

AGENDA/KAUPAPA



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MEMBERSHIP: Her Worship the Mayor Rehette Stoltz (Chair), Josh Wharehinga (Deputy Chair), 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

SUSTAINABLE TAIRAWHITI /TOITŪ TAIRĀWHITI Committee

DATE: Wednesday 29 November 2023

TIME: 11:00AM

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

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Sustainable Tairāwhiti / Toitū Tairāwhiti

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

Purpose

To develop, approve, review and recommend to Council (where applicable) statutory and non-statutory policy, plans, bylaws, strategies and decisions to:

- Develop a vision and a pathway for the future of the district.
- Sustainably manage resources in the region.
- Identify and promote community aspirations.
- Define and deliver on Council's roles.
- Integrate an all-of-wellbeing approach to strategy, plan and policy development.
- Have effective statutory plans and bylaws to protect community and environmental needs.

Terms of Reference

- To develop and review Resource Management Act 1991 and Local Government Act 2002 strategies, plans and policies across the Council relating to community, environment, and infrastructure.
- Make recommendations to Council to ensure the effective implementation of plans, processes, research, monitoring and enforcement to satisfy the requirements of the Resource Management Act 1991, National Policy Statements, National Environmental Standards and associated legislation.
- To lead the development of Council's draft Long Term Plan, Annual Plan and all other policies required to be included in the Long Term Plan as specified in the Local Government Act 2002 (including but not limited to the Infrastructure Strategy and Financial Strategy). This includes the ability to approve draft versions for consultation, and make recommendation to Council following consultation.
- Hear submissions to Council's Long Term Plan or amendments.
- Oversee the development and review of Council's Resource Management Act 1991 plans.

- Oversee any development of unitary/spatial plan, integrated plans or major catchment plans.
- Consider and recommend to Council strategies, policies, rules and other methods for inclusion into the Tairāwhiti Resource Management Plan and other associated plans.
- Monitor and report on environmental performance trends and the effectiveness of and compliance with Council's resource management responsibilities and activities associated with policy implementation.
- Receive and review State of the Environment monitoring reports to assist in future activity planning and policy development.
- Bylaw development – make any decisions leading up to consultation on a proposal relating to a bylaw. This includes approval of a draft bylaw and/or proposal for consultation (and recommending the appointment of a Hearing Panel to the Bylaw Submissions Hearings Panel).
- Establish, implement and review the operational policy and planning framework for decision making that will assist in achieving the strategic priorities and outcomes
- Monitor, review and develop Council responses, strategies, plans and policy in relation to Iwi and Māori commitments.
- Prepare submissions on any matter that is within its role and terms of reference for Council.
- Approve or change a proposed policy statement or plan under clause 17 of Schedule 1 of the Resource Management Act 1991 (RMA).
- Make decisions that are required to be made by resolution, except those that are not legally able to be delegated.

Power to Act

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

To establish subcommittees, working parties and forums as required.

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

Power to Recommend

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

3.1. Confirmation of non-confidential Minutes 7 September 2023

MINUTES

Draft & Unconfirmed



Te Kaunihera o Te Tairāwhiti
GISBORNE
DISTRICT COUNCIL

P O Box 747, Gisborne, Ph 867 2049 Fax 867 8076
Email service@gdc.govt.nz Web www.gdc.govt.nz

MEMBERSHIP: Her Worship the Mayor Rehette Stoltz (Chair), Josh Wharehinga (Deputy Chair), 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

MINUTES of the SUSTAINABLE TAIRĀWHITI /TOITŪ TAIRĀWHITI Committee

Held in Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne on Thursday 7 September 2023 at 9:00AM.

PRESENT:

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

IN ATTENDANCE:

Chief Executive Nedine Thatcher Swann, Director Internal Partnerships and Protection 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 Jessica Taylor.

The meeting commenced with a karakia.

Secretarial Note: Cr Parata attended the meeting virtually via Microsoft Teams.

1. Apologies

MOVED by Cr Stoltz, seconded by Cr Alder

That the apologies from Cr Wharehinga 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 1 June 2023

MOVED by Cr Foster, seconded by Cr Ria

That the Minutes of 1 June 2023 be accepted.

CARRIED

4. Leave of Absence

There were no leaves of absence.

5. Acknowledgements and Tributes

There were no acknowledgements or tributes.

6. Public Input and Petitions

There were no public input or petitions

7. Extraordinary Business

There was no extraordinary business.

8. Notices of Motion

There were no notices of motion.

9. Adjourned Business

There was no adjourned business.

10. Reports of the Chief Executive and Staff for DECISION

10.1. 23-187 Freedom Camping Bylaw 2021 Amendments

- Staff are in discussions with Waka Kotahi (WK) around enabling Council to play a role in seasonal camping in the area. It requires a letter from the Chief Executive requesting that Council consider seasonal camping through their bylaw.
- Staff advocated for WK to have a conversation with local iwi (in particular Ngāti Oneone) first, to understand how they wish to approach that.
- Staff have suggested and are in discussions with WK about the potential to administer the site, not through Gisborne District Council's (GDC's) bylaw however it could be considered through mechanisms to regulate seasonal camping through the Traffic and Parking Bylaw and the Litter Act as options to enable seasonal camping this season however WK would have to be comfortable with this decision.
- It's not a choice or decision of Council staff or the Councillors, the bylaw in respect to those two sites does not have affect as it's ultimately WK's land.
- WK need to enter an arrangement with Council to allow them to manage the land at the two sites (Pouawa and Turihaua).
- If Council agrees to take on the responsibility of managing these two sites, a complex bylaw amendment process will begin.
- Currently Council cannot enforce the Freedom Camping Act on these sites as they are owned by WK.

- Staff are working with WK to gain management over these two sites and WK are very motivated to get an outcome for this camping season.
- Livable Communities Director Michelle Frey spoke with WK and asked if we could fast track this process by copying what another region has done, however there has been no cases like this to copy and GDC is the first Council to take it to them proactively.
- In terms of the locations, Council staff are being quite specific where they think it's safe and within those bounds for the coming camping season and have assessed the proposed sites.
- Staff have been and will be in further discussions with WK about the environmental impacts of seasonal camping.
- The difference between Makorori and these sites (Pouawa and Turihaua) is that Makorori is owned by a combination of landowners (Gisborne District Council and private landowners). For the Makorori Master Plan we have stewardship and responsibility over the land that we own and administer, we do not have this in these areas (Pouawa and Turihaua) now due to the amendment.
- There's no deadline for this, Council staff are trying to reconcile the inconsistencies between our bylaw and the statutory power as soon as possible.
- Councillors want to stress that this decision was not theirs or what they wanted and that it's been put on the region from the legislation changes.
- Campers with tents will be okay to continue camping this summer.

Secretarial Note: The meeting adjourned at 10:05am for morning tea and reconvened at 10:20am.

MOVED by Cr Tupara, seconded by Cr Foster

That the Sustainable Tairāwhiti /Toitū Tairāwhiti Committee:

1. Directs the Chief Executive to request permission from Waka Kotahi for the Gisborne District Council to declare Waka Kotahi land as a local authority area and include that land in the Gisborne District Council's Freedom Camping Bylaw 2021.
2. Recommends that Council:
 - a. Approves the amendments to the Gisborne District Council Freedom Camping Bylaw 2021 indicated by track changes in Appendix 1, to remove inconsistencies with amendments to the Freedom Camping Act 2011 made by the Self-contained Motor Vehicles Legislation Act 2023.
 - b. Approves the correction of minor inconsistencies between schedule titles within the bylaw; and
 - c. Approves the place name errors.

CARRIED

11. Reports of the Chief Executive and Staff for INFORMATION

11.1 23-21 Freshwater Implementation Update

- Dr Graeme Card introduced the kaimahi to Councillors.
- Entering a pilot programme for this in November spraying from Peel Street Bridge to where Turanganui and Waimata Rivers meet, dependent on the tides and weather as this requires strict conditions.
- Intention is for advisory groups to bring back information to Council.
- Still looking for more funding to assist with the Spartina Project (NZ Heritage and Lottery Fund).
- Attachment 23-21.1 page 68 refers to the plan and when it was written. It will be updated as a new plan with regard to the Makauri Aquifer Recharge Pilot.
- Cr Ria is happy to do wānanga with the people involved.
- Freshwater planning has been working with mana-whenua to identify the values and aspirations of each area.
- The Freshwater Improvement Fund (FIF) is spent mostly on Operational work. Also is used for the salaries for the kaimahi and an Operations Manager.
- Governance Group consists of 3 main hapū (Ngāti Oneone, Te Whanau a Iwi, Ngāi Tāwhiri) and through the Governance hui they forecast the next 3 years in terms of planting.
- Funding is now available for woody debris removal on beaches, not swimming holes specifically.

MOVED by Cr Gregory, seconded by Cr Ria

That the Sustainable Tairāwhiti /Toitū Tairāwhiti Committee:

1. Notes the contents of this report.

CARRIED

11.2 23-177 Tairāwhiti Resource Management Plan - Progress Update

- This will come into effect on completion of the Future Development Strategy.

MOVED by Cr Ria, seconded by Cr Gregory

That the Sustainable Tairāwhiti /Toitū Tairāwhiti Committee:

1. Notes the contents of this report.

CARRIED

11.3 23-180 National Policy Statement for Indigenous Biodiversity Update

- Significant Natural Area's (SNA's) fall within the Tairāwhiti Resource Management Plan (TRMP) and will be managed by a regulatory plan.
- Staff confirmed that the affected landowners will be notified as to why their land has been identified as an SNA.
- Staff will be reviewing Protected Management Area's (PMA's) and seeing how they fit with the new National Policy Statement for Indigenous Biodiversity Update.
- Cr Alder made a shout out to the Rapid Relief Team who are fronted by the local Brethren Church. They have delivered approximately \$500,000 of fencing equipment to local farmers and Cr Alder would like to thank them on behalf of the Farmers that received this koha.

MOVED by Cr Ria, seconded by Cr Cranston

That the Sustainable Tairāwhiti /Toitū Tairāwhiti Committee:

1. Notes the contents of this report.

CARRIED

12. Close of Meeting

There being no further business, the meeting concluded at 11:20am.

Rehette Stoltz

MAYOR

3.2. Action Sheet

Meeting Date	Item No.	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
10/03/22	10.1	22-30 Additional Information for Emissions Reduction Targets	In progress	Provide Councillors with cost implications to ratepayers when setting a 2030 net zero target.	Jacqui Wallens	May 2022 will be premature. The plan is to present the cost information in November alongside the full report after we complete the work underway.	13/11/23
16/03/23	10.1	23-22 Freshwater Planning Update (March 2023)	Completed	Staff to provide report regarding fencing, farm planning, waterways and outlining complexities around stock exclusion.	Janic Slupski	02/08/2023 Janic Slupski A report will be submitted to 7 September 2023 Sustainable Tairāwhiti Committee meeting.	15/08/23
17/05/23	10.1	23-70 Council's Strategic Risk Management Report	Completed	Provide the Committee with the updated status of our internal audit programme and assurance at the meeting on 20 September 2023.	Melanie Hartung	19/09/2023 Ariana Albert Internal Audit Report on October Agenda	16/06/23
01/06/23	11.1	23-91 Tairāwhiti Resource Management Plan - Progress Update	Completed	Provide Councillors with the work that was completed with the previous Councillors on 'Issues of Significance'. Staff are working with Iwi Technicians to develop the 'Issues of Significance' to Iwi and this will be reported back to Council. In terms of engagement with mana whenua staff can add a separate section on the approach to engagement in a future update.	Desiré du Plooy, Joanna Noble, Paula Hansen	29/06/2023 Desiré du Plooy Requests noted - staff will cover these actions in the next TRMP progress update report to the Sustainable Tairāwhiti Committee meeting, to be held on 7 September 2023.	15/08/23

Meeting Date	Item No.	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
07/09/23	11.2	23-177 Tairāwhiti Resource Management Plan - Progress Update	In progress	Staff to bring back to Council infrastructure costs.	Janic Slupski		07/11/23
07/09/2023	13.1	Additional Action Items	Completed	In regards to the minutes from the Sustainable Tairāwhiti meeting 1 June 2023, staff to bring back to Council their findings on Report 23-107 Council's Submission on He Pou a Rangi Draft Advice on the Next National Emissions Reduction Plan and whether an exotic carbon forest provides long term forestry fire protection.	Joanna Noble	19/10/2023 Joanna Noble <ol style="list-style-type: none"> 1. The Forest and Rural Fires Act 1997 was repealed and replaced by the Fire and Emergency New Zealand Act 2017 (the Act). This ended a long history of active forestry involvement in rural fire management. 2. Legislative responsibility for prevention, response and suppression of fire sits with Fire and Emergency NZ (FENZ). Local councils can also consider fire risk under the RMA in relation to land use planning. This is often a consideration relation to subdivision proposals. Forestry land use (and other farming activities) is generally permitted in rural zones. 3. There are no requirements under the FENZ Act for forestry companies to have fire suppression equipment. The FENZ Fire Plan for Tairāwhiti 2021-2024 Tairāwhiti-Fire-Plan-2021-2024-approved.pdf (fireandemergency.nz) supports use of the NZ Forestry Owners Association Forest Fire Risk Management Guidelines file (nzfoa.org.nz) 4. The commercial risk of losing forest assets to fire remains with the forest owner. If 	07/11/2023

Meeting Date	Item No.	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
						<p>companies have insured their crop for loss, there is likely a clause that premiums are lowered in relation to the company's ability to provide fire suppression. Some large forest owners, who have invested in fire equipment and training of personnel, have negotiated individual service agreements with FENZ. Staff do not know how many of these exist in Tairāwhiti.</p> <p>5. Under the old legislation, companies could take out fire suppression insurance in case the fire authority tried to cover costs of an event.</p> <p>6. FENZ will cover the cost of fire suppression, but not the losses incurred (accidental fire).</p> <p>7. FENZ can claim back costs if a company undertakes a burn off and it gets out of control. FENZ can take court proceedings to recover costs, but so far haven't.</p>	

10. Reports of the Chief Executive and Staff for DECISION



23-259

Title: 23-259 Development of the 2024 Infrastructure Strategy
Section: Strategic Planning
Prepared by: Charlotte Knight - Strategic Planning Manager
Meeting Date: Wednesday 29 November 2023

Legal: Yes

Financial: No

Significance: **Medium**

Report to SUSTAINABLE TAIRAWHITI /TOITŪ TAIRĀWHITI Committee for decision

PURPOSE - TE TAKE

The purpose of this report is to provide information for the Committee on the development of the 2024 Infrastructure Strategy and confirm the preferred direction for the development of the Strategy on:

- Assets included in the strategy
- Significant infrastructure issues

SUMMARY – HE WHAKARĀPOPOTOTANGA

This report outlines considerations and requests feedback from the Committee's for the strategic direction for the development of the 2024 Infrastructure Strategy. Feedback is requested from the Committee on non-mandatory assets to include in the strategy, and the significant infrastructure issues that form the basis for the development of the strategy.

The Local Government Act (LGA) 2002 mandates the Infrastructure Strategy, with the new 2024 Strategy shaped by the Severe Weather Emergency Recovery Legislation Act and associated Order in Council. Notably, this order changes certain requirements, such as needing to be audited and the 30-year timeframe. The 2024 strategy needs to include information related to significant infrastructure issues, management options, project implications, funding sources, and associated financial impacts.

The development of the Strategy aligns with the Three-Year Plan (TYP) development process and considers demographic, economic, and other factors influencing infrastructure demand. Due to emergency events in 2023, work on the Strategy was delayed, and a three-year period aligned with the TYP is deemed most viable with the time left to draft a strategy.

The Te Waihangā Infrastructure Commission's 30-year national infrastructure strategy and other national directives, such as the Waste Strategy and Water Services Entities Act, provide new direction and information for the 2024 Strategy. These national strategies and plans will influence the content and focus of the draft Strategy.

In navigating the complexities of legislative changes, national directives, and evolving environmental considerations, the 2024 Strategy will provide a focused, relevant, and resilient plan for the next three years. The proposed timeline and strategic considerations outlined in this report will guide the development process, ensuring a comprehensive and timely response to the infrastructure challenges faced by Tairāwhiti.

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 Sustainable Tairāwhiti /Toitū Tairāwhiti Committee:

- 1. Notes the timeline for preparing the 2024 Infrastructure Strategy.**
- 2. Confirms that the following assets are included in the 2024 Infrastructure Strategy:**
 - a. Water supply**
 - b. Wastewater**
 - c. Urban stormwater**
 - d. Land drainage, flood control, and coastal protection works**
 - e. Roads and footpaths (which includes cycleways)**
 - f. Solid Waste**
 - g. Community Facilities**
- 3. Confirms the significant infrastructure issues for developing the draft 2024 Infrastructure Strategy as:**
 - a. Recovery**
 - b. Te Taiao**
 - c. Future-ready**
 - d. Affordability**

Authorised by:

Joanna Noble - Director Sustainable Futures

Keywords: Infrastructure Strategy, Long Term Plan, assets, significant infrastructure issues

BACKGROUND - HE WHAKAMĀRAMA

Preparing a Business-as-Usual Infrastructure Strategy

1. Council is required to prepare a new 30-year Infrastructure Strategy every three years to inform its Long Term Plan. The legislative requirements for the Strategy's contents are set out in s101B of the Local Government Act (LGA) 2002 (**Attachment 2**).
2. The development of the Strategy provides an opportunity to bring infrastructure management issues and their consequences to the attention of Council and its communities. The 30-year focus allows the longer term issues facing Tairāwhiti, and the consequences of investment and service level decisions, to be considered. The Strategy addresses infrastructure owned and operated by Council rather than broader infrastructure issues.

Preparing the 2024 Infrastructure Strategy

3. This strategy will be different than our 2018 and 2021 Infrastructure Strategies. After the severe weather events of early 2023, the Severe Weather Emergency Recovery Legislation Act was enacted. This Act allows a number of laws to be changed to help communities continue their recovery from recent severe weather events. The mechanism to make these changes is a piece of secondary legislation called an Order in Council.
4. Affected councils advocated for an Order in Council to change their requirements in preparing the 2024 Long Term Plan and associated documents, including the Infrastructure Strategy. The Order in Council regarding Long Term Plans was gazetted 4 September 2023 (**Attachment 3**).
5. Relevant points for the development of the Strategy under the Order in Council are:
 - It will not be audited.
 - There is no requirement for the strategy to be 30 years. At a minimum it must be the period of the plan (three years).
 - Content requirements are different to reflect the level of uncertainty faced by the councils who are exempted from the usual requirements under the LGA. There is a focus on providing information on:
 - Significant infrastructure issues
 - Principal options for managing issues
 - Implications of the principal options
 - Major capital projects proposed or mid-implementing (including recovery projects)
 - Likely funding options for projects
 - Implications of the funding options for rates and debt

6. Some requirements under s101B of the Local Government Act 2002 and Schedule 1AA (Transitional arrangements relating to water services entities) are still required at this point in time. With a change in Government, we are expecting there will be changes in the Water Services Acts; however, until this occurs, we need to work to the currently enacted legislation.



Figure 1 Overview of requirements for the 2024 Strategy

Strategic Direction for the Strategy

7. The Strategy will be informed by Council's strategic direction for the Three Year Plan (TYP), and how Council-owned infrastructure will contribute to achieving the vision, strategic priorities and community outcomes of the TYP.
8. The Strategy also needs to recognise the following:
- Demographic, economic and other factors that drive demand for infrastructure (both the level of demand and the quality of infrastructure) – these are taken from the TYP significant forecasting assumptions.
 - Current state and performance of the infrastructure assets base – this information is taken from the Activity Management Plans.

Timeline for Development

9. With the emergency events in 2023, early work on the Strategy was put on hold pending the outcome of the Order in Council, and to allow more time for Asset Managers to focus on recovery mahi.
10. The Order in Council did not exempt Council from providing an Infrastructure Strategy. With the time, resourcing, and available information that we have to develop the Strategy, a three year strategy focused on the same period as the TYP is the most viable time period for the strategy to cover. Council will include information on its high-level approach to long-term infrastructure issues that extend beyond the period of the Strategy, the project-level detail and costings we would include in a business-as-usual strategy would not be included.

11. Based on the current planned date for consulting on the TYP, staff are proposing the following work programme and timeline to develop the Strategy:



Figure 2 Timeline for the development of the 2024 Infrastructure Strategy

National Infrastructure Strategy

12. Te Waihangā Infrastructure Commission developed a 30 year national infrastructure strategy that was released in May 2022. Rautaki Hanganga o Aotearoa covers a wide range of infrastructure including:

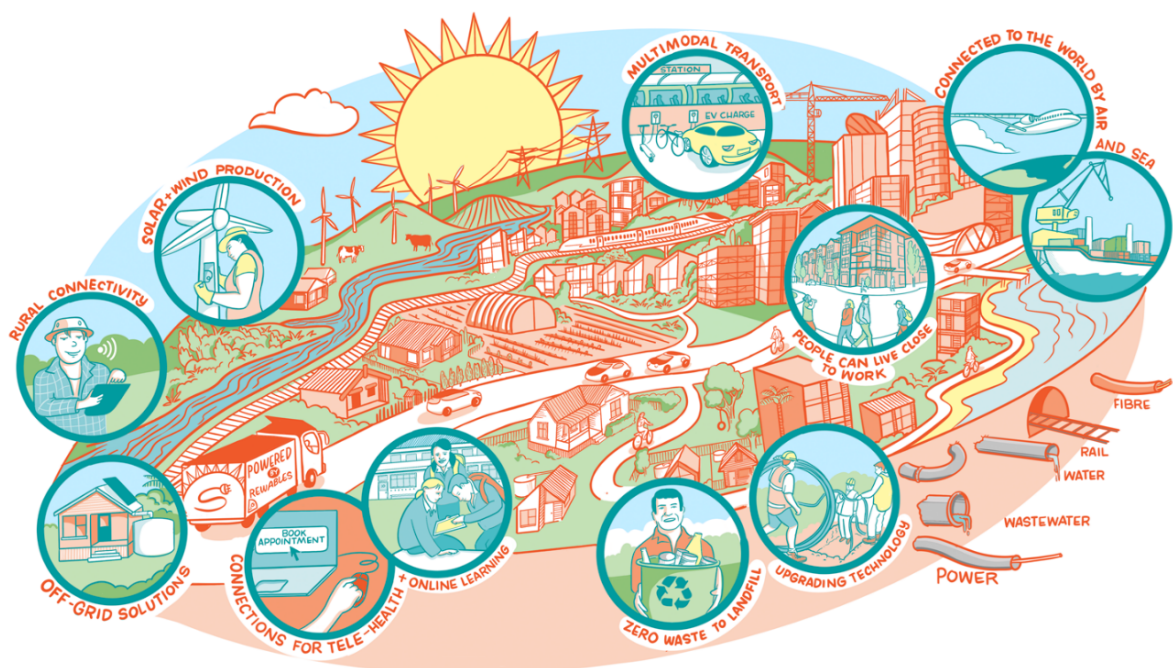


Figure 3 Infrastructure included in Rautaki Hanganga o Aotearoa

13. The strategy is a strategic response to the infrastructure challenges identified through Te Waihanga's State of Play reports, and other reports by infrastructure owners/managers and consultants.

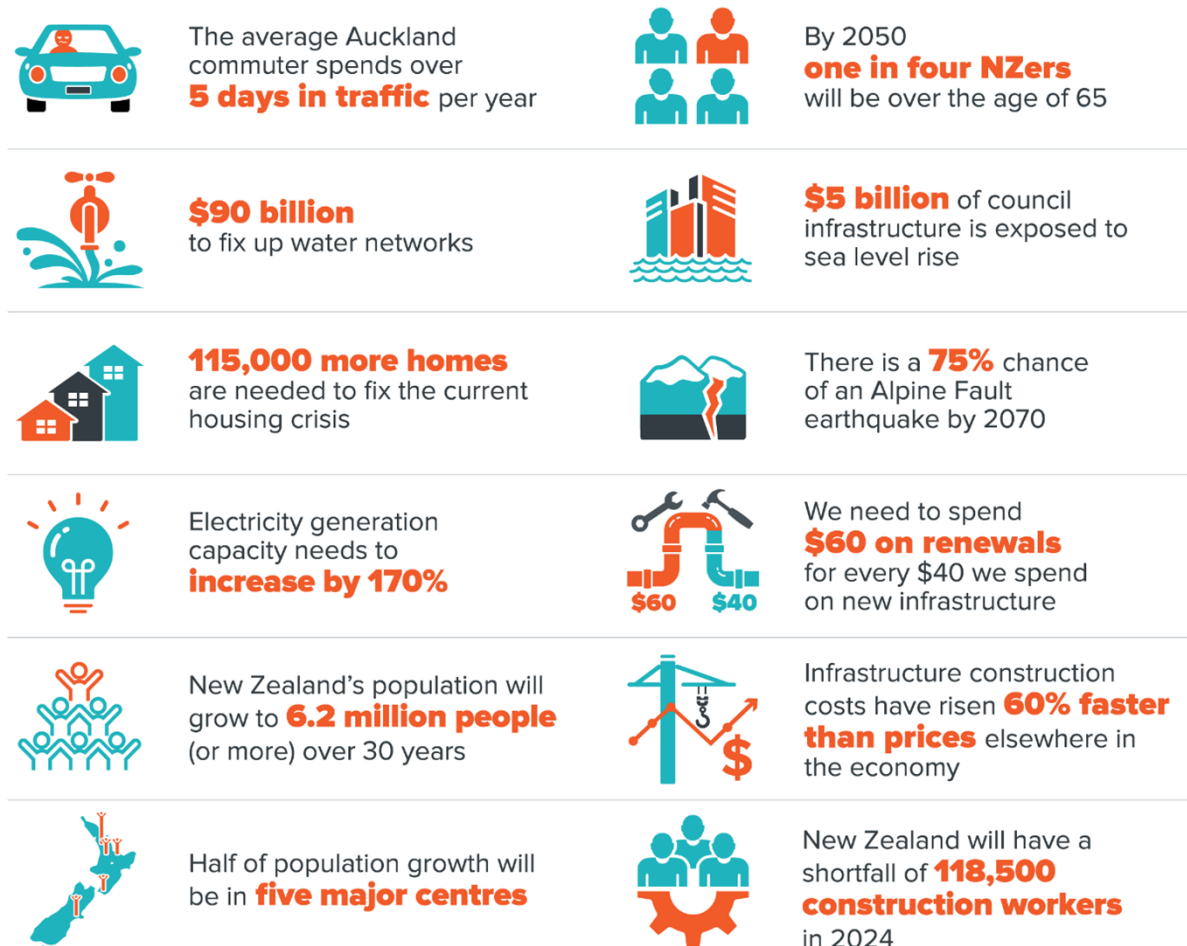


Figure 4 Overview of national infrastructure issues

14. The strategy has five objectives:

- Enabling a net-zero carbon emissions Aotearoa through rapid development of clean energy and reducing the carbon emissions from infrastructure.
- Supporting towns and regions to flourish through better physical and digital connectivity and freight and supply chains.
- Building attractive and inclusive cities that respond to population growth, unaffordable housing and traffic congestion through better long-term planning, pricing and good public transport.
- Strengthening resilience to shocks and stresses by taking a coordinated and planned approach to risks based on good-quality information.
- Moving **to a circular economy** by setting a national direction for waste, managing pressure on landfills and waste-recovery infrastructure and developing a framework for the operation of waste-to-energy infrastructure.

