in their own home on 1 July of the current rating year
- Listed as the ratepayer in the Council's Rating Information Database (RID).

Looking to streamline the application process for a rates rebate, in 2022, Horowhenua District Council worked with the Levin Ministry of Social Development (MSD) office to implement a 'Rates Rebate MSD Wavier Form'. This form was designed to provide Council with customer income details to assist with the rates rebate application process. Once the form was signed by the property owner, it was lodged with MSD who then confirmed income details with Council. This removed the need for the applicant to travel to the MSD, as well Council, to provide proof of income, which can be a burden to the process and it made the process smarter and less time consuming.

As this is currently a process unique to the Horowhenua District Council and Levin MSD, it is proposed that this process and any income/data sharing initiatives be implemented into the application process country-wide.

It is also proposed that enhancements to data sharing between Councils, the Department of Internal Affairs and MSD be investigated with the aim of streamlining the process and ensuring that those who are eligible, receive the rebate, through using available incomes and rates information.

Further, it is proposed that the threshold for eligibility is lowered to enable more low- and fixed-income property owners access to the rebate. With high inflation and household costs rising over the past two years, more households are struggling including those on low and fixed incomes. An increase in the eligibility for a rates rebate, by lowering the income threshold would assist those who are potentially most vulnerable in our community.

### **How does this remit relate to LGNZ's current work programme?**

This remit is aimed at advancing a similar remit passed at the 2020 AGM:

*"That LGNZ works with the Government to lift the level of rates rebates available for low- and fixed-income property owners – with yearly increases taking into account the cost for inputs into local government services."*

LGNZ is still to make substantial progress on the 2020 remit.

### **How will the proposing council help LGNZ to make progress on this remit?**

A member of the Horowhenua District Council Executive Leadership Team and members of the Finance Team with rates rebates expertise are open to working with LGNZ to progress this work for the benefit of New Zealand's low-income ratepayers.

### **Is the remit relevant to local government as a whole?**

Yes.

### **Is the remit of a major policy nature?**

Yes: rates rebates are an important mechanism to assist low- and fixed-income ratepayers to pay their annual rates. Due to the cost-of-living crisis, more low- and fixed-income ratepayers are experiencing financial difficulty.

## // 03

**Roading/Transport Maintenance Funding**

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**Remit: That LGNZ:**

- *Publicly lobby all political parties to increase Crown funding for state highway and local road maintenance budgets.*
- *Consider and pursue other avenues including the Office of the Auditor General to seek resolution of the issues facing the country in relation to the systemic rundown of our national roading infrastructure.*

**Proposed by:** New Plymouth District Council

**Supported by:** Kāpiti Coast District Council, Whanganui District Council, Palmerston North City Council, Grey District Council, Waipā District Council, Matamata-Piako District Council, Rotorua Lakes Council, Thames-Coromandel District Council, Masterton District Council, Whakātane District Council, Far North District Council, South Taranaki District Council, Rangitīkei District Council, Tasman District Council, Wairoa District Council, Waimakariri District Council, South Waikato District Council, Kaikōura District Council, Waikato District Council, Hamilton City Council, Mackenzie District Council, Central Hawke's Bay District Council

**Why is this remit important?**

The current state of national highways is unacceptable. Sufficient increase in funding is required to achieve a national average for remaining seal life of no less than 3.6 years (pre-2010 levels) across the state highway network. This needs to be done within the next 10 years, in partnership with councils, and with corresponding asset health improvements on local roads, to ensure the safety of all New Zealanders. Other avenues to seek resolution from include the Auditor-General, relevant Ministers and the Transport and Infrastructure Select Committee.

**Background and Context**

Waka Kotahi's maintenance and renewal programme has clearly been insufficient to maintain asset health measured via the average remaining seal life. There are numerous media reports about the issues being faced across New Zealand.

Graph 1 (attached in Appendix #) shows the average remaining seal life of state highways by region. This information was obtained under the Official Information Act 1982 from Waka Kotahi. It shows the significant decline in the average seal life of state highways. Nationally, the average remaining life in 2010 was 3.6 years. In 2018 this declined to around 1.8 years and remains steady. However, at a regional level there are large discrepancies.

In 2010 every region had an average remaining life of between 2.9 and 4.4 years (a range of 1.5 years difference). By 2023 the range was from -0.6 to 3.3 years (a range of 3.9 years) with four regions having a seal age of less than one year, including Hawke's Bay which recorded its seventh year with an average of less than zero.

The issue nationally is predominantly with chipseal roads rather than asphalt mix, with some exceptions. In 2023, across chipseal roads, five regions have an average remaining life of less than one year, with Hawke's Bay's roads again below zero. Within asphalt roads, Southland set an unfortunate record with an average remaining life of -2.5 years. Graph 2 (attached) shows the average remaining life of different surface types by region today.

Last year LGNZ commissioned Infometrics to undertake a report into trends in road transport funding<sup>1</sup>. That report noted that funding for roads per kilometre travelled only increased by 0.8% p/a in the five years to 2021, whilst construction costs increased 1.1% p/a in the same five years. That report ended its analysis in 2021. With considerable cost inflation over the past two years and decreased land transport revenue due to Covid, it is almost certain that the funding gap has grown even further. Inflation for Heavy and Civil Engineering Construction peaked at 15.1% pa in the September 2022 quarter<sup>2</sup>.

That increased funding gap to roads is likely to result in even further pressure on state highway maintenance and lifespans. The national stabilisation of the average remaining life of state highways may falter in the coming years, seeing further downward movement. Such a decrease will see more parts of the state highway network fail.

This year the Government is developing its next Government Policy Statement on Land Transport (the GPS). The GPS sets the funding buckets for Waka Kotahi. Influencing the development of the next GPS is one key way in which to ensure regional state highways do not continue to deteriorate. The Land Transport Management Act specifically states the Minister must regard the views of LGNZ. This remit therefore proposes a position for LGNZ.

### **How does this remit relate to LGNZ's current work programme?**

Following the commissioning of the Infometrics report, there is further work to be done to ensure New Zealand's roading infrastructure reaches an acceptable quality level. LGNZ need to have input into the development of the next GPS and undertake a much wider advocacy role by:

- Seeking further investigations from the Auditor-General on state highway maintenance and asset management practices. This will build on the 2020 investigation into the Network Outcomes Contracts<sup>3</sup> which highlighted poor performance measures for network performance.
- Meeting with relevant Ministers (including Transport, Infrastructure and Finance) on issues with the funding, renewals and asset management of state highways, to highlight the outlined issues.
- Meeting with the Transport and Infrastructure Select Committee and its members at appropriate times to highlight these issues, such as during the annual review of Waka Kotahi.

Progressing this remit would form part of LGNZ's existing, broader advocacy work on transport.

<sup>1</sup> <https://www.lgnz.co.nz/assets/PDFs/Analysing-trends-in-road-transport-funding-November-2022.pdf?vid=3>

<sup>2</sup> <https://www.stats.govt.nz/information-releases/business-price-indexes-december-2022-quarter/>

<sup>3</sup> <https://oag.parliament.nz/2020/nzta-contracts>



**How will the proposing council help LGNZ to make progress on this remit?**

New Plymouth District Council would be available in an advocacy/committee member capacity to provide input and feedback as LGNZ undertake the tasks outlined in this remit.

**Is the remit relevant to local government as a whole?**

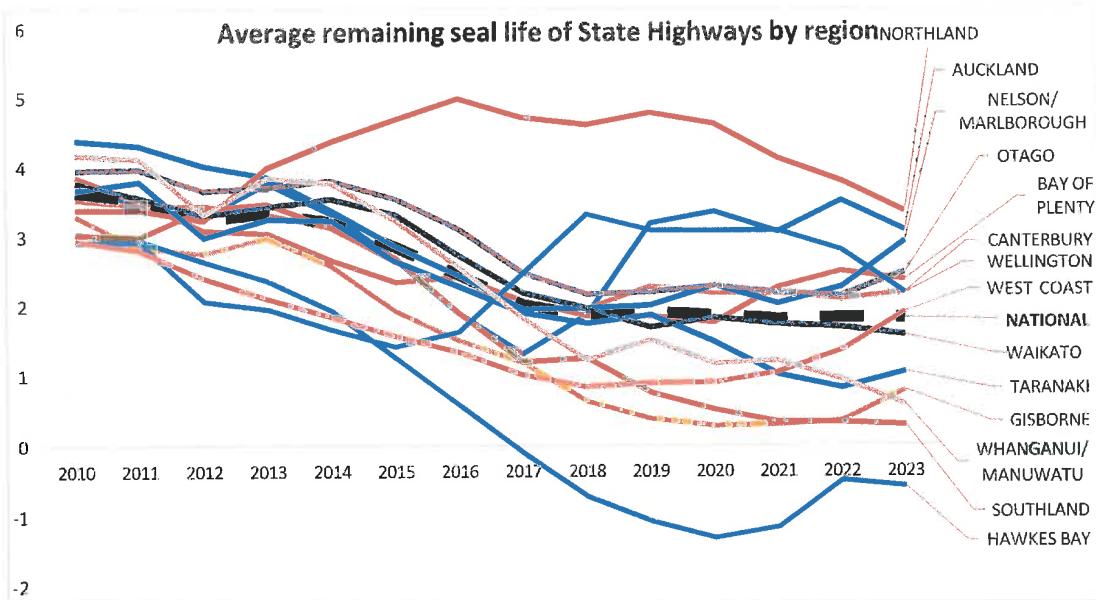
Yes. This remit is about addressing the rundown of our national roading infrastructure and increasing the funding available for the network as a whole. The 23 councils that supported it represent five out of six LGNZ zones, showing it's an issue across local government.

**Is the remit of a major policy nature?**

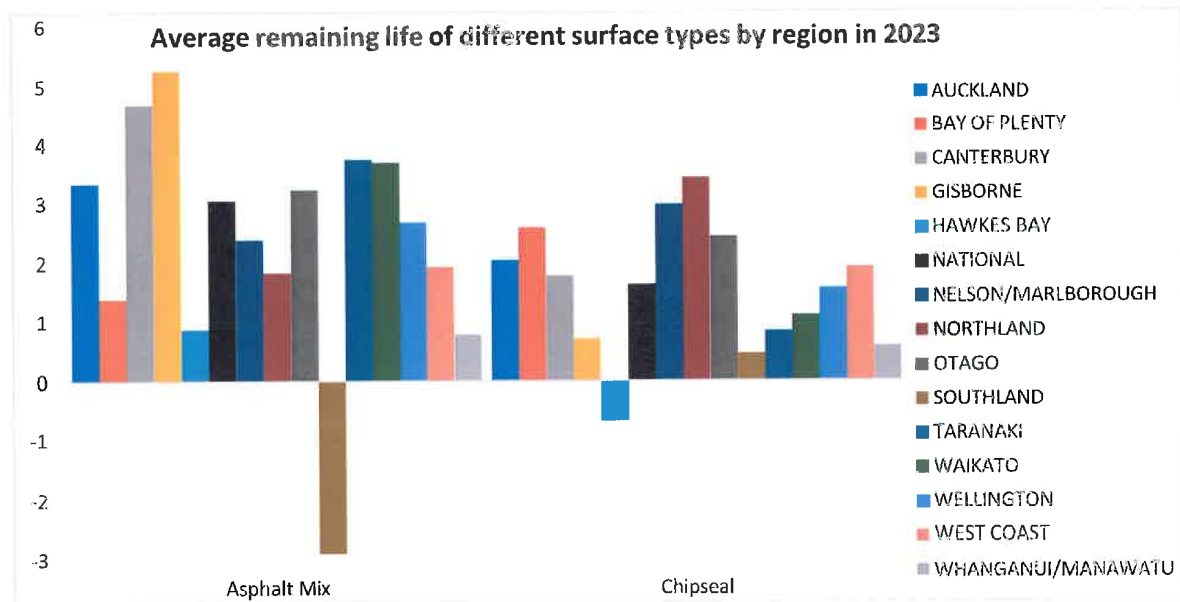
Yes. This remit deals with national funding and a large, system-wide issue that affects the safety of our roads for all New Zealanders.

**Supporting Document**

Graph 1



Graph 2



## // 04

**Local election accessibility**

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**Remit:** *That LGNZ ensure Local Government Elections are fully accessible by advocating to central government to make local government candidates eligible for the Election Access Fund.*

**Proposed by:** Whangārei District Council

**Supported by:** LGNZ Zone 1

**Why is this remit important?**

This remit aims to ensure Local Government Elections are fully accessible to disabled people who decide to stand as a candidate.

This requires action as disabled people make up 25% of New Zealand's population, which makes it the largest minority group. Yet there is almost no representation of people with disabilities in both central and local government.

**Background and Context**

Local government elections have been inaccessible to candidates with disabilities.

The Election Access Fund (the Fund) currently operates for disabled people who are standing for parliament in the general elections. At present, the Fund does not extend to disabled people standing for local elections.

The disability community tend to have lower disposable incomes than the rest of the population. This makes access to council positions extremely difficult. It is a non-accessible environment, and the general cost of campaigning and other council-associated expenses are prohibitive.

The Fund can be used to pay for disability related costs during selection or campaigning, such as, accessible transport to events or meetings, or New Zealand Sign Language Interpreters.

At the time of the establishment of the Fund, while there was extensive consultation with disability organisations, the disability community expressed deep disappointment that the fund was limited to general elections. The rationale for the exclusion is unclear.

There is no good reason for such exclusion, and it diminishes the principle of enabling disabled people to stand for political roles and undermines New Zealand's commitment to Article 29 of the United Nations' Convention on the Rights of Persons with Disabilities.

We know that representation is critical for creating change for any group of people. As the largest minority in New Zealand and in the world, disabled people lack political representation, which leads to poor outcomes.

Having a voice in local government provides a different lens on various issues and has the potential to make a significant difference to disabled people and the wider community.

Whangārei District Council feel that this remit is an obvious extension of a provision that is already in place at central government level.

**How does this remit relate to LGNZ’s current work programme?**

LGNZ's vision is to create the most active and inclusive local democracy in the world. Therefore this proposed remit fits squarely in the space of ensuring inclusive participation in local government. Progressing this work could form part of the work LGNZ is already doing to promote greater diversity, equity and inclusion in local government.

**How will the proposing council help LGNZ to make progress on this remit?**

Whangārei District Council will support the implementation of the remit to ensure that local accessibility issues are addressed, to enable inclusivity throughout the local government election cycle.

**Is the remit relevant to local government as a whole?**

Yes.

**Is the remit of a major policy nature?**

Yes.



**Supporting Document**



## LGNZ Remit – Election Access Fund for Local Elections

**Submission:** The Disability Advisory Group request that Whangarei District Council (alongside other Northland councils) supports and submits a remit to LGNZ for the Election Access Fund to be extended to local body elections.

Disabled people make up 25% of New Zealand’s population, which makes it the largest minority group. Yet there is almost no representation in both central and local government.

It is important that people with lived experience of disability receive the support they need to run in both general and local body elections. Disabled people have a different lens to many issues and lack representation.

There is no reason why this access fund should not be applicable to local government elections. New Zealand ratified the United Nation Convention on the Rights of Persons with Disability (UNCRPD), in 2008. Article 29 of the Convention is Participation in political and public life. The fund is a direct response to that Article.

**Background:** The Election Access Fund currently operates for disabled people who are standing for parliament in the general elections. At present, this fund excludes disabled people standing for local elections.

*“The purpose of the Fund is to reduce cost barriers faced by disabled people by covering disability-related costs which non-disabled candidates do not face. The Fund covers both seeking selection to be a candidate, and campaigning as a candidate. The Fund will enable the Commission to pay for additional costs that candidates incur because of their disability when organising and preparing to stand for Parliamentary elections.*

*The Fund does not cover local body elections.”*

Retrieved from the Electoral Commission website: [elections.nz](https://www.elections.nz/)

The disability community tend to have lower disposable incomes than the rest of the population. This makes access to council positions extremely difficult. It is a non-accessible environment, and the general cost of campaigning and other council-associated expenses are prohibitive.

The Fund can be used to pay for disability related costs during selection or campaigning. For example, accessible transport to events or meetings, or New Zealand Sign Language Interpreters.

At the time of the establishment of the fund, while there was extensive consultation with disability organisations, the disability community expressed deep disappointment that the fund was limited to general elections. The rationale for the exclusion is unclear.

There is no good reason for such exclusion, and it diminishes the principle of enabling disabled people to stand for political roles and undermines NZ's commitment to Article 29 of the UNCRPD.

We know that representation is critical for creating change for any group of people. As the largest minority in NZ and in the world, disabled people lack political representation, which leads to poor outcomes. Northland elected members should also note that their region has the second highest rate of disability at 29% according to the 2013 Disability Stats (which is being conducted again this year).

Having a voice in local government provides a different lens on various issues and has the potential to make a significant difference to disabled people and the wider community.

## // 05

**Ability for co-chairs at formal meetings**

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**Remit:** *That LGNZ explores and promotes options that enable councils to make greater use of co-chair arrangements for standing committees, joint committees and sub committees.*

**Proposed by:** Northland Regional Council

**Supported by:** LGNZ Zone 1

**Why is this remit important?**

There is currently a lack of clarity around what arrangements councils can adopt to enable co-chairs for standing committees, joint committees and sub-committees. This is despite growing emphasis on increasing diversity in our governing arrangements, including by the Future for Local Government Review. Enabling councils to easily appoint co-chairs is one way to increase diversity and inclusion by providing opportunities for under-represented groups, including Māori, to take a more active role in local governance. More clarity is needed for councils on how to adopt effective co-chairing arrangements.

**Background and Context**

The Northland Regional Council (NRC), like many councils in New Zealand, has been continually looking at the different ways it can work effectively with its Te Tiriti o Waitangi partners. To deliver on that commitment it has established a number of joint committees and working parties, for example a Joint Climate Change Adaptation Committee. This committee was established in 2021 by the four Northland councils to ensure an effective, efficient, and equitable response to the impacts of climate change. The joint committee has 50/50 membership with each council appointing an elected member and an iwi/hapu representative. It believes that this committee would benefit from a co-chairing arrangement.

There is currently a lack of clarity around whether joint committees, standing committees and sub-committees can have co-chairs. Making it easier for councils to adopt co-chair arrangements would help to increase diversity and inclusion in local government decision-making.

Co-chair arrangements can also be a helpful way of building knowledge and skills amongst new elected members who may have little experience of local government – especially representatives from sectors of communities who are often under-represented, such as youth and migrant communities. Working alongside existing chairs can help to de-mystify council processes and support councils and communities to develop a more diverse and inclusive group of future leaders.

This remit would give LGNZ scope to explore current barriers to co-chair arrangements, find ways to overcome those barriers, and undertake work to support councils to make greater use of co-chair arrangements, for example providing guidance and/or sharing best practice examples.

**How does this remit relate to LGNZ's current work programme?**

The particular issue the remit raises is not currently part of LGNZ's work programme. However, it aligns with two of LGNZ's goals: that more people value and participate in local government, and stronger Te Tiriti-based partnerships between local government and Māori. The remit also aligns with LGNZ's focus on increasing diversity and inclusion in local government, and the Future for Local Government Review's focus on increasing participation in local government. This remit proposes taking action that would enhance that existing work.

**How will the proposing council help LGNZ to make progress on this remit?**

NRC would be advocates, alongside LGNZ, for any necessary changes in legislation required to provide the ability for Co-Chairs on council standing committees, joint committees and sub committees.

**Is the remit relevant to local government as a whole?**

Yes

**Is the remit of a major policy nature?**

Yes: the remit provides an option for increasing diverse and inclusive participation in council decision-making processes. This would also help to ensure local governance practice reflects the content and spirit of Te Tiriti o Waitangi.



## // 06

### Parking infringement penalties

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**Remit:** *That LGNZ advocate to central government to enable councils to determine penalties for parking infringements.*

**Proposed by:** Whangārei District Council

**Supported by:** LGNZ Zone 1

#### Why is this remit important?

Currently penalties for parking infringements are set by legislation and are not appropriate for the cost of resourcing the infringements, nor set at a level that is appropriate for the infringement.

#### Background and Context

Currently the Land Transport (Offences and Penalties) Regulations 1999, Schedule 1B Part 1 sets the amount for parking infringements and the Transport (Towage fees) Notice 20204 sets the towage fees.

Whangārei District Council is currently charging the allowable amounts under this legislation but is unable to recover actual public land towing costs from the vehicle owner.

This remit advocates for penalties to be able to be set at a local level so that they are appropriate to the costs, with particular focus on:

- ensuring that clearway towing fees allow councils to recover full costs associated with towing on clear ways, and
- allowing councils to consider increases to infringement fees for misuse of disability parking spaces.

#### How does this remit relate to LGNZ's current work programme?

LGNZ is not currently working on this particular issue. However, this remit aligns with LGNZ's priority to campaign for greater local decision-making and localism, in that it advocates for councils setting parking infringement penalties at a local level that resonate with the local community - to ensure rate payers are not subsidising these activities and that those misusing services are contributing appropriately.

#### How will the proposing council help LGNZ to make progress on this remit?

Whangārei District Council will support any proposed changes to the legislation that will allow for parking infringements to be set at a local level, and will also provide support if the preferred approach is to update legislation to ensure parking infringements are in line with current resourcing costs for these infringements.

**Is the remit relevant to local government as a whole?**

Yes. This remit calls for legislative change to the Land Transport (Offences and Penalties) Regulations 1999 to allow all councils to determine penalties for parking infringements and towage fees appropriate to their local area.

**Is the remit of a major policy nature?**

In part. This remit is calling for legislative change, but it is a relatively narrow request and we need to test members' level of interest further.

## // 07

**Rural and regional public transport**

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**Remit: That LGNZ:**

- *Acknowledges the Government stated support for a major uplift in all urban bus networks nationwide under New Zealand's first emission reduction plan.*
- *Calls on the Government and opposition parties to commit to increasing investment in public transport for rural and regional communities to support access to essential services and amenities, vibrant rural communities and just transition to a low emission transport system.*

**Proposed by:** Waikato Regional Council

**Supported by:** Zone 2 Meeting May 2023. Remit discussed and received unanimous support.

**Why is this remit important?**

Improving public transport is both an opportunity to reduce transport emissions and support a just transition to a low emission economy by providing a cheap alternative to increasing costs of owning and running a conventionally fuelled car.