15. An overview of the blueprint for action is in *Figure 5* below:

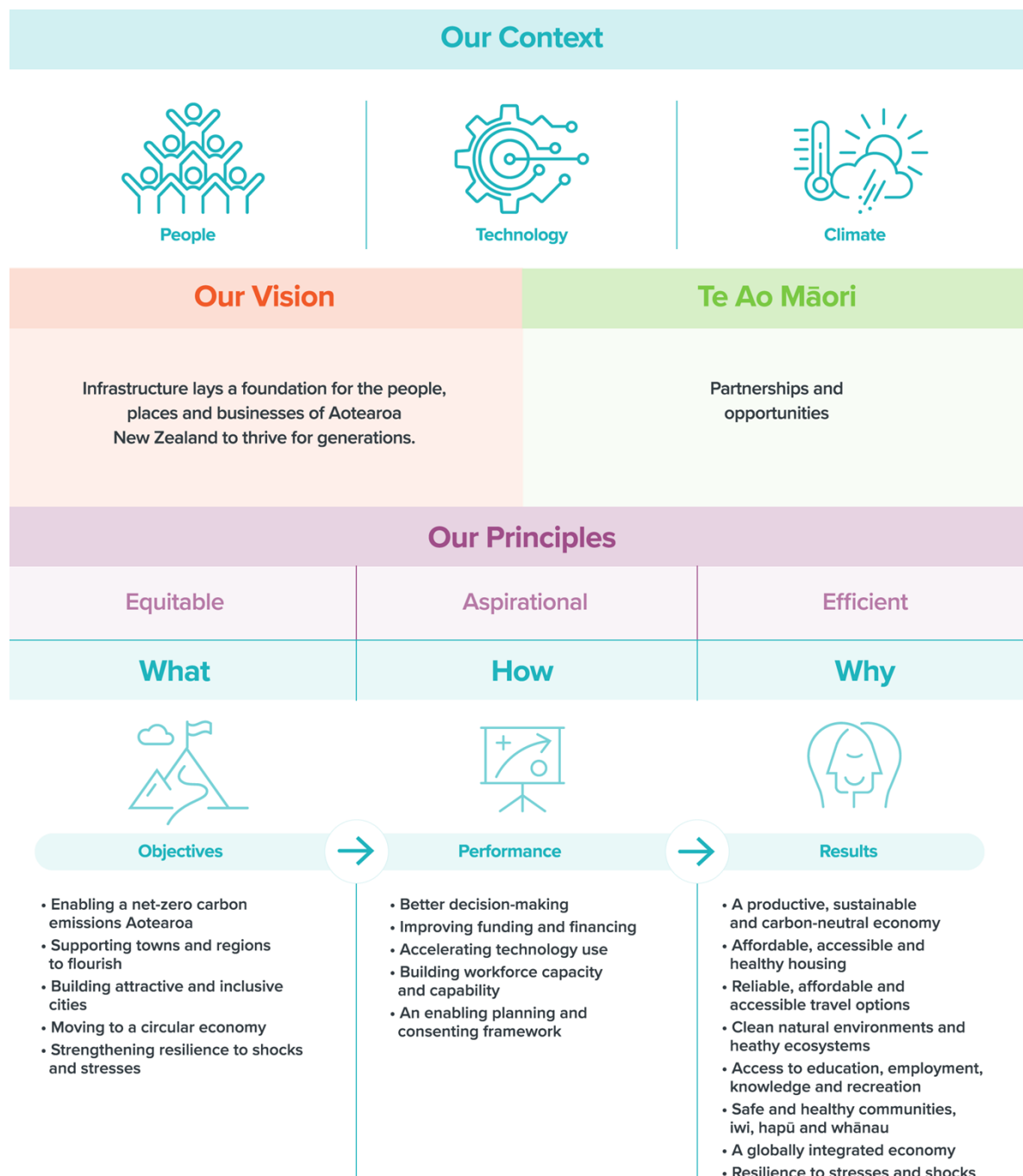


Figure 5 Blueprint for action

National Direction on Council's Solid Waste Infrastructure

16. In 2021, the government consulted on a range of ideas for improving waste management across the country. The first output from that consultation is Te Rautaki Para: National Waste Strategy released on 29 March 2023.
17. The Waste Strategy has high-level guidance to support the national transition to a low-waste, low-emissions, circular economy. The vision is: "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".
18. Prior to the election the Government was 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.

National Direction on Council's Three Waters Infrastructure

19. 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 introduced several pieces of legislation that have now been consolidated into a single Water Services Entities Act (WSEA).
20. The WSEA established 10 Water Service Entities (WSE) under co-governance arrangements (between territorial authorities and mana whenua representatives). It outlined a new regulatory framework for water services and the functions and powers of the WSEs and others including territorial authorities, Taumata Arowai, and the Commerce Commission.
21. The election has seen a shift to the centre-right and a National-led government. While final election results will not be known until after 3 November, when special votes are counted, the political parties involved in forming a coalition government have each indicated, pre-election, that they would repeal some or all parts of the WSEA within the first 100 days of taking power.
22. The potential coalition parties agree that reform of water services delivery is needed, however, water services would continue to be owned and managed locally and that there would be no mandatory co-governance or merging of service delivery.

National Direction on Council's Transport Infrastructure

23. The Minister of Transport issues a Government Policy Statement on Land Transport (GPS) every three years. The GPS sets out the government's priorities for expenditure from the National Land Transport Fund over a 10-year period, and how funding should be allocated across different activity classes.
24. Council's transport activities need to take into account the GPS direction and priorities, particularly in relation to the identification of its short – medium term transport investment priorities and regional programme. More detailed mahi on this is undertaken and presented in Council's Regional Land Transport Plan and Regional Public Transport Plan.

25. The draft 2024 GPS¹ strategic priorities are:

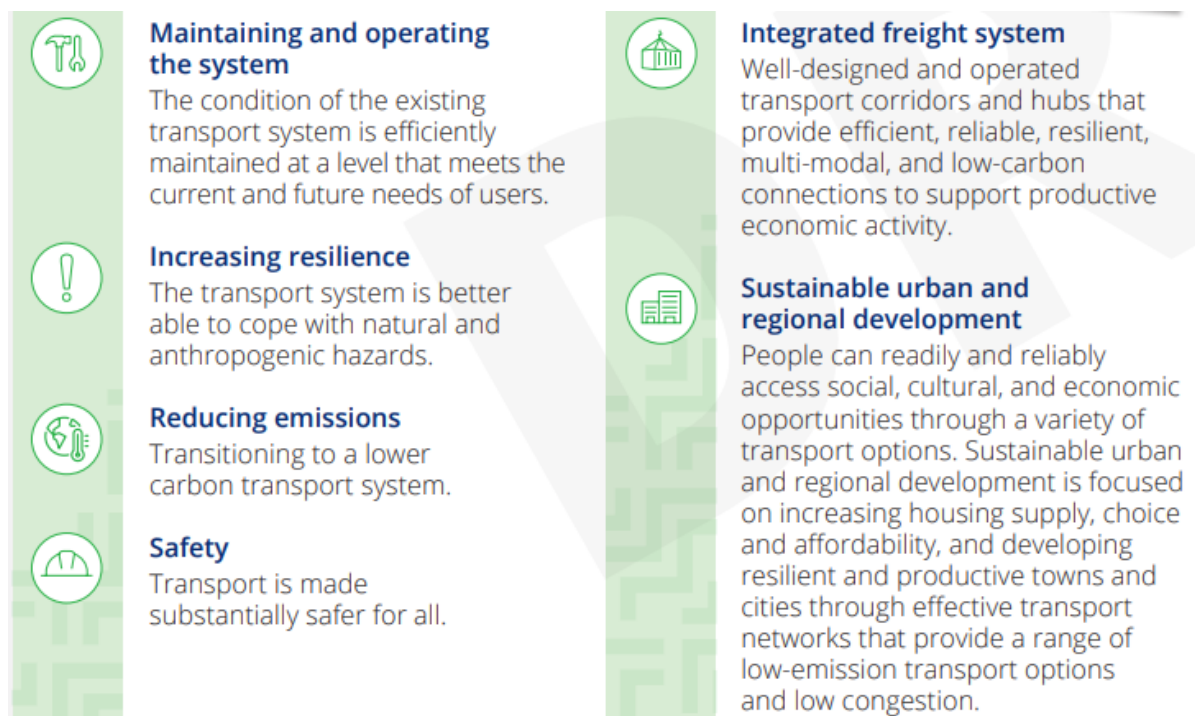


Figure 6 Draft 2024 GPS strategic priorities

26. It is anticipated that there will be some change to these priorities with a change in Government. There is a high level of uncertainty on the timeframe for when the final version of the 2024 GPS will be available, currently anticipated in April/May 2024.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

Assets for inclusion

27. Under the LGA the following assets must be included in the Strategy:
- flood protection and control works
 - provision of roads and footpaths
28. Under the Water Services Legislation Act 2023, water supply, sewerage and the treatment and disposal of sewage, and stormwater drainage are no longer mandatory assets in infrastructure strategies as of 1 July 2024. Additionally, under Schedule 1AA of the LGA Council is not required to include information about water services in the Strategy.

¹ Government Policy Statement on land transport 2024 | Ministry of Transport

29. In the 2021 strategy the following assets were included:

- Water supply
- Wastewater
- Urban stormwater
- Land drainage, flood control, and coastal protection works
- Roads and footpaths (which includes cycleways)
- Solid Waste
- Community Facilities (cultural activities, recreation and amenities)

	Only Mandatory (Flood Protection & Roads/Footpaths)	2021 Assets (Listed Above)
Advantages	<ul style="list-style-type: none"> • Meet statutory requirements. • No additional mahi needed to be undertaken by non-mandatory Asset Managers. 	<ul style="list-style-type: none"> • Continues discussion from 2021 with community on these assets. • Several of these assets are relevant in recovery conversations. • Hold information on these assets that meets current legislative requirements for the Strategy.
Disadvantages	<ul style="list-style-type: none"> • Lose visibility of non-mandatory assets as part of the broader infrastructure picture. • Will miss other relevant assets for recovery conversations - a recovery focus is the intent of having a three year plan. • Would need to undertake further work at a later date and make an amendment to include three waters assets when the Water Services legislation is repealed. 	<ul style="list-style-type: none"> • Additional mahi for staff who manage non-mandatory assets. • May miss some other relevant assets for recovery conversations.

Table 1 Options analysis for assets to include in the 2024 Infrastructure Strategy

30. *Table 1* provides a high-level options analysis of only having the mandatory assets or having all the 2021 Infrastructure Strategy assets included in the 2024 Infrastructure Strategy. There are several disadvantages and risks with only preparing the 2024 Infrastructure Strategy with the mandatory assets.

31. If the information for non-mandatory assets isn't available or detailed enough to include in the 2024 Infrastructure Strategy, Council can remove these assets in February when they adopt the draft strategy for consultation.

Significant Infrastructure Issues

32. Key to the development of the 2024 Infrastructure Strategy is the significant infrastructure issues. Under the Order in Council, we are required to present the significant infrastructure issues, the principal options for managing issues, and the implications of the principal options.
33. Although 'issues' is the language used in the legislation, these are Council's infrastructure challenges and opportunities for the period of the Strategy. The approach taken is to identify issues that affect all or most Council infrastructure and include information on the impact of the issue on individual asset groups where this is significant.
34. Under the 2021 Strategy we had the following issues for the 30 year period (more information on these issues is available in **Attachment 1**):
- Te Taiao: meeting expectations.
 - Ngā Tikanga Āwhina Tāngata: delivering the services our community needs.
 - Climate change will impact our infrastructure.
 - Building resilience: our infrastructure is vulnerable.
 - Growth: providing infrastructure that supports housing development.
 - Supporting economic growth.
 - Affordability.
35. Under the 2024 Strategy the time period we are presenting issues and options for is significantly shorter than 30 years. Therefore, the nature of the significant issues for that short period and how they will be managed will be quite different to how we have formed our 2018 and 2021 Strategies.
36. Based on a review of the 2021 Strategy, the 2023 Environmental Scan, and the timeframe of the Strategy staff have outlined four significant infrastructure issues for Council to consider to frame the 2024 Strategy and development process.

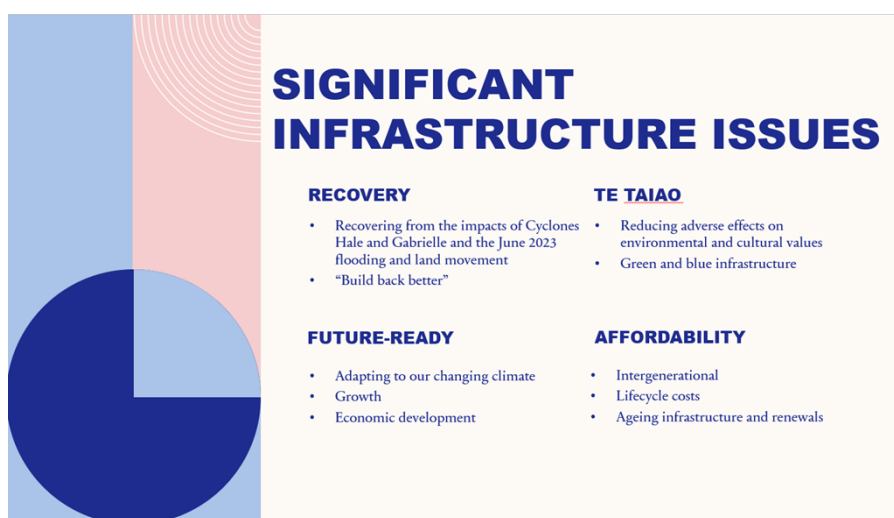


Figure 7 Draft significant infrastructure issues for the 2024 Strategy

37. Table 2 provides a high-level options analysis of using the 2021 issues or the four draft issues presented in Figure 7 in the 2024 Infrastructure Strategy. The level of mahi required increases with increased issues.

	2021 issues	Suggested issues (preferred)
Advantages	<ul style="list-style-type: none"> Consistent with previous strategy. 	<ul style="list-style-type: none"> Reflects focus on 'protect and connect' through recovery period Enables a longer term view to be applied to projects needed / delivered in the next three years.
Disadvantages	<ul style="list-style-type: none"> A lot of issues to address for a strategy with a short time period. 	<ul style="list-style-type: none"> Could be seen as oversimplifying and combining previous and current issues.

Table 2 Options analysis of significant infrastructure issues for the 2024 Strategy

38. The draft significant infrastructure issues in Figure 7 are not mutually exclusive and responding to one may affect one or more of the other issues.
39. More in-depth information about each issue will be developed and presented in the draft Strategy to Council in February. This will include Council's principal options for managing the significant infrastructure issues and identify Council's preferred option(s).
40. A lot of work that is already planned or underway will address one or more of the issues. However, Council has an opportunity to consider whether any additional actions are required in the next three years, and what decisions may be required in the future (beyond the three year timeframe). The projects in the draft Strategy will align to any mahi undertaken during the wider TYP programme development and prioritisation by Council.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

Overall Process: Medium Significance

This Report: Medium Significance

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

Overall Process: Medium Significance

This Report: Medium Significance

Inconsistency with Council's current strategy and policy

Overall Process: Low Significance

This Report: Low Significance

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

Overall Process: High Significance

This Report: Low Significance

The effects on individuals or specific communities

Overall Process: **High** Significance

This Report: **Low** Significance

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

Overall Process: **High** Significance

This Report: **Low** Significance

41. The decisions or matters in this report are considered to be of **Medium** significance in accordance with Council's Significance and Engagement Policy.
42. The development of an Infrastructure Strategy affects the lives of all the people who live, work or visit Tairāwhiti in some way. There is a high level of public interest in how Council manages its infrastructure.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

43. Engagement on the Infrastructure Strategy is part of the Three Year Plan engagement process.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

44. Engagement on the Infrastructure Strategy is part of the Three Year Plan engagement process. Currently public consultation is planned for mid-March.

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

45. The March 2023 Synthesis Report from the Inter-Governmental Panel on Climate Change (IPCC)² summarises the state of knowledge, widespread impacts and risks, and mitigation and adaptation approaches.
46. Systems transitions to reduce our emissions and respond to the impacts of climate change includes deployment of low- or zero emission technologies; reducing and changing demand through infrastructure design and access, socio-cultural and behavioural changes, and increased technological efficiency and adoption; social protection, climate services or other services; and protecting and restoring ecosystems (high confidence).
47. The National Adaptation Plan outlines the present and future initiative to aid the development of New Zealand's climate resilience. The document gives a high-level overview of planned future work programmes, outlining the government's goals for the next six years³. Council is a key public infrastructure provider and ensuring we align to this Plan going forward is an important part of adapting to our changing climate.

² [AR6 Synthesis Report: Climate Change 2023 — IPCC](#)

³ [National adaptation plan | Ministry for the Environment](#)

48. The impact of climate change on Council's infrastructure is one of the significant issues identified in the 2021 Strategy. Climate change is an important part of all four draft significant issues however, the key issue that would focus on climate change would be "future-ready".
49. A climate change impact assessment on the Strategy's proposed infrastructure programme will be presented alongside the draft Strategy in February.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

50. The draft Strategy will include operational and capital expenditure estimates for the next three years. The Strategy will align with the direction and projects presented in the Financial Strategy and the TYP.

Legal

51. The LGA requires every local authority to prepare and adopt an Infrastructure Strategy for a period of at least 30 years as part of its Long Term Plan (refer s101B(1)). This has been a requirement since the LGA was amended in 2014.
52. The following requirements are set out in the LGA:
- The purpose of an infrastructure strategy is to identify significant infrastructure issues, the principal options for managing the issues and the implications of those options (s101B(2)).
 - The Strategy must include financial estimates for at least 30 years that reflect the scenario Council considers most likely. Major assumptions on which the scenario is based must also be recorded (s101B(4)).
 - The Strategy must estimate the timing and cost of significant capital expenditure decisions the local authority expects to need to make under the scenario, and the options it will need to consider (s101B(4)).
53. The Strategy is mandatory for the following assets: flood protection and control works; and the provision of roads and footpaths. Other assets may be included at Council's discretion.
54. After the severe weather events of early 2023, the Severe Weather Emergency Recovery Legislation Act was enacted. This Act allows a number of laws to be changed to help communities continue their recovery from recent severe weather events. The mechanism to make these changes is a piece of secondary legislation called an Order in Council.
55. Affected councils advocated for an Order in Council to change their requirements in preparing the 2024 Long Term Plan and associated documents, including the Infrastructure Strategy. The Order in Council regarding Long Term Plans was gazetted 4 September 2023 (**Attachment 3**).

56. Under the Order in Council the Strategy must include:
- significant infrastructure issues,
 - principal options for managing issues,
 - implications of the principal options,
 - major capital projects proposed or mid-implementing (including recovery projects),
 - likely funding options for projects
 - implications of the funding options for rates and debt.
57. At a minimum the Strategy must cover the period of the plan (three years)
58. Some requirements under s101B of the Local Government Act 2002 and Schedule 1AA (Transitional arrangements relating to water services entities) are still required at this point in time. With a change in Government, we are expecting there will be changes in the water services acts; however, until this occurs, we need to work to the currently enacted legislation.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

59. The suggested infrastructure issues align with Council's current and in development policies, plans and strategies.
60. The impact on Council's strategic documents and any changes required will be taken into consideration as part of the strategy development and drafting.

RISKS - NGĀ TŪRARU

61. **Time and resourcing:** the key issue in developing this strategy will be the workload capacity for key subject matter experts (asset managers and finance), and the development team (Strategic Planning). This strategy is unaudited and quite different to the business-as-usual requirements which means there is no evidential threshold for information due to an audit process, and under the Order in Council the content requirements are reduced. There is the option to remove non-mandatory assets during the development period if required to manage the delivery of the draft Strategy within the time and resourcing available.
62. **Community engagement:** there is no longer sufficient time to undertake early engagement to help inform the development of this strategy. The development will rely on what we know from the community from the 2021 feedback and any feedback on other relevant mahi since then. Additionally, as this strategy will be a quite different time period from what is usually included in the Long Term Plan it may mean there is feedback from the community that will not be able to be incorporated as part of the final strategy. Capturing information and ideas for beyond the three years for the next strategy development will be an important part of the documentation of feedback.

63. **Water services reform:** there is a level of uncertainty with the next steps for the reform process given some political party's election promises. This adds a level of uncertainty to potential content needed during the key development period of the strategy. Given we are only to focus on the next three years it is a less significant risk than those councils still doing 30 year strategies. We are expecting some guidance to be developed for councils once there is a clear timeframe and next step under the new Government.
64. **2027 strategy development:** the next strategy development will be significantly more work given the gap in years and information presented between this strategy period and the 2021 strategy. It will be extremely important to start preparation of the 2027 strategy earlier than usual in mid-2025 in order to enable that mahi to be undertaken to a sufficient level to meet audit requirements.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
February 2024	Draft strategy adopted for consultation as part of the Three Year Plan engagement period	
March-April	Community consultation on the draft Strategy	Consultation currently planned for mid-March
June	Adopt final Strategy	Aligned to current timeframe for adopting the Three Year Plan

ATTACHMENTS - NGĀ TĀPIRITANGA

- Attachment 1 - 2021 Significant Infrastructure Issues [23-259.1 - 5 pages]
- Attachment 2 - Section 101 B Infrastructure strategy [23-259.2 - 2 pages]
- Attachment 3 - Severe Weather Emergency Recovery Local Government Act 2002 Long Term Plan Order in Council [23-259.3 - 11 pages]

Significant Infrastructure Issues in the 2021 Infrastructure Strategy

Overview of issues

In the 2021 Infrastructure Strategy (IS) we identified seven significant infrastructure issues to address over the 30 year period to 2051. Figure 1 below shows how they aligned with the 2021-2031 strategic priorities set by elected members to guide the plan's development and prioritisation of programmes of work across Council.

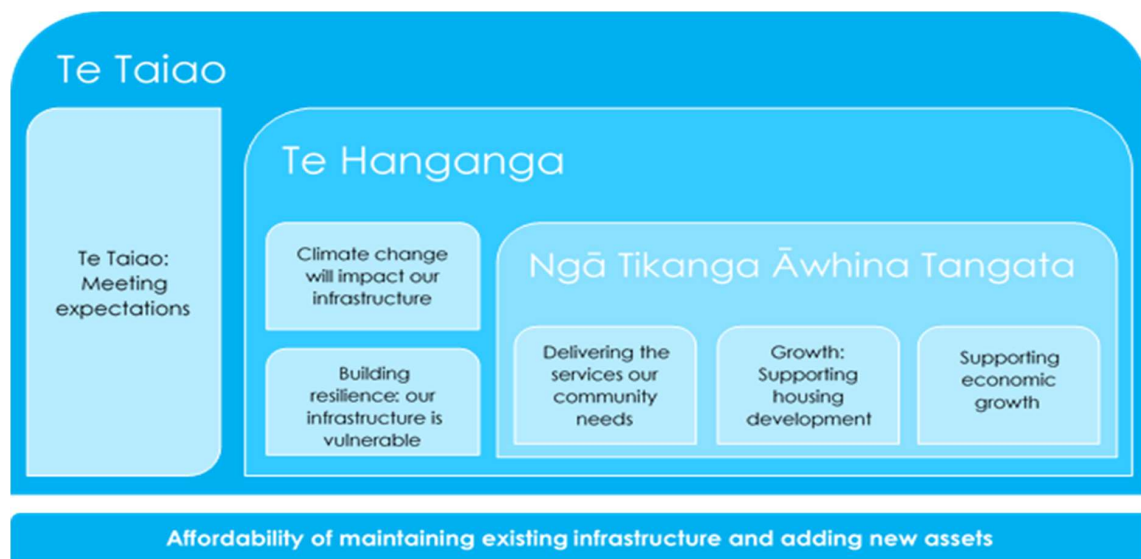


Figure 1 Significant infrastructure issues and alignment to 2021 Long Term Plan strategic priorities

The summary description of each issue that was provided in the 2021 IS of each issue is included under the relevant heading below. For more information on each issue, please refer to the 2021 IS available in Volume 2 of the 2021-2031 Long Term Plan at this link: <https://www.gdc.govt.nz/council/2021-2031-long-term-plan>

Key Infrastructure issue 1 Te Taiao: meeting expectations

Infrastructure activities have the potential to have an adverse effect on environmental and cultural values. Mana whenua, community and central government have clearly stated expectations regarding improved management of wastewater and stormwater discharges, solid waste, and freshwater allocation. In many cases there are new or tougher regulatory requirements. This means we may have to increase the current levels of service for some of our infrastructure activities.

We hold many resource consents that allow us to carry out current and future activities. Most consents need to be replaced before they expire to ensure ongoing compliance with the relevant regulatory requirements (particularly the freshwater provisions of the Tairāwhiti Resource Management Plan). We expect new consents will have more stringent requirements to reflect Government, mana whenua and community expectations.

Estimated costs associated with replacing resource consents have been included in the forecast expenditure where this is possible. In the case of solid waste management,

stormwater, water supply and wastewater discharge consents we expect additional work will be needed to ensure we comply with new environmental standards.

Key Infrastructure issue 2 Ngā Tikanga Āwhina Tāngata: delivering the services our community needs

Water supply

The majority of water used in areas outside the municipal supply is sourced from roof collection. The water quality of water sourced from roofs and stored by households is often poor due to biological contamination from wind-born organic matter and birds.

We know that there will be new and more stringent requirements for safe drinking water. Compliance with safe drinking water isn't a significant issue for the municipal water treatment and the city water supply, but there may be implications for community facilities that have water tanks or other sources of drinking water that do not come from the treated supply. We also expect that there will be requests from smaller townships for support to provide more secure drinking water.

Community facilities

Some of our community facilities are ageing and no longer fit for purpose. Many older community buildings require investment to address hazards such as asbestos or seismic risk, and to ensure they are fit-for-purpose for changing community needs. This is a particular issue for sports and recreation facilities.

Safer Roads

Narrow roads, limited alternatives and driver behaviours increase personal risk and contribute to unacceptable levels of death and serious injuries on our transport network. While our transport system has relatively low levels of total deaths and serious injuries (DSI) compared to other regions, it performs poorly in terms of DSI per capita.

Key infrastructure issue 3 Climate change will impact our infrastructure

Climate change will impact how we plan and manage all our infrastructure activities. Regional hazard assessments indicate that over the next century Tairāwhiti can expect sea levels to rise, more droughts, more intense storms, less rainfall and increased wind. Some infrastructure will need upgrading to cope with more extreme weather events, and require repairs or replacement following more intense storms and further investment may be required in stopbanks to protect communities and productive land. This will have ongoing cost implications for both capital and operational expenditure and in some situations, the viability of infrastructure may be threatened.

How we design, build and operate our infrastructure can support climate change mitigation and adaptation. For example, some construction methods have a larger carbon footprint than others and where we locate new infrastructure can affect how vulnerable it is to climate change impacts. One of our priorities is to invest in infrastructure that is able to adapt to change.

The first national climate change risk assessment¹ will inform development of a national adaptation plan, which will be released by August 2022. Nationally, the risk to infrastructure is relatively high, particularly the risk relating to water supply, buildings, landfills, and wastewater and stormwater systems. The risk to potable water supply is the top-rated risk (in terms of urgency to act). We expect that the national adaptation plan will focus on the

¹ Released in August 2020

highest rated risks, and we will need to demonstrate how we are managing risks to our infrastructure.

Key infrastructure issue 4 Building resilience: our infrastructure is vulnerable

Resilience is the ability to cope with and recover from adverse events, for example, if a road slip takes out a critical water main to a township. We can make our assets more resilient by having in place a programme of proactive renewals and maintenance works, which means assets, are in good condition. Building resilience also means we are more able to adapt to the impacts of climate change.