A lack of explicit support for rural and regional public transport services means these communities will be exposed to the wider suite of policy shifts supporting a transition to a low emission transport system, without any meaningful alternative transport options.

Many of New Zealand's rural and regional communities have high proportions of people on low and fixed incomes and for whom the financial or practical barriers to owning an electric vehicle will be too great.

Sustainable funding for these rural and regional public transport solutions will be important to provide rural and regional communities the confidence that they will not be left behind as New Zealand transitions to a low emission transport system.

**Background and Context**

The Government's emission reduction plan (2022) and subsequent policy and transport funding opportunities including Climate Emission Reduction Fund opportunities, are targeted at optimising investment in terms of carbon emission reductions.

Meanwhile several policies that were specifically intended to support a just transition have been recently abandoned and investment signals for rural and regional public transport have been muted.

Investing in rural and regional public transport is a strategic and sustainable way to improve the quality of life and economic opportunities for people living outside urban areas. Rural and regional public transport can provide multiple benefits, such as:

- **Access for people on fixed incomes:** Many rural residents, especially the elderly, disabled, and low-income groups, do not have access to private vehicles or cannot afford to use them frequently. Public transport can offer them a more affordable and reliable way to access essential services, such as health care, education, shopping, and social activities. Public transport can also reduce their isolation and enhance their well-being.
- **A just transition to a low carbon transport system:** Public transport can help reduce greenhouse gas emissions and air pollution by shifting people away from using private cars. Public transport can also support the development of renewable energy sources, such as biofuels, solar, geothermal, and wind power, by providing the infrastructure and demand for them. Public transport can also contribute to climate change adaptation by improving the resilience of rural communities to extreme weather events and natural disasters.
- **Support for local economies:** Public transport can link people with essential services such as healthcare. Public transport can also be an important force in supporting local economies by connecting residents (especially non-drivers) with local businesses and job opportunities. Public transport can also attract tourists and visitors to rural areas, creating more income and employment opportunities.

It is important to note public transport does not just mean a 30-seater bus. Public transport authorities like the Waikato Regional Council are becoming increasingly innovative with the services they provide and support – be they community transport services or on-demand mini-bus services, the solutions being increasingly tailored to needs of local communities.

### **How does this remit relate to LGNZ’s current work programme?**

Transport affordability and accessibility is already a part of LGNZ’s policy and advocacy work programme, but there’s no current work to gain cross-party support for better public transport for rural and regional communities. Work to progress this remit could be integrated into LGNZ’s broader transport advocacy work programme.

### **How will the proposing council help LGNZ to make progress on this remit?**

Waikato Regional Council did not specifically outline how it might work with LGNZ on progressing this remit in its application form but noted:

Many public transport authorities such as the Waikato Regional Council are already providing some rural and regional public transport services in the form of Total Mobility (subsidised taxi fares), support for community transport service providers, and some more traditional bus-based public transport.

These have been highly valued by those communities, providing many people with affordable access to essential services and amenities.

Demand for these services is growing, however the ability to afford the council or National Land Transport Fund shares is increasingly constrained.

**Is the remit relevant to local government as a whole?**

Yes. This remit is most relevant to rural and regional councils but aims to reduce New Zealand's transport emissions overall. Improved regional public transport will also benefit provincial and metropolitan councils.

**Is the remit of a major policy nature?**

Yes. This remit is dealing with public transport investment and a just transition to a low carbon transport system.



## // 08

**Establishing resolution service**

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**Remit: That LGNZ:**

- *Investigates the creation of an LGNZ independent, national process to handle complaints or concerns, ensuring fairness, protection, and accountability in local government.*
- *Works with the Local Government Commission<sup>4</sup> to implement findings from its September 2021 Report – Local Government Codes of Conduct<sup>5</sup>*

**Proposed by:** Hutt City Council & YEM

**Supported by:** Invercargill City Council, Far North District Council, Hauraki District Council, Central Otago District Council, Hutt City Council, Selwyn District Council, Porirua District Council

### **Why is this remit important?**

This remit is critically important as it addresses the pressing issue of a lack of a proportionate, flexible, responsive, and independent process/service for handling complaints and concerns in councils and escalating issues within local government.

### **Background and Context**

The proposing and support councils and the Young Elected Members' Committee acknowledge that issues arise across local government that require a range of interventions – from education, mentoring, support, facilitation, mediation, inquiry, investigation, or review.

The absence of a national, standardised and independent process that triages complaints and concerns provides the right intervention for the issue, and managing escalation for complaints within local government has led to the pressing need for action. Currently, councils oversee their own problems on an ad-hoc basis, leaving many complaints unanswered and individuals hesitant to come forward. This lack of a clear and impartial process undermines transparency, accountability, and public trust in local government. It also fails to provide legal protection for complainants and increases the risk of defamation. The Code of Conduct inquiry is often very expensive and results in sanctions (if approved by a majority of Councillors in some cases) in what can only be called the “wet bus ticket”.

The intense scrutiny placed on local body governance by the community emphasises the need for regular external support to drive positive change. Without such support, unresolved issues can

<sup>4</sup> Referred to as LCG for the balance of this remit

<sup>5</sup> *Local Government Codes of Conduct/ Ngā tikanga whanonga Kāwanatanga ā-Rohe, Report to the Minister of Local Government, September 2021, Wellington [report found here](#).*

ultimately lead to the involvement of the DIA and the appointment of a commissioner, representing a worst-case scenario.

Relevant legislation, policy, or practice has not adequately addressed this issue, resulting in gaps and inconsistencies in handling complaints. Code of Conduct process enables the issue to be escalated to the Chief Executive. Informal conduct complaints are to be escalated to the Mayor, however if the Mayor is part of the problem this doesn't provide for a safe environment.

If a councillor is to escalate to a Code of Conduct complaint, often this results in a very public fight which also generally results in a public apology that doesn't really resolve anything.

It appears that where there is no national process or independent forum in which to take these issues, issues have been left to escalate or fester leading to governance breakdowns.

The absence of legal protection for complainants further exacerbates the problem, discouraging individuals from raising legitimate concerns.

We acknowledge that the process of investigation opens local government up to media scrutiny and often fails to protect the complainants coming forward. While this is keenly felt by the communities in which it is occurring, it also does a disservice to local democracy and local government generally.

Given the degree of intense community scrutiny on local body governance, regular and external support is often necessary to shift the dial.

Many terms of reference used to investigate complaints often fail to address the core issues comprehensively. Consequently, the necessary outcomes required to restore confidence in councils or individuals are not adequately addressed, resulting in slow progress and ongoing dissatisfaction.

By establishing a comprehensive framework that includes a complaints/issues/support/mediation forum and a tiered escalation process, this remit aims to promote fairness, protect complainants, restore public confidence, strengthen local democracy, and ensure timely and effective issue resolution as well as being cost effective for councils.

Taking action is crucial to uphold good governance, address grievances, and maintain the integrity of local government institutions.

### **How does this remit relate to LGNZ's current work programme?**

While there have been some conversations about the need for a national service for addressing complaints about member conduct (including with central government), and LGNZ does provide support to councils, including on an "as requested" basis and by providing a model Code of Conduct at the start of each triennium, work to develop a national, independent process/service is not one of LGNZ's current work priorities.

Work on this remit would align with LGNZ's vision of New Zealand being the most active and inclusive local democracy in the world, and LGNZ's goal that more people value and participate in local government.

**How will the proposing council help LGNZ to make progress on this remit?**

The proposing and supporting councils and Young Elected Members' Committee have all expressed a willingness to support LGNZ with work to progress this remit, including sharing relevant experience and assisting with engaging with Ministers, officials and the Local Government Commission.

**Is the remit relevant to local government as a whole?**

Yes.

**Is the remit of a major policy nature?**

Yes: At some stage, virtually all councils will have faced the issue of member misconduct. The tools currently available for dealing with such issues are widely seen as inadequate. There is a need for a proportionate, flexible, responsive, and independent process/service for handling complaints and concerns in councils and an approach that is consistent across all councils.

## // 09

**Earthquake prone buildings**

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**Remit:** *That LGNZ investigate and report to members on ways to help councils and communities that are struggling with the time frames in the Earthquake Prone Building (EPB) sections of the Building Act and council policies pertaining to Priority Thoroughfares.*

**Proposed by:** Manawatū District Council

**Supported by:** LGNZ Zone 3

**Why is this remit important?**

Timeframes to strengthen or demolish earthquake prone buildings (EPBs) range from 50 years in low earthquake risk zones in New Zealand to 7.5 years in high-risk zones where councils have implemented Priority Thoroughfares. As the clock has been ticking for a while, that 7.5 years is already down to less than 5 years. These building owners have been issued notices under the Building Act to strengthen or demolish by a certain date.

While some strengthening has, and is taking place, it is clear that many EPBs will not be strengthened or redeveloped within the required short timeframes. These communities face the prospect of vacant sites, and worse still, abandoned buildings.

In many cases these EPBs have stood through many earthquakes for 70 – 140 years and they have considerable heritage value, but not necessarily with any real heritage protection, and they add positively to the character and aesthetic quality of towns and cities.

EPB owners have major concerns about what will happen in March 2028 when their 7.5 years is up, and other dates in other communities. In many cases they either can't afford to strengthen in the timeframe, or it is not currently financially viable to do so in the current commercial real estate marketplace. There are many cases where the property value is Land Value only, or Land Value less the cost of demolition. The buildings currently provide no added value to the value of the land.

This remit aims to address the timeframes of Priority Thoroughfares in particular, which were imposed as policy by councils, and which triggered the issuing of Building Act notices to strengthen or demolish by a certain date. The issuing of these notices seems to be more difficult to change than amending Priority Thoroughfare policies.

Manawatū District Council is concerned that town and city centres may be destroyed by legislative and policy decisions, rather than by an actual earthquake.

**Background and Context**

Some towns and cities with low commercial rents and low commercial property values are struggling with the financial viability and affordability of either earthquake strengthening or redeveloping within the short timeframes. These towns and cities have lower pedestrian counts, and therefore earthquakes are of lower risk to human life than in larger cities with higher rents and values, and where both strengthening and redeveloping is more viable.

The legislation gave no criteria in terms of pedestrian or traffic count for Priority Thoroughfares. It was left for councils to decide, and some councils implemented Priority Thoroughfares and some with similar town centres did not. Communities have building owners who are prepared to make progress with strengthening if a longer timeframe existed but are not prepared to commence strengthening knowing that they can't complete all of the work required within the short timeframe required. This is an unforeseen consequence of the short timeframes of the legislation and Priority Thoroughfare policies. Instead of the buildings becoming safer over time, the short timeframe has meant that no safety improvements are taking place in many cases.

An example of this is a prominent two-storey Hotel in Feilding, being a reasonably large Edwardian building built using unreinforced masonry, as are many of Feilding's EPBs. This is a most attractive building voted by the Manawatū community to be their favourite Feilding town centre building. The rent is circa \$70,000 P/A, and the cost to strengthen is circa \$2,000,000 with likely another \$2,000,000 required for renovation. The current use and rental doesn't justify the investment within 5 years. Another use or uses will be required to justify the investment and this will likely happen in the future, but such changes take time.

This remit hopes that compromise solutions, that remove the risk to human life in a timely manner, but in affordable and viable ways will be explored, such as extending the timeframe for strengthening lower-risk parts of buildings. The proposing council recognises that a range of options may be appropriate – including legislative and policy options – and so is keen that these are looked at.

Manawatū District Council has done a lot to help get EPBs strengthened. It has organised subsidised engineering reports through Heritage Equip, held seminars, sought advice, found a strengthening company that offers a fixed price package deal at a good price and without the need for occupants to vacate the building. Along with a few other councils Manawatū District Council has achieved a change in the regulations that lifted the financial threshold for relatively minor work before the full provisions of the Building Act are triggered. It has advocated to MPs from all political parties.

### **How does this remit relate to LGNZ's current work programme?**

LGNZ is not currently actively working on this issue but has done work around EPB legislative and policy settings in the past. LGNZ has access to political parties, central government officials and other national stakeholder organisations that could help local government to make progress on this issue.

### **How will the proposing council help LGNZ to make progress on this remit?**

Several members of Manawatū District Council will assist in any way possible (including participating in working groups, providing case studies and practical examples and experience when engaging with political parties) and will continue with their own efforts and share any useful information.

### **Is the remit relevant to local government as a whole?**

The problem of EPBs affects many councils and communities throughout New Zealand, and particularly those in high- and medium-risk earthquake zones. With less than five years to go for some councils, there is an urgent need to find a compromise solution.



**Is the remit of a major policy nature?**

Yes

## // 10

**KiwiSaver contributions for elected members**

**Remit:** That LGNZ ask the Government to amend the law to enable councils to make contributions to an elected members' KiwiSaver scheme.

**Proposed by:** Hamilton City Council & promoted by CBEC

**Supported by:** Queenstown Lakes District Council, Palmerston North City Council, New Plymouth District Council, Kāpiti Coast District Council. Far North District Council

**Why is this remit important?**

Currently, elected members are treated as independent contractors, with no entitlement to employer KiwiSaver contributions, or KiwiSaver deductions. This could be viewed as a disadvantage and a barrier to people standing for election, as the loss in KiwiSaver employer contributions can be in the tens of thousands by the time someone retires from public politics. This leaves elected members without employer contribution support for their retirements, which is provided to most other New Zealanders.

**Background and Context**

Currently, elected members are considered independent contractors, rather than employees of Council. As such, they are expected to set aside their own KiwiSaver contributions and do not receive any employer contribution.

Members of Parliament became eligible for KiwiSaver, but local government elected members are not. The Remuneration Authority Report on Members of Parliament Remuneration (July 2021) states 'MPs elected after 1992 are entitled to a superannuation subsidy contribution. The scheme can be KiwiSaver or registered retirement savings...'

Hamilton City Council is advocating for changes to the Employment Relations Act 2002 to allow KiwiSaver deductions to be taken from elected members' remuneration, and for employer contributions to be allocated.

The topic of elected member remuneration has been addressed in the draft report *He mata whāriki, he matawhanui*, prepared as part of the Review into the Future for Local Government, resulting in the key recommendations 17 and 18 as set out below:

- 17 - That central and local government, in conjunction with the Remuneration Authority, review the criteria for setting elected member remuneration to recognise the increasing complexity of the role and enable a more diverse range of people to consider standing for election.
- 18 - That local government develops a mandatory professional development and support programme for elected members; and local and central government develop a

shared executive professional development and secondment programme to achieve greater integration across the two sectors.

Hamilton City Council strongly believe that as a sector we should continue to advocate for changes to remuneration (such as those outlined above) to ensure local governance roles remain attractive.

### **How does this remit relate to LGNZ's current work programme?**

This proposed remit aligns with LGNZ's strategy and policy priorities, including its vision that New Zealand is the most active and inclusive local democracy in the world, and its goal that more people value and participate in local government.

While the issue of KiwiSaver deductions and employer contributions has been highlighted in various submissions LGNZ has made in the past, there has been no official communication to the Minister of Local Government about the implications of elected members not being eligible for KiwiSaver deductions or employer contributions from councils.

### **How will the proposing council help LGNZ to make progress on this remit?**

Hamilton City Council will continue to advocate for these changes.

### **Is the remit relevant to local government as a whole?**

Yes.

### **Is the remit of a major policy nature?**

Yes: remuneration is a critical factor that citizens consider when deciding to stand or not for election.

## // 11

**Audit NZ Fees**

**Remit:** *That LGNZ calls on central government to take action to reduce council audit fees by:*

- *revisiting the scope and requirements of reporting and auditing on councils*
- *conducting a review on the practice of audit in councils and work on best practice guidance to streamline this process*

*This review should examine whether the reporting and audit requirements of councils are consistent with the level of reporting and audit that is required of other public entities.*

**Proposed by:** Whanganui District Council

**Supported by:** New Plymouth District Council, Horizons Regional Council, Palmerston North City Council, Stratford District Council, Selwyn District Council

**Why is this remit important?**

While reporting and audit requirements are important for transparency and accountability, the scope of them are constantly inflating as council work programmes and rates intakes increase over time. These costs are then passed back to the ratepayer during a cost-of-living crisis and with food and housing insecurity steadily increasing. The scale and content of reporting and auditing needs to be reviewed to ensure that they are being conducted efficiently, relate to information that is relevant to the community and to council fulfilling its statutory duties, and is not overly onerous on under-resourced councils.

**Background and Context**

Local authorities have significant reporting requirements under the Local Government Act 2002 (LGA). These include annual reports, which review financial and service performance for the preceding financial year, and Council-Controlled Organisation (CCO) reports, and audits of Long-Term Plans and Long-Term Plan amendments. In the interests of transparency and accuracy, these reports are required to be audited under the LGA.

The Auditor General is the auditor of all public entities and they determine who will audit specific organisations. Council audits are conducted by Audit New Zealand. We understand that some councils' CCOs have permission to seek other audit providers, but for the vast majority of councils Audit New Zealand is the only allowable provider.

Councils are legally required to conduct an audit but do not have the ability to choose between multiple organisations to conduct it, which prevents competition on cost. Further, there are barriers to the timing and efficiency of the annual audit due to only being able to use one provider. While Whanganui District Council (Council) agrees that the audit is a critical function that provides assurance on information contained within our reports, it questions whether the financial and staffing costs of audits are now exceeding the benefit provided to our communities.

Reporting and auditing are a key part of local democracy. Reporting is a necessary factor for transparency and accountability both to central government and to the communities that councils

serve. Audits ensure that the information being reported is full, accurate, and meets all its requirements under legislation.

Whanganui District Council is also aware of the technical difficulty of conducting audits. Even when conducted by organisations with extensive experience, auditing council financial reports involves working through a significant amount of financial information and highly technical analysis and close familiarity with the accounting standards financial reports are held to.

The amount of work needed to complete an audit also increases over time in line with the amount and complexity of information going into council reports. Councils have increasing expenditure and increasing workloads over time, both internally as a result of work undertaken on behalf of their communities, and externally as outside pressures such as economic conditions, legislation and pressing issues like housing require more direct local investment and management.

### **How does this remit relate to LGNZ's current work programme?**

This is an issue for the entire sector, with many councils expressing concern over the extent of fees required for obligatory audits of our reporting. It aligns with responsiveness to the needs of local government by taking action on a mandatory cost that local government bodies have no control over.

Advocacy on this issue aligns with LGNZ's commitment to localism and championing local voice on issues that are having significant impact at the local level.

LGNZ is aware of members' concerns about audit fees and has been having a number of conversations with Audit New Zealand, the Minister and central government officials. However, this remit would add further weight to the importance of the issue.

### **How will the proposing council help LGNZ to make progress on this remit?**

Whanganui District Council will submit on consultations run by either central government or LGNZ.

### **Is the remit relevant to local government as a whole?**

Yes: all councils are currently required to pay audit fees.

### **Is the remit of a major policy nature?**

Yes.

**Title:** 23-141 Water Services Entities Amendment Bill - Submission  
**Section:** Chief Executive's Office  
**Prepared by:** Yvette Kinsella - Special Projects Manager  
**Meeting Date:** Wednesday 28 June 2023

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Legal: Yes

Financial: Yes

Significance: **High**

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## Report to COUNCIL/TE KAUNIHERA for decision

### PURPOSE - TE TAKE

The purpose of this report is to summarise the key provisions outlined in the Water Services Entities Amendment Bill (the Amendment Bill) and recommend points for a submission from the Gisborne District Council (Council).

### SUMMARY - HE WHAKARĀPOPOTOTANGA

In April 2023, the Government announced a reset of its Three Waters Reform Programme (the Reforms) in response to ongoing negative public opinion. The reset aims to increase local voice in water services decisions while retaining some of the potential gains in affordability for communities.

The Amendment Bill seeks to amend the Principal Act (the Water Services Entities Act 2022) to:

- increase the number of water services entities from 4 to 10, improving local voice in strategic decisions about water services
- provide for all territorial authorities to be represented in the WSE governance structure
- extend the timeline for transition of water services to water services entities
- allow for staggered establishment of the 10 water services entities up to 1 July 2026
- provide for shared services across water services entities to retain some of the economies of scale with the increase to 10 entities
- establish a water services funding agency to achieve scale and improve access to financing
- allow for mergers of two or more water services entities
- introduce community priority statements to give voice to local community interests in the impacts of the water services entities activities on a local water body.

The local government sector is still assessing the implications of the Amendment Bill for councils and communities. We will present at the Council hui on some potential submission points that Council may wish to consider making to the Select Committee.

Staff will continue to engage in conversations across the sector to identify further matters that should be included in a Council submission.



The Amendment Bill will have its First Reading on 22 June after which it will be referred to the Select Committee. The submission period will be short – probably no more than two weeks. The Select Committee will report back by 27 July. Government is intent on passing this legislation before Parliament rises on 31 August 2023.

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

## **RECOMMENDATIONS - NGĀ TŪTOHUNGA**

**That the Council/Te Kaunihera:**

- 1. Endorses the key points to include in a Gisborne District Council submission on the Water Services Entities Amendment Bill.**

*Authorised by:*

**Nedine Thatcher Swann - Chief Executive**

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**Keywords:** amendment bill, local government sector, water services entities amendment bill, submission to the bill, three waters reform

## BACKGROUND - HE WHAKAMĀRAMA

### Three Waters Reforms

1. In 2020, the Minister of Local Government announced its Three Waters Reform Programme (the Reforms) to fundamentally change the way three waters services (drinking water, wastewater and stormwater) are delivered in Aotearoa / New Zealand.
2. The Reforms include establishment of the following key bodies:
  - a sole, stand-alone water services regulator (Taumata Arowai)
  - independent water services entities (WSEs) to deliver three waters services
  - a water economic regulator to regulate prices for water services and protect consumer interests.
3. To implement the Reforms, Government has an extensive legislative programme. The table below shows the five pieces of legislation that have been or are about to be implemented to deliver the Reforms.