Resilience is not just about hard infrastructure, but also social resilience, staff retention, resourcing, and succession planning to ensure Council has the skills and resources to respond to an event. This is a significant issue for Council as it is difficult to attract and retain skilled staff to ensure business continuity of core infrastructure.

Council is planning for improvements to infrastructure resilience in the event of natural hazards and during times of maintenance or repair to ensure business continuity for Council and its residents and businesses. The road network is vulnerable to closure during adverse events and a lack of alternative routes results in economic and social disruption. Similarly, Gisborne has limited water storage, and if impacted by an event, this could have significant consequences.

Our options for managing infrastructure resilience revolve around the level of risk that the community is willing to accept. High-risk options, such as doing nothing, do not represent good asset management practice. Although 'doing nothing' would not increase our costs in the short term it will result in a decline in the condition of our assets and the level of service provided and would increase the risk of failure of, or damage to, our assets. Doing nothing will almost certainly result in increasing costs, possibly significantly, in the longer term.

Improving the resilience of all our assets is a lower risk approach as it will limit the impact of shock and stresses when adverse events do hit, but this can be expensive in the short-term due to upfront costs.

Key infrastructure issue 5 Growth: providing infrastructure that supports housing development

The National Policy Statement for Urban Development 2020 requires us to provide sufficient capacity in our infrastructure networks to meet the diverse demands of our communities over the short, medium and long-term.

Gisborne city has experienced population growth since 2018 and the population is set to increase by over 6,000 in the next 30 years². There is a shortage of about 400 houses³ at the moment, and that is predicted to increase at current building rates. We also know that the houses that are being built are not meeting the needs of all parts of the community. Demand for smaller and more affordable dwellings is expected to increase⁴.

Increased population will mean higher peak stormwater and wastewater flows and contaminants to manage and increased demand for drinking water. We also need to make

² Thomas Consulting Medium Growth Forecast.

³ Tairāwhiti Rau Tipu Rau Ora – COVID-19 Pandemic Response and Recovery Plan 2020

⁴ Environmental Scan 2020

sure that people can get around the city and to schools, work and other destinations safely and in a way that supports our commitment to climate change mitigation.

There is a risk that infrastructure planning focuses on greenfield development because it involves new infrastructure. It is important that infrastructure capacity is provided to accommodate the projected increased housing density and housing preferences are monitored to ensure that any changes inform future planning.

Key infrastructure issue 6 Supporting economic growth

Our economy is, heavily structured around primary industry, which is sensitive to external factors such as the capability of the roading network, flooding and droughts and the availability of water resource.

Ongoing investment in core infrastructure (such as transport, water and wastewater) will be required to support economic growth and development, for example a significant increase in high-value tourism, domestic wood processing at Matawhero, honey processing or medicinal cannabis production.

Example: About 250 hectares of land zoned industrial at Matawhero is vacant or used for cropping. Trust Tairāwhiti is promoting investment in wood processing in the region and has identified Matawhero as a potential location for additional wood processing facilities.

Development of this land may place additional demands on our roading and three waters infrastructure and raise expectations with regard to flood management.

Conversely, land use change associated with development can impact our infrastructure and reduce the levels of service our residents and ratepayers expect.

Investment included in the 2021 LTP supports roading, active transport, township upgrades and water security. Other projects were considered but not funded in the 2021 LTP due to affordability constraints. These are additional infrastructure projects to support CBD revitalisation, additional investment in community facilities to support development of an authentic East Coast road journey and expanding Tairāwhiti Navigations. Additional projects (such as CBD revitalisation) may be progressed, in consultation with the community, if external funding becomes available.

Key Infrastructure issue 7 Affordability

The infrastructure we own represents significant historic investment and a significant investment in the future. Providing infrastructure is our biggest area of activity. The majority of our funding is spent on planned infrastructure projects and programmes in order to meet agreed levels of service.

Our infrastructure is ageing, and we need to make significant investment in three waters (drinking water, wastewater and stormwater), land transport and other infrastructure during the next 30 years to manage the effects of climate change and other challenges and meet the expectations and needs of our communities.

Older assets may also no longer be fit for purpose - they may no longer meet the needs of users, provide for adaptation to climate change, be legislatively compliant or they may contain technology that is no longer supported. These older assets may not be easy to adapt to the changing future needs of the community – additional capacity and increased resilience cannot be simply added to most assets.

The upgrade or addition of new assets to improve resilience or to support growth in the region and other service level demands, will add further to our costs. Deferring or reducing

expenditure on assets now, will increase our cost burden in the future and increase the risk of asset failure and shortening the life of the asset.

As Gisborne city grows and ages, there is an increasing amount of infrastructure to renew. The current generation must pay for the renewal of all previously established infrastructure. Future generations will pay for the renewal of all previously established infrastructure and any new infrastructure yet to be established.

The way we develop new infrastructure to support the growth of the city will affect the amount of renewals we face in the future. For example, brownfield redevelopment and making use of existing infrastructure by changing planning rules can be more efficient than new greenfield infrastructure and expanding existing networks.

The proportion of the population aged over 65 is projected to increase more rapidly than other age groups. This has an impact on affordability, as those on fixed incomes (such as retirees) are generally more impacted by rates increases. Although employment levels are increasing in Tairāwhiti, salaries remain lower than other regions and house prices have risen significantly, which impacts the ability of some residents to pay rates.



New Zealand Legislation

Local Government Act 2002

If you need more information about this Act, please contact the administering agency: **Department of Internal Affairs**

- Warning: Some amendments have not yet been incorporated

101B Infrastructure strategy

- (1) A local authority must, as part of its long-term plan, prepare and adopt an infrastructure strategy for a period of at least 30 consecutive financial years.
- (2) The purpose of the infrastructure strategy is to—
 - (a) identify significant infrastructure issues for the local authority over the period covered by the strategy; and
 - (b) identify the principal options for managing those issues and the implications of those options.
- (3) The infrastructure strategy must outline how the local authority intends to manage its infrastructure assets, taking into account the need to—
 - (a) renew or replace existing assets; and
 - (b) respond to growth or decline in the demand for services reliant on those assets; and
 - (c) allow for planned increases or decreases in levels of service provided through those assets; and
 - (d) maintain or improve public health and environmental outcomes or mitigate adverse effects on them; and
 - (e) provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.
- (4) The infrastructure strategy must outline the most likely scenario for the management of the local authority's infrastructure assets over the period of the strategy and, in that context, must—
 - (a) show indicative estimates of the projected capital and operating expenditure associated with the management of those assets—
 - (i) in each of the first 10 years covered by the strategy; and
 - (ii) in each subsequent period of 5 years covered by the strategy; and
 - (b) identify—
 - (i) the significant decisions about capital expenditure the local authority expects it will be required to make; and
 - (ii) when the local authority expects those decisions will be required; and
 - (iii) for each decision, the principal options the local authority expects to have to consider; and
 - (iv) the approximate scale or extent of the costs associated with each decision; and
 - (c) include the following assumptions on which the scenario is based:
 - (i) the assumptions of the local authority about the life cycle of significant infrastructure assets;
 - (ii) the assumptions of the local authority about growth or decline in the demand for relevant services;
 - (iii) the assumptions of the local authority about increases or decreases in relevant levels of service; and
 - (d) if assumptions referred to in paragraph (c) involve a high level of uncertainty,—
 - (i) identify the nature of that uncertainty; and

- (ii) include an outline of the potential effects of that uncertainty.
- (4A) A local authority must, for a long-term plan for or after 2027–2037, identify and explain, in the infrastructure strategy, any significant connections with, or interdependencies between,—
- (a) the matters included in that infrastructure strategy; and
- (b) the matters that are—
- (i) included in an infrastructure strategy prepared and adopted by a water services entity under [section 157](#) (and *see also* [clause 16](#) of Schedule 1) of the Water Services Entities Act 2022; and
- (ii) relevant to the local authority's district or region.
- (5) A local authority may meet the requirements of [section 101A](#) and this section by adopting a single financial and infrastructure strategy document as part of its long-term plan.
- (6) In this section, **infrastructure assets** includes—
- (a) existing or proposed assets to be used to provide services by or on behalf of the local authority in relation to the following groups of activities:
- (i) water supply;
- (ii) sewerage and the treatment and disposal of sewage;
- (iii) stormwater drainage;
- (iv) flood protection and control works;
- (v) the provision of roads and footpaths; and
- (b) any other assets that the local authority, in its discretion, wishes to include in the strategy.

Section 101B: inserted, on 8 August 2014, by [section 36](#) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 101B(4A): inserted, on 15 December 2022, by [section 223](#) of the Water Services Entities Act 2022 (2022 No 77).

2023/237



**Severe Weather Emergency Recovery (Local Government
Act 2002—Long-term Plan) Order 2023**

Cindy Kiro, Governor-General

Order in Council

At Wellington this 4th day of September 2023

Present:

Her Excellency the Governor-General in Council

This order is made under section 7 of the Severe Weather Emergency Recovery
Legislation Act 2023—

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister of Local Government made in accordance with section 8(1) and (2) of that Act.

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Order

1 Title

This order is the Severe Weather Emergency Recovery (Local Government Act 2002—Long-term Plan) Order 2023.

2 Commencement

This order comes into force on 5 October 2023.

3 Revocation

This order is revoked on the close of 30 June 2027.

4 Interpretation

- (1) In this order, unless the context otherwise requires,—

Act means the Local Government Act 2002

affected local authority has the meaning given in clause 5(2)

pre-election report means the pre-election report described in section 99A of the Act

severe weather event has the meaning given in section 4(1) of the Severe Weather Emergency Recovery Legislation Act 2023.

- (2) A term used in this order that is defined in the Act, but not in this order, has the meaning given in the Act.
- (3) The modification of legislation by this order does not affect the text of the legislation, but requires it (and any reference to it) to be read as if amended in the manner indicated in clauses 6 to 16, to the extent required by clause 5.

5 Application

- (1) This order applies in respect of the following for each affected local authority:

- (a) the long-term plan of the affected local authority that is due to commence on 1 July 2024 and continue in force until the close of 30 June 2027; and
 - (b) the pre-election report that is due to be completed and published before the nomination day for the 2025 triennial general election of the affected local authority's members.
- (2) The **affected local authorities** are—
- (a) Central Hawke's Bay District Council;
 - (b) Far North District Council;
 - (c) Gisborne District Council;
 - (d) Hastings District Council;
 - (e) Hawke's Bay Regional Council;
 - (f) Kaipara District Council;
 - (g) Napier City Council;
 - (h) Wairoa District Council.

Modifications of Local Government Act 2002

6 Modification of purpose of long-term plan

- (1) Section 93(6) of the Act (which specifies the purpose of a long-term plan) does not apply.
- (2) Instead, the purpose of an affected local authority's long-term plan is to—
 - (a) describe the activities of the affected local authority; and
 - (b) describe the community outcomes of the affected local authority's district or region; and
 - (c) provide integrated decision making and co-ordination of the resources of the affected local authority; and
 - (d) provide a basis for accountability of the affected local authority to the community; and
 - (e) set out the affected local authority's plans and progress in relation to recovery from the severe weather events.

7 Modification of period that long-term plan must cover

- (1) The requirement under section 93(7)(a) of the Act for a long-term plan to cover a period of not less than 10 consecutive financial years does not apply.
- (2) Instead, a long-term plan must cover a period of not less than 3 consecutive financial years.

8 Modification of information to be included in long-term plan

- (1) The requirement under section 93(7)(b) of the Act for a long-term plan to include the information required by Part 1 of Schedule 10 of the Act does not apply.
- (2) Instead, a long-term plan must include—
 - (a) the information required by the following clauses of Schedule 10 of the Act:
 - (i) clause 1 (community outcomes):
 - (ii) clause 2 (groups of activities), but with the following modifications:
 - (A) the requirement under clause 2(1)(d)(i) for a long-term plan to, in relation to each group of activities, include the information specified in clause 4 of that schedule in detail in relation to each of the first 3 financial years covered by the plan does not apply:
 - (B) clause 2(1)(d)(ii) (which requires a long-term plan to include, in relation to each group of activities, the information specified in clauses 4 and 5 of that schedule in outline in relation to each of the financial years covered by the plan that come after the first 3 financial years covered by the plan) does not apply:
 - (iii) clause 3 (capital expenditure for groups of activities):
 - (iv) clause 4 (statement of service provision), except that the statement of the intended levels of service provision need not include the information specified in paragraphs (a) to (e):
 - (v) clause 5 (funding impact statement for groups of activities):
 - (vi) clause 7 (council-controlled organisations):
 - (vii) clause 8 (development of Māori capacity to contribute to decision-making processes):
 - (viii) clause 9 (financial strategy and infrastructure strategy):
 - (ix) clause 10 (revenue and financing policy):
 - (x) clause 11 (significance and engagement policy):
 - (xi) clause 12 (forecast financial statements):
 - (xii) clause 13 (financial statements for previous year):
 - (xiii) clause 14 (statement concerning balancing of budget):
 - (xiv) clause 15 (funding impact statement):
 - (xv) clause 15A (rating base information):
 - (xvi) clause 16 (reserve funds); and

- (b) a statement setting out—
 - (i) the significant forecasting assumptions on which the long-term plan is based; and
 - (ii) the implications if those assumptions are not borne out in fact; and
- (c) a statement describing, or material that the affected local authority considers demonstrates, the implications of the proposed decisions relating to recovery from the severe weather events for the local authority's finances and levels of service after 30 June 2027.

9 Modification of content of consultation document for adoption of long-term plan

- (1) In section 93C of the Act, the following provisions do not apply:
 - (a) subsection (2)(f) (which requires a consultation document to describe, using graphs or charts where practicable, the direction and nature of changes to the local authority's levels of service associated with the proposed content of the long-term plan);
 - (b) subsection (4) (which requires the consultation document to contain a report from the Auditor-General) and subsection (5) (which is associated with subsection (4)).
- (2) Instead, the consultation document must describe—
 - (a) the effects of the severe weather events on the affected local authority's district or region; and
 - (b) the issues faced by the affected local authority as a result of those effects.

10 Modification of content of consultation document for amendment of long-term plan

Section 93D(4) of the Act (which requires the consultation document to contain a report from the Auditor-General) and section 93D(5) of the Act (which is associated with section 93D(4)) do not apply.

11 Modification of information to be adopted in relation to long-term plan and consultation document

Section 93G(b) of the Act (which requires a local authority to prepare and adopt information that is necessary to enable the Auditor-General to give the reports required by sections 93C(4) and 93D(4) of the Act) does not apply.

12 Long-term plan not required to contain report from Auditor-General

Section 94 of the Act (which requires the long-term plan to contain a report from the Auditor-General) does not apply.

13 Modification of requirement for certain decisions to be taken only if provided for in long-term plan

- (1) Section 97 of the Act (which requires a local authority to not make certain decisions unless the decisions are explicitly provided for in its long-term plan) does not apply.
- (2) Instead, an affected local authority must not make a decision to which section 97(1) of the Act relates unless it has first used the special consultative procedure in considering whether to make the decision.

14 Modification of content of pre-election report

- (1) The requirement under section 99A(1) of the Act for a pre-election report to contain the information required by clause 36 of Schedule 10 of the Act does not apply.
- (2) Instead, a pre-election report—
 - (a) must contain—
 - (i) the information specified in clause 36(1)(a) of Schedule 10 of the Act;
 - (ii) the information specified in clause 36(1)(b) of Schedule 10 of the Act for the financial year immediately following the date of the election;
 - (iii) the major projects planned for the financial year immediately following the date of the election; and
 - (b) may include a description of the major projects planned for any period after the financial year immediately following the date of the election.

15 Modification of content of financial strategy

- (1) The requirement under section 101A(3)(a) of the Act for a financial strategy to include, in the statement of the factors that are expected to have a significant impact on the local authority during the consecutive financial years covered by the strategy, the factors specified in subparagraphs (i) to (iii) of that provision does not apply.
- (2) Instead, the financial strategy must include a statement of the levels of service that the affected local authority intends to provide during the consecutive financial years covered by the strategy.

16 Modification of infrastructure strategy

- (1) In section 101B of the Act, the following do not apply:
 - (a) the requirement under subsection (1) for an infrastructure strategy to cover a period of at least 30 consecutive financial years;
 - (b) subsection (2) (which specifies the purpose of the infrastructure strategy):

- (c) subsection (3) (which requires the infrastructure strategy to outline how the local authority intends to manage its infrastructure assets):
 - (d) subsection (4) (which requires the infrastructure strategy to outline the most likely scenario for the management of the local authority's infrastructure assets over the period of the strategy):
 - (e) subsection (5) (which enables the local authority to meet the requirements of sections 101A and 101B of the Act by adopting a single financial and infrastructure strategy document as part of its long-term plan).
- (2) Instead, the infrastructure strategy must—
- (a) cover the period of the long-term plan; and
 - (b) outline—
 - (i) any significant infrastructure issues for the affected local authority;
 - (ii) the principal options for managing those infrastructure issues and the implications of those options;
 - (iii) a description of the major capital projects that the affected local authority is proposing or implementing, including any to facilitate recovery from the severe weather events;
 - (iv) the likely funding options for those major capital projects and the implications of those options for rates and debt.

Rachel Hayward,
Clerk of the Executive Council.

Explanatory note

This note is not part of the order, but is intended to indicate its general effect.

This order is made under section 7 of the Severe Weather Emergency Recovery Legislation Act 2023 (the **SWERLA**) and its effect is temporary. This order comes into force on 5 October 2023 and is revoked on the close of 30 June 2027.

This order modifies the Local Government Act 2002 (the **Act**) in relation to long-term plans, consultation documents for the adoption or amendment of a long-term plan, Auditor-General reports, and pre-election reports. It applies to the following local authorities (**affected local authorities**):

- Central Hawke's Bay District Council:
- Far North District Council:
- Gisborne District Council:
- Hastings District Council:

- Hawke’s Bay Regional Council:
- Kaipara District Council:
- Napier City Council:
- Wairoa District Council.

Specifically, this order modifies the following:

- the purpose of a long-term plan (rather than the purpose set out in section 93(6) of the Act, the purpose of a long-term plan is as specified in *clause 6(2)*):
- the period that a long-term plan must cover (rather than covering a period of 10 or more consecutive financial years, a long-term plan need only cover 3 or more consecutive financial years (*see clause 7(2)*)):
- the content of a long-term plan (rather than including the information required by Part 1 of Schedule 10 of the Act, a long-term plan must include the information set out in *clause 8(2)*):
- the content of a consultation document for the adoption of a long-term plan (rather than describing the information set out in section 93C(2)(f) of the Act and containing a report from the Auditor-General, a consultation document must describe the information set out in *clause 9(2)*):
- the content of a consultation document for the amendment of a long-term plan (a consultation document does not need to contain a report from the Auditor-General (*see clause 10*)):
- the information that needs to be prepared and adopted before a consultation document is adopted using the special consultative procedure (an affected local authority does not need to prepare and adopt information that is necessary to enable the Auditor-General to give the reports required by sections 93C(4) and 93D(4) of the Act (*see clause 11*)):
- the requirement that a long-term plan contain a report from the Auditor-General (this requirement does not apply (*see clause 12*)):
- the requirement that a local authority must not make certain decisions unless the decisions are explicitly provided for in its long-term plan (rather, an affected local authority must not make a decision to which section 97(1) of the Act relates unless it first uses the special consultative procedure in considering whether to make the decision (*see clause 13*)):
- the content of a pre-election report (rather than containing the information set out in clause 36 of Schedule 10 of the Act, a pre-election report must contain the information specified in clause 36(1)(a) of that schedule and the information specified in clause 36(1)(b) and (c) of that schedule for the financial year immediately following the date of the election and may include a description of the major projects planned for any period after that financial year (*see clause 14*)):

- the content of a financial strategy (rather than including, in the statement of the factors that are expected to have a significant impact on the affected local authority during the consecutive financial years covered by the strategy, the factors specified in section 101A(3)(a)(i) and (iii) of the Act, a financial strategy must include the information specified in *clause 15(2)*);
- the period that an infrastructure strategy must cover and the purpose and content of a strategy (rather than covering the period, existing for the purpose, and including the information set out in section 101B(1) to (5) of the Act, an infrastructure strategy must cover the period of the long-term plan and include the information set out in *clause 16(2)(b)*).

The modifications apply only in respect of an affected local authority's next long-term plan and pre-election report (being the long-term plan that is due to commence on 1 July 2024 and continue in force until the close of 30 June 2027 and the pre-election report that is due to be completed and published before the nomination day for the 2025 triennial general election of the affected local authority's members). They do not affect the current long-term plan or any long-term plan that commences on or after 1 July 2027 or any pre-election report relating to a general election that is held after 2025.

Statement of reasons

*This statement of the Minister's reasons for recommending the making of this order is published in accordance with section 10 of the Severe Weather Emergency Recovery Legislation Act 2023 (the **SWERLA**).*

The Minister of Local Government (the **relevant Minister**) is satisfied that this order is necessary or desirable for 1 or more purposes of the SWERLA and is no broader than is reasonably necessary to address the matters that gave rise to this order.

This order primarily relates to the requirement in the Local Government Act 2002 (the **Act**) that local authorities must always have a long-term plan covering 10 consecutive years. Local authorities are required to adopt their long-term plan for 2024 to 2034 by 30 June 2024, to come into effect on 1 July 2024. This order recognises that between 2024 and 2027, certain local authorities will not be able to fully meet their long-term planning obligations under section 93 of the Act because of the impact of the severe weather events defined in the SWERLA (the **severe weather events**).

The modifications to the Act specified by this order allow 8 significantly affected councils to each produce an unaudited long-term plan that covers a minimum period of 3 years, with a specific purpose of cyclone recovery. Those councils are Central Hawke's Bay District Council, Far North District Council, Gisborne District Council, Hastings District Council, Hawke's Bay Regional Council, Kaipara District Council, Napier City Council, and Wairoa District Council (the **affected councils**).

Without the modifications, the affected councils would have difficulty completing their next long-term plans because they do not have the quality of information required to make accurate planning forecasts. The affected councils do not have cer-

tainty about costs, funding, and the timing and extent of the recovery work that needs to be completed. Without modification, the Act would require each of the affected councils to use their limited resources to draft a long-term plan that would be supported by incomplete information. This would create a substantial risk that the long-term plans would fall short of statutory expectations because of circumstances outside the affected councils' control. The affected councils would also not be able to use their limited resources to focus on recovery.

This order is not broader than is reasonably necessary. This order has been confined to 8 of the most severely affected councils. Other councils that are affected by the severe weather events but are still able to complete their next long-term plan as required by the Act must do so. The affected councils are not prevented from planning for a period that is longer than 3 years, allowing for longer forecasting where possible. This order is based on the model successfully used after the Canterbury and Kaikōura earthquakes.

Requiring that the next long-term plan cover a period of at least 3 years will enable affected councils to focus on recovery and show, as far as practicable, the financial and service implications of their decisions beyond the 3-year period. A long-term plan with a 3-year horizon is less resource-intensive but still provides a strategic direction and basis for decision making in the medium term, despite uncertainty relating to funding and insurance payments. It also retains community consultation on the affected councils' intended direction for at least the next 3 years.

Under the status quo, long-term plans must be audited. The audit assesses whether the information on which a long-term plan is based is reasonable and reliable. This process is unique; nowhere else in the public sector are plans and budgets audited. The audit process offers little value in the circumstances of the affected councils because there is significant uncertainty about the reliability of the underlying information the councils must use to prepare their next long-term plan. By removing the audit process, the affected councils will have more resources available to devote to recovery.

The relevant Minister is further satisfied that this order does not breach section 11 of the SWERLA, and it does not limit or is a justified limit on the rights and freedoms in the New Zealand Bill of Rights Act 1990.

The engagement process described in section 9 of the SWERLA has been complied with.

A draft of this order was reviewed by the Severe Weather Events Recovery Review Panel. A copy was also provided to the Regulations Review Committee. The relevant Minister had regard to the recommendations and comments provided by them.

2023/237

Severe Weather Emergency Recovery (Local
Government Act 2002—Long-term Plan) Order 2023

Issued under the authority of the Legislation Act 2019.
Date of notification in *Gazette*: 7 September 2023.
This order is administered by the Department of Internal Affairs.

Title: 23-285 Development of the 2024 Financial Strategy

Section: Finance & Affordability

Prepared by: Ally Campbell - Executive Policy Advisor

Meeting Date: Wednesday 29 November 2023

Legal: Yes

Financial: Yes

Significance: **Medium**

Report to SUSTAINABLE TAIRAWHITI /TOITŪ TAIRĀWHITI Committee for decision

PURPOSE - TE TAKE

The purpose of this report is to provide the Committee with an update on the development of the 2024 Financial Strategy and outlines the preferred approach for its development.

SUMMARY – HE WHAKARĀPOPOTOTANGA

This report provides an overview of the Financial Strategy and outlines the key considerations and drivers. It also addresses the challenges encountered as we develop this new strategy within our current political, social and environmental context.

The Financial Strategy is mandated by the Local Government Act (LGA) 2002. It provides a guide for efficient financial management, detailing the financial impacts, constraints, and outcomes of Council's policy and service delivery decisions, along with ways of managing them. Financial Strategies typically cover the length of a 10 year Long Term Plan (LTP) cycle.

In September, an Order in Council was issued under the Severe Weather Emergency Legislation Act 2023 which allowed affected Councils to opt for a Three Year Plan process instead of the usual 10 year LTP. This flexibility was granted to enable affected Councils to focus on recovering from the aftermath of Cyclone Gabrielle and other severe weather events that occurred in the past year. The development of the Financial Strategy follows the Three Year Plan (TYP) process. The Financial Strategy for 2024 will therefore cover a three year period instead of the typical 10 year period of an LTP.

While factors such as increasing inflation, interest rates, and recovery costs will be important considerations for this Strategy, another key consideration will be on how Council works with our community during the recovery journey we will embark on over the next three years. A major challenge for this Financial Strategy will be finding a balance between meeting the recovery needs and managing our costs (including essential ongoing activities and enabling works which are legislatively required), while not financially overly burdening our community now or transferring the costs onto future generations.

An updated timeline for the completion of the Financial Strategy has also been included in this report for your information.