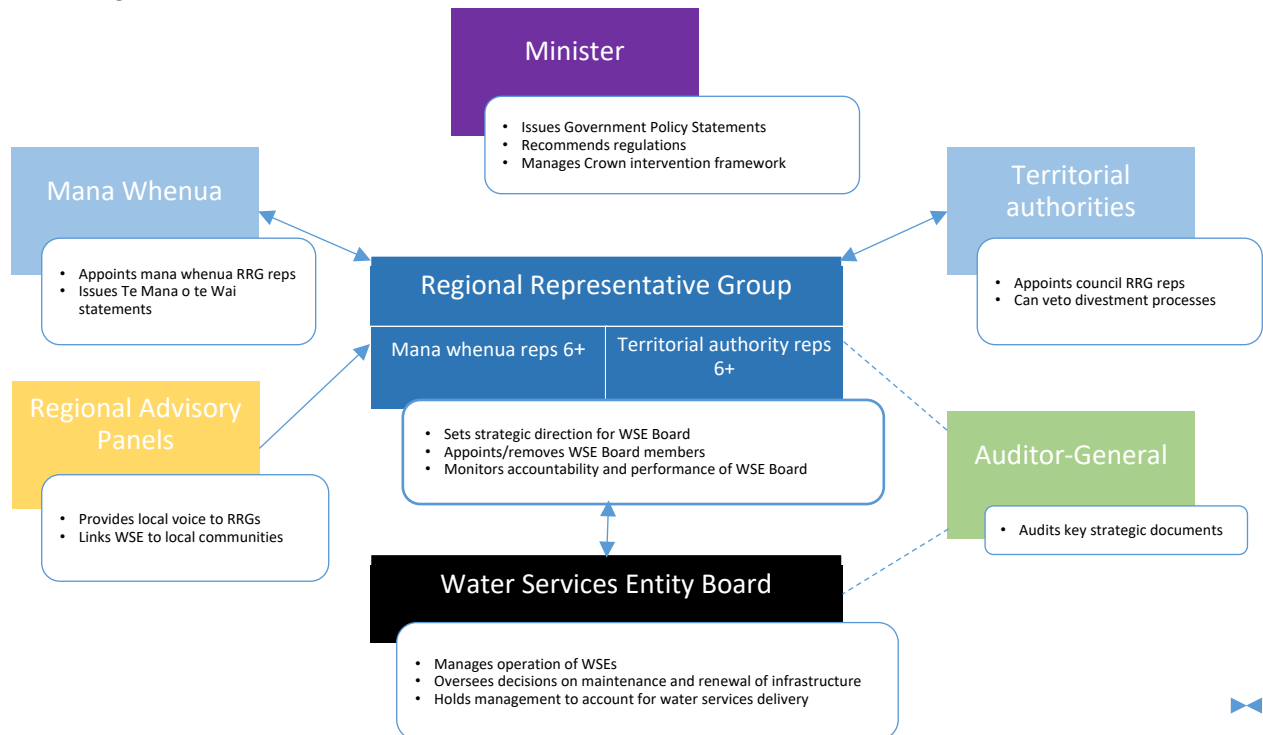
Legislation	Purpose	Status
Taumata Arowai – Water Services Regulator Act 2020	Establish stand-alone water services regulator.	Enacted 2020.
Water Services Entities Act 2022	Established the governance and accountability of new WSEs and provided for transition of territorial authority three waters delivery to WSEs.	Enacted 2022.
Water Services Legislation Bill	Establishes the regulatory framework for water services and the functions, powers, and obligations of the WSEs and others.	Select Committee Report completed. Due to be enacted by August 2023.
Water Services Economic Efficiency and Consumer Protection Bill	Provides for the regulation of the price and quality of water services and a consumer protection regime.	Select Committee Report completed. Due to be enacted by August 2023.
Water Services Entities Amendment Bill	Gives effect to the Government reset of governance, accountability and transition provisions in the Water Services Entities Act.	First Reading 20 June. Due to be enacted by August 2023.

4. This report is about the Water Services Entities Amendment Bill that proposes changes to the governance, accountability and transition provisions in the Principal Act – the Water Services Entities Act 2022.

### Water Services Entities Act 2022

5. In December 2022, the House passed the Water Services Entities Act (the Principal Act) outlining the governance and accountability structures and processes for the new water services system and the arrangements for transitioning three waters staff, assets, liabilities, information, and resources from 67 territorial authorities.

6. The Principal Act provided for the establishment of four water services entities (WSEs) to deliver water services to communities in lieu of 67 territorial authorities. Gisborne District Council (Council) was included in Entity C, a super-regional entity that spanned from Tairāwhiti in the north down the eastern seaboard and encompassed Wellington and the top of the South Island.
7. The governance structure of each of the four WSEs under the Principal Act is shown in the diagram below.



8. **Report 23-14** (Council hui on 26 January 2023) provides more detail on the Principal Act.
9. Overall, the Principal Act signalled some critical shifts in water services delivery (and more broadly when wider reform programmes of Government are considered alongside this):
  - movement of decision-making away from the local level
  - drive for efficiency and economies of scale
  - experts as decision-makers
  - power-sharing with tangata whenua / Māori through co-governance.

## WATER SERVICES ENTITIES AMENDMENT BILL

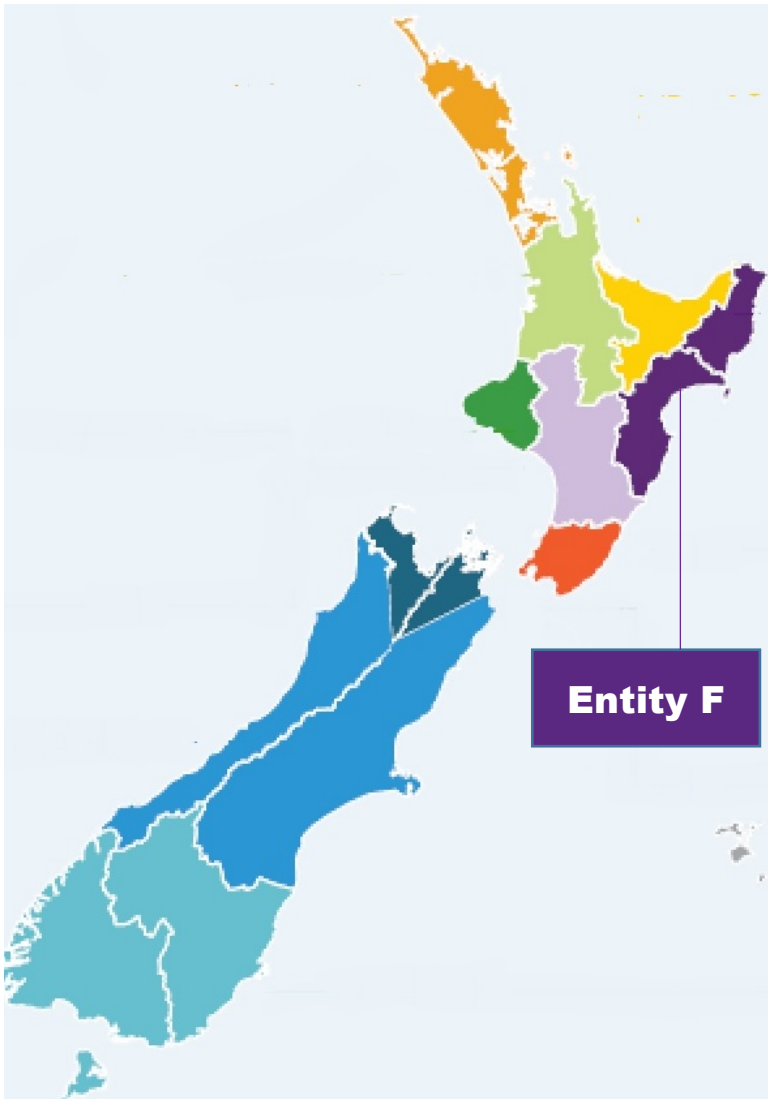
10. In April 2023, the Government announced a reset of the Reforms in response to ongoing negative public opinion. Branded as “affordable water services”, the reset aims to increase local voice in strategic decisions on water services while retaining some of the potential gains in affordability for communities.
11. The changes proposed by the reset are in the form of an Amendment Bill to the Water Services Entities Act. They relate to the governance and accountability arrangements and transition matters that were established under that Principal Act.
12. The discussion below highlights the critical changes being proposed in the Amendment Bill and their implications.

**IMPLICATIONS OF KEY PROPOSED CHANGES**

13. The Amendment Bill proposes changes to:
- increase the number of WSEs entities from 4 to 10
  - ensure all territorial authorities are represented at the governance level
  - introduce community priority statements
  - extend the timeline for transition of water services to WSEs
  - allow for staggered establishment of the 10 WSEs up to 1 July 2026
  - provide for shared services across WSEs
  - establish a water services funding agency
  - allow for mergers of two or more WSEs.

**Number of Water Services Entities**

14. The Amendment Bill proposes increasing the number of WSEs from 4 to 10 mostly aligned with existing regional council boundaries.
15. Gisborne District Council water services would transfer to WSE F that includes water services from Central Hawkes Bay District Council, Hastings District Council, Napier City Council and Wairoa District Council as the map below shows.



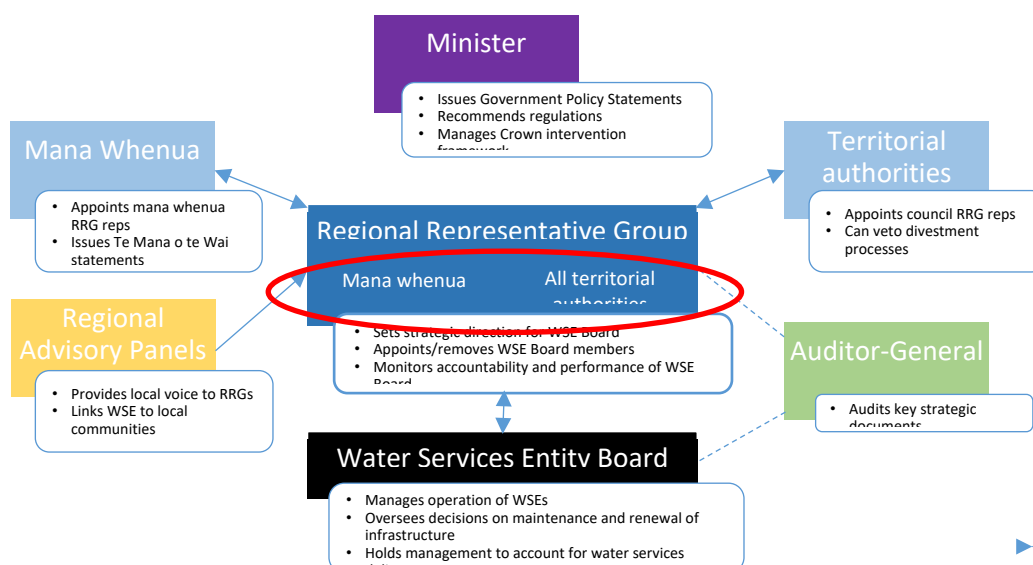
16. The intention behind the change is to strengthen local voice in water services governance.
17. There is a significant trade-off involved in increasing the number of WSEs. The greater the number of WSEs, the greater the loss of economies of scale and the higher the costs to water services users.
18. The table below illustrates what the Government has projected the average household water services costs would be by 2054 under three different scenarios:
  - Scenario 1: Under the current Council approach giving effect to all water services investment needed
  - Scenario 2: Under the Principal Act with four WSEs
  - Scenario 3: Under the Amendment Bill with 10 WSEs.

Average household costs by 2054			
Scenario 1 Council	Scenario 2 Four WSEs	Scenario 3 Ten WSEs	Cost difference Scenarios 1 and 3
\$16,700	\$1,260	\$4,010	76%

19. It is important to note that the projections for Scenario 1 are based on an unconstrained view of water services delivery. Council has challenged this projection as we do not operate in an unconstrained environment. It is unknown whether the costs of Council delivering the levels of service that Government claims that the WSEs will be able to do, would be higher than those in Scenario 3.
20. There are opportunities to reduce further the average household costs through shared services arrangements. The section below on shared services has more detail.

### Territorial authority governance representation

21. The Amendment Bill proposes guaranteeing every territorial authority a seat at the governance table on the Regional Representative Group for their WSE. Co-governance would be retained with mana whenua represented in equal numbers to territorial authorities.
22. This is also intended to strengthen local voice in water services governance. It is important to note that the rest of the governance structure remains as per the Principal Act. The diagram below illustrates what this would look like.



23. The implications are that Council would continue to be one mechanism for local communities to have a voice on the strategic direction of water services regionally. Iwi would be another (new) avenue.

### Community priority statements

24. The Amendment Bill proposes providing a new mechanism for local people with an interest in a water body to make statements to the Regional Representative Group of a WSE about their priorities for how the activities of a WSE may impact on that water body.
25. These are new mechanisms.
26. There are some important distinctions between community priority statements and Te Mana o Te Wai Statements as the table below shows.

Te Mana o Te Wai Statements	Community priority statements
Statements made directly to WSE Board	Statements made to the RRG of a WSE
Mandatory for the Board to engage with whoever makes the statement	Mandatory for the RRG to forward the statement to the WSE's consumer forum for consideration
Mandatory for the Board to prepare a response to the statement including a plan for how it will give effect to the statement	Optional for an RRG to consider the statement in setting strategic expectations to the Board
Mandatory for the Board to publish its response to a statement	Chief Executive of a WSE (responsible for running the WSE's consumer fora) must report on how it has responded to the statement
Mandatory for all in a WSE to give effect to Te Mana o Te Wai	Any direction/action to give effect to a statement would need to come through strategic expectations and then from the Board in its Statement of intent

27. In essence a much greater weight is given to Te Mana o Te Wai Statements and action on them is mandatory. This is not the case with community priority statements.

### Extended Overall Transition Timeframes

28. The Amendment Bill proposes extending the deadline for completion of the whole transition to 1 July 2026. It currently is scheduled for completion by 1 July 2024.
29. With a larger number of WSEs, Government wants to push the overall timeframes out to ensure there is capacity to support the transition.
30. The implications are that it will create some breathing room for Council.

### Staggered Establishment of WSEs

31. The Amendment Bill also proposes staggering the transition of the 10 WSEs between 1 July 2024 and 1 July 2026. WSE A (affecting Auckland and Northland councils) will continue on the trajectory to transfer by 1 July 2024. They will be the first WSE to complete transition as they have been largely unaffected by the changes proposed in the Amendment Bill.



32. The proposed transition periods are aligned to financial quarters (January, April, July and October). The decision on when each of the 10 WSEs will go live will be activated through an Order in Council.
33. The staggering would have implications for Council's 2024-34 Long Term Plan (LTP) as we would be required to include water services in the LTP for up to the first two years of the LTP term. Staff need to do detailed assessment of the proposed changes to the Local Government Act 2002 to give effect to this to ensure that it will work for Council. We will also be seeking advice from others in the sector on this matter.

### **Water Services Funding Agency**

34. The Amendment Bill proposes establishing a Water Services Entities Funding Agency (Funding Agency) similar to the Local Government Funding Agency to achieve scale and improve WSE access to finance.
35. The Funding Agency would be established as a joint subsidiary of WSEs with WSEs joining the arrangement as they go live. The subsidiary provisions already exist in the Principal Act.
36. Government may lend money to the Funding Agency if it is in the public interest to do so and can also guarantee the debts of the Funding Agency.
37. The establishment of the Funding Agency is almost necessary due to the reduced scale of WSEs. It allows access to more capital for investing in water infrastructure. It also allows Government security to be introduced.

### **Shared Services**

38. The Amendment Bill proposes enabling shared services arrangements between WSEs as a way to achieve some scale and efficiency.
39. WSEs can choose to enter voluntarily into shared services arrangements with one or more other WSEs and there are already subsidiary provisions in the Principal Act that provide mechanisms for this.
40. The Minister may also direct two or more WSEs to share services for:
  - debt funding and management (eg through the Water Services Entities Funding Agency)
  - information and communication technology, and digital infrastructure procurement and management
  - other procurement, and supply chain management
  - risk management and insurance
  - workforce development and management.
41. The Minister is required to consult with the WSEs, Regional Representative Groups, Taumata Arowai, the Commerce Commission and other interested parties.
42. The implications are that some of the economies of scale that would be lost with the shift to 10 WSEs may be able to be rescued through sharing services that are related to some technical and operational matters and will not substantially differ between WSEs.

### **WSE Mergers**

43. The Amendment Bill proposes providing for two or more WSEs to voluntarily merge. A decision on this is made by the respective Regional Representative Groups of the WSEs that want to merge. They must each consult with interested people within their service area.

44. The implications are clear of this. It is voluntary and would be a decision for the council and mana whenua representatives from each of the RRGs to decide if merge was appropriate.

## POTENTIAL SUBMISSION POINTS

45. Staff are still working to understand some of the implications of some of the clauses in the Bill. Staff will present at the Council hui with some recommended submission themes and points.

## FUNDING SUPPORT

46. In 2022, Government announced four parcels of funding to support the Reforms:

- **Better Off Funding**

To demonstrate Government confidence in the future for local government by providing additional funds to invest in community wellbeing. To be funded \$1b from Government and \$1B from the new WSEs. Tranche 1 funding of \$500m from Government was made available from July 2022. Tranche 2 funding of \$1.5b (from Government and WSEs) was to be available from July 2024 (the go live date).

- **No Worse Off Funding**

To ensure that no local authority is financially worse off as a direct result of the Reforms (eg to cover stranded costs for two years). To be funded by WSEs at the point of transfer (go live date) when the costs will manifest.

- **Transition Support Package**

To contribute to the costs that local authorities will incur as a result of the transition activities before the go live date (eg information gathering, compliance, participation in transition activities). To be funded by Government. Tranche 1 funding of \$43m was made available to local authorities 1 July 2022 – 30 Jun 2023. Tranche 2 funding of \$41m was to be available from 1 July 2023 – 30 June 2024.

- **Pukenga Wai Fund**

To support iwi Māori to participate in the Reforms and support mana whenua representation that will provide joint oversight of the WSEs once they have been established. To be funded by Government. Initial funding of \$18,000 per annum per eligible iwi entity (on application). Further support to be available as the Reforms progress.

47. As part of the reset, Government has cancelled Tranche 2 of Better Off Funding as this cost would have fallen on the new WSEs and would have made the initial financial position of the ten smaller WSEs less tenable.

48. Government is yet to announce Tranche 2 funding for Transition Support or Pukenga Wai. A decision from Cabinet is expected this month. The extended nature of the transition may mean a heavier reliance on these funds.

## ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** High Significance

**This Report:** High Significance

Inconsistency with Council's current strategy and policy

**Overall Process: High** Significance

**This Report: High** Significance

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

**Overall Process: High** Significance

**This Report: High** Significance

The effects on individuals or specific communities

**Overall Process: High** Significance

**This Report: High** Significance

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

**Overall Process: High** Significance

**This Report: High** Significance

49. This report is part of a process to arrive at a decision that will/may be of **High** level in accordance with the Council's Significance and Engagement Policy.
50. The Reforms entail the transitioning of the three waters people, assets, liabilities, and information of 67 territorial authorities to 10 regional water services entities. The changes have significant implications for communities and Council as an entity.

Some impacts on communities	Some impacts on Council
Change in degree of and processes for local voice on three waters decisions	Loss of economies of scope with removal of three waters
Change in delivery agency and billing for three waters services	Refocusing of Council activities towards core business excluding three waters
Change in charges to households and businesses for water services	Resourcing needs to engage as a smart client with WSEs and deliver on local voice
New regulatory regime and agencies and potential for confusion around roles	Potential staff attrition due to change and uncertainty

51. Communities will need some time to adjust to the new water services regime. Council will need to reconsider its role in light of the Reforms and changes being proposed to the resource management regime and the local government sector more generally.

## ENGAGEMENT - TŪTAKITANGA

52. The Reforms are being led by Government through the Department of Internal Affairs (DIA).
53. To date, the level of engagement with the community in general by DIA has been limited to pānui on the Three Waters website. The DIA employed establishment (transitional) Chief Executives for the four WSEs earlier in 2023 and a priority for them was to start conversations directly with communities. The reset has put this work on hold until the legislation has been enacted and the number and role of the establishment Chief Executives is clarified now that there are 10 WSEs.
54. Mana whenua are engaging directly with DIA on the policy aspects of the reforms and the transition matters that impact on them. They will voice their own perspectives on the Reforms.

**NEXT STEPS - NGĀ MAHI E WHAI AKE**

<b>Date</b>	<b>Action/Milestone</b>	<b>Comments</b>
Early July 2023	Submission on Amendment Bill due	
27 July 2023	Select Committee report due to the House	
31 August 2023	Amendment Bill passed	

**ATTACHMENTS - NGĀ TĀPIRITANGA**

Nil

## 11. Reports of the Chief Executive and Staff for INFORMATION



23-111

**Title:** 23-111 Chief Executive Activity Report June 2023  
**Section:** Chief Executive's Office  
**Prepared by:** Joy Benioni - Planning & Performance Advisor  
**Meeting Date:** Wednesday 28 June 2023

---

Legal: No

Financial: Yes

Significance: **Low**

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### Report to COUNCIL/TE KAUNIHERA for information

#### PURPOSE - TE TAKE

The purpose of this report is to provide elected members with an update on Council activities from 1 April to 31 May 2023.

#### SUMMARY - HE WHAKARĀPOPOTOTANGA

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

#### RECOMMENDATIONS - NGĀ TŪTOHUNGA

**That the Council/Te Kaunihera:**

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

*Authorised by:*

**Nedine Thatcher Swann - Chief Executive**

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**Keywords:** activity report, central government updates, local government and policy updates, climate change, policies, and bylaws, civil defence updates, local government elections, co-governance

#### ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - CE Report 28 June 2023 V 2 Docs Assembler [**23-111.1** - 40 pages]
2. Attachment 2 - Future For Local Government Final Report Foreword summary and recommendations [**23-111.2** - 11 pages]



# Te rīpoata a te tumu whakarae Chief executive's report June 2023







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# He kupu whakataki na te tumu whakarae Introduction from the chief executive

## **Tēnā koutou katoa,**

This report provides high-level updates on Council activities from April to May 2023 and provides elected members with an opportunity to discuss the progress.

We began our road to recovery on 14 March, and the effects of Cyclone Gabrielle continue to be felt by our communities. Civil Defence is working alongside Iwi and community partners, and central government agencies on recovery plans. Our Tairāwhiti Emergency Management Office (TEMO) continue to provide residual support for rural households still isolated and without road access.