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 Sustainable Tairāwhiti /Toitū Tairāwhiti Committee:

- 1. Notes the timeline for preparing the 2024 Financial Strategy.**
- 2. Confirms that the key directions and financial strategies:**
 - a. Keep rates as affordable as practicable.**
 - b. Focus on critical activities and infrastructure.**
 - c. Increase and optimise the use of alternative revenue streams.**
 - d. Ensure beneficiaries of services pay the costs.**
 - e. Manage debt prudently.**
 - f. Grow and enable our rating base.**

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Financial Strategy, Long Term Plan, Three Year Plan

BACKGROUND - HE WHAKAMĀRAMA

Overview of the Financial Strategy

1. As part of our LTP, Council must prepare and adopt a Financial Strategy for all of the years covered by the LTP. Developing the Financial Strategy is therefore a critical part of any LTP process.
2. The role of a Financial Strategy is to fit within the LTP and align the resources and financial support required to achieve Councils objectives, with the community's wants and needs. For readers of the LTP to meaningfully assess the prudence of Council's financial management, the Financial Strategy must be clear about its goals and trade-offs and be presented in a clear and accessible way. It is an effective tool for public accountability.
3. The purpose of the Financial Strategy is clearly outlined in the Local Government Act (the Act) 2002. The Act states that the purpose of the Financial Strategy is to:
 - Facilitate prudent financial management by the Council by providing a guide for the Council to consider proposals for funding and expenditure against; and
 - Provide a context for consultation on the Council's proposals for funding and expenditure by making transparent the overall effects of those proposals on the Council's services, rates, debt, and investments.
4. Part 3 of Section 101A of the Act identifies four key components that our Strategy must provide. This is captured as A-D in **Figure 1**.
5. While the Strategy has aspects it must provide under the Act, when drafting it staff aim to avoid:
 - narrowly delivering only what is required by the Act, and
 - confusing our message by providing too much supplementary material

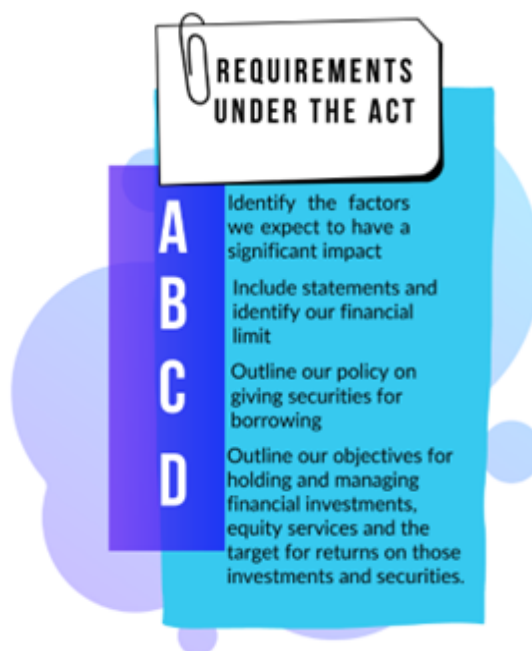


Figure 1: High level overview of the financial narrative

Preparing the 2024 Financial Strategy

6. The approach to preparing the Financial Strategy for 2024 is going to be different from what we have done in previous years.
7. In response to the severe weather events which caused significant amounts of damage right across the Tairāwhiti region in early 2023, the Severe Weather Emergency Legislation (SWERL) Act was passed, allowing changes in laws to aid affected communities. Through the Act, an Order in Council was issued on September 4, which modified the requirements for preparing the 2024 LTP and related documents for affected councils.
8. Relevant points for the development of the Financial Strategy under the Order in Council are:
 - It will not be audited.
 - There is no requirement for the strategy to be 10 years. At a minimum it must be the period of the plan (three years).
 - Content requirements are different to reflect the level of uncertainty faced by the councils who are exempted from the usual requirements under the LGA. This includes a change to the requirement under section 101(3)(a) of the Act, in which Council is no longer required to specify the significant impact factors and instead must clearly state the levels of service they intend to provide during the consecutive financial years covered by the Strategy.
9. These changes to legislation and the delays caused to the overall process by severe weather events have required us to adopt a slightly different approach to developing the Financial Strategy for 2024.

Strategic Direction for the Strategy

10. The Financial Strategy will be informed by Council's strategic direction for the Three Year Plan (TYP).
11. The Strategy also needs to recognise the following:
 - The demand for infrastructure and the current state and performance of our infrastructure assets, as outlined in the infrastructure strategy.
 - Levels of service across activities and the impacts of increasing or reducing these on our financial limits.
 - The requirement to balance the wants and needs of the community with how we pay for it i.e. our financial levers.
12. The Financial Strategy and the Infrastructure Strategy are closely interconnected and should speak to one another. They should both align with Council's strategic direction and draw from the same material base including demographics, economics and other relevant factors. The Infrastructure Strategy highlights infrastructure management challenges and their impacts, while the Financial Strategy examines the effects and limitations for policy and service delivery decisions.
13. To confidently set clear financial limits in our Financial Strategy, there will need to be trade-offs, prioritising what we need to do, and when we can do it.

Timeline for Development

14. Following the severe weather emergency events which occurred in early 2023, progress on the Financial Strategy was halted. This pause was necessary to await the decision of the Order in Council and to enable staff to evaluate the extent of damage caused, and examine the costs associated with recovery.
15. Based on the current planned date for consulting on the TYP, staff are proposing the following work programme and timeline to develop the Strategy, which aligns with the development of the Infrastructure Strategy:



Figure 8 Timeline for the development of the 2024 Financial Strategy

16. Due time constraints, the approach taken will be to workshop with Councillors their priorities and get agreement in principle over the key financial measures by 14th December 2022 Council meeting. The key financial measures agreement in principle will be:
 - a. Rates Revenue thresholds.
 - b. Debt thresholds.
17. Council will be asked to adopt a draft Financial Strategy for consultation in February. This draft will be produced following confirmation of Councils strategic priorities and the setting of Councils financial thresholds.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

Significant Financial Challenges

18. It is clear now that we are in a much different financial situation than when work first begun on the Financial Strategy in January.
19. While recovery will be a primary focus, this also has to be balanced with legislatively driven work and maintaining service levels across Council to keep things functioning. Considerations of increased focus:
 - Rooding services, including repairs and maintenance.
 - Water and the water environment. This encompasses our services: flood protection, water supply and wastewater and stormwater management.
 - Waste management, including woody debris and solid waste; waste minimisation.
 - Recovery programme activities including Future of Severely Affected Land (FOSAL) and protection works for Category 2 properties.

20. Alongside addressing the above, we will need to consider how we can keep things as affordable as possible for our community. This will include exploring alternative options for providing support to people struggling to pay their rates, such as through rates remissions, and addressing issues on a case-by-case basis.
21. Navigating the local government environment alongside the impacts of global issues and crises present other significant challenges for us from both a financial and planning perspective.
22. The uncertainty caused by factors such as political shifts, economic fluctuations, and environmental changes make it difficult to devise a Financial Strategy capable of addressing all potential issues we might encounter in the next three years. Which is why this time round, we will focus on developing a clear and adaptable Financial Strategy to help us navigate these uncertainties effectively.

Changes from the 2021-31 LTP

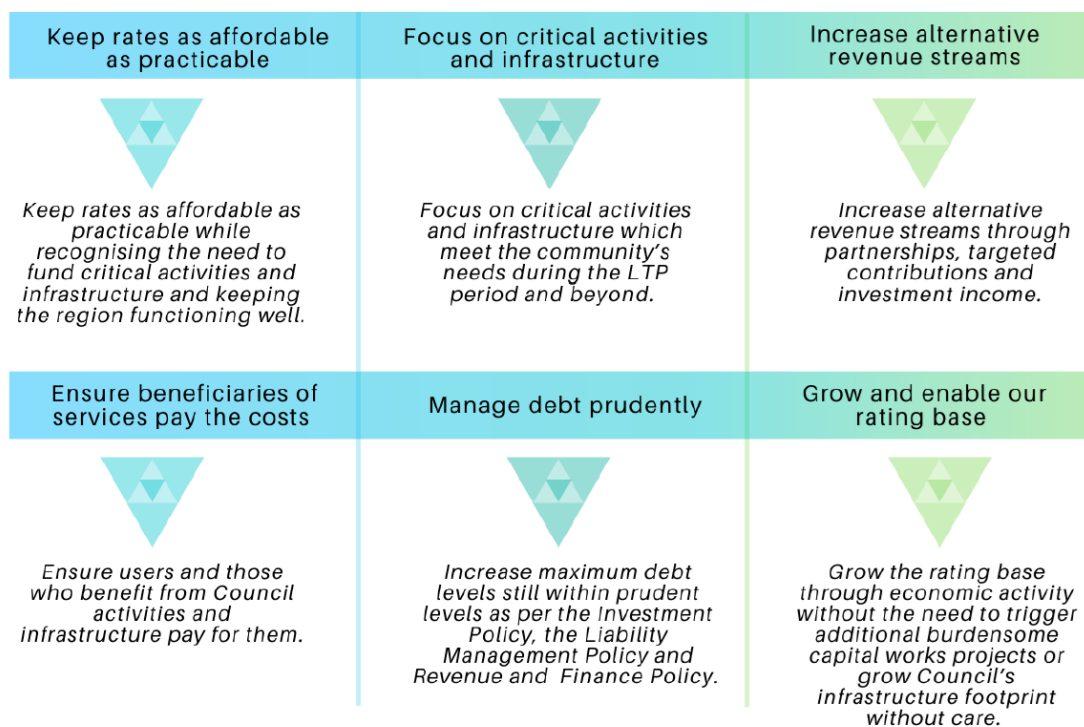
23. Prior to Cyclone Gabrielle, the primary concerns for the 2024-2034 Financial Strategy were fairly similar to those included in the 2021-2031 LTP and were anticipated to include the following:
 - a. Impacts of rising interest rates.
 - b. Impacts of rising inflation, over and above what was anticipated in the 2021-2031 LTP.
 - c. Significantly increased depreciation costs as a result of asset revaluations.
 - d. Affordability of our community.
24. While the above concerns remain relevant and will still need to be incorporated into the development of this strategy, the overarching materiality of recovery following the events of Cyclone Gabrielle has dramatically shifted the focus. Now, not only Council but also the community needs to rebuild and recover.
25. The focus on our roads, water services, and woody debris management will be strong, however the scale of work now required in these areas has intensified.
26. Due to the increased scale and cost of work following Cyclone Gabrielle, putting additional strain on already stretched resources and budgets, we need to acknowledge that we won't be able to accomplish everything outlined in the 2021-2031 LTP for years 2024-2027. This means that the goals set for this period must be reviewed and reassessed by Council, the outcome of which will help shape our financial approach to the next three years.

Considering the draft Key directions and key strategies

27. The draft key directions for Council's 2024-2027 Financial Strategy remain largely the same as the 2021-2031 Financial strategy. No consequential changes to these draft directions have been made, as the six directions were considered expansive and specific enough to encompass our new 2024-2027 2031 context.

28. These **key directions and financial strategies** are:

- Keep rates as affordable as practicable.
- Focus on critical activities and infrastructure.
- Increase and optimise the use of alternative revenue streams.
- Ensure beneficiaries of services pay the costs.
- Manage debt prudently.
- Grow and enable our rating base.



Changes to Financial Policies

29. Some of Councils' financial policies will be updated as part of this process to ensure there is clear alignment across the Financial Strategy and Council policies and procedures. This will include changes to the following:

- Revenue and Financing Policy.
- Significance and Engagement Policy.
- Rates Remission Policy.
- Investment and Liability Policy.

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: **Medium** 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: **Low** Significance

The effects on individuals or specific communities

Overall Process: **High** Significance

This Report: **Low** Significance

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

Overall Process: **High** Significance

This Report: **Low** Significance

30. 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

31. The Financial Strategy forms a part of the much wider Three Year Plan process, which will include public engagement and consultation of its detail once drafted.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

32. The Financial Strategy forms a part of the wider Three Year Plan process, which will include public engagement and consultation of its detail once drafted. Currently public consultation on the TYP is planned for mid-March.

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

33. As with the 2021-2031 LTP, Climate change remains a key consideration for the 2024-2034 LTP. Climate change impacts and implications will therefore be carefully considered when developing the new Financial Strategy.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

34. The Financial Strategy must include two financial limits (Local government Act section 101A (3)b)):
- a. Rates increases.
 - b. Borrowing or debt cap.

35. These two key financial thresholds are fundamental to the Three year Plan and our draft estimates.
36. The Revenue & Financing Policy determines when debt and rates will be used as a funding source. As noted above, minor changes will likely be made to the Revenue & Financing Policy as part of this TYP process, which will align with the new Financial Strategy.
37. The Financial Strategy also contains financial levers which outline the types of funding sources available and determine how these will be used in different ways. The draft Strategy will include updated quantified limits on rates increases and borrowing, updated financial policies, and will outline the significant factors impacting on Council which have influenced the Strategy.

Legal

38. The Local Government Act 2002 is driving legislation for the delivery of our financial strategy. Section 101A outlines our requirements under this Act:

101A Financial Strategy

- (1) A local authority must, as part of its long-term plan, prepare and adopt a financial strategy for all of the consecutive financial years covered by the long-term plan.
- (2) The purpose of the financial strategy is to—
 - (a) facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
 - (b) provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.
- (3) The financial strategy must—
 - (a) include a statement of the factors that are expected to have a significant impact on the local authority during the consecutive financial years covered by the strategy, including—
 - (i) the expected changes in population and the use of land in the District or region, and the capital and operating costs of providing for those changes; and
 - (ii) the expected capital expenditure on network infrastructure, flood protection, and flood control works that is required to maintain existing levels of service currently provided by the local authority; and
 - (iii) other significant factors affecting the local authority's ability to maintain existing levels of service and to meet additional demands for services; and
 - (b) include a statement of the local authority's—
 - (i) quantified limits on rate increases and borrowing; and
 - (ii) assessment of its ability to provide and maintain existing levels of service and to meet additional demands for services within those limits; and
 - (c) specify the local authority's policy on the giving of securities for its borrowing; and
 - (d) specify the local authority's objectives for holding and managing financial investments and equity securities and its quantified targets for returns on those investments and equity securities.

39. As mentioned above, the Order in Council issued in September has resulted in some changes to the above requirements under the Act, namely a change to section 101(3)(a) subparagraphs (i) to (iii):

15 Modification of content of financial strategy

- (1) The requirement under section 101A(3)(a) of the Act for a financial strategy to include, in the statement of the factors that are expected to have a significant impact on the local authority during the consecutive financial years covered by the strategy, the factors specified in subparagraphs (i) to (iii) of that provision does not apply.
- (2) Instead, the financial strategy must include a statement of the levels of service that the affected local authority intends to provide during the consecutive financial years covered by the strategy.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

40. The Financial Strategy presents the financial consequences of the vision and direction set by Council. It provides:
- an overall direction and desired end point for the financial status of Council; and
 - a synthesis of the financial issues and consequences arising from the policy and service delivery decisions elsewhere in the TYP and how Council intends to manage those.
41. Both the Financial and Infrastructure Strategy must be balanced and tell a clear story about levels of service, costs, risks and trade-offs associated with Councils programme of work. These two strategies together form an umbrella under which other Council policies and plans sit, giving effect to the strategic direction of the TYP.
42. As noted above, the following policies associated with the Financial Strategy and TYP will be reviewed and updated as part of this process:
- Revenue and Financing Policy
 - Significance and Engagement Policy
 - Rates Remission Policy
 - Investment and Liability Policy

RISKS - NGĀ TŪRARU

43. **Time and resourcing:** similarly to the Infrastructure Strategy, a key issue in developing this Financial Strategy will be the workload capacity for key subject matter experts (asset managers and finance), and the development team (Performance). This strategy is unaudited and quite different to the business-as-usual requirements which means there is no threshold for information due to an audit process, and under the Order in Council some content requirements are reduced. Setting realistic expectations for delivery of the draft Strategy and securing input from key staff required will further help to manage this risk.

44. **Community engagement:** there is no longer sufficient time to undertake early engagement to help inform the development of this strategy. The development will rely on what we know from the community from the 2021 feedback and any feedback on other relevant mahi since then. Additionally, as this strategy will be a quite different time period from what is usually included in the Long Term Plan it may mean there is feedback from the community that will not be able to be incorporated as part of the final strategy. Capturing information and ideas for beyond the three years for the next strategy development will be an important part of the documentation of feedback.
45. **Funding uncertainties:** A significant risk in developing the Financial Strategy is the current uncertainty surrounding funding. We have a lot of work to do in the next three years and a limited budget at our disposal, which means that sourcing additional funding and setting realistic goals will be crucial. While there are various methods we can explore to get more funding, including increasing rates, increasing debt, and applying for external funding from Central Government, our current resources in these areas are limited. The uncertainty this creates poses a significant challenge which could affect our ability to carry out our work program effectively. Carefully considering what we can and must do with the budgets we currently have will therefore be imperative to ensuring we can deliver on realistic and achievable goals for our community over the next Three Years.
46. **Water services reform:** there is a level of uncertainty with the next steps for the reform process given some political party's election promises. This adds a level of uncertainty to potential content needed during the key development period of the strategy. Given we are only to focus on the next three years it is a less significant risk than those councils still doing 10-year strategies. We are expecting some guidance to be developed for councils once there is a clear timeframe and next steps under the new Government.
47. **Setting financial limits with inherent uncertainty:** There is uncertainty on what we can legislatively include in our plans, and as such provide for within our Financial Strategy. The Water Services Entities Act (WSEA), until it is amended (or if it is amended, depending on the change of government direction), under s6A, restricts local government organisations to providing water services for their districts only until 1 July 2026 or until a time set by an Order in Council for establishment, if earlier than the final end in 2026.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
December 2023	Confirmation of Councils strategic direction and agreement in principle for the setting of Councils financial limits.	Additional Council workshops are currently being planned for the end of this year to confirm the strategic direction and set the financial limits for the TYP. These decision points will inform the draft FS and IS, planned for delivery in February.
February 2024	Draft Strategy adopted for consultation as part of the Three Year Plan engagement period, including updated draft financial policies.	Delivery of the draft FS and related policies is dependent on confirmation of Councils strategic direction and financial limits as outlined above.
March-April	Community consultation on the draft Financial Strategy.	Consultation is currently planned for mid-March.
June	Adopt final Financial Strategy.	Aligned to current timeframe for adopting the Three Year Plan.

11. Reports of the Chief Executive and Staff for INFORMATION



23-236

Title: 23-236 Tairāwhiti Resource Management Plan - Progress Update
Section: Sustainable Futures
Prepared by: Drew Williams - Principal Policy Planner
Meeting Date: 29 November 2023

Legal: No

Financial: No

Significance: **Low**

Report to SUSTAINABLE TAIRAWHITI /TOITŪ TAIRĀWHITI Committee for information

PURPOSE - TE TAKE

The purpose of this report is to update elected members on progress made on the review of the Tairāwhiti Resource Management Plan (TRMP) since the previous report (refer to [Report 23-91](#)) in June 2023.

SUMMARY – HE WHAKARĀPOPOTOTANGA

Te Arotakenga o Te Mahere Whakahare Rauemi o Te Tairāwhiti / Review of the Tairāwhiti Resource Management Plan (TRMP)

TRMP Phase 1

The TRMP review is being undertaken in two phases. Phase 1 began in 2020 and was initially scheduled to be completed at the end of 2024, followed by Phase 2 for a further four-year period.

Under the National Policy Statement on Freshwater 2020 (NPS-FM) Council must publicly notify its statutory freshwater planning instruments by the end of 2024. The severe weather events earlier this year have challenged our ability to meet these timeframes. Government has recognised this challenge and has granted a two-year extension to freshwater legislative timeframes. Council now must publicly notify its statutory freshwater planning instruments by the end of December 2026.

The Freshwater work programme is currently being reset with the focus on allowing for more meaningful engagement in 2024 to develop plans. The other TRMP workstream leads are also updating their project plans to ensure continued alignment between the three main work programmes to ensure integrated delivery of the TRMP.

Te Kaupapa Tauāki ā-Rohe / Regional Policy Statement (RPS)

This workstream continues collecting evidence and commissioning the core research needed to inform the RPS and regional plans. The first draft of some chapters has undertaken a first review and is being sent to the iwi technicians for feedback. The collation of significant issues to iwi is being progressed. Consideration is currently being given to guidance received from the Māori Responsiveness team on the current approach. This could result in changes to workstream timeframes and planned engagement. The team is also revisiting the initial timeframes to ensure co-ordination across the three workstreams, with a particular focus on where they intersect with the RPS.

Te Whakamahere Wai Māori / Regional Freshwater Plan and Catchment Planning

Staff are updating project plans to allow for the two-year extension. The two freshwater advisory groups for the Regional Freshwater Plan and Waipaoa Catchment Plan are well underway with the sixth round of hui being held in December 2023. Catchment-specific engagements for the rest of the catchments are continuing with whānau, hapu, iwi and communities.

Te Whakawhanake me te Whakarahi / Urban Growth and Development (UGD)

This workstream is currently focused on the finalisation of the development of the Tairāwhiti Future Development Strategy (FDS). The consultation period is planned from 20 November 2023 to the end of January 2024.

TRMP Phase 2

This phase will start in early 2025, with public notification of proposed changes planned for 2028. This phase will include the Coastal Plan, the remainder of Regional Plan provisions and the remaining parts the District Plan.

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 Sustainable Tairāwhiti /Toitū Tairāwhiti Committee:

1. Notes the contents of this report.

Authorised by:

Joanna Noble - Director Sustainable Futures

Keywords: TRMP, Tairāwhiti Resource Management Plan, Freshwater, Urban Growth and Development, Regional Policy Statement, engagement, governance, tangata whenua, stakeholder, catchment planning, partnerships

BACKGROUND - HE WHAKAMĀRAMA

1. Council is undertaking a full review of the TRMP. The 2021–2031 Long Term Plan (LTP) included a significant investment of \$25.8m (including \$7m for freshwater planning) to support a review of the TRMP and deliver Council's freshwater planning programme (**Report 21-120**).
2. Our region's Spatial Plan, Tairāwhiti 2050, provides the vision for Tairāwhiti for the next 30 years. This plan was developed throughout 2019 and has benefitted from extensive consultation and engagement ([Report 20-17](#)). It was approved by the Sustainable Tairāwhiti Committee on 30 January 2020. Staff are utilising the aspirations in Tairāwhiti 2050 and the feedback we received during its development to inform the TRMP review.
3. The implementation of the FDS and the related urban sections of the TRMP will be informed by the Spatial Plan, the [Gisborne Urban Development Strategy 2015](#) and the [CBD Spatial Framework 2019](#).

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

Workstream 1: Te Kaupapa Tauāki ā-Rohe / Regional Policy Statement (RPS)

4. This workstream is responsible for updating the RPS. Four resource management challenges were identified: building resilient communities, protecting what we value, growth and development and lastly, a prosperous Tairāwhiti.
5. Progress against RPS milestones for 2023 to 2024 is summarised in Table 1 below:

Table 1 – RPS progress against milestones	
Identification of significant resource management issues for iwi authorities	These are still being developed
Procurement of technical reports and inputs	<p>Technical work underway</p> <ul style="list-style-type: none">• Coastal environment mapping review.• Region-wide assessment of outstanding coastal natural character areas.• Region-wide assessment of outstanding landscapes and natural features.• Wainui Beach coastal adaptation programme• Historic heritage assessment.• Biodiversity information review and forward planning. <p>Technical work being scoped</p> <ul style="list-style-type: none">• Natural hazards – aligning with mahi in the recovery programme, especially Flood Resilience:<ul style="list-style-type: none">○ RPS risk assessment tool, procurement starting soon.○ Flooding○ Slope stability○ Liquefaction○ Coastal hazards

Table 1 – RPS progress against milestones	
	<ul style="list-style-type: none"> Biodiversity <ul style="list-style-type: none"> approach to giving effect to the NPS-IB understanding monitoring requirements and needs under the NPS-IB – procurement starting soon.
Research and Options analysis – including Issues and Options papers to inform the development of the RPS	<p>Some of the external technical reports require site visits to confirm findings when using draft criteria and methodology. This occurred in early October. Draft criteria can be used for the RPS development in the interim.</p> <p>Issues and Options report being drafted to better understand how cultural landscapes can be provided for in the TRMP. This includes what work will be required to support this and the direction needed in the RPS.</p>
Begin drafting provisions for the RPS	Drafting is underway, with chapters at various stages of the drafting process.

Partnering with tangata whenua

- The RPS team is working closely with iwi technicians in the drafting process and scoping of technical work. Some drafts have been provided to the iwi technicians for review and advice on content. Iwi technicians are providing advice and support with engagement with iwi around cultural values and historic heritage technical work. They are also providing iwi position statements on significant resource management issues to iwi authorities.

What is next?

- November – December 2023: Continue internal reviews and reviews with iwi technicians.
- Early 2024: Councillor workshop and early engagement with tangata whenua and the community on draft chapters.

Workstream 2: Te Whakamahere Wai Māori / Freshwater Planning

Legislative Context

- All councils are required to publicly notify their statutory freshwater planning instruments by the end of 2024. However, the severe weather events our region experienced in early 2023 significantly impacted Council's programmes and workloads. This has made it challenging to comply with the Resource Management Act 1991 (RMA) legislative requirements and to respond to RMA planning processes.
- An official extension was received on 20 September 2023 to postpone the public notification date of freshwater planning instruments by two years to 31 December 2026.
- The Freshwater work programme is currently being reset with the focus on allowing for more meaningful engagement in 2024 to develop plans.

Freshwater Planning Framework

12. Our Freshwater Planning Framework is divided into two parts:
- Regional Freshwater Plan containing provisions that apply to freshwater-related activities that occur anywhere in the region.
 - Seven catchment plans that focus on managing freshwater quality and quantity issues that are specific to catchment areas.
13. Progress against Freshwater Planning milestones for 2023 to 2024 is summarised in Table 2 below:

Table 2: Freshwater Planning progress against milestones	
Review of Regional Freshwater Planning provisions	Review underway - staff working with the Regional Freshwater Advisory Group.
Review of Waipaoa Catchment Plan (CP)	Review underway - staff working with the Waipaoa Catchment Advisory Group.
Mōtū CP for public notification	Completed – Catchment Plan is being finalised for public notification in 2024.
Waipū CP, in partnership with Ngāti Porou	Council has continued fieldwork and research in 2023 to inform the development of the Waipū Catchment Plan. Plan development will progress in 2024.
Waimatā – Pakarae CP	Underway – in the process of establishing an Advisory Group, with applications closing on 17 November 2023.
Ūawa CP	Preliminary engagement with Te Aitanga a Hauiti completed. Working to confirm approach and work programme for 2024.
Southern Tairāwhiti CP (Hangaroa – Ruakituri)	Early stages – seeking preliminary iwi and hapu engagement.
Northern CP (Wharekahika – Waikura)	Not started – current focus is on bore drilling. Confirm approach and work programme in early 2024.
Research and technical work	<p>A series of technical works around freshwater monitoring is being undertaken:</p> <ol style="list-style-type: none"> 1. Regional water assessment (nearing completion – an overview will be provided to Council on 14 December 2023). 2. Land Management Practices and nutrient losses from farms on the Poverty Bay and Ūawa Flats - SPASMO model (underway). 3. Habitat assessments for Waipaoa and Te Arai rivers (underway). 4. Regional wetlands mapping - verification of desktop analysis and prioritised database (planned for early 2024). 5. Regional eDNA testing (planned for 2023-24 summer). 6. Tairāwhiti Te Mana o te Wai review.

Partnering with tangata whenua

14. We've progressed a Te Mana o te Wai review of the Regional Freshwater Plan and Waipaoa Catchment Plan in collaboration with the iwi technicians. The review provides information to Council and tangata whenua on ways in which we may want to consider applying Te Mana o te Wai within the Gisborne Regional Freshwater Plan and Waipaoa Catchment Plan. While the focus is on these two plans, the information will be useful for the other catchment plans that are under development. It will also complement the evaluation that Council staff are conducting under s35 of the RMA. The recommendations will:
 - a. Inform how we support mana-enhancing partnerships with iwi and hapu.
 - b. Provide recommendations on how the National Objectives Framework (NOF) may be applied through early engagement with hapū and iwi, outlining the components of the plans that are not well aligned and successfully aligned with Te Mana o te Wai.
15. The report recommends that iwi and hapū meet with Council to wānanga the recommendations provided in this report and determine how they would like to implement recommendations going forward. Staff will be progressing this in the New Year.
16. In the meantime, work continues with tangata whenua that have expressed an appetite to actively progress planning at place. For example:
 - a. Staff have worked with Ngā Uri o Te Kooti Rikirangi to undertake a freshwater planning process for the Maungarongo wetland. Engagement with surrounding landowners has also begun.
 - b. Three wānanga with tangata whenua are scheduled at Ohako marae in relation to freshwater planning for the Te Arai river. Two wānanga have been held with the third scheduled for early December 2023. Community engagement will be progressed in line with growing interest in improving outcomes for land use and flood management within this catchment.

What is next?

17. Update freshwater programme to accommodate two-year extension.
18. Continue to progress all seven catchment plans, with the focus on engagement with tangata whenua and the wider community for the whole of 2024.
19. Ongoing technical work to support research requirements.

Workstream 3: Te Whakawhanake me te Whakarahi / Urban Growth and Development (UGD)

20. This workstream is currently focused on finalising the Tairāwhiti Future Development Strategy (FDS). The FDS is a statutory document for integrated, strategic and long-term planning to address the anticipated growth in population and urban development needs in Tairāwhiti. The level of growth was predicted in the 2022 Housing and Business Capacity Assessment. The FDS has been under development since January 2022 with numerous stages of consultation and is being prepared in accordance with the National Policy Statement for Urban Development 2020 (NPS-UD).

21. The FDS sets out spatially how Council will achieve 'well-functioning urban environments' highlighting areas where capacity and infrastructure are required to deliver that capacity over the next 30 years. The priorities identified will inform aspects of the TRMP such as District Plan zoning, related largely urban plan changes, priority outcomes in long-term plans and infrastructure strategies, as well as priorities and decisions in regional land transport plans.
22. Once the FDS is adopted, Council will develop an Implementation Plan, which can be updated every year. The FDS forms in essence the 'where' to develop, while the Implementation Plan forms 'how' the FDS will be implemented, supported by the District Plan provisions.
23. Progress against UGD milestones for 2023 to 2024 is summarised in Table 3 below:

Table 3 – UGD, including housing – progress against milestones	
Draft urban high-level objectives for the RPS	Some objectives are provided by the NPS-UD, others will need to be refined after the FDS is adopted.
Seek approval to consult on draft FDS	Elected members approved going out for consultation on 15 November 2023.
Initial legal review of the draft FDS	Completed external legal review of draft FDS in September 2023, final review required before adoption in early 2024.
Public consultation on the draft FDS	Mix of website, webinars and in-person events 20 November - 31 January 2024. Public event to present verbal submissions being held 5 December 2023.
Adoption of FDS by Council	March 2024 (date to be confirmed).
Procurement of technical reports and inputs (current and short term)	Technical aspects are being undertaken by consultants: <ul style="list-style-type: none"> • Assist with drafting FDS suite of documents. • Implementation Plan (requirement of the NPS-UD). • Design Guide - a mix of inhouse and contracted support for images published, considering suppliers that may be able to assist, early stages of procurement. • Master Plans which will be approached in similar method to the Design Guide, these are in early stages of development.
Draft Residential Urban Design Guide	Early work has begun, will be completed as soon as possible after the FDS.
Draft Master Plans	Early stages. To be referenced in the RPS urban objectives with the Master Plans sitting in the District Plan. Early work begun, will be progressed with Council staff such as Consents and Liveable Spaces teams. City Centre to be prioritised as it has links to other Council programmes such as transport.
Draft TRMP Urban Plan changes consultation	Late-2024: focusing on required plan changes to implement the FDS.

Partnering with tangata whenua

24. The UGD team have been preparing the FDS in collaboration with some Tairāwhiti iwi and hapū. Our approach has included early and ongoing kōrero, and hui with iwi and hapū who expressed an interest in the FDS. Several hui were held at key stages to discuss the background of the FDS, specific criteria for iwi and hapū values as part of the assessment of potential growth areas, site selection, and iwi and hapū aspirations over the next 30 years.
25. The process has identified local iwi and hapū urban aspirations and intentions for Māori-led housing developments in the city.

What is next?

26. Public consultation on the draft FDS leading to the adoption of a final FDS in early 2024.
27. Progression of the FDS Implementation Plan in early 2024. This element of the 'how' cannot be completed until the 'where' is finalised by the FDS.
28. The Implementation Plan will be progressed in tandem with a new Residential Design Guide to complement a Commercial Design Guide Council produced in 2017. This guide will also support consenting decisions as the Council already receives residential proposals that are not expressly addressed in the current plan.
29. Late in 2024 aspects of Urban Chapters of the new plan can be progressed supported by the vision of the four area Master Plans, starting with the city centre.

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: **Medium** Significance

This Report: **Low** Significance

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

Overall Process: **High** Significance

This Report: **Low** Significance

30. 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

31. Iwi and hapū engagement continue to be a key part of the overall TRMP review process. The TRMP Review programme team is using the principles of Te Tiriti o Waitangi to inform its approach to engaging tangata whenua, and Māori living in the region.
32. Co-governance discussions with tangata whenua have shifted post Cyclone Gabrielle and the unfolding reform landscape. Three Waters and the Resource Management reform have become the preferred platform for iwi entities to advance discussions with Council. However, we are all waiting for the new Government to be formed to see what direction these reforms take.
33. Iwi chairs and chief executives were recently invited to several committees, including the TRMP committee, with an expectation that if iwi entities choose not to take part, Council will roll out an EOI (Expressions of Interest) process for Māori representation in the TRMP.
34. Work is underway to confirm a meeting date in February 2024 to continue strategic committee/partnership discussions with iwi, including co-decision making opportunities on the table. In the meantime, work has progressed on drafting a paper to guide discussions on principles that should inform and underpin a relationship between Tairāwhiti iwi and the Council.
35. Iwi/hapū engagement at an operational level is continuing as referred to in each of the workstream updates.
36. Discussions are continuing with iwi on how the iwi technicians or alternative options are supported to continue the progress made during the iwi technical trial, which has included the iwi technicians working within/alongside Council staff on matters of importance to iwi and inputting to plan drafting and procurement of technical reports.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

37. Ongoing community engagement is fundamental to all three workstreams: development of the next generation RPS, regional and freshwater catchment plans, and the FDS.
38. Community groups and industry representatives have a keen interest in the development of the TRMP. Our engagement approach is reflecting this interest.
39. Our rural and urban communities also have a key role to play in helping us develop a resource management framework that is fit-for-purpose.

40. Communications and Engagement plans have been developed for the three main workstreams and are reviewed on a regular basis to ensure fit-for-purpose plans. Communities will be kept up to date through various communication channels, of which the Council website will be the main method. The TRMP programme has a dedicated communications advisor as part of the wider team.
41. Also refer to each workstream above for updates.

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

42. There are no climate change impacts or implications arising from the matters in this report. Councillors also identified climate change as a regionally significant issue during the councillor workshop held in August 2021 (see **Report 21-216** to 28 October 2021 Sustainable Tairāwhiti Committee meeting).
43. Climate change is a priority issue within the RPS and is integrated within the TRMP work programme. The effects of climate change are recognised to be linked to the increased frequency and intensity of natural hazards such as rainfall events and drought events. These are considerations when providing direction on how the region manages natural resources and develops the built environment.
44. Climate change will affect the availability and reliability of freshwater resources. The combination of existing over-allocated water resources, an expected increased future demand and impacts of climate change mean that managing water quantity within limits is a significant issue for freshwater management in the region and will only become more important in the future.
45. Climate change will be a central consideration in all parts of the Urban Growth and Development workstream as it is one of the objectives of the NPS-UD. Planning for an urban form, that is compact, intensified and well connected, should decrease greenhouse gas emissions by reducing the reliance on private motor vehicles. Growth and development planning will also incorporate climate change adaptation by ensuring that existing urban areas, subject to hazards affected by climate change, are subject to appropriate risk assessment requirements, and other areas are avoided entirely.
46. The Tairāwhiti 2050 Spatial Plan seeks to activate our Central Business District (CBD) by promoting walking and cycling, inner city living, re-purposing heritage buildings, creating multi-use public spaces and developing a hospitality precinct.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

47. There are no financial implications from the progress updates in this report.
48. A budget of \$25.6m (including \$7m for freshwater) was approved to support the TRMP review. There was an underspend for the FY 2022 mainly due to difficulty recruiting staff, the impact of COVID-19 on both internal and external resource availability and disruptions from severe weather events.

49. Central government's two-year extension to freshwater legislative timeframes to December 2026 may have financial implications on the TRMP budget. TRMP workstream leads are updating their project plans accordingly to ensure delivery between workstreams is coordinated and to set us up for success in the 2024 Three Year Plan, and Phase 2 of TRMP delivery.

Legal

50. Keeping the TRMP current is a legislative requirement. Under the Resource Management Act 1991 (RMA), councils must commence a review of any RPS, regional plan, and district plan provision if they have not done so for 10 years.
51. Council is required to prepare and change the TRMP in accordance with national policy statements, the New Zealand coastal policy statement, national planning standards and any other resource management regulations⁴.
52. The TRMP will need to give effect to other national direction⁵.
53. Under the RMA, Council must state the significant resource management issues for the region and the resource management issues of significance to iwi authorities in its RPS.
54. Under Section 81 of the Local Government Act 2002, Council is required to establish and maintain processes to provide opportunities for iwi/Māori to contribute to the decision-making processes of Council and to consider ways in which Council may foster the development of iwi/Māori capacity to contribute to the decision-making processes of Council. This is articulated in Council's 'Tairāwhiti Piritahi – Fostering Māori Participation in Council Decision-making' Policy. This policy provides a framework for Council to ensure effective tāngata whenua participation in the Council's planning and decision-making processes.
55. A requirement of the NPS-UD that the Council has opted to produce is a FDS which forms the basis for integrated, strategic and long-term planning. An FDS helps the Council set the high-level vision for accommodating urban growth over the long term and identifies strategic priorities to inform other development-related decisions, such as plan zoning and related plan changes and priorities and decisions in regional land transport plans.
56. There are also requirements under the NPS-UD to implement plan changes for well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety, now and into the future.
57. An initial review of the draft FDS was carried out by an external law firm. Another legal review will be carried out post consultation and prior to adoption.
58. Council has legal requirements regarding Freshwater Planning. This includes direction for consultation and engagement, planning standards, and what plans must be included under the RMA, the NPS-FW, and the National Environmental Standard for Freshwater (NEWS-FW) and 2019/20 amendments to the NPS-FW.

⁴ s61(1)(da) and (e), s66(1)(ea) and (f), s74(1)(ea) and (f) of the RMA 1991

⁵ <https://environment.govt.nz/acts-and-regulations/national-direction/>

59. The outgoing government had confirmed that these directions will be carried into the new system via the National Planning Framework (NPF), perhaps with minor adjustments. The incoming government coalition partner has expressed support for the NPF and the current Minister for RMA reform has also expressed support for this part of RMA reform during debates on the final reading of the Bills before the election. As such, Council has adopted a business-as-usual approach aligning the TRMP review with the pre-election RMA reform programme until any change of direction is confirmed.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

60. With a new government following the recent elections, there is uncertainty around the two new pieces of legislation gazetted 29 August 2023, being the Natural and Built Environment Act (NBEA) and the Spatial Planning Act (SPA). To date we have been working under the RMA and will continue to do so until directed otherwise. The TRMP work programme has been developed in such a way that it aligns with future legislation to the extent this is possible with the information we know to date.
61. Central Government advised local authorities to continue with their current policy work programmes under the RMA, as the new Resource Management system is not yet finalised, and the transition will require time. However, there is a potential for repealing and introducing alternative systems in the future under the new government.
62. Council has confirmation that the structure and appearance of plans as mandated by the National Planning Standards will transition into the new system. As such, our work to date has been compliant with this structure and appearance.
63. The new system will have a strong spatial element in Regional Spatial Strategies (RSS). Spatial documents such as the FDS, CBD Spatial Framework and the 2050 Spatial Plan should be able to feed directly into RSS. The progress to ePlan and its interactive maps will help plan users to understand these policies along with the TRMP.

RISKS - NGĀ TŪRARU

64. **Uncertainty with transitioning to new Resource Management legislation with change in government**
- a. There is a low risk that the RPS work programme will be affected by these two changes. All work undertaken for the RPS work including any technical reports, can also inform most of the SPA and some of the NBEA.
 - b. While there has been signalling around repealing of legislation it is not clear what elements might remain or what they might be replaced by. The TRMP team is seeking clarification and monitoring the situation.

65. **Lack of resources and capacity in both Council and iwi** continue to be a key challenge. Competing priorities, the effects of COVID-19 and the impact of recent severe weather events have all stretched peoples' time and availability.
- a. FDS engagement has taken longer than anticipated due to competing priorities and the effects of both COVID-19 and adverse weather events on people's time and availability. This has been addressed by adjusting the project schedule to allow for limited resource availability.
 - b. The FDS lays the foundation of later TRMP policy content, and delays may cascade into delays for subsequent TRMP policy content, especially urban-related chapters. To mitigate this risk, early and effective communication between the teams working on FDS and urban-related chapters need to be ensured as well as close monitoring of workstream timelines to address any potential delays.
 - c. Wellbeing, quality of work and timeliness can suffer when teams are under-resourced and subject to increased workloads. To mitigate this risk, resource allocation is prioritised to ensure adequate support for the team.
66. **Consultation fatigue** poses a real risk in 2024 due to multiple consultations on freshwater, RPS and FDS. This could result in less effective and meaningful engagements. To mitigate this risk, we will increase the coordination and communication among the three TRMP workstreams, the Māori Responsiveness team, and the Communications team. This will ensure a more efficient and engaging external process.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Captured under each workstream.

Title: 23-253 Mode Shift Plan and Active Travel Strategy Development

Section: Strategic Planning

Prepared by: Chris Gilmore - Senior Policy Advisor

Meeting Date: Wednesday 29 November 2023

Legal: No

Financial: No

Significance: **Low**

Report to SUSTAINABLE TAIRAWHITI /TOITŪ TAIRĀWHITI Committee for information

PURPOSE - TE TAKE

This report provides an overview of progress on the development of a Mode Shift Plan and Active Travel Strategy.

SUMMARY – HE WHAKARĀPOPOTOTANGA

Mode shift encourages people to get out of private vehicles and use healthier, more sustainable transport modes: public transport, walking, wheeling or cycling (collectively referred to as shared and active travel respectively). A Mode Shift Plan lays out the benefits of investing in and promoting active and shared travel in Tairāwhiti and highlights the areas of influence where Council can facilitate mode shift in our region.

While being identified as an action needed in the Mode Shift Plan, the Active Travel Strategy is being developed at the same time. Identifying the barriers to active travel in Tairāwhiti, the objectives for overcoming them, as well as the policies and principles that will be employed to achieve them, the active travel strategy supports development of the Regional Land Transport Plan (RLTP) by forming the strategic case for developing a comprehensive active travel network.

Both the Mode shift Plan and Active Travel Strategy (updating the current Walking and Cycling Strategy 2004) will inform the draft programme in the Regional Land Transport Plan (RLTP) 2024-2034 as well as the local share Council will allocate through the Three Year Plan process. The RLTP forms the basis for Council's funding bid to Waka Kotahi for funding transport projects for the next three years in particular, and signalling Council's plans for the following seven years that will be reassessed and incorporated in future funding bids and RLTPs.

This report is structured to lay out the issues and seek feedback on elements of both the plan and strategy as well as the key corridor maps where active travel infrastructure is likely to be needed. Any feedback provided by elected members at the meeting is not considered as a decision at this point in the development. Decisions on the key matters will be sought through the adoption report in January. Financial decisions regarding the possible programmes discussed in this report will be made through the RLTP and Three Year plan processes.

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 Sustainable Tairāwhiti /Toitū Tairāwhiti Committee:

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

Authorised by:

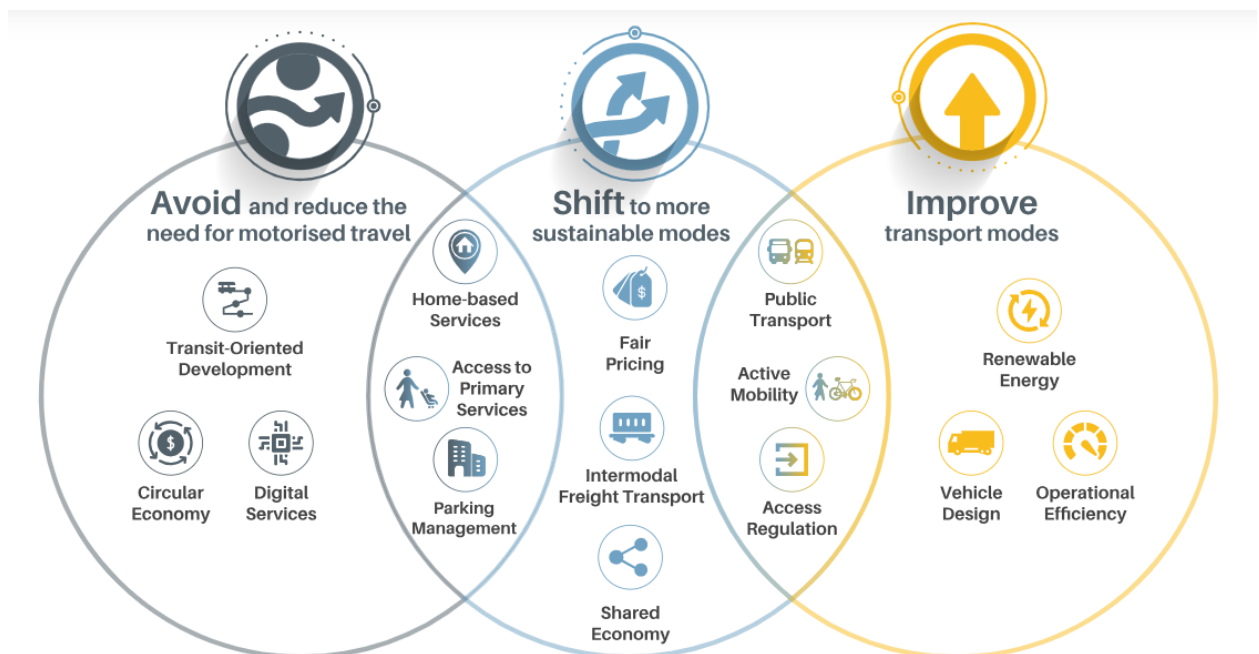
Joanna Noble - Director Sustainable Futures

Keywords: Mode shift, Active Travel, Walking and cycling, emissions reduction, wellbeing.

BACKGROUND - HE WHAKAMĀRAMA

What is mode shift?

1. Mode shift is changing the way you travel from one place to another. This could be how you might go to school, the grocery store, work, or other places you travel to. The key is trying to use a different way of getting around, such as walking, taking the bus or cycling rather than always driving in the car. A key focus for mode shift interventions is to reduce single occupancy vehicle (SOV) trips and vehicle kilometres travelled (VKT). This choice could be something that is done on occasional or a permanent change.
2. Mode shift is one of three complementary approaches to reducing VKT:
 - a. Avoiding or reducing travel: through undertaking more activities (such as work, education, and shopping) from home and combining more than one purpose in a single journey.
 - b. Shifting the mode of travel: substituting SOV journeys for public transport and active travel.
 - c. Improving the mode of travel: replacing Internal Combustion Engine vehicles with zero emission (battery electric and hydrogen) alternatives.
3. *Figure 9* outlines the areas where Council has either some control (such as public transport services) or influence (such as urban design) over travel needs and choices.



**The A-S-I diagramme presents a non-exhaustive list of measures for illustrative purposes only.*

Figure 9 Avoid/Shift/Improve Framework

4. The goal of getting people to change how often they use their cars for trips is to improve environmental outcomes and improve the quality of our neighbourhoods by reducing the number of cars on the road. When more people walk, bike, or use public transportation, it can help cut down on air pollution, make traffic less congested, increase the 'life' of our roading seal (due to less wear and tear with decreased traffic volumes), and even save energy.
5. The key drivers for pursuing mode shift are:
 - a. Emissions reduction through reducing vehicle kilometres travelled primarily in single occupancy vehicles.
 - b. Reducing particulate pollution which can cause or exacerbate respiratory illnesses.
 - c. Improving wellbeing through opportunities for exercise and increased sense of community.
 - d. Economic activity through increased goods exchange and lower fuel costs.
6. Mode shift plans in New Zealand are predominantly based on the three key areas of influence set out in the Waka Kotahi Mode Shift Plan 'Keeping Cities Moving' to directly respond to the underlying causes of car dependency in New Zealand. These are laid out in Table 1.

Table 1 Causes and responses to car dependency.

Underlying Cause	Response
Cities that have been designed to prioritise travel by cars	Shaping Urban form
A lack of good alternatives for shared and active travel due to historic under investment	Making shared and active travel modes more attractive
Limited incentives and disincentives for people to change how they travel	Influencing travel demand and transport choices

7. Shaping urban form refers to city design and planning, simply where things are and how they're connected. This plays an important part in mode shift because living close to transport, shops, school, and workplaces makes active and shared transport options more attractive.
8. Improving the quality, quantity, safety and functionality of active and shared modes reduces barriers for people, making them a more attractive, realistic and practical choice for short trips.
9. Travel demand management includes a wide variety of infrastructure, policy, regulatory, educative and pricing tools to support active and shared travel choices. For example, changes to parking management such as demand responsive pricing can encourage active and shared transport options while better supporting businesses. Other tools such as modal filters (allowing only buses, taxis, bikes and pedestrians in an area) could also be explored. Influencing transport choices involves an integrated suite of marketing and communication channels targeted at raising awareness and promoting use of active and shared transport options.

What is active travel?

10. Active travel includes anything without a motor that can transport a person a short distance that isn't a private car, including walking, and cycling. A more formal definition is the transport of people or goods, through non-motorized means, based around human physical activity, however this could be read to exclude, e-bikes, e-scooters, mobility scooters and anything other micro-mobility devices that are motorised.
11. The term active travel has been increasingly adopted as walking and cycling doesn't account for the wide variety of travel types councils need to provide for. It also encompasses the design considerations necessary to ensure access for all.

Benefits of active travel

12. **Health and wellbeing:** The health benefits of regular exercise are well documented. Targeted investment in active travel creates space for choosing exercise by active travel where currently safety concerns are a barrier.
13. **Emissions reduction:** A large European study⁶ found that an average person cycling one trip per day more and driving one trip per day less for 200 days a year would reduce their annual CO2 emissions by around 0.5 tonnes. Few studies of this kind have been undertaken in New Zealand to date. A 2018 Victoria University of Wellington study considered the effect of active travel investment on health and emissions concluding that when concerted investment is made in active travel in a city, there is likely to be a measurable, positive return on investment.⁷
14. **Economic:** In October 2022 the UK government published a report⁸ concluding the economic benefits of active travel generated £36.5bn pounds (\$74.9bn NZ dollars) for the UK economy in 2021. The figure is based on the direct economic benefits of active travel as well as others such as reducing the cost of traffic congestion and running a car, improved health and reduced burden on the National Health System, and fewer sick days at work.
15. Among the findings are that people who walk into and through city centres spend up to 40% more than those who drive, while physically active people take 27% fewer sick days each year than their colleagues.
16. With the cost of living rising, incorporating active (and shared) travel poses an opportunity to save money for those that usually drive. Reduced fuel and maintenance costs can be significant when calculated over time.
17. **Reduced congestion and parking demand:** we often hear that improving traffic flow or increased parking capacity should be prioritised above active travel. This however ignores that often, active travel infrastructure is the best route to reduced congestion and parking demand (and more cost effective than adding additional lanes and parking spaces) as more commuters can choose active modes, leaving their car at home.

⁶ Brand et al *The climate change mitigation impacts of active travel: Evidence from a longitudinal panel study in seven European cities*. Global Environmental Change 67 (2021) 102224 https://spiral.imperial.ac.uk/bitstream/10044/1/89043/2/Brand_PASTA_GEC21.pdf

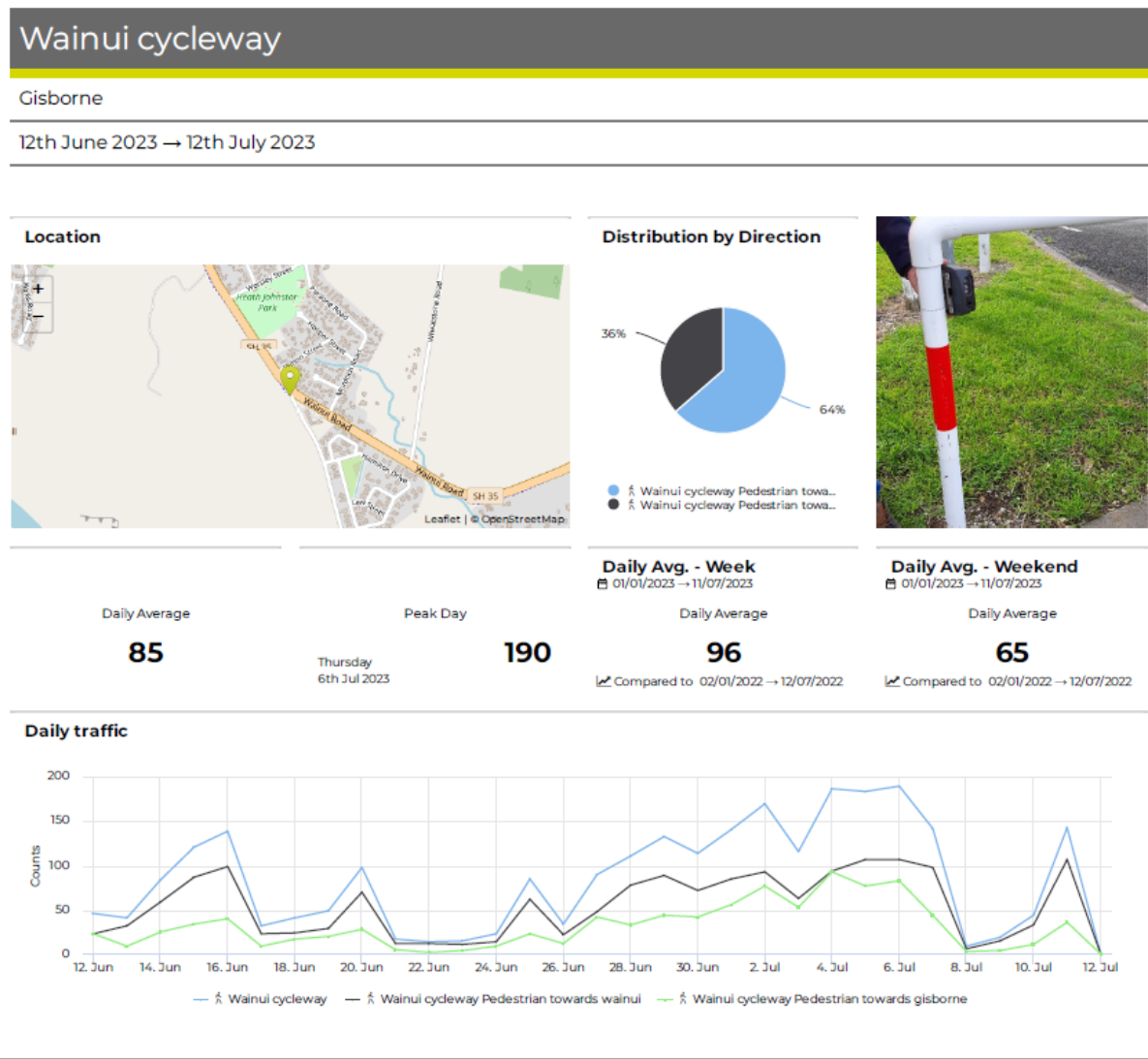
⁷ Chapman, Ralph, Michael Keall, Philippa Howden-Chapman, Mark Grams, Karen Witten, Edward Randal, and Alistair Woodward. 2018. "A Cost Benefit Analysis of an Active Travel Intervention with Health and Carbon Emission Reduction Benefits" *International Journal of Environmental Research and Public Health* 15, no. 5: 962. <https://doi.org/10.3390/ijerph15050962>

⁸ <https://www.sustrans.org.uk/media/11397/cost-of-living-report.pdf>

Current Walking and Cycling strategy

- 18. Council's current Walking and Cycling Strategy was developed in 2004. The strategy sets objectives for Gisborne to be a walking and cycling friendly region through improvements to infrastructure, safety, education and encouragement. It identifies similar issues to those we see today, lack of cycle friendly infrastructure and design, lack of awareness, education and promotion, over reliance on roundabouts and little consideration of people with disability.
- 19. Key actions were the design and build of an extensive commuter and recreational cycling network, a comprehensive education and promotion programme, and monitoring, review and implementation planning.
- 20. That strategy contributed to the design and development of the Wainui cycleway and several on road cycle lanes. The strategy proposed a raft of actions concerning investigation and design however funding for these was limited. Monitoring similarly was limited to household surveys and some usage counts. An example of which is provided in figure 2. More of this data and analysis will be provided in subsequent reporting.