A proposed reset of the Three Waters Reform programme was announced on 13 April 2023, with changes from four to ten Water Service entities and staggered establishment dates, aiming towards July 2026. To implement the proposed changes, a separate Water Services Amendment Bill will have its first reading in the House in June, with a short window for submissions from June to July.

On 20 April 2023, a workshop was held with councillors and staff on woody debris (including forestry slash) and sediment in Te Tairāwhiti. Staff are now drafting a Council position considering the outcomes of the workshop and the recent (May 2023) recommendations in the impact report.

Sadly, we saw an increase in staff abuse in the first three months of 2023, representing 39% of the total 12-month reports. This trend has worsened following the Cyclones we have faced this year. While we understand our communities are facing uncertainty and loss, the increase and level of abuse to staff is not acceptable. The number of events has not only increased, but the level of abuse has intensified requiring Police intervention. As a result, we have initiated regular meetings with Police to ensure the ability to share intelligence and trends. Online training has been deployed to all public-facing staff as part of an increased staff support program. A public media campaign is also in train.

Our focus is on our region's road to recovery, undertaking essential work to restore water supply, repair and reinstate our local roads and continuing to support our severely impacted communities across the region.

## **Ngā mihinui**

**Nedine Thatcher Swann**





# Ngā rangitaki kāwanatanga Central government updates

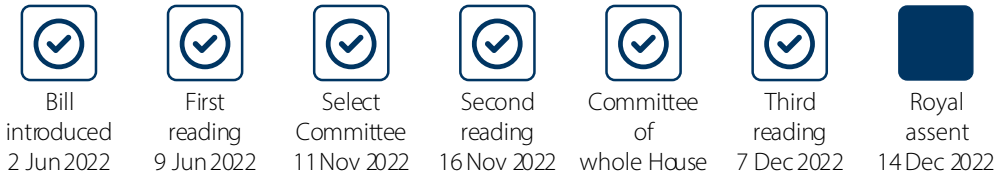
## THREE WATERS REFORM

In 2020, the Minister of Local Government announced plans to fundamentally change the way drinking water, wastewater and stormwater services are delivered in Aotearoa/New Zealand. To implement the proposed Three Waters Reform, Government has introduced three pieces of legislation that are at different stages of the process.

**The Water Services Entities Act** – The [Act](#) established Water Service Entities (WSE) and their governance and accountability arrangements.

### Status of the Bill:

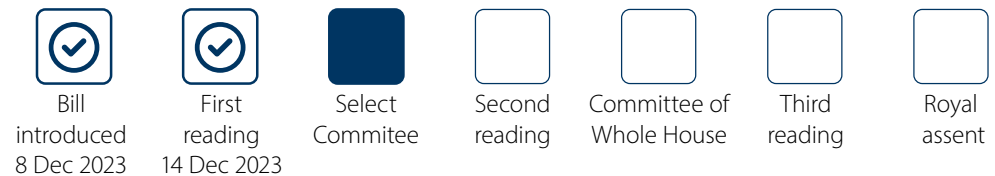
The Water Services Entities Act was enacted in December 2022.



**The Water Services Legislation Bill** – The [Bill](#) establishes the regulatory framework for water services and the functions, powers, and obligations of the WSEs and others.

### Status of the Bill:

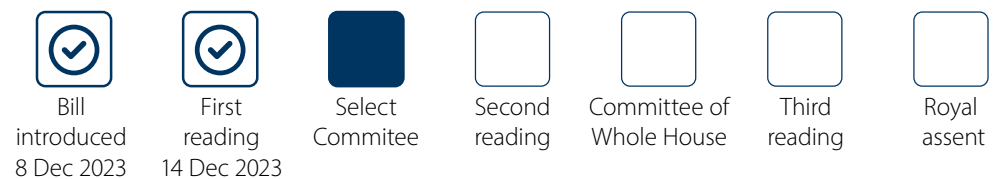
The Finance and Expenditure Select Committee will report back to the House of Representatives by 8 June 2023. The legislation is expected to be enacted before the House rises in August 2023.



**The Water Services Economic Efficiency and Consumer Protection Bill** – The [Bill](#) provides for the regulation of the price and quality of water services and introduces a consumer protection regime.

### Status of the Bill:

The Finance and Expenditure Select Committee will report back to the House of Representatives by 8 June 2023. The legislation is expected to be enacted before the House rises in August 2023.

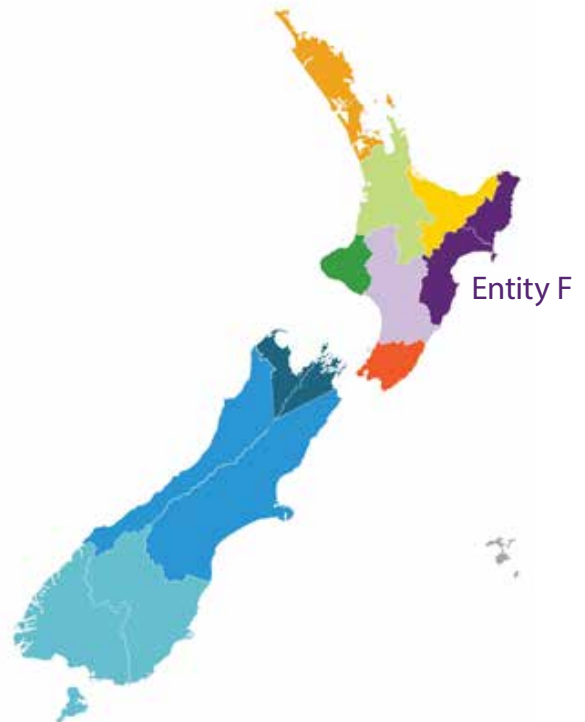




## Update

The Minister of Local Government announced a proposed reset of the Three Waters Reform programme on 13 April 2023. Key changes proposed are:

- A noted shift away from a centralised model with four Water Services Entities (WSEs) to a regionally led model with 10 WSEs. Te Tairāwhiti would be in Entity F along with Wairoa, Hastings, Napier and Central Hawkes Bay.
- Deferral of the establishment dates of the 10 WSEs until at least early 2025.
- Staggering of establishment dates for individual WSEs with a final hard establishment date of 1 July 2026 for all WSEs.
- Strengthening of local voice in WSEs with the inclusion of all territorial authorities within a WSE on the Regional Representative Group with 50% matching representation from mana whenua.
- To ensure that smaller WSEs are financially viable from establishment, the Government will not move forward with Tranche 2 of the Better Off Funding (\$21.62m for Te Tairāwhiti). The Tranche 1 funding (\$7.21m for Te Tairāwhiti) has already been committed and will continue to be available.



## What next?

To implement the proposed changes, a separate Water Services Amendment Bill (the Amendment Bill) will have its first reading in the House in June where it will be referred to Select Committee. There will be a short window for submissions (June – July) and the Bill will be enacted before the House rises at the end of August 2023. We are actively engaged in discussions with our Hawkes Bay neighbours to progress Entity F.

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## FUTURE FOR LOCAL GOVERNMENT REVIEW

The Review into the Future for Local Government is an opportunity to create a new system of local governance and democracy that will effectively respond to a changing New Zealand and create conditions for communities to thrive.

In 2021, the Minister of Local Government appointed an independent Panel to identify how our system of local democracy and governance needs to evolve over the next 30 years, to improve the wellbeing of communities and the environment, and actively embody the Treaty partnership.

In October 2022, the Panel published a draft of its final report [He mata whāriki, he matawhānui](#) with the key themes of:

- revitalising citizen-led democracy
- Tiriti-based partnership between Māori and local government
- allocating roles and functions in a way that enhances wellbeing
- local government as champion and activator of wellbeing
- a stronger relationship between central and local government
- equitable funding and finance.





### What next?

The Future for Local Government Panel released its report to the public on 21 June 2023. The summary recommendations are attached to this report. There are five key integrated areas the report highlights which are required to ensure local government is fit for purpose into the future. Namely:

- embedding local government's wellbeing purpose
- system renewal – Council led reorganisation 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, increasing 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 partner.

However, 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.

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### EMERGENCY MANAGEMENT 'TRIFECTA' PROGRAMME

The [Trifecta Programme](#) seeks to build a modern, inclusive, fit for purpose, and enduring framework for the emergency management system in Aotearoa/New Zealand.

The Trifecta Programme brings together:

- new emergency management legislation with clarity around powers and functions, new roles for iwi, and greater central government powers
- a review of the National Civil Defence Emergency Management Plan and accompanying guidance to clarify operations before, during and after an emergency
- a new roadmap for the National Disaster Resilience Strategy so it can be actioned.

### Updates

The emergency management framework in Aotearoa/New Zealand has been under review for several years. Successive Ministers have evolved the review programme.

The Government had indicated in late 2022 that it intended to introduce the legislation before the 2023 election. Recent emergency incidents have cast some uncertainty on this.

### What next?

It's unknown if the Bill will enter the house for its first reading before parliament rises at the end of August 2023. If it does, the submission period will likely be cut short or extend into the next parliamentary term.







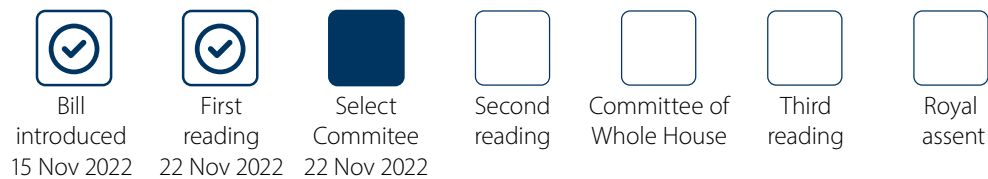
### RESOURCE MANAGEMENT REFORM

The Government plans to repeal the [Resource Management Act \(RMA\)](#) and enact three new pieces of legislation this parliamentary term with five objectives. The three proposed acts are in different stages of the process. The aim for them is to align and complete the Resource Management Reform.

**Spatial Planning Bill** - The [Bill](#) provides for the development and implementation of long-term, strategic spatial planning across New Zealand through the development of regional spatial strategies. An [interim report](#) from MfE has been provided to the Environment Committee and shared publicly.

#### Status of the Bill:

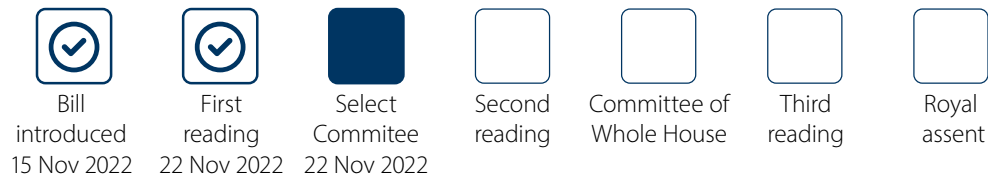
A report is due to be released by the Environment Select Committee on 27 June.



**Natural and Built Environment Bill** - The [Bill](#) repeals and replaces the RMA, working in tandem with the Spatial Planning Bill. An [interim report](#) from MfE has been provided to the Environment Committee and shared publicly.

#### Status of the Bill:

A report is due to be released by the Environment Select Committee on 27 June.



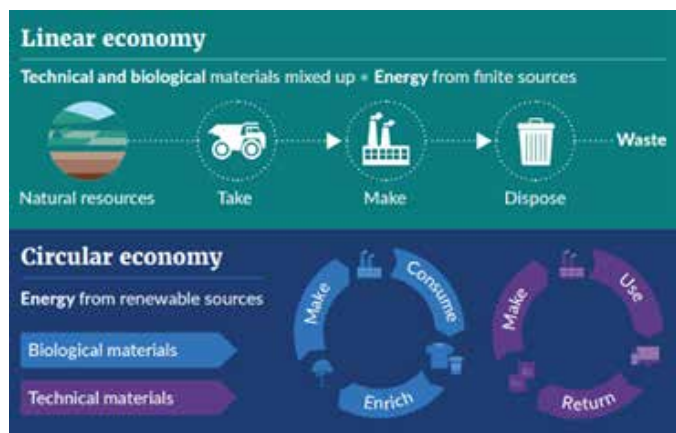
**Climate Adaptation Bill** - The Bill addresses complex issues associated with managed retreat funding and financing climate adaptation. The Climate Adaptation Bill is expected to be introduced in 2023.

**National Planning Framework** - The framework forms part of the new resource management system and will provide national direction on how decision-makers in the new resource management system give effect to the new legislation. The Ministry for the Environment has started discussions on what this framework may contain. The draft National Planning Framework is expected in the last quarter of 2023 (October-December 2023).

### WASTE LEGISLATION AND STRATEGY UNDER DEVELOPMENT

In 2021, the government consulted on a range of ideas for improving waste management across the country. The consultation document [Te kawē i te haepapa para \(Taking responsibility for our waste\)](#) was released, covering the proposed legislation and strategy. The first output from that consultation is [Te Rautaki para: National Waste Strategy](#) released on 29 March 2023.

The waste strategy contains high-level guidance to support the national transition to a low-waste, low-emissions, circular economy.





The strategy's vision states:

*By 2050, Aotearoa New Zealand is a low-emissions, low-waste society, built upon a circular economy. We cherish our inseparable connection with the natural environment and look after the planet's finite resources with care and responsibility.*

Implementation of the strategy is broken up into three phases.



### New Waste Legislation

The Government is proposing new and more comprehensive waste legislation to replace the Waste Minimisation Act 2008 and the Litter Act 1979. The legislation would support the implementation of the waste strategy and support the waste management components of the Emissions Reduction Plan.

The draft Bill, expected before parliament in late 2023 or early 2024 aims to:

- improve consistency in waste management
- strengthen the waste levy
- increase regulatory powers to control products and materials
- improve how the waste industry operates including a national licencing scheme for waste operators, electronic tracking system and national waste standards
- change how we all treat waste including who is responsible for waste at the different stages
- change how we monitor and enforce the Act, stricter record-keeping and reporting obligations, greater availability of waste, and resource recovery data coupled with civil and criminal enforcement tools.

Following this, there will be an opportunity for feedback during the select committee process. The aim is to have the legislation enacted in 2025. [Further information is available here.](#)

### OTHER NATIONAL DIRECTION INSTRUMENTS

This table provides a list of resource management matters the Government is developing a national direction on.

NATIONAL DIRECTION INSTRUMENT	LEAD AGENCY	COMMENT	STATUS
National Direction on industrial greenhouse gas emissions	Ministry for the Environment (MfE) and Ministry of Business, Innovation, and Employment (MBIE)	The proposals include banning new low and medium-temperature coal boilers, phasing out coal in existing sites by 2037 for low and medium-temperature process heat, and requiring some industrial sites to have emission reduction plans.	Drafting of the national direction is in progress. Final decisions will be made by Cabinet in the first half of 2023.





NATIONAL DIRECTION INSTRUMENT	LEAD AGENCY	COMMENT	STATUS
Proposed National Policy Statement for Indigenous Biodiversity (NPSIB)	MfE with support from the Department of Conservation (DoC)	The Government is proposing an NPS-IB. This builds on a draft created by the Biodiversity Collaborative Group	Cabinet is considering an updated version of the NPSIB. Gazettal of the final NPSIB is anticipated this year.
Freshwater Farm Plan regulations	MfE supported by MPI	Freshwater farm plans are one of the new rules and regulations announced in 2018 to stop further degradation of Aotearoa's freshwater resources and improve water quality.	Freshwater farm plan regulations are expected to be gazetted mid-2023. Te Tairāwhiti has been removed from the tranche 1 roll out.
National environmental standards for sources of human drinking water 2007 - amendments	MfE	Initial consultation in 2022. Proposals recently updated:  Retain Proposal 1: Map three categories of source water risk management area (SWRMA).  Amend Proposal 2: To retain the existing protections of the NES-DW and introduce controls for specific high-risk activities.  Remove Proposal 3: Extend the protections of the NES-DW to smaller registered drinking water supplies.	Work is now underway to draft these changes to the NES-DW. Timeframe to be confirmed.
Consenting improvements for renewable electricity generation and transmission  Changes to existing national direction and new National Environmental Standards for Renewable Electricity Generation	MBIE and MfE	A suite of changes proposed to: <ul style="list-style-type: none"> <li>• Provide more enabling policy direction for renewable electricity generation and electricity transmission projects to significantly increase generation output to support New Zealand's emissions reduction targets and renewable electricity goals.</li> <li>• Better manage competing interests with other RMA matters through nationally consistent consenting pathways.</li> <li>• Provide for Māori interests and incorporating the principles of te Tiriti o Waitangi.</li> <li>• Support small and community scale generation.</li> </ul>	Submissions closed on 1 June 2023. Changes to NPS proposed to be gazetted first (this year),  NES next year.





### National direction for plantation and exotic afforestation

The Ministry for Primary Industries (MPI) consulted on [Managing Exotic Afforestation Incentives](#) in April 2022, and consultation closed on 18 November 2022 for the discussion paper [National direction for plantation and exotic carbon afforestation](#) in October 2022. The discussion document consulted on four topics:

- Manage the environmental effects of all exotic carbon forests.
- Control the location of afforestation (plantation and exotic carbon) to manage social, cultural, and economic effects.
- Improve wildfire management in all plantation and exotic carbon forests.
- Address the most important findings of the Year One Review of the NES-PF (National Environmental Standards for Plantation Forestry) regulations.

In March, the Ministry for Primary Industries (MPI) and the Ministry for the Environment (MfE) held [three webinars](#) with key stakeholders, iwi/Māori, and other interested parties to discuss these proposals. Submissions opened on 14 March 2022 and closed on 22 April 2022.

Cabinet agreed to redesign the permanent forestry activity to better support the Government’s objectives for forestry. In the interim, permanent forestry will be available to all eligible post-1989 forest land from 1 January 2023.

Cabinet also agreed that further consideration of a long rotation option will be undertaken alongside work on the future design of permanent forestry in the ETS.


### SUPPORTING SUSTAINABLE FREEDOM CAMPING IN AOTEAROA

#### The Self-contained Motor Vehicles Legislation Bill

This [Bill](#) is to improve the management of vehicle-based freedom camping by creating a regulatory system to reduce the negative effects of freedom camping on communities and the environment. A full breakdown of the process to date and summaries of the Bill and regulations can be viewed [here](#).

#### Status of the Bill:

On 6 June, the Governor-General formally signed the Bill into law.

						
Bill introduced 25 Aug 2022	First reading 30 Aug 2022	Select Committee 30 Aug 2022	Second reading 2 May 2023	Committee of Whole House 16 May 2023	Third reading 30 May 2023	Royal assent 6 Jun 2023





# Ngā mahere kaunihera me ngā kaupapa rangitaki

## Council plans and policy updates

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### UPDATE ON TE WHĀNAU A KAI APPEAL ON PROPOSED REGIONAL FRESHWATER PLAN

The Court of Appeal application to appeal, made by Te Whānau a Kai against the High Court (HC) decision on the Regional Freshwater Plan was denied. Te Whānau a Kai has now sought an appeal through the Supreme Court.

The legislation states that the Supreme Court cannot hear appeals on refusals to hear appeals in the Court of Appeal. Te Whānau a Kai legal counsel argues that there are exceptional circumstances that justify the appeal going from the High Court to the Supreme Court.

Their submission for leave to appeal a high court decision and granting an extension of time to appeal has been submitted. Council has filed legal submissions in opposition.

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### CLIMATE CHANGE

#### National Equitable Transitions Strategy Consultation

Developing a National Equitable Transitions Strategy was identified in the [National Emissions Reduction Plan](#) as an important step to ensure an equitable process through which the country will transition to a low emissions future without significant adverse impacts on vulnerable groups.

The Ministry of Business, Innovation & Employment (MBIE) and Ministry for Social Development (MSD) carried out consultation in March 2023, including targeted hui with Tokomaru, Te Puia and Tolaga Bay communities. This feedback will inform the draft Equitable Transitions Strategy which will be published and available for feedback in June 2023.

#### He Pou a Rangi Climate Change Commission Consultation

On 26 April 2023, [He Pou a Rangi /Climate Change Commission](#) released their draft advice to the Minister for Climate Change on the second Emissions Reduction Plan. On 1 June, Sustainable Tairāwhiti received a report outlining the proposed key messages in Council's submission on the draft advice [Report 23-107](#). Staff will provide the final submission to He Pou a Rangi on 20 June 2023.

#### EECA Regional Energy Transition Accelerator

[The Energy Efficiency and Conservation Authority \(EECA\)](#) have kicked off the planning phase of the Regional Energy Transition Accelerator (RETA) programme for Te Tairāwhiti. The planning phase is largely a desktop exercise which will result in a report that will:

- provide process heat users with coordinated information specific to Te Tairāwhiti to make more informed decisions on fuel choice and timing
- improve fuel supplier confidence to invest on supply side infrastructure
- surface issues, opportunities and recommendations to decarbonise process heat in the region.





## National Natural Hazards Portal

[Toka Tū Ake EQC](#) is developing a national portal to provide information on natural hazard risks across Aotearoa New Zealand. The first phase of this work will be released 29 June and will provide maps and details of EQC residential claims (closed claims only) from 1997 to present. The portal will also provide links to natural hazard information on Council websites.

## Work Programme Updates

### TAIRĀWHITI CLIMATE CHANGE RISK ASSESSMENT (TCCRA)

The risk identification stage is complete, resulting in a long list of climate change risks for our region. Staff are currently scoping the next phase which is a detailed assessment of priority risk areas. This will ensure we have the right information to support adaptation planning and alignment with recovery.

### ORGANISATIONAL EMISSIONS REDUCTION PLAN (ERP)

Staff are assessing the scope and priority of the actions in the draft ERP considering Cyclone Gabrielle. Options for progressing this will be presented to Council for consideration in due course.

### REGIONAL DECARBONISATION ROADMAP ENGAGEMENT PROJECT

Engagement has been paused and the Regional Project Working Group (PWG) is assessing how to support a decarbonisation lens as part of recovery planning considering Cyclone Gabrielle.

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## DRAFT DOG CONTROL POLICY AND BYLAW 2023

The [Dog Control Policy and Bylaw 2023 draft](#) was adopted for consultation at the 15 December 2022 Council meeting. Consultation took place from 25 January to 16 March.

### Update

The Bylaw Hearings Panel received 300 written submissions on 26 April 2023.