Figure 2: Pedestrian Count sample for Wainui Cycleway.



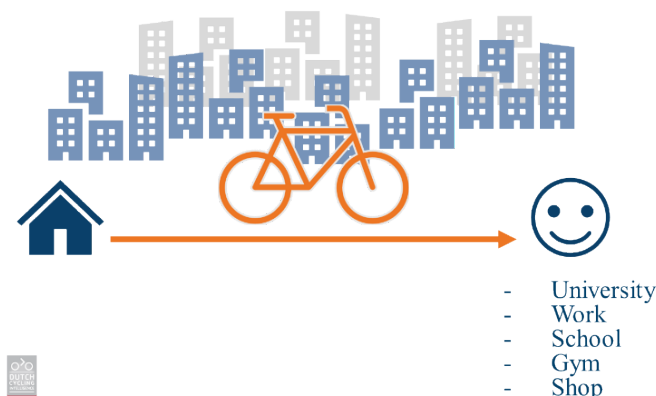
Crow Principles of Active Travel Design

21. The Dutch CROW Bike Design manual is considered best practice for active travel network design. The CROW Bike design manual has been incorporated active travel network design guidance across New Zealand and Australia. The 5 principles of the manual are:

Cohesion

22. Active travel infrastructure should form a cohesive network, linking all the origins and destinations that travellers may have. This is about ensuring genuine connectivity from your door, via residential street, to a shared path, to your school, workplace or other destination. Cohesion should include shared modes, providing for bikes, scooters, wheelchairs and skateboards on buses, allowing a “first mile/last mile” approach to active and shared travel.

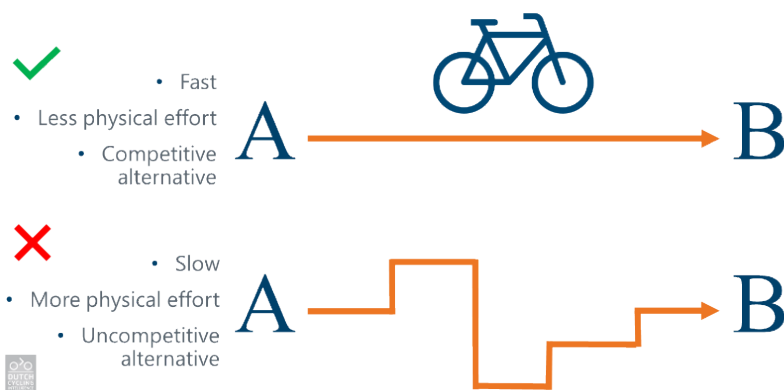
COHESION: Connecting origins and destinations
Cycling from anywhere to everywhere



Directness



23. Directness refers to offering active travellers as direct a route as possible. This is because active travel is predominantly human powered. Directness is about conserving energy and minimising delays as much as possible which increases the appeal and practicality of active travel.

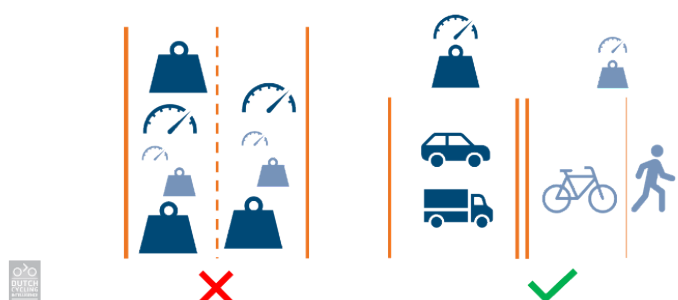
DIRECTNESS: Creating short and fast routes
Minimising detours



Safety

24. By far the most common reported barriers to active travel is safety and more importantly perception of safety. Cyclists riding in painted cycle lanes are significantly safer, however perceptions of safety with traffic in close proximity are low and therefore hinder mode shift for less confident riders. To adhere to the safety design principle, designers should strive to avoid differences in speed and mass as much as possible. Reducing vehicle speed is the most effective treatment, particularly at intersections where complete mode separation cannot be achieved.
25. The key is planning links where vehicle proximity, accident risks, emissions, noise and stress are avoided. Often links are planned next to busy arterial roads. However, quieter streets – a block up or down – can deliver more robust safety outcomes. On those streets traffic volumes are lower and often more space and spare capacity is available to realise safe active travel infrastructure design.

SAFETY: Avoid differences in SPEED  and MASS 
Create homogenous traffic flows



Comfort

26. Both a stand-alone principle and inherent in the other four, comfort is critical to realisation of active infrastructure objectives. An uncomfortable travel experience can be a significant barrier. Network design should seek to avoid or minimise vibrations, noise, nuisance, exhaust fumes, dangerous areas, steep inclines or descents and having to make unnecessary stops.

COMFORT: minimal stops or nuisance



Attractiveness

27. Highly subjective and difficult to quantify, attractiveness is still considered a key element in successful active travel design. Research suggests that generally, cyclists find green, open spaces, water and the aesthetic quality of the built environment attractive. This is both intuitive, as humans tend to prefer these environmental elements in a variety of setting but also aligns with the safety and comfort principles which are known to influence active travel choices. Conversely, elements that are considered unattractive are congestion, vehicle exhausts and pollution, dark, low lighting and perceived risk of accidents or personal safety on the route.

(UN)ATTRACTIVENESS



ATTRACTIVE

- **Green**
- **Open**
- **Water**
- **Well maintained**
- **Quiet streets**



UNATTRACTIVE

- **Traffic**
- **Congestion**
- **Industry**
- **Dark / unlit**

Regional Strategic Setting

28. Council is currently developing its next [Regional Land Transport Plan](#) (RLTP) and [Regional Public Transport Plan](#), which are the basis of our funding bid to Waka Kotahi's National Land Transport Fund. In order to qualify for funding and particularly to maximise funding across all activity classes', councils must demonstrate alignment between their RLTP/RTP and the Government Policy Statement on Land Transport (GPS). Council's mode shift plan and Active travel Strategy will, if adopted, form part of the strategic case supporting the RLTP.
29. It should be noted that with the change in government, there will be a new GPS which our RLTP will need to give effect to (**Report 22-241** provides the detail on how the GPS, our RLTP and our Long Term Plan interconnect for transport funding).
30. Council's [Long Term Plan](#) will be superseded in 2024 by a Three Year Plan focused on regional recovery from Cyclone Gabrielle. Council's local share of transport funding is confirmed through this process.
31. Council's spatial plan, [Tairāwhiti 2050](#) sets a vision for Tairāwhiti to be the cycle capital of New Zealand with 40% of adults and 80% of school students using active travel to get to school and work.

National strategic setting

32. [Emissions Reduction Plan](#) (ERP). The ERP seeks to reduce reliance on cars and support people to walk, cycle and use public transport including by:
 - improving the reach, frequency and quality of public transport and making it more affordable for low-income New Zealanders
 - increasing support for walking and cycling, including initiatives to increase the use of e-bikes
 - ensuring safer streets and well-planned urban areas.
33. [Transport outcomes framework](#) sets out what the government expects to be achieved through investment in the transport network. The former governments transport outcomes framework placed a high value on “mode neutrality” which means considering all types of transport when planning, regulating and funding transport. All 5 outcomes in the framework support investment in safe, inclusive, resilient, and sustainable active travel.
34. The draft [GPS](#) sets the strategic direction for investment and allocates funding across the activity categories such as maintenance and active travel. The new government are likely to issue a new draft GPS early next year, it is not clear what might change from the current draft and how this will impact on possible active travel priorities and funding.
35. [Waka Kotahi Arataki](#) is a shared sector view of how the government and road controlling authorities need to plan, develop, and invest in the land transport system during the next 30 years. The Arataki Tairāwhiti-Gisborne Regional Directions document notes:

Tairāwhiti has limited public transport services. Around 90% of trips to work are by private vehicle. Active modes are likely the best way to reduce vehicle kilometres travelled, along with increasing the share of freight moved by coastal shipping. The region has higher than average rates of walking and cycling, but numbers are declining. Investment in safe and easy ways to access facilities can help shift more people to active modes.
36. [Keeping cities moving](#) is Waka Kotahi's national mode shift plan which informs and supports mode shift planning in the main centre and regional centre level.
37. [Urban street planning and design guide](#) sets out how street layouts, infrastructure type and location can be used to support all transport modes.
38. [Streets for people](#) has \$30m funded by the National Land Transport Plan. 13 councils are participating with initiatives. GDC is supporting two initiatives:
 - a. Grey Street, undertaken by Tairāwhiti Adventure Trust which aims to make Grey Street safer and more accessible to those utilising a newly installed skate park and pump track.
 - b. Uawa, undertaken by the Uawa Hei Huarahi Oranga steering group in partnership with the Gisborne District Council, aims to improve safety on State Highway 35 in the Uawa/Tolaga Bay township and shopping area by:
 - i. slowing vehicle speeds.
 - ii. providing additional crossing facilities for pedestrians.
 - iii. connecting with the northern cycleway through the town centre and aligning with the planned southern cycle trail leading to Tolaga Wharf.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

Mode shift Plan

39. As outlined in Table 1 there are clear causes for car dependency which local authorities can respond to. Table 2 connects the three areas of influence that Council has to practical initiatives Council could undertake to facilitate and support mode shift in Tairāwhiti.

Table 2: *Initiatives to support mode shift.*

Area of Influence	Initiative
Shaping Urban form	<p>Tairāwhiti Resource Management Plan review (underway)</p> <p>Residential Urban Design Guide (planned)</p> <p>Future Development Strategy (underway) and its implementation plan (planned)</p> <p>Master Plans (planned)</p> <ul style="list-style-type: none"> • City centre • Elgin • Kaiti • Awapuni <p>Transport Code of Practice Review (Planned)</p>
Making shared and active travel modes more attractive	<p>Public Transport Review (underway through Regional Public Transport Plan)</p> <p>Active Travel Strategy (underway)</p> <p>Taruheru Shared Path (underway)</p> <p>Recreational Trail Development</p> <ul style="list-style-type: none"> • Stop banks cycle trail (planned) • Makara Rail Corridor Trail (proposed in Plan) • Unformed Legal Roads Policy (proposed in Plan)
Influencing travel demand and transport choices	<p>Comprehensive Parking Management Plan (proposed in Plan)</p> <p>Travel Demand Management Programme (proposed in Plan)</p> <p>School Travel Plans (underway)</p> <p>Major employer Travel Plan (proposed in Plan)</p> <p>Transport Model (proposed in Plan)</p> <p>Transport Monitoring Programme (proposed in Plan)</p> <p>Model Filters – Bus lanes, special vehicle areas, pedestrian areas (proposed in Plan)</p>

Feedback Request 1

Table 2 identifies a number of initiatives across the three areas of Council influence that could support increased mode shift over the coming years.

1. Do you agree with the initiatives listed, particularly those proposed?
2. What other initiatives could Council undertake to support more people choosing active or shared travel options?

Active Travel Strategy

40. Staff are developing an Active Travel Strategy to provides direction and supports the 2024 Regional Land Transport Plan funding bid for active travel infrastructure, education, and promotion.
41. The Active Travel Strategy seeks to lay out the why, how, where and what of improving walking, wheeling and cycling facilities in Tairāwhiti.
42. The development of a strategy is focused on identifying issues and objectives, followed by the policies and principles to support the realisation of the objectives. Staff have been talking to stakeholders about key corridors which will form the basis for future investment in the draft strategy.

Definition

43. To be as inclusive as possible in this strategy for active and micro-mobility options that may be motorised, a draft definition for the active travel strategy could be: *Active Travel refers to journeys made by modes of transport that are fully or partially people-powered, irrespective of the purpose of the journey. It includes walking, people using wheelchairs, cycling (including e-bikes) to name a few.*

Barriers to Active Travel in Tairāwhiti

44. The strategy will attempt to address barriers to wider use of active modes in Tairāwhiti. The barriers in Table 3 have been identified by staff and/or raised during workshops or community engagement.

Table 3: Issues with and barriers to active travel in Tairāwhiti

Barrier/Issue	Explanation	Mitigation
Safety	Active travel in Tairāwhiti is not perceived as a safe option by many users due to: <ul style="list-style-type: none"> - Concerns cycling in traffic - Heavy vehicles - Poor visibility at intersections 	A network that separates active modes from vehicles.
Footpaths are not fit for purpose	Narrow, uneven, poor condition footpaths are difficult for all user groups and prohibitive for some.	Footpaths of adequate width, surface and gradient for all users.
Incomplete Network	Many of Gisborne's on-road cycle lanes end abruptly without warning, usually due to parking and carriageway constraints.	Reprioritise road corridor allocation between active transport, moving vehicles, on-road private vehicle storage.
Insufficient crossing points	Some of Gisborne's major arterial routes have few or no pedestrian crossings	Install crossings at key points of high pedestrian demand (e.g., near schools, known thoroughfares, major employers, shopping precincts).

Feedback Request 2



Table 3 identifies the key issues and barriers preventing wider use of active travel in Tairāwhiti.





1. Do you think these are the right initiatives to address the issues/barriers?
2. Are you aware of other issues?

Active Travel Strategy - Objectives

45. Objectives describe the high-level goals for a strategy in terms of the finished product after the strategy has been implemented. The example objectives in table 4 address both the issues and barriers identified previously as well as responding to statutory drivers like the Governments Emissions Reduction Plan and to Councils strategic transport priorities identified in the draft Regional Land Transport Plan.
46. The example objectives in Table 4 address:
- issues and barriers identified
 - statutory drivers like the Governments Emissions Reduction Plan
 - Councils strategic transport priorities identified in the draft Regional Land Transport Plan.

Table 4: Example objectives for an Active Travel Strategy.

Objective	Description
Objective 1: Kotahitanga 	Walking, cycling, wheeling or riding a bus brings people together. Kotahitanga (togetherness) is identifying as one – sharing the earth, extending our āwhina (support) to everyone, and receiving the same back.
Objective 2: A Safe Network 	Our road network needs to be safe for all users. Our objective is that no one be killed or injured while moving around Gisborne. Additionally, network users should feel safe when traveling. Be that using a mobility scooter on a footpath, biking through a park or any other means of active transport on our network.

<p>Objective 3: Reduced Emissions</p> 	<p>Climate change is a major issue of our time and transport is a key contributor. Active and shared travel are key paths to reducing our emissions and meeting our obligations under the government's emissions reduction plan as well as our community's own aspirations.</p>
<p>Objective 4: More Travel Choices</p> 	<p>Providing a range of transport options gives people travel choices be it public transport, scootering, biking, private vehicle, or taxi. These choices mean that everyone can access various parts of the city and region when they want to by a range of modes. Supporting mode shift and the benefits it brings.</p>
<p>Objective 5: Inclusivity</p> 	<p>Access across Tairāwhiti and within Gisborne available for all is important. We want to promote a fair transport system that allows all residents and visitors to safely and reliably access their preferred destination based on their individual needs.</p>
<p>Objective 6: Economic growth and urban development</p> 	<p>Active and shared travel can better support small businesses by increasing the opportunity for interaction and commerce. Considering active and shared travel provision as part of urban growth and planning ensures we take advantage of the benefits from active and shared travel infrastructure when they're most cost effective to install.</p>

Feedback Request 3

Table 4 discuss some example objectives for the active travel strategy.

1. Are these the right objectives for delivering improved active travel infrastructure?
2. Are there other objectives you think should be developed?

Active Travel Strategy – Policies

47. Objectives describe what Council wants to do, policies set how we're going to do it.

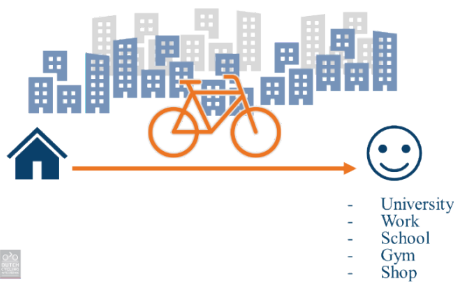
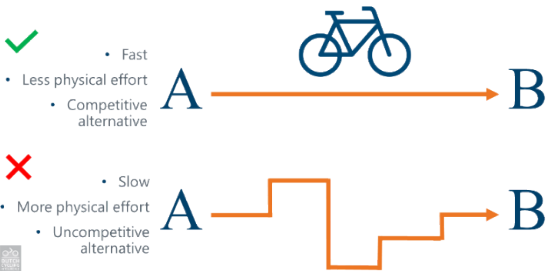


Example Policy	Description
Example Policy 1: <i>Prioritising safe active travel routes over on road parking facilities and travel time for private cars.</i>	<p>With limited road space, there sometimes needs to be a trade-off to prioritise active modes. With growing numbers of people moving around in the urban environment (approximately 9,000 more people in the urban area by 2050), congestion and travel times will increase. Getting more people moving in the same road space means removing parking to allow another lane for movement. In many locations in Tairāwhiti, such as Ormond Road, there is ample space for a separated cycleway if some on street parking is removed.</p> <p>This policy achieves the objectives through:</p> <ul style="list-style-type: none"> • Ensuring safe routes are considered first • Supports emissions reduction • Expands travel choices in more places to more people • Supports economic activity through increased cycle and pedestrian traffic
Example Policy 2: <i>Designing to reflect Māori heritage and support Tangata Whenua to be visible in their land.</i>	<p>Tairāwhiti is a truly bicultural region, with over half the population identifying Māori according to the 2018 census data. It is important that all Council strategies are developed in partnership with mana whenua. From the most basic elements like ensuring equality when developing the key corridors to providing quality way finding and regional narratives, Councils active travel network must reflect the people of this region, where they live, where they're going and the stories they want to tell about their home.</p> <p>This policy achieves the objectives through:</p> <ul style="list-style-type: none"> • Supporting development of a culturally safe and accessible network servicing whanua, Marare, kura and places of cultural significance. • Promoting mode shift across our entire community (>50% Maori) increasing emissions reduction • Ensures equity in travel choices
Example Policy 3: <i>Inclusive access and universal design.</i>	<p>Everyone in Tairāwhiti, regardless of age or ability should be able to safely travel in the manner they choose. Children, the ageing population, wheelchair users, those with permanent or temporary impairments, mobility scooters, parents with prams and any other user groups should be able to safely and easily get to their nearby destinations without needing a car.</p> <p>This policy achieves the objectives through:</p> <ul style="list-style-type: none"> • Improving safety for all users • Ensuring all members of the community have active travel options creates the greatest likelihood of widespread mode shift. • Reduces barriers to participation in community and economy.



Feedback Request 4

Do policies 1, 2 and 3 go far enough to facilitate a comprehensive active travel network that is informed by Mātauranga Māori and inclusive of all people regardless of age or ability?

Proposed Active Travel network design principles

48. Application of the principles of the Dutch CROW Bike Design manual is the approach to the draft strategy's design principles.

CROW Design Principle	Relevance to Tairāwhiti.
<p>COHESION: Connecting origins and destinations Cycling from anywhere to everywhere</p>  <ul style="list-style-type: none"> - University - Work - School - Gym - Shop 	<p>A cohesive network in Tairāwhiti would include continues safe routes to key destinations such as the CBD, schools, major employers, Marae and beaches as well as ensuring bikes, wheelchairs and scooters can access buses.</p>
<p>DIRECTNESS: Creating short and fast routes Minimising detours</p>  <p> ✓ <ul style="list-style-type: none"> • Fast • Less physical effort • Competitive alternative </p> <p> ✗ <ul style="list-style-type: none"> • Slow • More physical effort • Uncompetitive alternative </p>	<p>Gisborne is a perfect city for a direct active travel network. Compact, largely flat and narrow layout means a relatively small number of active travel routes could provide direct access to most of the city for a large proportion of the population.</p>
<p>SAFETY: Avoid differences in SPEED and MASS Create homogenous traffic flows</p> 	<p>Initial engagement has shown strong feelings around cycling next to logging trucks. Separation of different modes, active from motorised and to a lesser extent pedestrians from cyclists is the most effective means of designing safe routes that feel safe. Lighting and surface condition are also factors to be considered.</p>
<p>COMFORT: minimal stops or nuisance</p> 	<p>While meaning different things to different people, designing a network in Tairāwhiti that's comfortable certainly means a network that is</p> <ul style="list-style-type: none"> • flat. • safe. • away from noise and engine exhaust. • direct, minimal stops or nuisance.

(UN)ATTRACTIVENESS		<p>In many ways attractiveness is a test of meeting the previous 4 principles. An attractive network design in Tairāwhiti would find the balance between being:</p> <ul style="list-style-type: none"> • continuous • easy to navigate • flat • well lit • direct • Safe • Built in open, green space • Away from noise and exhausts
 <p>ATTRACTIVE</p> <ul style="list-style-type: none"> • Green • Open • Water • Well maintained • Quiet streets 	 <p>UNATTRACTIVE</p> <ul style="list-style-type: none"> • Traffic • Congestion • Industry • Dark / unlit 	

Feedback Request 5

The CROW principles are considered best practice and found in the cycleway design guidance for all New Zealand main centres however we need not be limited to them.

Are there other design principles, elements or concepts you would like to see incorporated in the draft active travel strategy?

Key Corridors

49. The strategy focuses on defining the key corridors that form the best connections between where people live and the places they work, learn and play. The strategy won't specify exact routes and design features.
50. Final routes and design features require a business case development, technical investigation and design. The RLTP includes the programme for progressing the implementation of the strategy, including a programme business case to strengthen likelihood of obtaining funding from Waka Kotahi into the future.
51. Prioritisation of the key corridors will be a question for public consultation as we will not be able to afford to build everything at the same time. There is also the option to not prioritise corridors and have the programme based on when relevant road renewals are taking place and/or if external funding is obtained.

Key Corridor 1: Rutene Road to Ormond or Stout Street



Key Corridor 1: Rutene Road and Ormond Road/Stout Street

Main features

Rutene and Ormond Road/Stout Street are suitable for active travel lanes with low gradients and wide carriage ways for the majority. They form a continuous link between significant residential area, several schools and the hospital

Schools/Major Employers/Destinations

Te wharau Primary School, Ilminster Intermediate, Mangapapa Primary School (Ormond Road route), Gisborne Hospital. Riverdale Primary School (Stout Street route)

Key intersections/Pinch points/Design features

Delatour roundabout active travel upgrades

Rutene Road Bridge over the Waimata River would require extension to ensure separation of active and motorised modes.

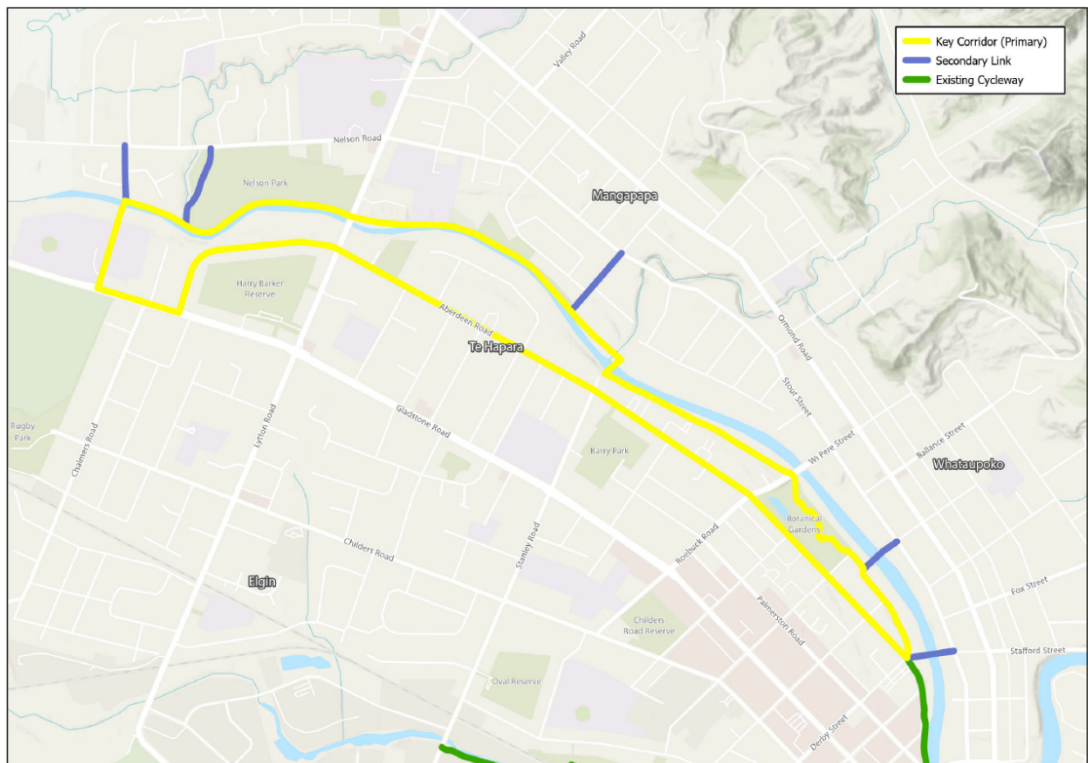
Ormond Road

- Fitzherbert Street roundabout active travel upgrades
- Additional crossing point (aligning with river crossing such as Hall Street)
- Balance Street crossing upgrade
- Wi Pere Street roundabout active travel upgrades
- Mangapapa Primary school crossing point
- Matokitoki Stream bridge extension (needs investigation)
- Hospital crossing point

Stout Street

- Off road path from Rutene Road bridge over Vogle street under peel street bridge, connecting to Stout before museum.
- Wi Pere Road/Stout Street intersection upgrade (needs investigation)
- Stout Street/Lytton Road roundabout active travel upgrades