### What next?

The Bylaw Hearings Panel deliberated on the draft Policy and Bylaw on 23 May and will provide a report to Council to approve a revised draft Policy and Bylaw.

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## DRAFT KEEPING OF ANIMALS BYLAW 2023

The [Keeping of Animals Bylaw 2023 draft](#) was adopted for consultation at the 15 December 2022 Council meeting. Consultation took place from 25 January to 16 March.

### Update

The Bylaw Submissions Panel received 37 submissions on 26 April 2023.

### What next?

The Bylaw Submissions Panel deliberated on the draft Bylaw on 23 May and will provide a report to Council to approve a revised draft Bylaw.







## REGIONAL SPEED MANAGEMENT PLAN

Changes to the speed limit bylaw aligns Council with the [Road to Zero](#) strategy that has set targets for all councils, that 40% of schools are to have Safe and Appropriate Speeds (SAAS) in place by 2024.

### ISMP (Interim Speed Management Plan)

The [Updated Tairāwhiti Speed Limits Bylaw 2013](#) approved by Council in August last year has been submitted to Waka Kotahi for certification as the [Interim Speed Management Plan](#) (ISMP) for local roads in our district.

#### UPDATE

Waka Kotahi has certified Council's ISMP. Ten sites are in the detailed design stage, with implementation expected over the next few months. The remaining sites covered in the ISMP have been assessed for readiness to roll out or if further work is required through the full speed management plan process to implement.

#### WHAT NEXT?

- The Director of Land Transport has set the following deadlines for Road Controlling Authorities (RCA) to consult on and submit their full speed management plans with advice on how to apply for extensions for those RCAs who need it.
- Council staff are requesting extensions to the default deadlines for the full speed management plan by 18 months to allow for better consultation outcomes.

DEFAULT DEADLINES		DEADLINE DESCRIPTIONS
Deadline 1	5 October 2023	The final date for the publication of any consultation draft speed management plan.
Deadline 2	29 March 2024	The final date for submitting the final draft speed management plan for certification.

### State Highway Interim Speed Management

The State Highway Interim Speed Management Plan has been out for consultation and council staff have submitted on this to assist in aligning ISMPs for state highways and local roads. Once certified the interim plan for State Highways includes timeframes for speed limit implementation between 2023 - 2027.

#### WHAT NEXT?

The draft Interim State Highway Speed Management Plan (ISHSMP) has been submitted and is expected to be certified in June/July 2023. The draft plan includes lowering speeds around 5 rural schools and a marae in our region. View [the ISHSMP consultation draft](#).





# Ngā pūrongo whakamaru tūmatanui Civil defence updates

## TROPICAL CYCLONE GABRIELLE UPDATE

Residual welfare support continues for small pockets of isolated rural households that have yet to have road access restored. The Tairāwhiti Emergency Management Office (TEMO) operations and logistics have been supporting these households since the impact of the cyclone and this will continue until access has been restored.

## COMMUNITY SAND BAGGING PROJECT 12-13 MAY

A joint activity was conducted with the Rapid Relief Team (RRT) utilising their specialised sandbagging machine. The RRT has a Memorandum of Understanding (MOU) with CDEM Groups who can request the machine when there is a requirement to bulk produce sandbags. The machine was brought into Te Tairāwhiti to support a community focussed event that provided 6000 pre-package sandbags for deployment into communities across the region.

A community open day was conducted on Saturday 13 May with over 100 vehicles picking up 3000 sandbags. There were several people who came through that had been affected by recent flood events.



## EMERGENCY SERVICES ROADSHOW

The roadshow will be public events however, they are targeted at training the community links and civil defence volunteers. The activity will consist of various stands that people will rotate through supported by emergency services. The round robin activities will cover the first half of the day focussed on equipment and skills training. The second half of the day will be a CIMS exercise scenario to familiarise people with setting up response structures and processes.

EVENT	LOCATION	DATE
01	Tokomaru Akau – Hatea-a-Rangi Memorial Park	Sun 28 May 2023
02	Te Araroa – Location TBC	Fri 02 June 2023
03	Ūawa – Tolaga Bay Area School	Sun 11 June 2023
04	Manutuke – Whakatō Marae (Whanāu Day)	Sat 17 June 2023
05	Gisborne City – GDC	Sat 24 June 2023





# Whakawhanaungatanga Relationships

## CO-GOVERNANCE WITH TANGATA WHENUA

The Co-governance Steering Group is the result of a recommendation at a hui between Council and iwi leadership on 10 May 2022. The Steering Group will design the settings and processes for the establishment of an Iwi/Council co-governance forum.

A co-governance model post-Resource Management Reform will be a primary focus of this group. The early thinking is to use the Tairāwhiti Resource Management Plan (TRMP) Review as a testing ground for the relationship, and what co-governance on shared priorities looks like in action.

The Steering Group consists of four Council staff (Nedine Thatcher Swann, Joanna Noble, Gene Takurua and Te Rina Whaanga) and four iwi representatives (Douglas Jones, Meikura Williams, Tina Porou and Amohaere Houkamou who are coordinating on behalf of Toitū Tairāwhiti). Rongowhakaata Iwi Trust is yet to send a representative.

### What next?

A relational foundation needs to be re-established at a governance level before this conversation can commence again. The Resource management reform discussion looks to be the most likely avenue for that to occur.

## POTENTIAL JOINT MANAGEMENT AGREEMENT/MOU WITH NGĀ HAPŪ O TOKOMARU ĀKAU

Ngā Hapū o Tokomaru Ākau (NHOTA) claims that land/whenua taken under the Public Works Act for Harbour Board purposes be returned to its rightful successors as its no longer used for the purposes in which it was taken. Council made an in-principal decision to return the land/whenua to its rightful successors. The rightful successors still need to be established.

NHOTA's counterclaim in the high court against Te Whānau a Ruataupare about mandate over the marine and coastal area of Tokomaru resulted in a hearing in September 2022 to hear the claims of both groups. The parties are looking to engage in a mediation/hohou to rongo process to restore the relationship between the applicants and provide a platform for the parties to discuss boundary/customary marine title issues at a later point.

### Update

The Court has directed that a series of mediation hui be held between the hapū groups in Tokomaru. An expected outcome of this mediation is clarity on who the mandated hapū group is responsible for representing the interests of Tokomaru Bay in this kaupapa. Council will await the outcome of mediation before progressing this any further.

## TE KĀHUI PATU KAIKIRI | ANTI RACISM WORKING GROUP

In August 2020, Council committed to an anti-racism journey and established the first ever anti-racism group – Te Kāhui Patu Kaikiri, meaning the collective/group striking out racism. The objective of the group is to work towards ending racial discrimination in Local Government in Te Tairāwhiti.

Tina Ngata and Council staff met in February and agreed that Te Kahui Patu Kaikiri roopu will act as an advisory roopu and the work programme will be informed from the audit results:

- training and/or induction for new staff built on the learnings from the audit
- policy overlays and changes
- racial disparity in Te Tairāwhiti and the impacts.





Pre-Cyclone Gabrielle, Council approached an alternative provider to conduct an audit of our policies as the previous providers were unable to deliver. Once a provider has been secured a completion date for the audit will be confirmed.

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### WAIAPU KŌKĀ HŪHUA/RESTORING THE WAIAPU CATCHMENT

The Waiapu Kōkā Hūhua is a 100-year restoration programme in the Waiapu catchment with the vision of 'Ko te mana ko te hauora o te whenua; ko te hauora o ngā awa; ko te hauora o te iwi - Healthy land, healthy rivers, healthy people.' The Waiapu catchment has the highest suspended sediment yield of any river in Aotearoa and one of the highest in the world.

In 2013 a partnership of Te Rūnanganui o Ngāti Porou, the Ministry of Primary Industries (MPI) and Council signed a memorandum of understanding, committing to working collaboratively with landowners to treat erosion, stop greater physical damage to the catchment, and bring social and economic gains to iwi and landowners.

A Joint Governance Group (JGG) made up of TRONPnui appointing two people, Council and MPI appointing one each, oversees the programme of improvements.

#### Update

Meetings between the partners have been sporadic, based on need, the progress of each respective programme of work, and the availability of people to attend hui. More recently there has been a hiatus of meetings for both programmes as parties to each agreement deal with scoping issues, capacity constraints, Local Body Elections, COVID-19 and weather events. For a detailed update see [Report 23-129](#) presented at the Sustainable Tairāwhiti meeting on 1 June 2023.

#### What next?

Staff will aim to reconvene the Joint Governance Group and Joint Management Agreement Forum hui from June-July 2023.

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### JOINT MANAGEMENT AGREEMENT FORUM (JMAF)

The [Joint Management Agreement \(JMA\) over the Waiapu Catchment](#), enables Council and Te Rūnanganui o Ngāti Porou to jointly carry out the functions and duties under S36B of the Resource Management Act (RMA) and other legislation relating to all land and water resources within or affecting the Waiapu Catchment. It builds on the work of the existing Waiapu Kōkā Hūhua partnership between the Council, Te Rūnanganui o Ngāti Porou and the Ministry of Primary Industries to restore the Waiapu Catchment.

#### Waiapu Catchment Plan

A [Plan](#) is being developed to provide a long-term vision of how to manage freshwater and other natural resources. The project team (consisting of Ngāti Porou and Council representatives) aims to meet regularly to discuss and work through technical aspects of the catchment plan.

#### UPDATE

The project team are working through sections of the Waiapu Catchment Plan. A recent focus has been on gravel management. Engagement with consent holders in April to discuss issues around consenting and gravel extraction. Gravel sizing fieldwork was undertaken in May.

#### WHAT NEXT?

- The project team will look to reconvene the JMAF from June-July 2023.
- The team will look to complete a draft Waiapu Catchment Plan by the end of 2023.





# Ngā whakahaere mahi

## General management

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### PERSONNEL MANAGEMENT

People & Capability ensures recruitment, retention and the development of Council teams. They ensure staff are equipped and supported in their roles to connect with the customers and the skills needed to deliver for the community.

#### Focus areas

- Recruitment and retention continue to be a focus alongside a review of our systems and processes.
- Staff wellbeing and putting in place support initiatives.

#### Updates

- We are undertaking a review of policies to ensure they continue to be fit for purpose.
- Union bargaining is underway with the Public Service Association (PSA) for Collective Agreement negotiations.

#### What next?

- Configuration is nearly complete on our newly introduced human resource and payroll system (TechOne), which will improve efficiencies and provide a better employee experience.

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### HEALTH AND SAFETY

We are constantly looking at ways to improve our performance in this area. We're developing best practice standards to guide our organisation as it embraces the requirements of the [Health and Safety at Work Act \(HSWA\)](#). This is not just about compliance; it's about getting people home healthy and safe. View our current [Health, Safety and Wellbeing policy](#).

For this period, we saw an increase in staff abuse in the first three months of 2023, representing 39% of the total 12-month reports. This trend has worsened following the Cyclones we have faced this year. While we understand our communities are facing uncertainty and loss, the increase and level of abuse to staff is not acceptable. The number of events has not only increased, but the level of abuse has intensified requiring Police intervention. As a result, we have initiated regular meetings with Police to ensure the ability to share intelligence and trends. Online training has been deployed to all public-facing staff as part of an increased staff support program. A public media campaign is also in train.

#### Focus areas

- Continued emphasis on contractor management across Council, including audits at Kiwa Pools, Water Treatment Plant upgrade, and across higher risk roading projects. Post-Gabrielle Contractors have been working long hours and the risk of fatigue needs to be robustly managed.
- Driving and vehicle risks compounded by Cyclone Gabrielle, particularly roading conditions north of Tolaga Bay for GDC teams and contractors alike.
- WorkSafe's facilitation wānanga 'Te Kawa a Tane' continues reviewing a coordinated approach to Kaimahi Health and Safety.
- Staff's wellbeing impacted following Cyclone Gabrielle supported with several initiatives deployed.







### Updates

- Online training has been deployed to all public facing staff as part of an increased staff support program.
- Initiated regular meetings with Police to increase ability to share intel and trends and improve our overall communication.
- Over 108 staff took advantage of this year's influenza vaccinations.
- Actively looking to recruit a replacement Health & Safety Advisor with strengths in supporting staff wellbeing.

INCIDENT TYPE	INCIDENT DESCRIPTION	MAY 2023 EVENTS*	ROLLING 12 MONTHS
<b>Near miss</b>	An event or incident that someone has been exposed to that could have caused injury.	2 x major 1 x moderate	<b>36</b>
<b>Injury</b>	Someone has been physically hurt and reported.	3 x moderate 2 x minor	<b>50</b>
<b>Incident</b>	An event or incident that has caused damage to equipment, property, or environment and includes threats and abuse to staff members.	2 x major 4 x moderate 3 x minor	<b>118</b>
<b>Notifiable event</b>	Any of the following events that arise from work: death, notifiable illness or injury, or notifiable incident that trigger requirements to preserve the site and notify WorkSafe NZ.	4 x major (all contractors)	<b>4</b>
<b>Illness</b>	Someone has seen or been involved in an event or exposed to a situation that has resulted in someone becoming ill or unwell, e.g., lung disease, asbestosis, legionnaires disease; this is from workplace exposure and doesn't include common illness such as personal illness, cold and flu.	Nil	<b>2</b>







## FINANCIAL REPORTING

At the time of preparing this report the financial results for May 2023 were not finalised and available to be reported upon. April 2023 (YTD) results were reported to Finance and Performance Committee on 7 June 2023 [[Report 23-127](#)].

While the May 2023 YTD results are unavailable at the time of this report preparation, the financial performance is tracking along similar trends of April 2023 YTD results.

May YTD results with high level forecast for the full year results will be presented to Finance and Performance Committee 1 August 2023.

The summary below is for 30 April 2023, as taken from [[Report 23-127](#)].

For the ten months ending 30 April 2023, Council has a net surplus of \$27.1m, lower by \$6.5m than was expected in the YTD Annual Plan.

The main drivers for the lower-than-expected net surplus is the local share of the roading reinstatement costs for the adverse weather events occurring from 2020 to 2022. The funding assistance rate from Waka Kotahi ranges from 67% to 87%, where the remaining shortfall is left to Council to fund. This equates to an unbudgeted shortfall of \$2.6m. [[Report 23-31](#)] to Finance and Performance Committee on 2 March 2023 outlined recommendations on how the unbudgeted local share for these events (from 2020 to 2022) would be paid for, including the use of Special FAR reserve (\$1.7m).

The remainder of the lower-than-expected net surplus has been driven by the timing of receiving capital grants. The receiving of capital grants is dependent on when projects will be completed. Initially, several projects were planned to be completed by 30 June 2023, but they will now be completed in 2023/24. These projects are mostly roading projects (renewals and East Cape Road), equating to around a \$3.5m lower surplus. Both the grants and expenditure will transfer to next year, with no adverse financial impacts to Council.

The East Cape Provincial Growth Fund (PGF) project is expected to be completed in 2023/24 after delays caused by the two cyclones at the beginning of 2023. The programme of work is still on track with the overall 3-5 years PGF approved programme.

A summary of the main financial indicators for April 2023 Year to date are:

- **YTD total revenue** \$166m, favourably \$34m above the Annual Plan. The higher than expected revenue is mostly to Waka Kotahi operational grants for emergency works on roads. The higher revenue from operational grants offsets the lower than expected capital grants. As noted above, capital grants are usually received as we complete capital works.
- **The YTD total expenditure** is \$139m, \$40.3m unfavourably above the Annual Plan. Expenditure on 'Operating Activities' is \$40m above the Annual Plan due to roading emergency works. A total of \$39.3m of roading emergency works has been completed YTD, with \$23.5m being spent on fixing damage from Cyclones Gabrielle and Hale. The remainder of emergency works were for adverse weather events that occurred over 2020 to 2022.





# Ngā mahi arotahinga

## Focus projects

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### WOODY DEBRIS ON BEACHES

In 2022 Council began work to develop a Council position on managing woody debris on beaches including how beach clean-ups would be paid for. This project commenced prior to Cyclones Hale and Gabrielle.

A workshop was held with councillors on 20 April 2023 to discuss the principles to be applied to the Council position, and potential criteria and levels of clean-up to be applied to beach cleanups.

Staff are drafting a Council position considering the outcomes of that workshop (May 2023).

#### What next?

- Council staff are drafting the Council position and developing an engagement plan to support the testing of it.
- Council has issued a [public notice](#) seeking an expression of interest closing on 9 June, from potential local suppliers that have the capacity, equipment, and competent personnel to extract Large Woody Debris (LWD) from waterways and beaches throughout Te Tairāwhiti.

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### RESOURCE RECOVERY CENTRE

The [Feasibility Study](#) has been completed as part of our investigation into the development of a Community Resource Recovery Centre for Te Tairāwhiti. Many centres operate across the country and have multiple benefits including:

- extending the life of landfills
- reducing the amount of waste being transported from one region to another, which comes at a cost to ratepayers
- education, training, and employment opportunities.

#### Update

The findings of this study were presented to Council and the decision was made to progress this further and investigate the potential funding options as funding is critical to the success of a resource recovery centre.

#### What next?

Further investigation of the proposed sites is required, and we will work in with iwi and hapu, community and community groups.

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### PEEL STREET TRAFFIC LIGHTS

The traffic lights at the intersection of Peel Street and Gladstone Road are now working. A temporary roundabout has been at the intersection since 19 February, after water made its way into the underground cabling and control box causing it to short-circuit. Work cost around \$40,000, with specialist traffic light company, TSL Group, working alongside Currie Construction and Electrinet to get the project completed.





### PEEL STREET TOILETS

The Peel Street toilet's internal electrical, plumbing and earthquake strengthening work is underway. The refit of the rest of the building will require external funding which will be worked on in the long term. Once the work underway is completed, one toilet will be available at the Peel Street location.



### COMMUNITY FACILITIES

#### Tairāwhiti Sports Facilities Business Case

Council has combined its aspirations with Trust Tairāwhiti and Sport Gisborne Tairāwhiti to develop the [Tairāwhiti Sports Facilities Business Case](#).

This serves as a master plan and investment proposal to source capital funding for the sport and recreation facilities projects required throughout the region. This business case has been submitted to central government seeking an investment of around \$90m and local ministers Kiri Allan and Meka Whaitiri have advocated on Councils behalf.





To start delivery of the major projects, the Tairāwhiti Sport & Recreation Facilities Programme has been instigated. The programme intends to optimise the use of internal resources and coordinate external resources to see the identified projects through to delivery.

The need for a regional level indoor recreation centre has been identified in the business case and, it's a priority to get this project initiated and planned (shovel ready) as one of the first major projects in this programme of work.

### Early Wins

The Business Case has unlocked a \$15m funding envelope from Trust Tairāwhiti to fund the most critical investments 'early wins' in the region. Most of these projects are community-led and not internally project managed by Council however, the Community Facilities Partnerships Advisor plays a key role in brokering relationships to deliver these projects.

### UPDATES

- The construction of storage facilities at ANZAC Park for river codes/clubs is being reconsidered due to Cyclone Gabrielle, which caused significant damage to the reserve. The project must focus on protecting waka and consider the impact of severe weather events. The onshore facilities will need to be designed to be more resilient and adaptable to future environmental challenges. This project is being led by Marie Kura Waka Ama Club and planning discussions are underway with the support of Sport Gisborne-Tairāwhiti, Trust Tairāwhiti and GDC staff.
- A project to install heating systems and covers for multiple school pools along the East Coast is in the early stages of initiation. The primary goal of this project is to enhance the benefits of increased participation in aquatics.
- The Victoria Sports & Recreation Hub entity is driving the planning around the court redevelopment project to bring the courts up to a safe standard and to allow for multi-purpose use.

### WHAT NEXT?

- Initiate pre-construction planning for a regional indoor recreation centre and engage consultants to deliver this work.
- Continue supporting the early wins project to an investment ready state.

### POOL REDEVELOPMENT

We're building a pool that's fit for purpose for our community, now and for the future. [Kiwa Pools](#) will be a modern, year-round, temperature-controlled aquatic centre the whole community can enjoy. Ngāi Tāwhiri hapū (NTH) has partnered with Apollo and Council to co-design the facility and provide cultural guidance, paying careful attention to the relationship between the building, the land, and the people of Te Tairāwhiti.





## Project Status

A revised completion date is yet to be confirmed. The flow-on effect of Cyclone Gabrielle, particularly the need to adjust the work programmes to align with the limited access by key out of town contractors, has further impacted the construction programme.

## Updates

Several significant milestones have now been reached. These include:

- completion of backfilling with pea gravel around all the pools
- completion of the installation of the Asona acoustic panels (ceiling)
- removal of the birdcage scaffolding within the main pool hall
- concrete poured for the pool deck/concourse around the leisure and learn-to-swim pools
- installation of the solar panels is now largely complete
- lining of the Pawaha entry is underway
- installation of the glazing for the front face of the building will commence shortly.

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## TOWNSHIP UPGRADES

Council works in partnership with our whānau and communities to understand their aspirations and prioritise those within the allocated budget. Township Upgrades has a budget of \$700,000 annually to complete two rural township upgrades. One north of Gisborne and one either south or west of Gisborne. Following the severe weather events, engagement has been completed over the past two months with Tikitiki, Ruatoria, Te Puia Springs/Waipiro Bay, Te Karaka, Muriwai and Mātāwai.

### Ruatoria

The Ruatoria upgrade implementation has been postponed until Spring 2023. The aim (weather and supply availability dependent) is to complete this upgrade by mid-December 2023. The concept plan has been updated to improve the flow through the playground and has been endorsed by the Ruatoria Community Champion.

### Tikitiki

The Tikitiki Returned Services Association (RSA) upgrade was completed thanks to a dedicated local business. This included the replacement of rotten weatherboards, windows and beams for the porch on the front of the building. Gates were installed with RSA steel motifs. The reveal of the RSA upgrade occurred on ANZAC Day 2023.

Concrete paths into the playground are the last pieces of work to be completed in Tikitiki. This piece of work was not on the initial plan but, due to an underspend in budget; this inclusion was agreed as necessary by all parties.

### Te Puia Springs/Waipiro Bay

A Community Group has been identified to engage with the Te Puia Springs/Waipiro Bay communities to review their historical plan. There is likely to be a change of focus as the need for a community facility needed to support Civil Defence and Covid-19 welfare responses. The community group has committed to completing engagement by end of August 2023 to enable the Township Planning Team to commence concept designs, secure local contractors and order items. The team aims to complete this/these upgrades prior to 30 June 2024.

### Mātāwai

A concept plan has been drafted and will be presented to the community during the week of 19 June 2023. This upgrade is planned for completion, by December 2023







### Te Karaka

Tu Ake Te Karaka community group have confirmed that they would like to review the previous Township Plan and seek feedback from the community on their aspirations. Tu Ake Te Karaka will be contracted to engage with the community. Engagement is expected to be completed by the end of August 2023 to enable the team to commence planning for the upgrade. The goal is to complete this upgrade by June 2024.

### Muriwai

The last piece of work to complete the Muriwai Upgrade is to install a footpath to enable children to walk to school from the village. Specifications are being drafted and it is the intent of the Township Planning team to identify and contract a local contractor to undertake this piece of work. Spring 2023 is identified as the best time to start and complete the installation of the footpath.

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### PĀNUKU TŪ/TĪTIRANGI SUMMIT

Council in partnership with Ngāti Oneone proposes to redevelop the Tītirangi summit and build a public space for cultural and educational activities. The multi-purpose community facility [Te Panuku Tū Whare](#) will offer spaces for the display of taonga, a night sky viewing platform, exhibition spaces, and facility conveniences - cafe, water fountains, and toilets. [Resource consent](#) for the Te Pānuku Tū project was submitted late in 2021. The resource consent has been fully notified and [submissions](#) have been received.



### Project status

A timeframe is yet to be determined.

### What next?

The Resource consent application is on hold until we have:

- Provided further information required
- Undertaken discussion with submitters on their submissions. This process has taken some time however, we're hopeful to progress the resource consent in 2023.







## TAIRĀWHITI RESOURCE MANAGEMENT PLAN

Council is developing a new [Te Papa Tipu Taunaki o Te Tairāwhiti/Tairāwhiti Resource Management Plan](#) (TRMP) that considers the region's development, population growth and changing community expectations for management of the natural and built environment.

A full review of the TRMP is an organisational priority. We're in Phase 1 - covering years one to four. Consultation and engagement are first and foremost top of mind across the three main workstreams in 2023, with public notification of proposed changes planned for 2024.

A detailed update on each workstream can be found in the most recent Information [Report 23-91](#) to the Sustainable Tairāwhiti meeting on 1 June 2023. Below is a summary of the three main workstreams and our focus for 2023/24:

### Regional Policy Statement (RPS)

The RPS workstream covers the development of a new RPS, which provides an overview of the significant resource management issues of the region, and policies and methods to achieve integrated management of the natural and physical resources of the region.

#### 2023/2024 FOCUS

- A draft RPS is being prepared and is due for completion end of 2023. The draft RPS will be released with summaries of the issues and options documents for feedback.
- Supporting iwi technicians to progress the resource management issues and opportunities of significance to iwi authorities. Once these have been drafted, they will be included and threaded throughout the RPS, and other workstreams.
- Commissioned technical reports to support drafting the RPS.
- Formal notification of proposed RPS is on track for July 2024.

Iwi authorities are defined in the RMA as 'the authority which represents an iwi and which is recognised by that iwi as having authority to do so.'

### Urban Growth and Development (UDG)

This workstream involves a full review of all urban zones – including all the residential, commercial, and industrial zones in the Gisborne urban area and rural settlements and zoning for the periphery of these areas. The focus in the UGD workstream continues to be on the development of a Future Development Strategy (FDS) for Te Tairāwhiti. The FDS will assist in guiding future development and is key to achieving the desired outcomes to realise our aspirations for the rohe, with ensuring Te Oranga o Te Taiao is held to high regard.

#### 2023/2024 FOCUS

- Finalising the FDS, which is a key project to inform the review of the urban-related chapters of the new TRMP. A workshop was held on 1 June 2023 with councillors to present a preferred growth scenario. The planned approval for a draft FDS is August/September 2023.
- The Intensification Strategy, with methods to implement, is planned for adoption at the end of 2023.

### Freshwater workstream

The seven different catchment plans in the Freshwater planning space are in various phases of completion, with procurement started to undertake a legal review of the Mōtū Catchment Plan.

#### 2023/2024 FOCUS

- Establish Freshwater Advisory Groups for the Regional Freshwater Plan and Waipaoa Catchment Plan.
- Progress the Ūawa, Southern and Northern catchment plans.
- Continue with technical research to strengthen the evidence base for freshwater planning.





### **Post Cyclone Hale and Gabrielle considerations for the three TRMP workstreams**

- We have delayed formal engagement and consultation until August 2023, to be considerate of what our community is going through after the two cyclones.
- Key deliverable dates were reassessed and each workstream adjusted to take into consideration the two months effectively lost in the aftermath of the cyclones.

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### **ENVIRONMENTAL SCIENCE UPDATE**

The Environmental Science and Environmental Monitoring teams continue to progress the science programme, with a particular focus on freshwater and providing evidence for the Tairāwhiti Resource Management Plan (TRMP) review.

The Environmental Monitoring team carries out monitoring of the environment as required by Government regulations and for Council and civil defence business needs.

#### **Bathing waters**

The Environmental Monitoring team undertook 813 samples of bathing waters across the bathing water season (November to April). 60 samples were not able to be completed due to the impacts of Cyclone Gabrielle. Of the samples carried out, 17% exceeded the nationally agreed threshold for action. Should these sites exceed the action threshold next bathing water season, further investigations will be undertaken. Bathing water results are shared with the public through [LAWA](#).

#### **East Coast groundwater monitoring bore drilling**

Ten potential sites have been identified for drilling groundwater monitoring bores across the Tikitiki, Ruatoria, Te Araroa and Hicks Bay catchments. The bores will enable scientific analysis of the quantity and quality of groundwater in these catchments. Iwi and community engagement started in January and February 2023. This was paused due to the impact of Cyclone Gabrielle. This engagement re-started in May 2023. Bores are planned to be drilled in summer 2023/24.

#### **Aqua Intel Aotearoa**

Council staff are providing support to [Aqua Intel Aotearoa](#)'s programme to investigate freshwater availability using groundwater and surface water surveys. The drilling of four exploratory groundwater bores will be planned alongside Council's groundwater bore drilling programme to ensure a coordinated approach. Mapping groundwater aquifers from helicopters will be carried out in Hicks Bay, Te Araroa, Waiapu, Tolaga Bay, and Poverty Bay Flats. This was planned for February and March 2023 and has been paused until summer 2023/2024 due to the impact of Cyclone Gabrielle. Engagement will start again in June 2023. More information is available on the [AIA website](#).

#### **Soil monitoring**

Council is in the second year of a five-year programme to sample and analyse soil across the region. In total, 150 sites will be sampled to build a picture of the types and health of our region's soil. Sampling took place between October and December 2022. Thirty sites across the region were sampled and are currently being analysed. As part of the response to Cyclone Gabrielle, 55 sediment samples were collected from 39 locations impacted with sediment. This has been funded by central government. The sampling results will provide information of the composition of the sediment and will help with decisions on whether the sediment can be utilised on the land or needs to be disposed of.





## TŪRANGANUI ESTUARY RESTORATION PROJECT

This is a four-year project aiming to restore the Mauri and Ora of the Tūranganui Estuary, including the Taruheru, Waikanae, and Waimatā waterways. By the end of June 2026, around 170,000 native plants will be used in wetland and riparian planting to stabilise wetlands and absorb stormwater contaminants before they get to the Taruheru, Waikanae and Waimatā waterways.

### Update

Significant programme level progress was made in the last quarter including the completion of recruiting the final position to the kaimahi team (now known as Haumanu Tū Ora). The team now has four FTEs. The team has settled in well to their roles and continue to undertake a training and development programme.

### Impacts from Cyclone Gabrielle

The project team is still experiencing the impacts of cyclone Hale and subsequent heavy rain/flooding events on both previously planted sites and those identified for the 2023 planting season. This impact is in specific regards to site inundation, siltation and plant loss, significant erosion, reprioritisation of resources and staff within GDC and amongst our project partners. We are still confident that we will achieve programme objectives and milestones, however this may require some relocation of milestones with the lifetime of the programme.

### What next?

- Final confirmation of sites to be planted in 2023. This will be followed by site preparation and the planting of these sites. Sufficient plants have been sourced for this. Any remaining plants will be kept for future planting.
- Development of planting plans for rest of programme.
- Tendering for consultants to undertake feasibility study of proposed constructed wetlands.
- Programme level weed control strategy under development





# Te rerenga rauropi Biodiversity

## WAINGAKE TRANSFORMATION PROGRAMME

The [Waingake transformation programme](#) aims to create a vital native forest, transitioning 1,400ha of pine plantation to an indigenous forest at Waingake and Pamoā. There is a Memorandum of Understanding (MoU) and Joint Steering Group (JSG) between Council and mana whenua, Maraetaha Incorporation supported by Ngai Tāmanuhiri. Through our valued partnership with mana whenua, we're creating meaningful employment and training opportunities for local people and restoring native biodiversity.

### Updates

- Completion of delayed ungulate control, with 133 goats, 18 deer and 11 pigs culled.
- Pre-plant spot spraying is due for completion in early June (weather permitting).
- Ongoing focus on control of pest plants, particularly within cutover areas where species such as Pampas are becoming more evident.
- Large-scale possum toxin operation within the Waingake Waterworks QEII Bush underway during May and June.

### Considerations

There is a reduced number of manuka plants available for planting, due to weather impacts on nurseries. Planting plans have been revised accordingly.

### What next?

- Planting is on track for completion between June and August 2023 and will include the installation of 1000 poplar and willow poles to support land stability in at risk areas.
- The Waingake Joint Steering group is due to meet at the start of June.
- Trial native seeding of slips by drone.
- Revisit 2022 planting survival plots and quantify any losses.
- Complete follow-up wax-tag monitor of possums to determine the impact of toxin operation.

### Impacts of Cyclone Gabrielle

Following Cyclone Hale and Gabrielle, we have had a strong focus on damage assessment and subsequent changes to programme operations. Previous planting areas have been affected by small and large slips. GNS Science are undertaking a complete assessment of the area and will provide detailed data on the total hectares impacted. This data will then be supplied to our insurers, and our forestry consultants for ETS assessment and reporting purposes. The data will also enable us to report to our external funders on damage to planted areas.

The Waingake team were redeployed for almost four weeks following Cyclone Gabrielle, assisting with a wide range of response and recovery activities during this time. Since returning to work on site the team has inspected all internal and perimeter traplines within the Waingake Waterworks (QEII) Bush. While only two traps were lost due to the storm, several traplines required rerouting due to slips and gullies making areas of the bush inaccessible.

Our planting contractors also suffered a month-long disruption to their work, primarily release spraying of last year's plants. This has compounded earlier weather-related delays and has led to approximately 40% of release spraying not being completed. These areas will be targeted for immediate release following the completion of this year's planting.







Planting plans for the 2023 season have been revised to minimise risks to planting crews from working around slips and unstable land.

For further information, please see [Report 23-115](#) Liveable Communities Cyclone Recovery Update.

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## **INTEGRATED CATCHMENT MANAGEMENT (ICM)**

Integrated Catchments is responsible for implementation, education and advocacy aspects of biosecurity, biodiversity, and land management particularly in respect of Councils statutory functions around the Biosecurity Act and Resource Management Act.

### **Sustainable Hill Country Project (SHCP)**

The Tairāwhiti region has severe erosion problems, with 26% of the land being susceptible to severe erosion, compared with only 8% of the rest of New Zealand. This programme is helping address the district's severe soil erosion issue by building the council's land management capability and expertise. This work will pave the way for future land treatment work.

Several land areas including significant areas (1,230 ha) of Land Overlay 3A (LO3A), our "worst eroding land" which requires "effective tree cover" in line with TRMP rules, has recently been sold predominantly for afforestation. This land is proposed for planting in a range of species: plantation species on stable slopes and long-term exotic species, indigenous seedling planting and indigenous seed application to very active areas. Rules in the TRMP were introduced to ensure ongoing funding through the Erosion Control Funding Programme (ECFP) from MPI.

Progress on other LO3A land where treatment is still required, has been slow due to staff involvement with cyclone events and disruption to access over the district. Effort has returned to addressing the LO3A on these areas.

### **Ministry of the Environments (MfE) Freshwater Farm Environment Plan (FWFP) pilot**

ICM Land Management staff participated in MfEs Freshwater Farm Plan (FWFP) pilot alongside Southland and Waikato. The previous report noted the assessments of 12 properties across all land uses and tenures with valuable information to improve the FWFP process identified. The proposed follow-up with MfE has been postponed due to the cyclone events. Staff outlined our findings from the pilot with several other regional councils including the other pilot regions and adjoining regions throughout the North Island.

The Land Management team have undertaken recruitment to fill positions which have been created from funding from government departments and locally sourced funds.

- Funding from MfE has provided for the recruitment of a Regional Catchment Facilitator an Iwi Hapu Advisor and a Senior Catchment Advisor; these are three year fixed-term contracts. A further Catchment Advisor can be recruited to back-fill the appointment of the Senior Catchment Advisor already appointed.
- Funding from MPI (The Hill Country Erosion Fund) and funding set aside from forest harvesting at Waerenga-O- Kuri and administered by Council on behalf of LINZ which can be utilised for soil conservation initiatives, allows for the recruitment of two Senior Catchment Advisors and two Catchment Advisors. These roles will be advertised soon.

### **Waiapu Catchment**

The Whakaoratia Trust continue to construct debris dams in the Waiapu Catchment despite the disruption to waterways and access. Several structures have been damaged and are being repaired while the heavy rains have quickly filled several dams. More structures are being constructed as access improves with supportive pole planting programmed for the winter months.

### **Protection Management Areas (PMAs)**

Access to PMAs across the district was severely disrupted by Cyclone Gabrielle. The biodiversity team has reconnected with some landowner's post Cyclone Gabrielle and have focused on contacting landowners in the less badly affected





areas. Visits will include PMAs on Mangatu Blocks Land (Integrated Foods) properties and discussions are underway with Whangara farms as well as some smaller properties.

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### FARM ENVIRONMENTAL PLANS (FEPs)

An FEP is a plan for managing the soil, water, and nutrient resources on a farm in a sustainable way. The plan is specific to each farm and sets out how to manage environmental risks. FEPs are required under the Tairāwhiti Resource Management Plan (TRMP) by growers and farmers whose activities meet certain criteria.

There has been little change since the last report which noted:

- 82 FEPs have been received by Council
- 34 FEPs have been certified
- 33 FEPs were designed prior to the Freshwater Plan, and some don't meet the new requirement standard and may not trigger the need for an FEP under TRMP.

With the advent of the Freshwater Reforms and MfEs requirement for Freshwater Farm Plans (FWFPs), the FEPs required as part of the TRMP will now be included into the wider FWFP process.

### Impacts of Cyclone Gabrielle

Tairāwhiti has been removed from the first tranche rollout of the freshwater farm planning regulations.

### What next?

- We continue to engage with farming industry groups to ensure all those that need to submit a FEP are aware of their obligations.
- Council's Compliance Monitoring and Enforcement team are undertaking a region wide risk-based approach to ensure that those who need an FEP have a certified plan.
- MfE is rolling out new regulations in 2023, requiring Freshwater farm plans.
- Tairāwhiti was intended to be one of three regions where these regulations are rolled out in the first instance. Pilot projects to test the [Tairāwhiti freshwater farm plan](#) process are being supported by MfE, Ministry of Primary Industries, Council, and Iwi. Read more information on the [MfE website](#).

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### BIOSECURITY

Our [Biosecurity](#) team works with landowners to manage or eradicate pest, plants and animals, especially those species in the Regional Pest Management Plan that we want to eliminate from our region.

### Updates

- Eradication species monitoring confirms reduced numbers of eradication pests, with a pleasing decline in fan worm numbers in the Port Basin.
- Priority pest plant surveillance has resumed for recorded locations with sites under control. Advocacy regarding urban moth plant control has reached 348 properties with control, responsibilities, removal and disposal along with discretionary control of infestations, with consideration of landowner support for cost-recovery to achieve compliance.
- Approval has been obtained from Te Whata Ora NZ Health Protection to use feratox cyanide for possum control. Pre-feed in the Hawkes Bay possum buffer will follow an application for feratox.
- Biosecurity has continued to employ a summer student to promote education and raise awareness of the Freshwater Biosecurity Check, Clean, Dry/Didymo method. MPI contributes to funding this role and this year's student continued a very successful programme ongoing now for 14 years.







# Ngā pūtea tauawhi Grant funding

## COUNCIL-ADMINISTERED GRANTS

Council receives and distributes funds on behalf of the following funding schemes.

### Creative Communities Fund

The [Creative Communities Fund](#) provides funding for local community projects that encourage arts participation. Under the scheme, "arts" includes all forms of creative and interpretative expression. The annual distribution is received in two lots of \$22,230 for each funding round and any unused funds or returned funding is carried over. The total amount of funding available to be distributed this financial year was \$55,325.

#### UPDATES

- The February funding round received 11 applications requesting a total amount of \$45,033. The amount distributed in this round was \$32,359.
- Three applicants were given the opportunity to resubmit their applications after discussion with the assessment committee.
- All applicants were successful in receiving funding however, one applicant chose to withdraw in hopes of getting a larger amount in our next round.
- An arrangement was also made to co-fund a mural for Nelson Park toilets, with Creative Communities Scheme funding half of the requested budget and GDC picking up the balance.

#### WHAT NEXT?

The remaining funding balance of \$815.15 will be carried over to the next funding round in August.

### Sport NZ Rural Transport Fund

The [Sports NZ Rural Transport Fund](#) is designed to help subsidise rural travel for junior teams – those aged between 5-19 years old and assist school and club sports teams to participate in local sporting competitions. There are two funding rounds each year for winter and summer sports codes. The fund is a 3-year contract for \$21,383 annually and an additional 2-year support package has been added of \$14,970 due to increased fuel costs and falling rural participant numbers.

#### UPDATES

- The winter round closed on 1 May; 11 applications were received with three coming in after the close off, but were accepted. Applications totalled \$42,000.
- Due to funding carrying forward from last financial year and the summer round we had \$25,000 to distribute.
- First time applications included many remote schools such as Pōtaka, Tikitiki and Te Kura Kaupapa Māori o Te Waiu o Ngāti Porou. Some of these Schools were applying for funding to get to Ruatoria and Hicks Bay for regular sport events rather than coming into Gisborne.
- All applicants received some funding.
- Sport Gisborne Tairāwhiti checked and agreed with the funding allocations.

#### What next?

- The end of year financial report will be submitted to Sport NZ by the end of June.
- The next summer funding round closes the 2nd Friday of November.





### Natural Heritage Fund

The [Natural Heritage Fund](#) assists private landowners to protect or enhance indigenous biodiversity on their land. The 2023 round of funding included \$140,000 for allocation to projects. 17 projects have been approved for the 2023 funding round.

#### UPDATES

- All contracts have been signed and returned
- Projects have started to progress again following the cyclone.
- Three of the seventeen projects approved for 2023 are already complete.

#### WHAT NEXT?

- A few more invoices are expected before end of financial year
- Applications for 2024 funding round will open mid-July
- One project from the 2022 funding round that was granted a deadline extension until 30th June 2023 has notified staff that they will be unable to undertake the project following cyclone damage. A request has been made to rollover the money allocated to this grant (\$12,000) into the next financial year and reallocate it to a new project.

### Waste Minimisation Fund

The [Waste Minimisation Fund](#) supports local initiatives that contribute to waste minimisation, avoiding harm, and improving resource efficiency. Funding of up to \$10,000 is available each round, which can go to one applicant or be spread across several applicants.

#### UPDATE

The Tairāwhiti Adventure Trust has been awarded \$10,000 for the 2023/2024 year to support the purchase of a shipping container to support the establishment of an upcycle recreational sports equipment programme. The programme will both divert waste from landfill and make the repurposed sports equipment accessible to the Tairāwhiti community.