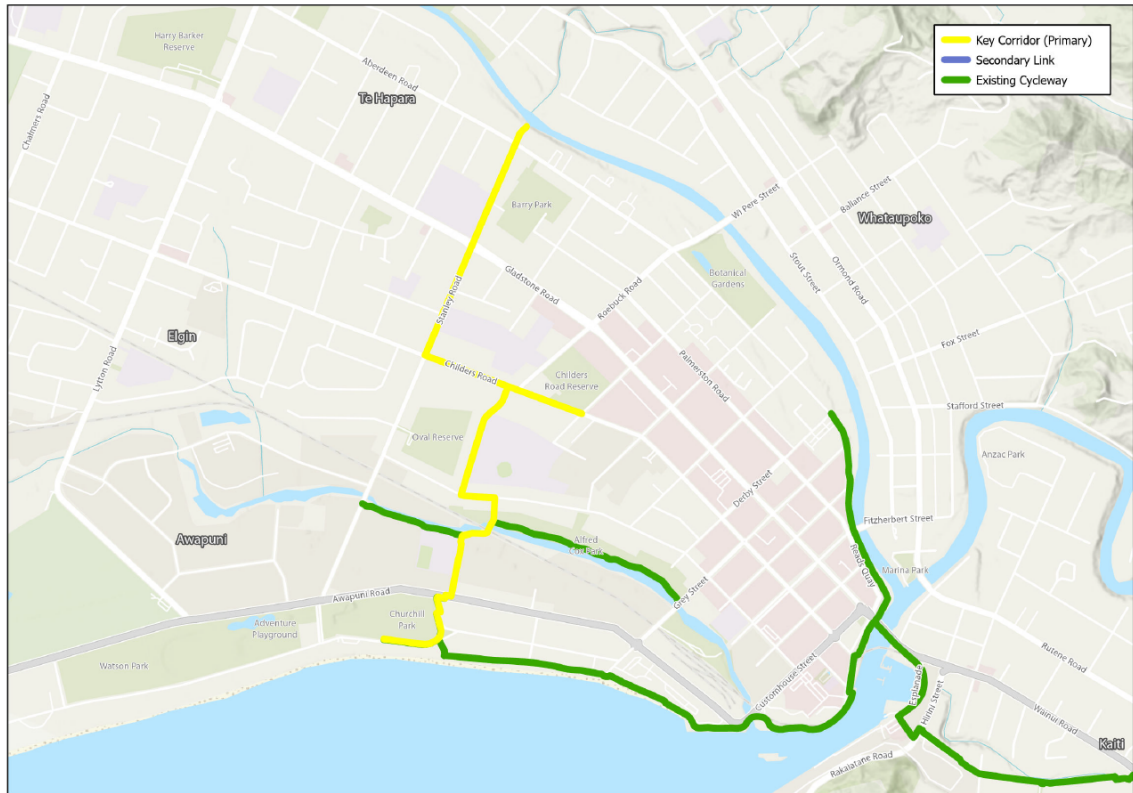
Key Corridor 2: Taruheru shared path. River and on-road options



Key Corridor 2: Taruheru shared path. River and on-road options

Main features	Completes the central spine of the network connecting the Wainui cycleway to the city's high schools and beyond.
Schools/Major Employers/Destinations	Gisborne Girls Highschool, St Marys Primary School, Champion Collage. Botanical Gardens, Harry Barker Reserve, Nelson Park, Enterprise pools,
Key intersections/Pinch points/Design features	<div>Taruheru River route<ul style="list-style-type: none">- Underpass at Roebuck Rd bridge- Upgraded bridge over Taruheru river at Stanely Rd- New bridge across Mangapapa Stream- New shared path from new Mangapapa Stream bridge to Lytton Rd.- Underpass at Lytton Rd Bridge- New shared path along river side through Nelson Park to Champion Rd.</div> <div>Aberdeen (on-road) Route<ul style="list-style-type: none">- Separated bi-directional shared path running the full length of Aberdeen Rd- Controlled crossing at Roebuck Rd/Aberdeen Rd intersection- Controlled crossing at Lytton Rd/Aberdeen Rd intersection- Separated bi-directional shared path on Gladston Road from Aberdeen Rd top Champion Rd.</div>
Existing Links	<ul style="list-style-type: none">- Wainui/Taruheru Shared Path (ending at Grey Street)

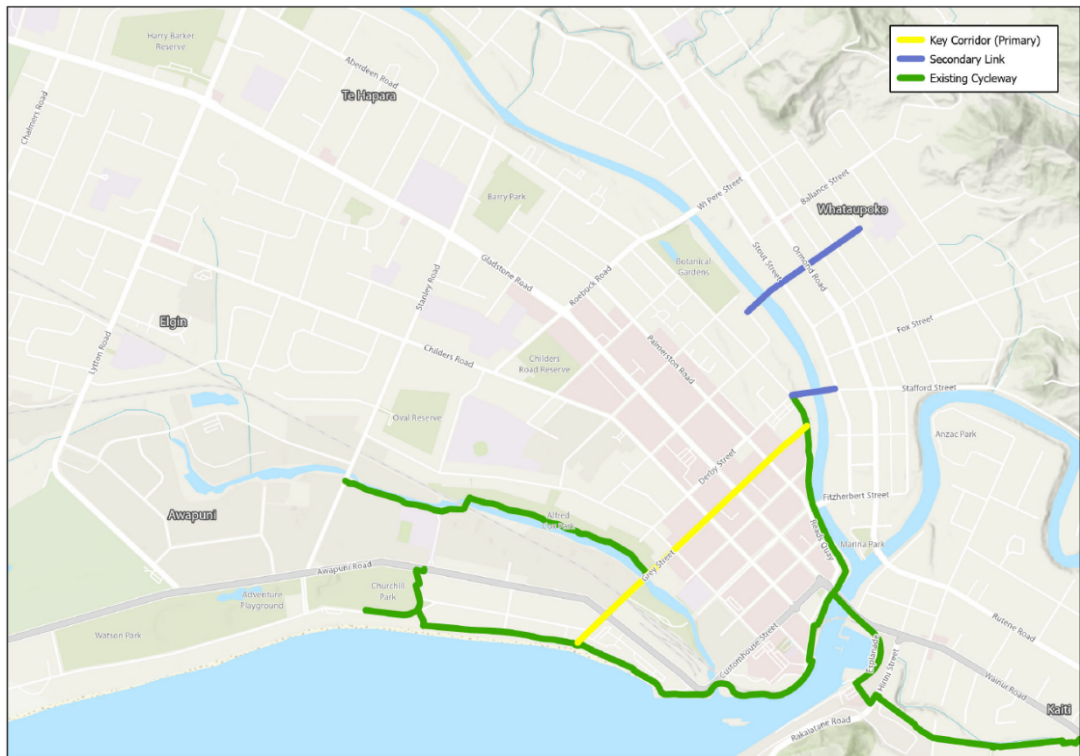
Key Corridor 3: Stanely Road to Kiwa Pools



Key Corridor 3: Stanely Road to Kiwa Pools

Main features	One of three proposed corridors providing active travel connections from northern suburbs such as Riverdale and Mangapapa across the city to the beaches.
Schools/Major Employers/Destinations	Gisborne Girls Highschool, Gisborne Boys High school, Gisborne Intermediate, Awapuni Primary School. Oval Reserve, Victoria Sports Precinct, Alfred Cox Park (Pump Track and Skate Park) Churchill Park, Kiwa Pools, Midway Surf Club, Midway Beach.
Key intersections/Pinch points/Design features	<ul style="list-style-type: none"> - Aberdeen Road/Stanely Road intersection - Gladstone Road/Stanely Road Roundabout - Childers Road /Stanely Road Roundabout - Childers Road/Roebuck Road intersection - Roebuck Road/Anzac Street intersection - Upgraded Path through Awapuni School - State Highway 2 crossing at Awapuni School
Existing Links	<ul style="list-style-type: none"> - Stanely Road foot bridge over Taruheru River - Alfred Cox Park Shared Path - Beacon Street shared path to Oneroa boardwalk.

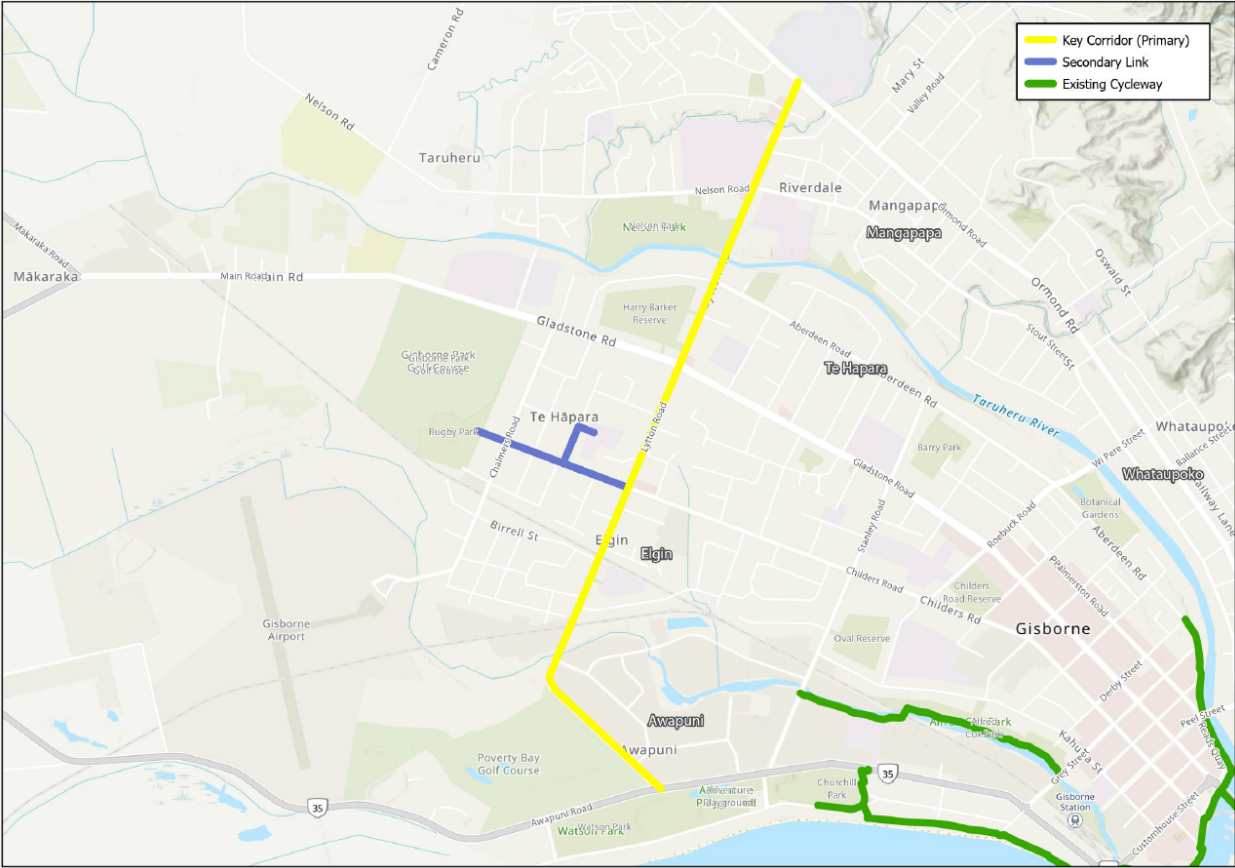
Key Corridor 4: Grey Street Linear Park



Key Corridor 4: Grey Street Linear Park

Main features	Links the existing Taruheru shared path and the Stafford St foot bridge through the CBD and down to the beach.
Schools/Major Employers/Destinations	CBD, skate park, pump track, I-site, Waikanae Beach.
Key intersections/Pinch points/Design features	<ul style="list-style-type: none">- Separated cycle lanes and extended footpaths down both sides.- Grey Street/Palmerston Road Intersection- Grey Street/Gladston Road intersection- Grey Street/Childers Road Intersection- Grey Street/Kahutia Street Intersection- Grey Street/Awapuni Road (SH2) Intersection
Existing Links	<ul style="list-style-type: none">- Taruheru shared path- Alfred Cox Park shared path- Oneroa Board walk

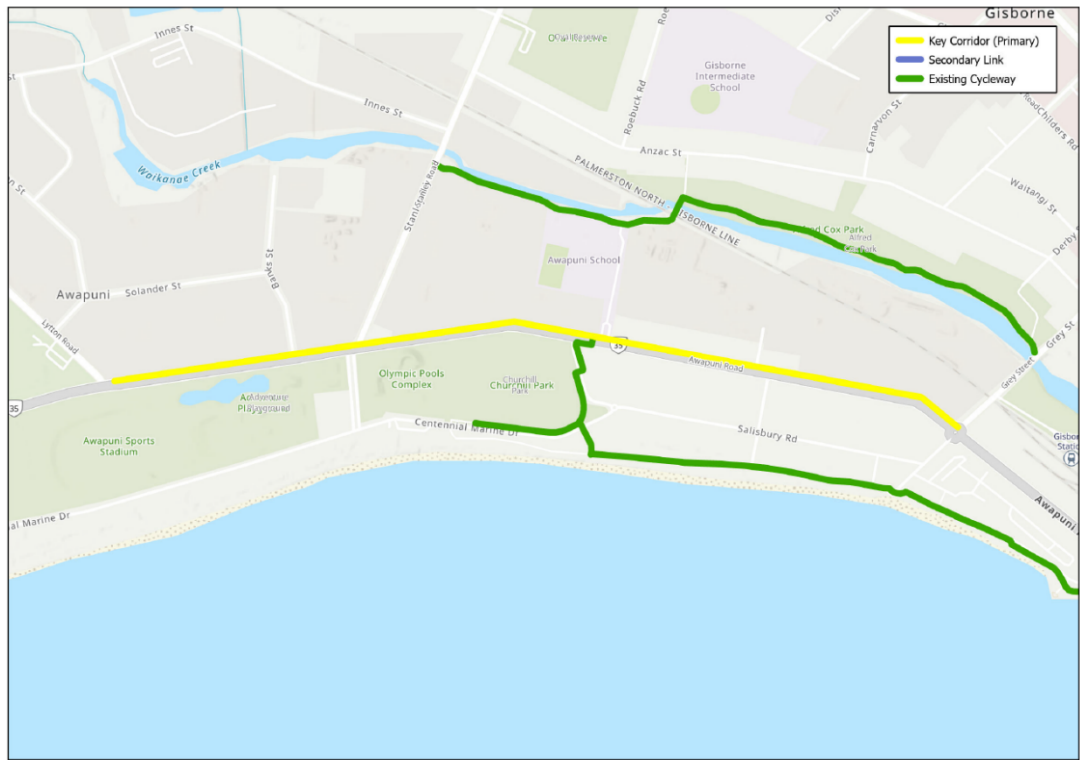
Key Corridor 5: Lytton Road



Key Corridor 5: Lytton Road

Main features	Third cross city linkage serving a large current population and significant future development area.
Schools/Major Employers/Destinations	Gisborne Hospital, Lytton High school, Riverdale School, Harry Barker Reserve, Cobham School, close to Elgin School, Waikane Creek recreation reserve, Adventure playground, Awapuni stadium, Sound shell.
Key intersections/Pinch points/Design features	<ul style="list-style-type: none"> - Lytton Road/Ormond Road Intersection - Lytton Road/Stout Street Intersection - Lytton Road/Aberdeen Intersection - Lytton Road/Gladstone Road Intersection - Lytton Road/Childers Road Intersection - Lytton Road/Awapuni Road (SH2) intersection

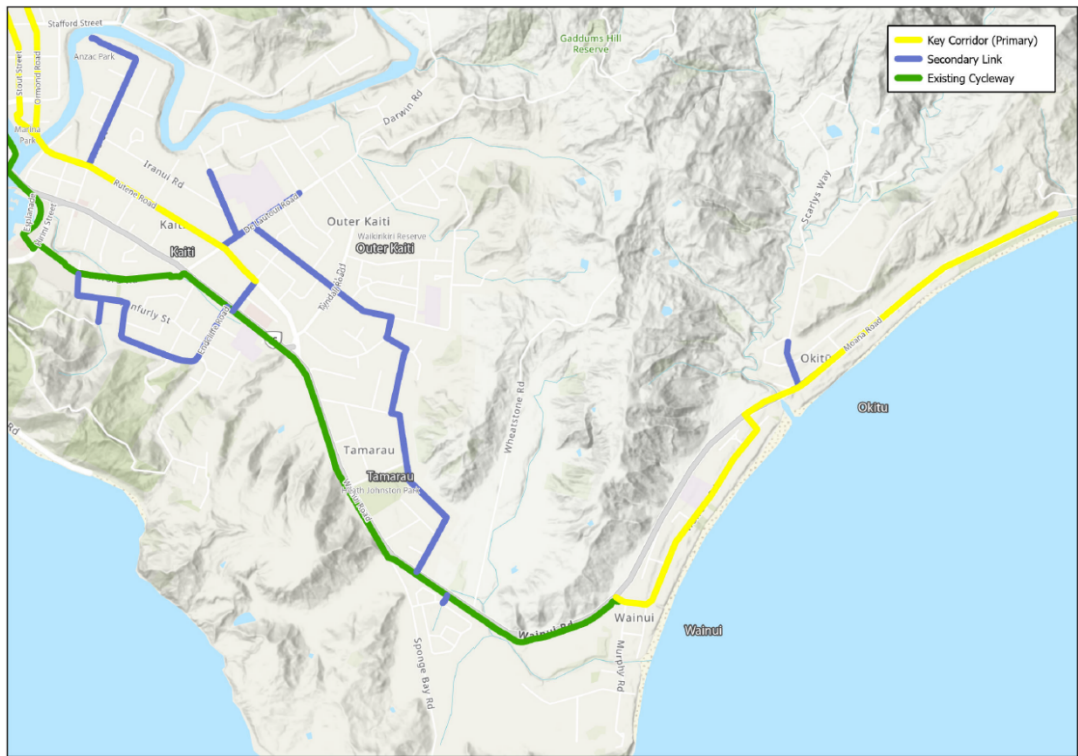
Key Corridor 6: State Highway 35 shared path



Key Corridor 6: State Highway 35 shared path

Main features	Currently there is no footpath on the north side of State highway 35/Awapuni Road. Construction of a shared path here by Waka Kotahi would serve a large residential population as well as improving safety for school drop offs.
Schools/Major Employers/Destination	Awapuni school
Key intersections/Pinch points/Design features	n/a

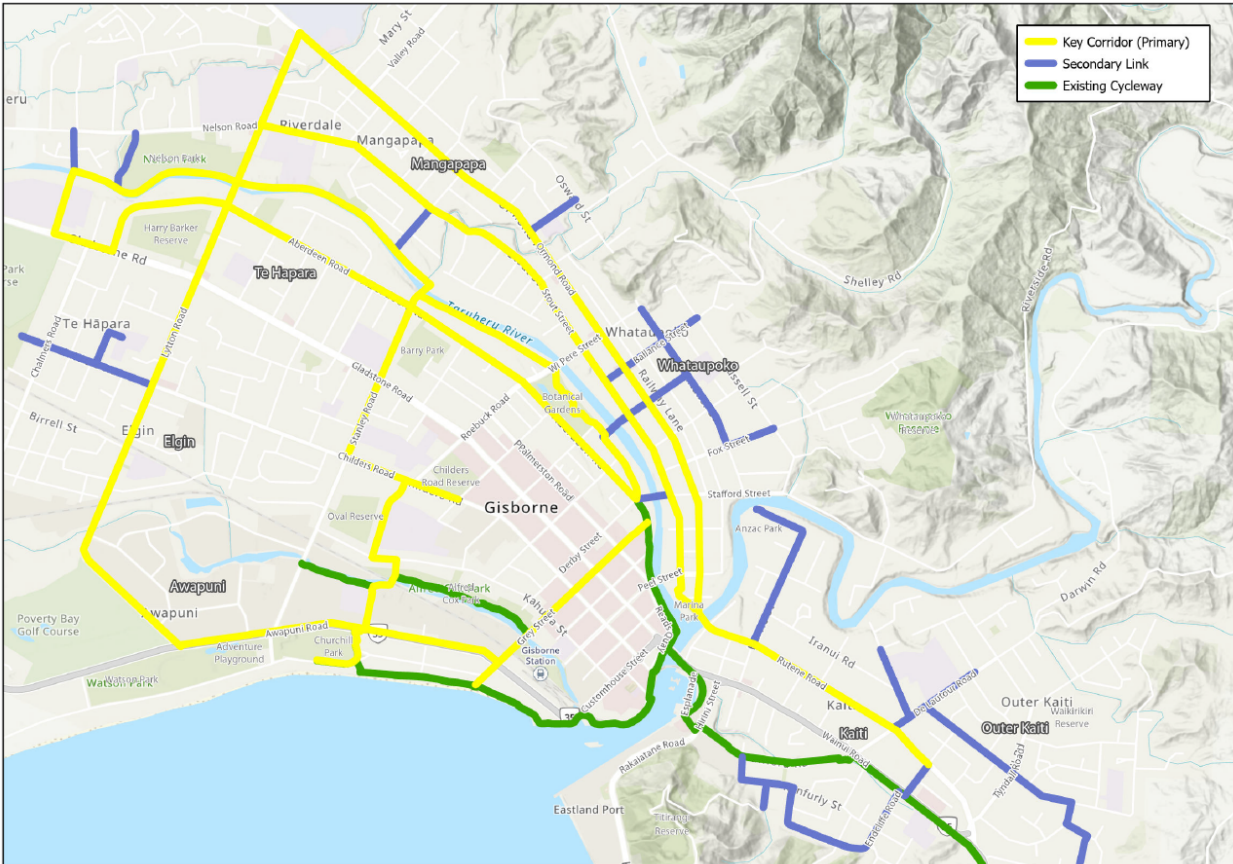
Key Corridor 7: Okitu to Wainui Cycleway and Tamarau Kaiti Links



Key Corridor 7: Okitu to Wainui Cycleway and Tamarau Kaiti Links

Main features	Extends the Wainui cycle way through Wainui to the end of Okitu. Map also shows the Tamarau and Kaiti links that would be critical for connecting these underserved areas to the schools and the rest of the network.
Schools/Major Employers/Destination	Wainui School (Tamarau and Kaiti links would also serve Kaiti, Te wharua and Ilminster schools).
Key intersections/Pinch points/Design features	Several design considerations as the route traverses Wainui via Wairere Road. Wider active lane on State highway 35 bridge over Hamanatua Stream.
Existing Links	Wainui cycleway Makorori Headlands walkway.

Overview Network Map



Feedback Request 6

Are there other corridors or links staff should investigate?

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: **Medium** Significance

This Report: **Low** Significance

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

Overall Process: **Medium** Significance

This Report: **Low** Significance

52. 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

53. To date there has been no targeted engagement with Tangata Whenua on mode shift or active travel. The project was raised and avenues for engagement were discussed at a meeting of Rau Tipu Rau Ora in November 2022 and while supportive of the project no interest in targeted engagement was communicated at that time.
54. An online meeting in December 2022 was held with representatives of Rongowhakaata who provided significant feedback on the project and means to better engage the hapū and whanau. Engagement options will be communicated again following this Committee meeting and prior to formal engagement currently programmed for early 2024 alongside the 2024 RLTP.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

55. Staff have undertaken a workshop with interested parties⁹ and recently attended the 2023 A&P show. The focus for feedback was on mapping corridors to better understand the key places people want to get from and too and what barriers are stopping them from choosing active travel now.
56. There has been no targeted engagement on the mode shift plan development.

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

57. The purpose of Council's mode shift and active travel planning is to facilitate the reduction of greenhouse gas emissions from private vehicles by encouraging the use of low and zero emission transport options. Mode shift is an integral part of the governments Emissions Reduction Plan. Council's mode shift planning will contribute significantly towards Tairāwhiti meeting its emissions reduction obligations as well as supporting health, wellbeing and the economy.

⁹ The workshop was held in December 2022 with representatives from Sport Gisborne, Tairāwhiti Adventure Trust, Tapuwae Tairāwhiti Trails Trust, CCS, Age Concern, Rau Tipu Rau Ora.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

58. Mode shift and Active travel actions are typically funded through the RLTP and Three Year Plan. Some ad-hoc funding is periodically available (e.g. Streets for People), it is typically for projects that have had some work to date and are close to being able to be constructed/implemented. decisions made during the Three Year Plan and RLTP processes will impact Council's ability to progress the final plan and strategy adopted by Council.

Legal

59. There are no legal considerations arising from the matters discussed in this report.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

60. The mode shift plan and active travel strategy are being developed alongside the RLTP and Councils Three Year Plan, as well as other programme such as speed management, parking policy and investment in recreational trails.

RISKS - NGĀ TŪRARU

61. There are no risks associated with the matters discussed in this report.

62. The overall process has uncertainty risks around the new government, their GPS and transport investment priorities.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
November/December 2023	Further Iwi and Stakeholder engagement.	
January 2024	Draft Mode shift plan and Active travel Strategy for consultation.	
February/March 2024	Consultation alongside the Regional Land Transport Plan and Regional Public Transport Plan.	
May/June 2024	Adoption of the Mode shift plan and active travel Strategy.	

Title: Amendments to the National Environmental Standards for Plantation Forestry, now the National Environmental Standards for Commercial Forestry

Section: Consents
Strategic Planning

Prepared by: Sarah Miller, Technical Lead Regional Consents (Independent Contractor) & Janic Slupski, Principal Policy Advisor

Meeting Date: 29 November 2023

Legal: No Financial: No Significance: **Medium**

Report to SUSTAINABLE TAIRĀWHITI /TOITŪ TAIRĀWHITI Committee

PURPOSE - TE TAKE

The purpose of this report is to provide a summary of the amendments made to the National Environmental Standards for Plantation Forestry (NES-PF), now the National Environmental Standards for Commercial Forestry (NES-CF), which came into force on 3 November 2023. It is also to outline the implications from a resource consent and policy perspective.

SUMMARY - HE WHAKARĀPOPOTOTANGA

The implications of the amendments for Council as detailed further in this report will be the following:

- Expected increase in future afforestation applications (as regulation of exotic continuous-cover afforestation is now covered the same as plantation forestry). No significant expected increase in harvesting applications (there is still a permitted pathway for low intensity harvesting on red zone land).
- Consent planners will be required to consider more matters when determining where afforestation should occur.
- Slightly higher cost for some types of forestry consent applications may result, associated with wider matters for discretion and increase in information required to be submitted by applicants.
- Standard consent conditions are in the process of being amended to reflect the amendments.
- TRMP rules and policies can now direct the location of afforestation. This must go through a plan change process.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Sustainable Tairāwhiti /Toitū Tairāwhiti Committee:

1. Notes the contents of this report.

Authorised by:

Joanna Noble - Director Sustainable Futures

Keywords: commercial forestry, national environmental standards, plantation forestry

BACKGROUND - HE WHAKAMĀRAMA

1. National Environmental Standards are nationally consistent regulations which set technical standards, methods, and requirements to manage the environmental effects of certain activities and aim to achieve the purpose of the Resource Management Act 1991. They also prescribe how local authorities can impose rules under their district or regional plans.
2. The Government consulted on options and proposals to amend the National Environmental Standards for Plantation Forestry (NES-PF) in late 2022. The need for change was reinforced earlier this year following the devastating effects of cyclones Hale and Gabrielle and by the subsequent Ministerial Inquiry into Land Use.
3. The updated standards, now called the National Environmental Standards for Commercial Forestry (NES-CF), were released on 11 October 2023, and came into force on 3 November 2023.
4. The NES-CF will apply to both plantation forests and exotic continuous-cover forests (carbon forests) that are deliberately established for commercial purposes.
5. The new standards will also:
 - a. enable councils to consider more factors when making rules about forestry in their plans, including its location.
 - b. require carbon foresters to plan out how they will meet environmental requirements for different forestry activities on their sites.
 - c. state clear rules for carbon forest harvest should this be undertaken.
 - d. introduce a range of operational changes including a new permitted activity standard for managing forestry slash at harvest and new requirements around management of wilding trees.
6. **Attachment 1** outlines a summary of the amendments to the NES-PF (now NES-CF). **Attachment 2** outlines terms defined under section 3 "Interpretation" and section 69 "Slash and debris management" of the NES-CF.
7. More information can be found on the Ministry for the Environment website: <https://environment.govt.nz/acts-and-regulations/regulations/national-environmental-standards-for-commercial-forestry/>

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

Implications of Amendments to the NES-PF (now NES-CF) – Consenting

New slash provisions & consent application numbers

8. An amended standard of the NES-CF has increased stringency for what slash and woody debris is permitted to remain on the cutover (harvest area) as a permitted standard. However, transitional provisions of the NES-CF outline that the less stringent slash provisions of the NES-PF will still apply to activities that gave notice under regulation 64 of the NES-PF prior to 3 November 2023, until that activity ends or until notice is required to be submitted to Council again (in the case of annual harvesting).

9. Harvesting covered by a notice under regulation 64 submitted on or after 3 Nov 23 will need to comply with the new slash and woody debris regulations of the NES-CF.
10. The Consents team gave a presentation on 27 October 2023 presenting a summary of the amendments and implications of the amendments to representatives of the forestry industry. It was signalled by the forestry industry that it will be unrealistic for harvesting on many sites to meet the revised standard/s for managing slash and that Council may expect an increase in applications to vary existing consents and an increase in consent applications for harvesting on green, yellow and orange zoned land (where typically a harvesting consent would not already have been required) as slash provisions may be breached.
11. Outside of applications to breach new slash and woody debris standards, we expect there to be an increase in consent applications for afforestation of exotic continuous-cover forests. These forests are now held to the same account as plantation forests in terms of consent requirements for afforestation. There is not expected to be a significant increase in overall harvesting applications as the NES-CF provides a permitted pathway for low intensity harvesting on red zone land of exotic continuous cover forests. There is expected to be a slight increase in forestry earthworks applications as earthworks standards now apply to exotic continuous cover forests the same as they do plantation forests.

Standard consent conditions required to be amended

12. The Consents team has been reviewing the standard forestry consent conditions for the past year. External consultants and lawyers have been engaged to assist in this process. The consent conditions are expected to be released to the forestry industry within the next two weeks for feedback. These conditions have been updated to ensure they align with the NES-CF. While the revised conditions are still in the workshopping phase, planners and decision-makers will need to ensure that conditions imposed on consents notified and granted post 3 November reflect the amendments to the NES-CF.

Forestry consent application forms required to be amended

13. The Consents team will need to revise the forestry consent application forms to reflect the NES-CF amendments. There have been significant changes to the information that applicants are required to submit with their consent applications for forestry activities. Application forms will need to ensure that the correct information is requested of the applicant. Ultimately it is the applicant's responsibility to ensure that they have submitted all information required under Schedule 4 of the Resource Management Act 1991 with their applications.

More matters of consideration

14. Planners and technical experts will have a wider scope of effects to assess for afforestation activities. Council will have more explicit control over the 'right' type of forest on red zone land, recognising that location, species, establishment, harvesting and earthworks can have effects on a range of matters, including communities and ecosystems. The new matters enable Council to define the forest type to minimise future effects, and, noting that some forests may not be harvested in the future, have an opportunity to specify what ongoing management is required.

Increased time spend reviewing applications – more matters of discretions to assess and more information requirements to check (new schedules)

15. It is expected that applications will take Council longer to assess in instances where there is more information's requirements requested (under new or revised Schedules) to assess and/or where there are more matters of discretion required to be assessed. This will likely result in the cost of consent processing rising.

Transitioning from the NES-PF to the NES-CF

16. As previously mentioned, existing activities (such as harvest or earthworks) with management plans that have been submitted to councils prior to 3 November will be able to continue under the existing management plan until that activity is completed or in the case of continuous harvest until the notice expires.
17. For exotic continuous-cover forests that were planted before these amendments come into force, they will not need to comply with the afforestation provisions, as that activity has already occurred.
18. In terms of what regulations apply to applications submitted prior to 3 November, if an application was submitted, and the notification decision was made, prior to 3 November 2023 then the NES-PF will apply. If an application was submitted prior to 3 November 2023 but the notification decision was not made until after 3 November 2023, then the NES-CF will apply.

Implications of Amendments to the NES-PF (now NES-CF) – Policy

Council now has more power to determine where new commercial forests are located

19. The amended standards enable councils to control the location of plantation and exotic continuous-cover forests within their areas through rules within their district or regional plans. The Ministry for the Environment has emphasised that a primary purpose of introducing these changes is to enable local authorities to make choices guided by community input.
20. Councils have been given discretion to consider a wider range of matters in afforestation consenting decisions, including in relation to afforestation on areas of land with very high erosion susceptibility.
21. This means the standards now align with our own intention to identify parts of the region that are not suitable for commercial forestry. This land is currently being termed Land Overlay 3B and is an extension of the current Land Overlay framework given effect to by the TRMP.
22. The Land Overlay 3B layer is currently being mapped using Land Use Capability (LUC), existing gully erosion data, LiDAR and the shallow landslide susceptibility model developed by Landcare Research.
23. This discretion enables the long-term transition of our worst eroding land into permanent vegetation cover that is more suited to the underlying geology.

A new permitted activity condition to manage slash

24. A new condition has been added for harvesting activities that will require 'sound wood' slash (wood that can be safely lifted using harvesting equipment and transferred to a landing without degrading or breaking up) on land with high and very high erosion susceptibility to be removed from the cutover, unless it is unsafe to do so (where it is over 2m and has a diameter of over 10cm). Residual slash (of no more than 15 m³ of wood per hectare of the cutover) can be left, otherwise harvesting will require a controlled activity resource consent.
25. Harvest management is a critical resource management issue for this Council. This condition strengthens council's proposal to introduce more stringent controls around harvest practices on orange and red zoned land. This includes the introduction of coupe harvest size restrictions and a maximum percentage catchment area that can be harvested within a five-year period.

The NES-PF (now NES-CF) will be expanded to include exotic continuous-cover (carbon) forests

26. Continuous-cover (carbon) forests were previously not subject to the NES-PF. It was up to councils to provide rules for managing carbon forestry in their plans, but few local authorities have done so. Most plans (including the TRMP) have not anticipated carbon farming.
27. The scope of the NES-CF has been broadened to now include both exotic continuous-cover (carbon) forests and plantation forests which are now collectively termed "commercial forests".
28. The NES-CF has defined 'exotic continuous cover' forest as at least 1 hectare of continuous cover of exotic forest species permanently planted; and including all associated forestry infrastructure. Exotic continuous-cover forest must not be harvested, or only subject to 'low intensity harvesting' where a minimum of 75% canopy cover (of 1 hectare) is always maintained. Indigenous-cover forestry has been deliberately left out of the regulations.
29. The addition of this forestry category to the NES-CF will mean more ability to maintain regulatory oversight by our council. In a region which has been the focus of hot debate around the sale of hill country farmland to carbon forestry, this inclusion is timely. The effects of this regulation on land use and its alignment with the TRMP will need further consideration.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

Overall Process: **Medium** Significance

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

Overall Process: **Low** Significance

Inconsistency with Council's current strategy and policy

Overall Process: **Low** Significance

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

Overall Process: **Medium** Significance

The effects on individuals or specific communities

Overall Process: **Medium** Significance

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

Overall Process: **High** Significance

30. 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

31. This report related to a process prepared outside of the Council, one which consultation had been undertaken and has been documented in the Ministry for the Environment's Section 32 report. The Council's plan change will go through a consultation process.
32. Council will now be able to consider statutory acknowledgements for certain applications when assessing if notification is required.
33. Any changes to the regional planning framework will be subject to engagement with iwi, hapu, and whenua maori landowners, as required by Schedule 1 of the Resource Management Act 1991.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

34. As an immediate response, the Council's Consents and Compliance teams held a session with the forestry industry to summarise the amendments. There have been subsequent changes to the standard resource consent conditions which will go through a consultation process with the forestry industry in the coming months.
35. Any changes to the regional planning framework will be subject to extensive community engagement, as required by Schedule 1 of the Resource Management Act 1991.

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

36. This report relates to a process and report prepared outside of Council. As outlined in the National Climate Change Risk Assessment published by the Government in 2020, forestry is a major part of the economy and plays an important role in helping us meet our national emissions targets. As a result, forestry adaptation measures and managing the environmental effects of continuous cover (carbon) forests are now being managed through the NES-CF.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

37. No financial considerations as a result of this Information Report.

Legal

38. No legal advice has been sought in relation to this Information Report. Legal advice is sought as necessary in relation to consenting and planning processes.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

39. As described above in the discussion section Council is already undertaking planning processes to address the amendments and its impacts that are with the Council's responsibility. An update will be provided to Council in the New Year.

RISKS - NGĀ TŪRARU

40. There are no major risks associated with the decisions or matters.

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Summary of the Amendments to the NMES PF now NES CF **[23-290.1 - 2 pages]**
2. Attachment 2 - Terms Defined Under Section 3 and Section 69 Slash and Debris Management **[23-290.2 - 1 page]**

ATTACHMENT 1

New scope

The regulations which prior to November 3 2023 only regulated *plantation forestry*, now regulate both *plantation forestry* and *exotic continuous-cover forestry*, collectively referred to as "*commercial forestry*." Most standards under the NES-CF now apply to both *plantation forestry* and *exotic continuous-cover forestry* – separate rules exist in some instances.

Harvesting exotic continuous-cover forests

Low-intensity harvesting of *exotic continuous-cover* species is a permitted activity in all erosion susceptibility classification zones if it complies with the same permitted activity conditions as other harvest activities. Relevant *forest planning requirements* also need to be complied with. Harvesting that does not comply with the relevant permitted standards or relevant *forestry planning requirements* is a controlled activity. Harvesting of *exotic continuous-cover* forest that is not classified as "*low intensity harvesting*" is a discretionary activity.

New matters of discretion for afforestation (controlled and restricted discretionary activities)

The following is a new matter of discretion for certain afforestation, earthworks, river crossing, harvesting, replanting, mechanical land preparation, fuel storage, refuelling, and oil changing activities.

- The effects on the values of an outstanding freshwater body where a Treaty of Waitangi settlement Act includes a statutory acknowledgement in relation to that outstanding freshwater body.

There are new matters of discretion for activities that require consent to undertake afforestation on red zone land over 2ha, including:

- Future harvesting and earthworks effects (a matter of discretion in its own right and not as a subset of erosion);
- Effects associated with planting location and species planted (a matter of discretion in its own right and not as a subset of erosion);
- Effects associated with planting density and establishment method (new matter of discretion)
- Effects associated with forestry type (plantation versus exotic continuous-cover) (new matter of discretion)
- Effects on ecosystems, freshwater, coastal water, communities and infrastructure (new matter of discretion).

Afforestation and Replant Management Plans required

There is a new requirement for afforestation and replant management plans (required to be available to Council on request). Management plans essentially demonstrate how the *forestry planning requirements* will be met. A new Schedule (3) outlines the required information.

Wilding tree risk calculations

In addition to providing the calculations and the score as a permitted activity standard (status quo), the following additional information must be included (from 3 April 2024):

- An assessment of each element of wilding risk for each relevant area of forest which also sets out how the assessments have been made."

Increase notice periods

Foresters will have more time to give notice to local authorities that they are intending to begin permitted activity afforestation and replanting; the new timeframe is at least 20 working days and no more than eight months (previously six months) before afforestation and replanting.

Foresters will have more time to provide to local authorities their wilding tree risk calculations. The new timeframe is at least 20 working days and no more than eight months (previously six months) before afforestation and replanting.

For permitted activity road alignment earthworks and forest quarrying in green and yellow zones, foresters must now submit their notice at least ten days before commencing the activity, (previously 20 days) and no more than sixty days from the activity commencing.

New slash and debris management permitted standards

The amendments introduce new permitted activity standards for managing forestry slash on the *cutover* and some minor amendments to manage the effects of slash at harvest.

New permitted activity standards require that:

- Slash from harvesting that is at or on a landing must be managed to avoid the collapse of a slash pile or the ground under a slash pile.
- On orange zone and red zone, slash from harvesting that is sound wood must be removed from the *cutover*, unless it is unsafe to do so, if it has a length of over 2 m and a large-end diameter of over 10 cm. However, *residual slash* may be left on the *cutover*.

Monitoring charges for permitted activities

NES-CF will include an ability for local authorities to charge for monitoring of permitted activity afforestation.

Alignment of the NES-CF with National Environmental Standards for Freshwater (NES-F)

Amendments have been made to align the NES-CF with the NES-F, these include the following:

- Additions to fish passage requirements for river crossings to note that fish passage does not need to be provided for if the relevant regional Council has determined that fish passage must be restricted.
- Culvert invert to now be buried to ensure that 25% of the diameter is located below the riverbed level (currently 20%), unless it is not possible to achieve 25% embedment, in which case best endeavours must be made to comply with this condition.
- Definition of *sediment control measures* has been amended to be the same as the NES-F.
- Amendments have been made to be consistent with regulation 55(12) of the NES-F in terms of machinery use in wetlands.

ATTACHMENT 2

commercial forest or **commercial forestry** (new definition) means exotic continuous-cover forestry or plantation forestry.

plantation forest or **plantation forestry** (existing definition) means a forest deliberately established for commercial purposes, being—

- a) at least 1 ha of continuous forest cover of forest species that has been planted and has or will be harvested or replanted; and
- b) includes all associated forestry infrastructure; but
- c) does not include—
 - i) a shelter belt of forest species, where the tree crown cover has, or is likely to have, an average width of less than 30 m; or
 - ii) forest species in urban areas; or
 - iii) nurseries and seed orchards; or
 - iv) trees grown for fruit or nuts; or
 - v) long-term ecological restoration planting of forest species; or
 - vi) willows and poplars space planted for soil conservation purposes

exotic continuous-cover forest or **exotic continuous-cover forestry** (new definition)

- a) means a forest that is deliberately established for commercial purposes, being at least 1 ha of continuous forest cover of exotic forest species that has been planted and—
 - i) will not be harvested or replanted; or
 - ii) is intended to be used for low-intensity harvesting or replanted; and
- b) includes all associated forestry infrastructure; but
- c) does not include—
 - i) a shelter belt of forest species, where the tree crown cover has, or is likely to have, an average width of less than 30 m; or
 - ii) forest species in urban areas; or
 - iii) nurseries and seed orchards; or
 - iv) trees grown for fruit or nuts; or
 - v) long-term ecological restoration planting of indigenous forest species; or
 - vi) willows and poplars space planted for soil conservation purposes

exotic forest (new definition) means a forest that consists of 50% or more exotic forest species by basal area

exotic forest species (new definition) means a forest species that is not an indigenous forest species

low-intensity harvesting (new definition) means harvesting where a minimum of 75% canopy cover is maintained at all times for any given hectare of forest land

residual slash (new definition) means “a quantity of the slash required to be removed under subclause (5) not exceeding 15 m³ per hectare of the cutover.”

sound wood (new definition) means “wood that can be safely lifted using harvesting equipment and transferred to a landing without degrading or breaking up.”

cutover (new definition) means the land area that has been harvested, and any adjacent land between the harvested area and any land that would be covered by water during a 5% AEP event, but does not include water bodies or land that would be covered by water during a 5% AEP event

forest planning requirements (new definition) mean the requirements set out in Schedules 3, 4, 5, and 6 (these Schedules detail information requirements for the following plans):

- Afforestation and replanting plan specifications
- Forestry earthworks management plan
- Quarry erosion and sediment management plan specifications
- Harvest Plan

sediment control measures (new definition) means measures or structures that do 1 or more of the following:

- a) stop sediment from being washed away from its source;
- b) slow or stop water with sediment in it so that the sediment drops out of suspension before the water reaches a water body;
- c) divert the flow of water so that it does not become contaminated with sediment

Title: 23-295 2024-2027 TYP Roadmap and Significant Forecasting Assumptions

Section: Risk & Performance

Prepared by: Kim Everett - Corporate Planning Advisor

Meeting Date: Wednesday 29 November 2023

Legal: No	Financial: No	Significance: Low
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Report to SUSTAINABLE TAIRAWHITI Committee for information

PURPOSE - TE TAKE

The purpose of this report is to present the 2024-2027 Three-Year Recovery Plan (TYP) Development Roadmap, project risks and information about the draft significant forecasting assumptions.

SUMMARY – HE WHAKARĀPOPOTOTANGA

The 2024-2027 TYP will replace the 2021-2031 Long Term Plan (LTP) as Council's primary strategic planning document. The development of a TYP is a significant undertaking which has many moving parts. With only seven months remaining until the legislated adoption date of 27 June 2024, the timeline for completing this document is moving at pace.

The TYP has complex and interrelated information needs, consolidating strategies, plans, policies, decisions and information from across Council and the community it serves. The TYP provides the opportunity for Councillors, with input from the community, to set:

- Council's overall strategic direction – including resetting our vision, community outcomes and strategic priorities linked to the four wellbeings.
- Council's Financial Strategy – including setting limits on rates increases and debt levels, to achieve our community outcomes
- Council's 30+ years Infrastructure Strategy for core infrastructure (water, wastewater, stormwater, flood protection, roading and community facilities).
- Council's overall programme of activities according to its groups of activities, projects and services including the level of service to which they are delivered with the available budget and how much they cost for the period of the plan.

The immediate impacts of repeated severe weather events during 2023 on the region and on essential Council infrastructure and services; and the subsequent significant recovery efforts now underway to repair our infrastructure and restore services have been addressed in the supporting Environmental Scan and Significant Forecasting Assumptions that are attached to this report.

The severity of those weather events and the scale of recovery required as recognised in the assumptions reflect that the next 3 years will have a distinct recovery focus. This focus will diminish as outcomes are delivered over time as we move into the early years of the 2028-2038 LTP however there will not be a clear cut-off point between these two phases which is why an exact end date is not identified. The full impact on the region of the severe weather events is still being worked through with further adjustments to the delivery of the TYP may be required as more certainty emerges.

This report provides an overview of the TYP development process, information about the approach to significant forecasting assumptions for the 2024–2027 TYP, and a list of the key project risks and mitigations for these risks.

The roadmap provides a high-level strategic overview of the significant workstreams for delivery phases 4, 5 and 6.

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 Sustainable Tairāwhiti /Toitū Tairāwhiti Committee:

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

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Three Year Plan, typ, Long term Plan, ltp, local government Act 2002, lga, Significant Forecasting Assumptions, sfa,

BACKGROUND - HE WHAKAMĀRAMA

Severe Weather Emergency Recovery Order 2023

1. This year's weather events extensively damaged Council infrastructure, property and community facilities. These events also had significant impacts on our community, natural environment, and the life of our rohe. The additional support and work needed to respond to these challenges has also impacted heavily on staff capacity and has made delivering on the extensive work programme to develop the Long-Term Plan (LTP) challenging.
2. Considering the significant impacts of the severe weather events in May 2023, Council made a request to the Minister of Local Government seeking an amendment to the existing legislative requirement for preparing a Ten-Year Long-Term Plan.
3. On 7 September 2023, the Minister of Local Government agreed to suspend the statutory requirement for a ten-year LTP for Gisborne District Council and seven other councils, who can instead prepare and adopt a three-year unaudited plan.
4. Government recognised that the level of cyclone damage has created uncertainty about costs, funding and the timing and extent of recovery work affected councils need to do.
5. Affected councils would struggle to develop the information and quality of engagement required to complete a 2024 – 2034 Long-Term Plan while they are focused on recovering and rebuilding.
6. Instead, the ¹⁰Order allows councils to prepare an unaudited, three-year plan for 2024-2027.

Council's TYP development process

7. The TYP Development Roadmap below (**Attachment 1**) visually outlines our progression toward the implementation of the 2024–2027 TYP. It is organised into six phases, each emphasising the essential steps in our journey. The impact of severe weather events caused timeframe slippage in some workstreams. The project timeframes for some pieces of work have changed for the remainder of 2023, but currently the conclusion of Phase 4 is still expected to be in December 2023. Also, the timeframes currently remain the same for work that is scheduled for 2024.
8. **Phase 1, Preparation (Oct 2022-Feb 2023):** involves preparation work to determine the sequence and timing of actions and outcomes needed initially to complete the 2024 -2034 LTP by 30 June 2024. Preparation has since been adapted for the 2024-2027 TYP.
9. **Phase 2, Strategic Direction (June-Nov 2023):** This phase included the two Strategic Framework workshops with councillors held on 18 October and 2 November 2023 which revisited Council's existing strategic framework (vision community outcomes and strategic priorities). The focus of the workshops confirmed a vision and purpose and checked in on our outcomes and priority strategic themes.
10. **Phase 3, Investment Needed (Oct-Nov 2023):** This report and attachments reflect this phase by identifying key risks and issues and providing direction on how much investment is needed.

¹⁰ [Severe Weather Emergency Recovery \(Local Government Act 2002—Long-term Plan\) Order 2023](#)

11. **Phase 4, Prioritisation (Nov-Dec 2023):** Council is in Phase 4 at present. Through a series of workshops and Council reports councillors will need to decide if we are still balancing what is affordable for our district with cyclone recovery while enabling and encouraging Council to demonstrate, as far as practicable, the financial and service implications beyond 30 June 2027.
12. **Phase 5, Consultation and Adoption (Jan-June 2024):** Begins in January 2024 to present the TYP branding to councillors alongside the external communication and engagement plan.
13. **Phase 6, Lessons Learnt (Aug-Sept 2024):** TYP debrief and the development process for the 2027-2037 ten-year Long-Term Plan.
14. **2024-2027 TYP Development Roadmap**

The TYP Development Roadmap below illustrates the six phases and high-level key deliverables within these timelines:



15. The **2023** TYP schedule of workshops and decision points is planned as follows:

Structure & Date	Details
6 December	Strategic Framework Workshop 3 <ul style="list-style-type: none"> (morning, facilitated) building on Strategic Framework Workshops 1 and 2: Purpose and Vision, Community Outcomes, Strategic Priorities and Next Steps (afternoon) Setting the scene for Prioritisation: Financial Strategy, Infrastructure Strategy, Revenue and Financing Policy
12 December	Prioritisation Workshop 4 <ul style="list-style-type: none"> 2024 Infrastructure Strategy 2024 Financial Strategy Capital Works
14 December Council meeting	Decision / noting reports: <ul style="list-style-type: none"> Direction for high-level Financial Strategy thresholds, rates and debts.

16. The planned **2024** schedule is:

January	Communication and Engagement - Branding, external communication and engagement planning
February	Consultation document - Present the key messages for the TYP consultation document
March / April	Consultation period
May / June	Deliberations / adoption of the TYP

Severe weather Impact

17. Long term planning has never been more important as right now while we're recovering from the impact of severe weather events. Our Road to Recovery Regional Funding Bid and Tairāwhiti Recovery Consolidated Plan will also assist in shaping our thinking for the next three years, and beyond. How we decide to respond to Council's issues (eg. infrastructure renewals) and set our levels of service while we recover from the severe weather events will have a longer-term impact on our community.
18. Additional work has been programmed as part of the TYP development process in order to ensure that our 2024–2027 TYP reflects the impact of severe weather events on our region and includes recovery actions in the initial years.

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

Significant Forecasting Assumptions and Risk Analysis

19. Council is required by the Local Government Act to identify significant forecasting assumptions which underpin the development of the TYP. They form the building blocks to the development of strategies, policies, and our management plans. Draft significant forecasting assumptions (**Attachment 2**) have subsequently been prepared, drawing on the Environmental Scan 2023 and other Council documentation to this report. The assumptions are structured around strategic issues and contain an assessment of the level of uncertainty and risk associated with each assumption.
20. For this TYP those assumptions address the high-level themes and strategic issues for Council, including financial, economic, social, political and environmental.
21. The damage to Council infrastructure, ongoing legislative requirements, inflation, and its impact on the cost-of-living crisis means Council's current levels of service assumption may need to be altered from the previous LTP to balance these added costs in specific areas against overall affordability of the TYP for ratepayers. This will be an ongoing thread of discussion for the remainder of the TYP until adoption in June 2024.
22. The ongoing high inflation operating environment coupled with the effects of the severe weather events means our assumptions have a higher level of uncertainty in this TYP than usual. It is expected that there will be more explicit reference to the assumptions throughout the TYP and commentary on them that will not necessarily be limited to the statutory recording of assumptions in the main TYP document. Further information may also need to be included in information provided to the public as part of the consultation document.

23. Additional check-in points have been included in the work programme at key points in the TYP development process. These serve as a reminder to review how assumptions are tracking and allow for amendments to be made based on any updated evidence available. Ensuring these review points are included in the development process enables Council to be more responsive in the documentation being developed rather than leaving them to the 'last-minute'.

Environmental Scan

24. The Environmental Scan (June 2023) was first shared with Council on 18 October, the first in the 2024-2027 Three Year Plan workshops.
25. Council prepares an Environmental Scan (ES) (**Attachment 3**) every three years to report on the state of the physical, demographic, economic, and infrastructure environment in which it operates. This includes describing the current state of the environment in which Council operates and the trends that drive change in this environment. The ES is useful for gaining an overview of the district, its people, infrastructure and economy, and the challenges and opportunities it faces.
26. The ES is where we set the scene, present the evidence, and outline what issues Te Tairāwhiti and Council are facing, now and in the future. The ES provides a fact-based analysis and interpretation of political, social, economic, environmental, technological, and where appropriate, at an international level. It provides an understanding of the factors that shape our community and may affect Councils service delivery.
27. It identifies relevant existing and emerging trends, and raises issues and implications, which are designed to encourage thinking and discussion as part of the strategic planning process and identifies and summarises factors that are likely to impact on the TYP.
28. An ES never stands alone, it supplements rather than replicates other reviews and data sources. This ES sits alongside other key strategic documents including [Tairāwhiti 2050](#) (with its supporting resources) and He Huarahi Hei Whai Oranga Tairāwhiti Economic Action Plan. This ES also draws on a wide variety of other data and research that is either publicly available or held by Council. Data sources are footnoted throughout the document.
29. The identification of issues, implications and future trends is inevitably a subjective exercise. An ES can never comprehensively cover all factors that may be relevant now or in the future. It is intended as a starting point to guide the strategic planning process, recognising that additional and more detailed information and analysis may well be required as specific policies, projects and initiatives are developed.

Project Risks

30. The TYP project involves several workstreams that produce a variety of documentation which form part of the 2024–2027 TYP.

31. Project risks and the status of workstreams are reported monthly to Te Ranga Whakahau major projects steering group, and any issues requiring urgent attention that are out of scope for the Project Manager are elevated to the Business Owner and/or Project Sponsor.
32. **Attachment 4** shows the key project risks identified as at 1 November 2023

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: **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: **Low** Significance

The effects on individuals or specific communities

Overall Process: **High** Significance

This Report: **Low** Significance

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

Overall Process: **High** Significance

This Report: **Low** Significance

33. 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

34. We will be working collaboratively with mana whenua throughout the planning and consultation process.

COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

35. Community engagement and consultation are integral to our long-term planning. However, many in the community have been directly or indirectly affected by this year's weather events and their ability to participate as part of our usual processes may still be restricted.

36. As a result, there will be no pre-engagement with our community for the 2024-2027 Three Year Plan. However, and as is legally required under the Local Government Act, consultation is expected to take place during March/April 2024 supported by a communication and engagement plan, including our approach to hearings.
37. The Communications Team will present the branding and engagement approach for the Three-Year Plan at a workshop in January 2024.

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

38. The implications of climate change have been identified within the environmental factors of the 2023 Environmental Scan where the environmental and infrastructure implications of climate change remain a significant issue for Council, particularly given the region's vulnerability to natural hazards and sea level rise. Ongoing regional planning will be required alongside the development of 'business as usual' considerations.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

39. The 2024-2027 TYP will incorporate the budgets estimates for the three years.
40. Once Council has worked through the key directions and key considerations of the Infrastructure Strategy and the Financial Strategy (including the