### EXTERNAL FUNDING FOR ACTIVITIES DELIVERED DURING 2022/23

**Table 1** below provides an overview of funding applications awaiting a decision

ACTIVITY/PROJECT	DECISION	FUNDER	TOTAL AMOUNT
Tairāwhiti Tourism Enhancement and Resilience Programme	Pending July 2023	MBIE – Tourism Infrastructure Fund	\$447,648
Cyclone Gabrielle Solid Waste Management Fund	Pending June 2023	National Emergency Management Agency (NEMA)	\$1,187,013
Waipaoa Stop bank Improvements/ Climate Resilience Project	Pending May 2023	Kanoa - RDU	\$9,000,000
Hill Country Erosion Project	Pending May 2023	MPI Hill Country Erosion Fund (HCEF)	\$1,600,000



**Table 2** below provides an overview of income from external funds granted for activities that are in progress in the 2022/23 financial year

ACTIVITY/PROJECT	AWARDED	FUNDER	TOTAL AMOUNT AWARDED
Recovery Coordination Centre	April 2023	DIA	\$1,000,000
Extreme Weather Event Recovery – Sediment and Debris	May 2023	MfE	\$38,800,000
Assessing LWD Volume in catchments using AI	April 2023	Envirolink	\$40,000
Essential Freshwater Fund	December 2022	MfE	\$1,500,000
Kiwa Pool Redevelopment Upgrade - Hydrotherapy Suite	December 2022	Lotteries Community Facilities Fund	\$600,000
Freedom Camping transition fund	November 2022	MBIE	\$128,000
Better off Funding Tranche 1 Compostable Waste Collection and Waste to Energy	November 2022	Department of Internal Affairs	\$7,210,000
Kiwa Pools Solar Panels			
Marae Sustainability Programme			
Taruheru Walk and Cycleway			
Hawaiki Tūranga Site Remediation and Installation			
Deliberative Democracy on Climate Change Adaptation			
1000-year Walkway Bridge cultural component and Te Maro platform	September 2022	Trust Tairāwhiti	\$343,000
Tūranganui Estuary Restoration	September 2022	One Tree Planted	US \$24,065
Three Waters Transition Fund	September 2022	Department of Internal Affairs	\$732,000
Streets for People Round 2	August 2022	Waka Kotahi	\$330,000
Grey Street development SH35 Ūawa/Tolaga Bay			\$330,000
Enabling infrastructure for housing supply - Taruheru catchment	July 2022	Kainga Ora – Infrastructure Acceleration Fund	\$3,950,000
Marae emergency resilience	February 2022	Phase 1 – Te Puni Kōkiri	\$964,938
		Phase 2/3 – Toitū Tairāwhiti	\$596,058
Tūranganui Estuary Restoration	February 2022	MfE Freshwater Improvement Fund	\$2,250,000
1000 Year Walkway	June 2021	Lotteries Significant Projects Fund	\$1,750,000





ACTIVITY/PROJECT	AWARDED	FUNDER	TOTAL AMOUNT AWARDED
Waingake Transformation – Planting Year 2,3,4	May 2021	One Tree Planted	US\$740,000
Waingake Transformation – Weed/Pest control Year 2,3,4	March 2021	DOC – Kaimahi for Nature	\$2,000,000
Waingake Transformation – Planting Year 2,3,4	March 2021	MPI - One Billion Trees Fund	\$1,860,000
Wastewater Treatment Upgrade Options for water amalgamation Rural township's water supply	August 2020	3-Waters Reform Economic Stimulus	\$7,500,000 \$250,000 \$3,290,000
Olympic Pool Redevelopment	July 2020	COVID-19 Recovery Fund	\$40,000,000
Waipaoa River Flood Control Scheme	July 2020	COVID-19 Recovery Fund	\$7,500,000
Waiapu Phase 2 Erosion Control - ECFP Fund	October 2016	MPI Erosion Control Funding Programme	\$2,100,000

**Table 3** below provides an overview of external funding that has been completed in the 2022/23 financial year

ACTIVITY/PROJECT	AWARDED	FUNDER	TOTAL AMOUNT AWARDED
Streets for People Round 1	May 2022	Waka Kotahi	\$67,000
Land use characterisation for SoE soil quality monitoring and reporting	October 2021	Manaaki Whenua LandCare	\$39,760
Impact of forestry slash on Kai Moana Tolaga	August 2021	Envirolink	\$35,000
Economic utilisation of woody debris research	August 2021	Envirolink	\$35,000
Active Fault Delineation for Tairāwhiti	August 2021	CDEM Resilience Fund	\$120,000
Environmental impact of Tokomaru Bay legacy landfill	August 2021	Massey University	\$30,000
Poverty Bay Flood Hazard Mapping	December 2019	EQC Contestable Grant	\$50,000
Titirangi Summit - Design phase	May 2020	Provincial Growth Fund	\$1,067,000
Te Tairāwhiti Arts Festival	June 2021	Creative New Zealand	\$50,000
Tokomaru Bay Wharf Toilet	July 2021	MBIE Tourism Infrastructure Fund	\$203,200
Tairāwhiti 'No excuses on water' Campaign	August 2021	Maritime NZ	\$5,000





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## EXTERNAL FUNDING APPLICATIONS

### Extreme Weather Event Recovery – Sediment and Debris Funding

In May 2023, Central Government awarded Council \$38.8m to help manage the cost of the post cyclone clean-up, including the collection, processing, removal, and disposal of sediment and debris. This funding is separated into two streams:

- \$31.4m has been allocated to Council to process and dispose of debris coming from residential properties, and to deal with sediment on Council-land to make it available to the public again.
- \$7.4m has been allocated to commercial properties in Te Tairāwhiti.

With this Funding Council plan to remove debris from areas that place infrastructure at risk, such as our water supply, bridges and roads and explore methods to process and repurpose silt and debris.

### Three Waters Better Off Funding Update

In November 2022 Council was awarded \$7,210,000 for Tranche 1 of the Better Off funding, encompassing the following 6 Projects:

- Compostable Waste Collection and Waste to Energy
- Kiwa Pools Solar Panels
- Marae Sustainability Programme
- Taruheru Walk and Cycleway Intersections
- Hawaiki Tūranga Site Remediation and Installation
- Deliberative Democracy on Climate Change Adaptation

On 13 April 2023, the Government announced changes to Three Waters, now rebranded as Affordable Water Reforms. Under the changes, the management of wastewater, stormwater and drinking water would be handled by 10 regionally based entities rather than four. The changes have resulted in Tranche 2 of the 'Better off' funding not proceeding. Prior to these recent developments Tranche 2 of the Better Off funding for \$21.62m was planned to be open for submission from 1 July 2024.

In response to Cyclone Gabrielle, Crown Infrastructure Partners have indicated there is an opportunity to request to substitute out previously agreed projects in Tranche 1 and to replace these with projects relating to cyclone recovery efforts. Any project substituted would still need to meet the "better off" fund criteria. CIP indicate, project changes and substitution requests can be advanced from late May 2023.





# Ngā mahinga rori ā-rohe

## Regional roading activities

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### EAST CAPE ROAD

This is the last remaining Provincial Growth Fund (PGF) project, focused on improving the resilience along East Cape Road by placing rock along the coastal foreshore.

#### Update

This project is currently on hold until further discussion on limited contractor availability due to the higher priority work required.

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### TE KOWHAI ROAD

Residents of Te Kowhai Rd in Whatatutu can now cross the river by car after a temporary causeway opened. The causeway spans the Waipaoa River and restores access after the old Mangatai Access Bridge washed away during Cyclone Gabrielle. Fulton Hogan worked hard to get this open and their crew will be using this temporary causeway themselves, so they can now progress up Te Kowhai Rd to remove slips and open the road to even more residents.

#### Update

Two large culverts have also been installed to help deal with high river flows at the site during rain. The two remaining spans of the old bridge, one on either side of the river, were used to create the causeway between them.



#### What next?

Planning is underway for the construction of the replacement bridge, which will start being built in around 12-18 months.







## WALKING AND CYCLING STRATEGY

A plan is being developed outlining where walking and cycling is easy, safe and the best way to get around Gisborne for short trips. The focus is on making it safer and more convenient to swap a vehicle for alternative modes of transport like – walking, cycling, skateboarding, and where it's more accessible for wheelchairs and mobility scooters.

### What next?

Draft Walking, Cycling and Mode shift Strategies continue to be worked on to inform asset planning for the Regional Land Transport Plan bid for future funding in support of key strategic responses.

### Streets for People 2021-24

The [Streets for People programme](#) runs until June 2024. The aim is to make it easier and faster to create safer, healthier, more people-friendly streets, and funds the effort to help Aotearoa achieve its emissions reduction goals faster, while creating vibrant, people-friendly places for thriving communities. The two projects that have been approved are:

- Linear Park, Grey Street
- Hei Huarahi Oranga Ūawa Project

These projects are 90% funded by Waka Kotahi for councils to use adaptive urbanism with communities to trial, engage and evaluate changes that encourage mode shift and improve road safety to inform future permanent solutions.

#### LINEAR PARK – GREY STREET, AWA TO MOANA

Led by Tairāwhiti Adventure Trust looking to improve the connection from the CBD to the I-site, skate park and pump track. The linear park will encourage active journeys along Grey Street between the Awa and the Moana. The trust uses various social media platforms to promote their project, refer to Facebook: [Tairāwhiti Adventure Trust](#).

#### HEI HUARAHI ORANGA ŪAWA PROJECT

Led by the Ūawa community steering group looking to connect the new shared trails along State Highway 35 between Solander and Monkhouse Streets while addressing wider efforts to slow down large trucks and cars passing through to improve safety and connection to school, parks and marae across the township. The Ūawa steering group use social media to communicate their project, refer to Face book: [Hei Huarahi Oranga \(Streets for People\) Ūawa \(Tolaga Bay\) Project](#).

### Updates

- Flyers for the Ūawa project were shared at the community's immunisation day on 16th April to encourage engagement in the process. The steering group have been meeting regularly.
- The Grey Street project has collected and analysed data about traffic use and community perceptions for their project which they have shared on social media.
- Waka Kotahi Streets for People Programme Lead, Geoff Haines, visited Gisborne and Ūawa in early May along with a technical support team meeting with council and the community to gain more understanding of the project needs and to share presentations on the wider program objectives and learnings.
- Tairāwhiti Adventure Trust met with local stakeholders and councillors and held workshops and a community breakfast to socialise the project with nearby businesses on Grey Street with support from Waka Kotahi during their visit.
- Ūawa held a hui to workshop plans with and take the Waka Kotahi team, council staff and local Police on a site visit over their project area.

### What next?

Waka Kotahi have engaged an engineer to provide design options for the community and Council to help co-design with the wider community using adaptive urbanism techniques.





### Ūawa Cycle and Walking Trail

This is a community led initiative to enable safer walking and cycling around the township with 5km of off-road tracks and is part of a wider 8km network proposed to connect wharf to town and beaches. Separated pathways for walking and cycling are the most effective way of improving safety and encouraging mode shift. Road safety statistics are typically worse for Māori in our region.

#### Updates

- Construction of the red and green trails below has reached practical completion with some minor defects remaining to be remedied.



- Some parts of the new trails have been damaged with issues relating to cyclone recovery efforts (slash removal from beaches) and ongoing weather events adding to existing pressures on the new asset with slash and drainage problems.



#### What next?

Remedial work to trails will be undertaken by the responsible parties once recovery efforts have ceased and conditions are stable.





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**GDC Fix App** is a smartphone app to report issues to Council. The app identifies the location using the phone's GPS. It sends an email to us from the user's email address, including the details about the issue and a photo.



Te Kaunihera o Te Tairāwhiti  
**GISBORNE**  
DISTRICT COUNCIL



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# Foreword

**As a Panel we are firmly committed to the role that local government has in creating the conditions for and building community resilience, intergenerational wellbeing and strong local democracy.**

The Auckland floods and Cyclone Gabrielle highlighted the importance of local leadership. Local government must adapt and change to meet the complex challenges of the future.

The series of compounding crises we are experiencing are unlikely to abate – climate change, the ongoing fallout from Covid-19, disruptive technological advances, and the economic and geopolitical impacts of global conflict. Extreme weather events, persistent inequity, and low social cohesion are already affecting communities here. All of these challenges are felt at place and will only intensify over the next 30 years.

These events weigh heavily on the political environment and reinforce the need for strong leadership, authentic relationships, and new ways of thinking, behaving, and operating at all levels of government.

The current local government system is not set up for future success. Decisions by successive governments have marginalised local government and left it in a precarious position in terms of focus, resourcing, and viability. We don't see either the mature relationship or the mechanisms and systems necessary to deal with these challenges between central and local government.

The Panel believes local government is a Tiriti partner and our report recommends changes to recognise and enable a more authentic partnership and relationship.

Despite the systemic challenges, people in councils around the country are doing innovative and impactful work in their communities. However, day-to-day pressures deplete the bandwidth to think and operate more strategically to adapt and create sustainable change.

Multiple simultaneous reforms have left both central and local government stressed and struggling to implement major change. Advancing the recommendations in this Review will require a reorientation of effort and strong commitment from both local and central government to re-examine operating models and build a new culture of working together.

This Review has provided a rare opportunity to step back and consider what it will take to create a world-leading local government that has the ability and confidence to embrace this challenge.

Central government – Ministers, members of parliament and officials – must get behind this report, use the levers at their disposal and support local government to implement the recommendations.

*Local government must now own and drive the change to make it fit for the future.*

Ngā mihi nui

Jim Palmer  
(Chair)

Penny Hulse

Antoine Coffin

Gael Surgenor

Brendan Boyle

Future for Local Government Review Panel





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# Executive summary



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# Quality local governance is critical to navigate the challenges we face over the next 30 years and ensure people, place, and the environment thrive.

Local government must play a critical role in building place-based resilience that supports communities through the times ahead. This will not be possible under the current system of local government, which faces significant financial pressures, strains on capacity and resourcing, fragmented relationships with central government, and an uncertain mandate to fulfil its purpose.

There are no simple solutions to the problems with the current system. Historically, the local government sector only makes significant change when central government imposes its will through significant reform. There is a better way.

Local government has the opportunity to determine its own future and lead the reform process. This will require a major shift for central government as well. Agencies and ministers must adapt how they operate and relate to local government and enable the change through commitment and resourcing.

The Panel is recommending a package of significant change that touches on all aspects of the local government system. The recommendations should be viewed as an interdependent and mutually reinforcing set of actions that should be implemented together.

Our history and culture are unique – we cannot replicate models developed elsewhere and hope to be successful. The report presents a specifically Aotearoa New Zealand vision of local government that centres Te Tiriti o Waitangi partnership, intergenerational wellbeing, and strengthened local democracy.

## Local government needs certainty about its mandate

The Panel considers the legislative purpose of local government as set out in the Local Government Act 2002 (LGA) is appropriate. Councils can do much more to facilitate intergenerational wellbeing and local democracy if they fully commit to this purpose. Putting wellbeing at the centre of councils' day-to-day work will require them to use all their existing relationships, infrastructure, assets, and levers to unlock greater community wellbeing.

Councils need certainty that the dual wellbeing and local democracy purpose will not be subject to regular change. The Panel recommends that Parliament entrench the purpose of local government into the LGA. The Panel also recommends statutory provisions to reinforce and give effect to the wellbeing purpose. These will require councils to set wellbeing goals and priorities each term in conjunction with community and hapū/iwi and Māori, supported by a commitment from central and local government to align wellbeing priorities and agree place-based investment plans.

## Local government embracing Te Tiriti o Waitangi and te ao Māori

Local government is a Te Tiriti partner and the system needs to change to honour and give effect to Tiriti-based partnerships between local government and Māori. Local government must embody a more culturally specific exercise of kāwanatanga, where te ao Māori, mātauranga Māori, and tikanga are woven into its fabric.

The Panel recommends adding new provisions to the LGA that explicitly recognise local government as a partner to Te Tiriti o Waitangi and te ao Māori values. These changes will help to strengthen authentic relationships in the local exercise of kāwanatanga and rangatiratanga. The Panel also recommends requiring councils to develop partnership frameworks with hapū/iwi and Māori to give effect to Te Tiriti provisions. These frameworks will create new governance arrangements and complement those that already exist.

Legislative frameworks alone are not sufficient to build and maintain relationships. There are many examples of strong relationships between local government and hapū/iwi and Māori at both an individual and institutional level, but this is inconsistent across the country. There needs to be significant capability built across local government around Te Tiriti o Waitangi, te ao Māori, tikanga and the whakapapa of local government, and resources prioritised to support the change.

## Local and central government alignment

The challenges facing communities present profound complexities for local governance. Local government and communities must be empowered to build local solutions for national-level problems, with collaboration and funding from central government. This includes local government supporting a wide range of functions like housing, economic development, and response to climate change. What this looks like in each area would need to be decided over time with central government.

The mechanisms for local and central government to align on place-based priorities and coinvest in mutually agreed outcomes do not currently exist and previous efforts to strengthen the relationship haven't been sufficient. The Panel recommends establishing a new Crown department to facilitate the relationship between central and local government and coordinate and align resources. We heard from all stakeholders that the local–central government relationship must be reset. This department will play a fundamental role in building a stronger and more effective relationship. There must also be a focus on building leadership capability as well as a new culture and mindsets across central and local government to support the relationship and to deliver greater value for communities.

### **Sustainable funding for local government**

The current local government funding and finance system is already under pressure and is not sustainable. While taxation as a percentage of GDP has risen over time, local government's share has stayed at around 2% of GDP – even as it has increasing responsibility for delivering the public good.

The Panel thinks rates should remain the main funding mechanism for councils, along with a range of new tools to raise revenue locally. This must be accompanied by significant central government funding to support locally specific wellbeing outcomes. The Panel believes this will lead to a fundamental reset of the funding and commissioning relationships between central and local government.

In addition to central government paying rates on its property, there should also be an annual transfer of revenue to local government equivalent to the annual GST charged on rates (currently around NZ\$1 billion). Councils should use this transfer to build their capability and capacity and deliver more for their communities. A significant fund is also needed to support climate change adaptation activities.

### **New tools for thriving local democracy and strong, effective governance**

Local democracy needs strengthening. Voter turnout has decreased over the past few decades and engagement doesn't meet the needs of increasingly diverse communities. Some improvements have been made in recent years but older, Pākehā people remain over-represented in elected members' demographics. Broad citizen participation in local government decision-making is critical, and the use of citizens' assemblies and deliberative and participatory democracy is vital as councils embrace their role as enablers of democracy.

The Panel recommends a range of interventions to replenish local democracy. Local government needs new citizen-led democracy tools and approaches to fully embody its role as an enabler of democracy. The threshold for Māori wards needs to be reduced, and Tiriti-based appointments to councils also need to be enabled for iwi and hapū who want to participate in the kāwanatanga sphere. Councils need to attract diverse and capable candidates with a broad range of skills. Elected members need to be valued, supported, and upskilled. Rangatahi live with and will inherit the decisions made now, and 16- and 17-year-olds should be eligible to vote.

## Leading change and system renewal

Councils will need new operating models and to review their structures to fully enact their purpose in the face of increasing wellbeing challenges. The Panel recommends a reorganisation of local government. This process must be led by local government and supported by central government. It will include a redesign of councils' operating models, new approaches to leadership, and new council structures.

The Panel has proposed two models, both of which require councils to focus on delivering for local communities in a responsive and effective way, while taking advantage of the strengths of a regional approach. Ultimately local government has the opportunity to lead the design process, working alongside their communities and hapū/iwi and Māori. All decisions made by councils in this process should be geared towards ensuring they can fulfil their purpose and Te Tiriti partnership responsibilities. This reorganisation is not optional – if councils don't lead the change, there will need to be provisions for decisions to be made on their behalf. The change process should use the resource management reform boundaries as a starting point for discussions.

Effective system stewardship is needed to embed, drive, and support the success of the new system of local government over the next 30 years. The current stewardship landscape is not sufficient. While many groups play important roles, a steward of the stewards is needed. The Panel recommends establishing a new local government stewardship institution to strengthen the health and fitness of the system.

## New culture, mindsets, and leadership approaches are essential

Changes to funding, the structure of local government, and legislative frameworks is not enough to realise a new fit-for-purpose local government system. There needs to be more innovation, experimentation, and learning along with collaborative approaches to solving problems. Leaders need a broad range of skills to navigate uncertainty. Capability must be built across the sector, particularly around understanding Te Tiriti o Waitangi and te ao Māori, citizen-led democracy, and governance skill sets. New mindsets are needed to support a holistic, intergenerational approach to local government.

## Making the transition to a new system a success

The Panel considers some guidance and signposting is needed on the reform process, so has provided suggestions for the first critical steps of a transition to a new system of local government. There is also an opportunity to make sense of the current reform programme including resource management and affordable water.

The transition process will require sufficient funding to build capability and capacity and implement the wider changes outlined in the Review.

The package of change is significant. Implementing it will take time, and coordination. Some things can and must start now. The Panel urges local and central government to get started immediately.

It will require widespread political will and commitment to have a world leading local government system. Bold decisions must be made.



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# Recommendations





# The Panel makes the following recommendations

Theme	Recommendations
<b>Embedding local government's purpose and wellbeing focus</b>	<ol style="list-style-type: none"> <li>1 Entrench the purpose of local government, as set out in the Local Government Act 2002, to embed intergenerational wellbeing and local democracy at the heart of local government.</li> <li>2 Introduce statutory provisions to reinforce and give effect to the purpose of local government in the Local Government Act 2002, by: <ul style="list-style-type: none"> <li>▶ councils setting wellbeing goals and priorities each term, in conjunction with community and hapū/iwi and Māori</li> <li>▶ central and local government committing to align wellbeing priorities and agree place-based investment plans.</li> </ul> </li> </ol>
<b>Growing authentic Te Tiriti-based partnerships</b>	<ol style="list-style-type: none"> <li>3 Introduce new provisions in the Local Government Act 2002 that explicitly recognise local government as a partner to Te Tiriti o Waitangi and te ao Māori values to strengthen authentic relationships in the local exercise of kāwanatanga and rangatiratanga.</li> <li>4 Introduce a statutory requirement for councils to develop partnership frameworks with hapū/iwi and Māori to give effect to new Te Tiriti provisions in the Local Government Act 2002 that create new governance arrangements and complement existing ones.</li> <li>5 Central government leads a comprehensive review of requirements for engaging with Māori across legislation that impacts local government, considering opportunities to streamline or align those requirements.</li> <li>6 Amend the Local Government Act 2002 to require councils (elected members and chief executives) to prioritise and invest in developing and strengthening their capability and capacity in the areas of Te Tiriti o Waitangi, te ao Māori values, mātauranga Māori, tikanga, and the whakapapa of local government in order to make local government a better Te Tiriti partner.</li> </ol>

Theme	Recommendations
<b>System renewal</b>	<p data-bbox="515 349 1286 477">7 Initiate a reorganisation of local government to strengthen, support, and resource councils to plan for and respond to increasing challenges and opportunities, and to set local government up for a more complex future.</p> <p data-bbox="515 488 1310 584">8 Establish a dedicated Crown department to facilitate a more effective working relationship between local and central government that focuses on:</p> <ul data-bbox="592 595 1366 835" style="list-style-type: none"> <li data-bbox="592 595 1366 656">▶ a relational-based operating model to align priorities, roles, and funding</li> <li data-bbox="592 667 1318 728">▶ brokering place-based approaches and agreements to address complex challenges and opportunities</li> <li data-bbox="592 739 1318 835">▶ research, development, and innovation capability that equips local government to maximise intergenerational wellbeing for its communities.</li> </ul> <p data-bbox="515 857 1294 954">9 Establish a new local government stewardship institution to strengthen the health and fitness of the system. This entity should:</p> <ul data-bbox="592 965 1350 1245" style="list-style-type: none"> <li data-bbox="592 965 1350 1061">▶ provide care for and oversight of the local government system, including the health of local democracy and local government's future-fit capability and capacity</li> <li data-bbox="592 1072 1158 1102">▶ foster common purpose and relationships</li> <li data-bbox="592 1113 1238 1173">▶ support and enable the health of the Māori–local government relationship</li> <li data-bbox="592 1184 1318 1245">▶ incorporate the current roles and responsibilities of the Local Government Commission.</li> </ul>
<b>Strengthening local democracy and leadership</b>	<p data-bbox="515 1301 1366 1397">10 Local government and councils develop and invest in democratic innovations, including participatory and deliberative democracy processes.</p> <p data-bbox="515 1408 1286 1469">11 Enhance local democracy in order to increase access and representation by:</p> <ul data-bbox="592 1480 1366 1704" style="list-style-type: none"> <li data-bbox="592 1480 1150 1509">▶ providing for a 4-year local electoral term</li> <li data-bbox="592 1520 1366 1581">▶ adopting ranked voting (also known as single transferrable vote or STV) as nationwide method for local elections</li> <li data-bbox="592 1592 1366 1621">▶ lowering the threshold for the establishment of Māori wards</li> <li data-bbox="592 1632 1254 1662">▶ enabling Te Tiriti-based appointments to councils</li> <li data-bbox="592 1673 1230 1702">▶ lowering the voting age for local elections to 16.</li> </ul> <p data-bbox="515 1727 1262 1794">12 Local and central government coinvest to build adaptive leadership capability focusing on:</p> <ul data-bbox="592 1805 1166 1944" style="list-style-type: none"> <li data-bbox="592 1805 1086 1834">▶ leading change and system renewal</li> <li data-bbox="592 1845 1166 1874">▶ valuing civic leadership and public service</li> <li data-bbox="592 1886 1015 1915">▶ partnership and collaboration</li> <li data-bbox="592 1926 1046 1944">▶ innovation and experimentation.</li> </ul>

Theme	Recommendations
<b>Increasing funding</b>	<p data-bbox="517 349 1369 412">13 In order to prioritise and deliver on wellbeing, central government makes a greater investment in local government through:</p> <ul data-bbox="592 423 1369 555" style="list-style-type: none"> <li data-bbox="592 423 1369 486">▶ an annual transfer of revenue equivalent to GST charged on rates</li> <li data-bbox="592 497 1369 555">▶ significant funding to support local priorities, place-based agreements, and devolution of roles.</li> </ul> <p data-bbox="517 584 1193 611">14 Central government pays rates on Crown property.</p> <p data-bbox="517 622 1286 719">15 Central government develops an intergenerational fund for climate change, with the application of the fund requiring appropriate regional and local decision-making.</p> <p data-bbox="517 730 1286 792">16 Cabinet is required to consider the funding impact on local government of proposed policy decisions.</p> <p data-bbox="517 804 1369 866">17 Central government commits to enabling the future transition with funding to:</p> <ul data-bbox="592 878 1369 1301" style="list-style-type: none"> <li data-bbox="592 878 1369 940">▶ resource a transition unit to support the change and system renewal of local government</li> <li data-bbox="592 952 1369 1014">▶ supplement local government capacity funding to enable hapū/iwi and Māori to partner with councils</li> <li data-bbox="592 1025 1369 1301">▶ support councils to: <ul data-bbox="667 1061 1369 1301" style="list-style-type: none"> <li data-bbox="667 1061 1369 1124">▶ build Te Tiriti and te ao Māori capability and grow hapū/iwi and Māori relationships</li> <li data-bbox="667 1135 1369 1227">▶ lift their immediate capacity and capability to innovatively deliver wellbeing priorities for their communities</li> <li data-bbox="667 1238 1369 1301">▶ trial and grow participatory and deliberative democracy practices.</li> </ul> </li> </ul>

**Title:** 23-142 Submission on Emergency Management Bill  
**Section:** Chief Executive's Office  
**Prepared by:** Yvette Kinsella - Special Projects Manager  
**Meeting Date:** Wednesday 28 June 2023

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Legal: Yes

Financial: No

Significance: **Medium**

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## Report to COUNCIL/TE KAUNIHERA for information

### PURPOSE - TE TAKE

The purpose of this report is to provide an overview of the newly released Emergency Management Bill.

### SUMMARY - HE WHAKARĀPOPOTOTANGA

The emergency management framework in Aotearoa / New Zealand has been under review for several years. Successive Ministers have evolved the review programme. The latest iteration is called the Trifecta Programme and brings together work on three key parts of the emergency management framework:

- a new Emergency Management Bill (the Bill)
- a review of the National Civil Defence Emergency Management Plan
- a roadmap for implementing the National Disaster Resilience Strategy.

On 7 June 2023, the Minister introduced the long-awaited Emergency Management Bill in Parliament.

Key changes proposed in the Bill include:

- clarifying roles and responsibilities across the system at national, regional, and local levels
- requiring CDEM Group plans to identify and engage with communities that are disproportionately impacted by emergencies
- recognising the important role Māori play in our emergency management system, and enhancing Māori participation at all levels and across all activity.

**Attached** is a summary from the National Emergency Management Agency of the changes proposed in the Bill.

The Bill will have its First Reading in the House towards the end of June before being referred to Select Committee to receive and hear submissions. The Ministerial press release about the Bill stated:

"I recognise that this is a busy time for local government, particularly in light of the local government reforms and recent emergencies like Cyclone Gabrielle ... I will encourage the Select Committee to extend the standard period for submissions to help reduce the impact on their workloads and give as much time as possible to refine the bill and get it right."

It is likely that the Select Committee process will extend beyond the current Parliamentary term allowing some time to prepare submissions. We will come back to the Council and Tairāwhiti Civil Defence Emergency Management Group with some recommendations on submission points at the next Council hui in August 2023.

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

## **RECOMMENDATIONS - NGĀ TŪTOHUNGA**

**That the Council/Te Kaunihera:**

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

*Authorised by:*

**Nedine Thatcher Swann - Chief Executive**

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**Keywords:** emergency management bill, ceg, coordinating executive group, trifecta programme, civil defence emergency management plan, national emergency management agency, proposed bill

## **ATTACHMENTS - NGĀ TĀPIRITANGA**

1. Attachment 1 - 23-142 Emergency Management Bill Factsheet [**23-142.1** - 8 pages]





# The Emergency Management Bill

## Overview of proposed changes

The Government is committed to ensuring New Zealand's emergency management system is geared towards inclusive, community-led responses to emergency events, as well as continuing work with iwi and Māori in emergency management.

The emergency management system needs changes so that:

- communities are better prepared to respond to and recover from emergencies
- iwi and Māori participation is recognised, enabled, and valued
- the impacts of emergencies on people, the economy, and the environment are reduced
- the emergency management system is well-coordinated, high-performing, and enjoys widespread trust and confidence.

An Emergency Management Bill has been introduced to replace the two decades old Civil Defence Emergency Management Act 2002 (CDEM Act). Information about the Bill, and its progress, can be found on [parliament.govt.nz](http://parliament.govt.nz) (search for "Emergency Management Bill").

When passed, the Emergency Management Bill will create an updated legal and regulatory framework within which Aotearoa New Zealand can prepare for, deal with, and recover from local, regional and national emergencies.

The Bill is not a fundamental transformation of the emergency management system, but instead makes practical improvements to ensure the system can meet current and future needs.

Some of the key measures in the Emergency Management Bill include:

- clarifying roles and responsibilities across the emergency management system (pages 2-3)
- recognising and enhancing the role of Māori in emergency management (pages 3-4)
- enhancing the resilience and accountability of critical infrastructure (page 5)
- enabling equitable outcomes for communities disproportionately impacted by emergencies (page 6)
- improving operational effectiveness (page 6)
- updating the legal and regulatory frameworks for the emergency management system (pages 7 -8)
- replacing the term 'civil defence emergency management' with 'emergency management'.

These measures are explained in more detail in this factsheet.

These proposed changes will set the system up to be more responsive, and set a solid foundation for adaptations that might be required in the future.

The Bill does not change the current emergency powers available under a state of emergency, and while the Bill changes the name of 'Civil Defence Emergency Management Groups' to 'Emergency Management Committees', it does not remove the existing key local and regional roles and responsibilities.

## Clarifying roles and responsibilities across the emergency management system

### Clarifying the roles and responsibilities of Emergency Management Committees and local authorities

*Clauses 29 and 37*

To improve role clarity, the Bill specifies the distinct and separate functions of local authorities, and Emergency Management Committees (currently Civil Defence Emergency Management (CDEM) Groups).

Lack of clarity about roles and responsibilities of CDEM Groups and local authorities has impacted the effectiveness of the emergency management system.

The Bill clarifies that:

- Emergency Management Committees are responsible for regional co-ordination and governance
- local authority members are responsible for delivering local emergency management in their communities, and for participating in the Emergency Management Committees.

### Clarifying the administering authority process

*Clause 35*

The Bill enables greater flexibility for who can act as an administering authority for Emergency Management Committees (currently CDEM Groups).

The Bill further clarifies the processes by which Emergency Management Committees can agree their administering authority.

For example, the Bill removes the current requirement that the administering authority can only be changed if the Minister agrees.

### Clarifying the roles of the Chief Executive of the National Emergency Management Agency (NEMA), and Director of Emergency Management

*Clause 5*

The Bill sets out that the Chief Executive of the responsible department (currently NEMA) holds the role of Director of Emergency Management.

The current legal arrangements for the national statutory role holders require updating to account for NEMA's creation (in 2019) as an autonomous departmental agency with a chief executive.

Consistent with the current arrangements, the Director would be able to delegate response and recovery functions and powers to the National Controller, and National Recovery Manager as appropriate.

### Confirming the roles of lead and support agencies

*Clause 146*

The Bill includes regulation making powers to confirm the roles and responsibilities of lead and support agencies.

The current uncertainty contributes to misunderstanding of roles and responsibilities before, during, and following emergencies.

The regulations enabled by the Bill will also:

- establish the mechanisms and criteria by which lead and support agencies are allocated
- provide for the governance of lead and support agencies for their emergency management activities
- specify the triggers and thresholds that determine the lead agency for a specific event.

Roles and responsibilities will be determined via consultation. The Bill requires the Minister for Emergency Management to consult with other relevant Ministers and agency chief executives when developing new regulations for lead and support agencies.

### **Publication of Emergency Management Committee Plans**

*Clause 72(2)*

The Bill makes it explicit that Emergency Management Committee Plans (formerly CDEM Group Plans) must be published on a publicly available internet site.

The Bill also introduces updated principles to guide which documents can be incorporated by reference as part of Emergency Management Committee Plans.

This will improve consistency of what information is published, and ensure that all documents that

form part of Emergency Management Committee Plans are easily accessible to the public.

The current CDEM Act does not explicitly set out requirements for the publication of CDEM Group Plans. It is also unclear which documents are reasonable to incorporate by reference.

### **Ambulance services**

*Clauses 5 and 33(1)*

The Bill includes ambulance services in the definition of 'emergency services' to reflect their core role in emergencies.

Ambulance services play a vital role in responding to emergency events, but are not included within the definition of emergency services in the current CDEM Act.

The Bill also introduces a permanent position for a chief executive or senior officer of an ambulance service on an Emergency Management Co-ordinating Executive.

## **Recognising, enhancing, and valuing Māori participation in emergency management**

### **Māori members on Emergency Management Committees and Co-ordinating Executive**

*Clauses 26, 33 and 144*

The Bill includes a requirement to have one or more Māori members on both Emergency Management Committees, and Emergency Management Co-ordinating Executives (currently the CDEM Group and Co-ordinating Executive Group).

The Bill enables regulations to prescribe locally appropriate appointment mechanisms for members, which will be developed with Māori and local government.

However, where decisions cannot be agreed or are not made, the Bill includes a Ministerial backstop for appointments to be made.

### **National Māori Emergency Management Advisory Group**

*Clauses 20 and 21*

The Bill enables the appointment of a National Māori Emergency Management Advisory Group.

This Group will advise the Director of Emergency Management (Chief Executive of NEMA) on Māori interests, and knowledge relevant to emergency management.

This includes advising on NEMA's role as it relates to the delivery of positive outcomes for Māori through the emergency management system.

## **Treaty of Waitangi / Te Tiriti o Waitangi clause**

### *Clause 4*

The Bill includes a descriptive Treaty of Waitangi / Te Tiriti o Waitangi clause.

The clause expressly references the Crown's Treaty responsibilities and describes how these are given effect to in the emergency management context.

It also gives effect to proposals which aim to strengthen the role of Māori.

## **Emergency Management Committees are not a Person Conducting a Business or Undertaking (PCBU)**

### *Clause 32*

To ensure the Māori members of Emergency Management Committees (currently CDEM Groups) have the same protection from liability as elected members, the Bill clarifies that an Emergency Management Committee is not a PCBU for the purposes of the Health and Safety at Work Act 2015 (HSWA).

Currently, members of territorial authorities elected in accordance with the Local Electoral Act 2002 are excluded from liability. However, this would not extend to the proposed Māori members.

If Emergency Management Committees are not PCBUs, then all members will be treated the same and will, therefore, not be exposed to liability.

## **Requirement for Emergency Management Committees to recognise and plan for the needs and contribution of Māori**

### *Clause 29(1)*

The Bill establishes new responsibilities for Emergency Management Committees (currently CDEM Groups) to recognise and plan for the needs and contribution of iwi and Māori in their area.

Emergency Management Committees will be required to collaborate with Māori and iwi in the

development of Emergency Management Committee plans.

The Bill requires Emergency Management Committees to establish systems and processes to ensure they have the capacity and capability to engage with iwi and Māori.

## **Inclusion of Māori in the National Emergency Management Plan**

### *Clause 67(1)*

The Bill introduces a requirement for the National Emergency Management Plan (currently the National Civil Defence Emergency Management Plan Order 2015) to include the role of Māori in emergency management.

Iwi and Māori play an important role in the emergency management system, and this needs to be reflected in the National Emergency Management Plan.

## **Permanent legislative authority to reimburse iwi and Māori organisations**

### *Clause 149*

The Bill updates the permanent legislative authority so that iwi and Māori organisations can be reimbursed directly for welfare costs incurred during an emergency.

This will reduce the burden of administration, and increase the security and confidence of iwi and Māori organisations to continue performing essential activities in an emergency.

Iwi and Māori carry out vital work in ensuring the welfare of their people, and those in the communities surrounding them. Iwi and Māori entities often incur similar costs as local authorities in an emergency response, and are currently unable to access reimbursements directly from Government. Instead, they are required to lodge claims with local authorities, who in turn, request reimbursement from the Government.

## Increasing the resilience of critical infrastructure

### Updating terminology and definition of Critical Infrastructure

#### Clause 5

The Bill replaces the terminology 'Lifeline Utilities' with 'Critical Infrastructure', which is more fit for purpose and reflects international practice.

The Bill also includes a definition of 'Critical Infrastructure' that encompasses services that are essential for everyday life and is aligned with international best practice.

### Specifying critical infrastructure sectors and entities

#### Clauses 50 and 51

The Bill will enable specifying the critical infrastructure sectors and entities via a notice made by the Minister in the *New Zealand Gazette*.

This change from using an Order in Council that allows for increased responsiveness to changes within the sector.

The Bill sets out the criteria for recognition of critical infrastructure entities and sectors.

### Requirement for critical infrastructure entities to develop response plans

#### Clause 54(1)

The Bill introduces a new requirement for critical infrastructure entities to develop, or contribute to the development of, sector-specific plans for responding to and recovering from emergencies.

This will enable effective and efficient response during major disruption to services.

Currently the only supporting plan that exists is the National Fuel Plan.

### Critical infrastructure planning emergency levels of service

#### Clause 57

The Bill introduces a requirement for critical infrastructure entities to establish and publicly state their planning emergency levels of service.

The current duty for lifeline utilities to "ensure that [they are] able to function to the fullest possible extent, even though this may be at a reduced level, during and after an emergency" is vague and not measurable.

The Bill also includes a five-year review requirement, and an empowering clause for regulations setting out further detail.

### Critical infrastructure annual compliance reporting

#### Clause 58

The Bill introduces a requirement for critical infrastructure entities to report annually to the Director of Emergency Management and their regulatory agencies.

Currently, critical infrastructure entities are not required to report on how well their organisations are meeting their obligations under the CDEM Act.



## Enabling equitable outcomes

### Clause 76

The Bill requires Emergency Management Committees (currently CDEM Groups) to engage with representatives of communities likely to be disproportionately impacted by emergencies in the development of their Emergency Management Committee Plan.

This will require Emergency Management Committees to identify and then engage with

communities in their area that are likely to be disproportionately impacted by emergencies.

This will ensure that the needs of people and communities disproportionately impacted by emergencies are included at the outset.

Emergencies amplify existing inequalities across a number of indicators. This change represents a way to better provide for the needs of communities disproportionately impacted by emergencies.

## Improving operational effectiveness of the emergency management system

### Concurrent Emergencies

#### Clause 93

The Bill includes a clause to enable management of concurrent local and national emergencies.

There has been an increasing number of emergency events in recent years, but the CDEM Act does not provide explicit guidance for the management of concurrent events.

The Bill will enable local states of emergencies and transition periods to remain in force concurrently with national states of emergencies or national transition periods.

The Bill also includes a clause to ensure Local or Area Controllers do not contradict priorities set by the Director, National Controller, or National Recovery Manager.

Secondary legislation and emergency management rules will set out the operational approach to the management of concurrent emergencies.

### Emergency Management Committees can meet via audio or audio-visual link during a state of emergency

#### Schedule 2(5)

The Bill will allow representatives of Emergency Management Committees to attend meetings of the Committee via an audio or audio-visual link during a state of emergency.

Meeting in person during an emergency can be impractical or unsafe, and can result in delayed decision-making.

The current inability for a CDEM Group to meet in person has been an issue in several past emergencies, such as the Kaikōura/Hurunui earthquakes and COVID-19.

## Updating the legal and regulatory framework

### National Emergency Management Plan no longer an Order in Council

The prescriptive form of the current legislation has created issues in terms of enabling the responsiveness and durability of systems, processes, roles, and responsibilities.

The Bill empowers the Minister for Emergency Management to approve a new or revised National Emergency Management Plan.

The current CDEM Act requires the National CDEM Plan to be made by Order in Council. However, as the primary role of the National Plan is to explain and draw together arrangements that exist across the legislation system, it does not require legislative effect.

This change will enable greater responsiveness and ensure that the Plan can be kept up to date. The National Emergency Management Plan will be published in the *New Zealand Gazette*, and on a publicly available internet site.

### Director's power to make rules

The Bill empowers the Director of Emergency Management (the Chief Executive of NEMA) to make rules prescribing matters of detail and procedure in relation to the emergency management system.

Rules would be made as required to cover administrative, operational, and technical matters during 'peacetime' only - such as specifying forms, setting qualification standards, and prescribing requirements for maintaining and operating warning systems.

The Director could not, for example, prescribe rules to modify emergency powers available under a state of emergency.

The emergency management rules would be made by the Director following a process that includes consultation with partners and

stakeholders (including iwi and Māori, and local authorities).

The key advantage of the rules approach is that it helps ensure that the legal framework keeps up-to-date with technical and operational advances in emergency management. For example, as technical standards for warning systems change the Director will be able to update the rules expediently.

This rules-based approach is already being used in other sectors. For example, the relevant chief executives are empowered to make rules under the Customs and Excise Act 2018 and the Education and Training Act 2020.

### Climate change and definition of emergencies

#### *Schedule 2(3)*

The Bill includes the Climate Change Response Act 2002 in the list of relevant legislation for Emergency Management Committees to promote and raise public awareness of, and to monitor and report on compliance with provisions relevant to the purpose of the Bill.

To reflect the impact of climate change and work currently happening across government, the inclusion of this relevant legislation in the Bill serves as an acknowledgement of the effects of climate change as an exacerbator of hazards and risks.

### Offences and Penalties

#### *Clauses 125 to 132*

The Bill updates the offences and penalties regime to ensure it is fit for purpose.

The penalties set out in the CDEM Act have not been updated since 2002, and there is scope for the maximum amounts to be increased in line with other legislation.

The Bill introduces an infringement offence regime, which will provide an additional tool for requiring compliance in emergency situations.

To ensure flexibility, the Bill also empowers regulations to prescribe the infringement offence regime.

### **Naming conventions: shifting from 'civil defence emergency management' to 'emergency management'**

*Clauses 4(2) and 5(2) of Schedule 1*

The Bill provides an opportunity to update naming conventions in the current CDEM Act to better reflect the modern understanding of emergency management.

The Bill replaces the term '*civil defence emergency management*' in the Act with '*emergency management*'. This better reflects the broad and integrated nature of the emergency management sector.

The change from civil defence to emergency management is consistent with international practice and reflects a progressive change already underway in New Zealand.

Civil defence is a trusted national brand with wide recognition across New Zealand, so the concept will be retained for frontline facing activities.

## **Implementation**

A phased implementation approach will be used to minimise the impacts, especially for local government and critical infrastructure entities, of the changes on operational activity, and to enable the changes to be delivered effectively.

This includes transitional arrangements to ensure that new Emergency Management Committee Plans are not required immediately upon commencement of the Bill.

Other changes, such as appointing Māori members, establishing an Administering Authority, developing new Standard Operating Procedures,

The Bill also updates other terminology:

- *Civil Defence Emergency Management Group* becomes *Emergency Management Committee*.
- *Co-ordinating Executive Group* becomes *Emergency Management Co-ordinating Executive*.
- *Group Controllers* become *Area Controllers*.

### **Removing Minister's and Emergency Management Committees' duties when creating regulatory instruments**

The CDEM Act imposes duties on the Minister for Emergency Management and CDEM Groups to be complied with when creating specific types of regulatory instruments. For example, the duty to complete a cost benefit analysis.

These duties no longer need to be set out in an Act. It is unusual for Acts to deal with policy methodologies, including cost benefit analyses. Since 2002, for central Government agencies, requirements such as those set out in section 65 have been incorporated within regulatory impact analyses. Accordingly, the duties in section 65 of the CDEM Act are not carried over in the Bill.

and negotiating cost sharing agreements, will also have a phased implementation.

These changes will be further developed and brought into force via other regulatory instruments such as Regulations, the National Emergency Management Plan or Rules.

The Bill includes delayed commencement of some provisions for two years to give existing lifeline utilities time to comply with the new legal requirements relating to critical infrastructure 'planning emergency levels of service' and annual compliance reporting.

## 12. 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**

##### **Committee Recommendations to Council**

Item 5.1 23-1142 Trust Tairāwhiti Trustee Appointments 2023

##### **DECISION Reports**

Item 12.1 23-138 Local Government New Zealand Annual General Meeting 2023 – Candidates for President and Vice President

Item 12.2 23-144 Trust Tairāwhiti – Trustee Remuneration

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:

Items 5.1 & 12.1	7(2)(a)	Protect the privacy of natural persons, including that of deceased natural persons.
Item 12.2	7(2)(b)(ii)	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
	7(2)(h)	Enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities.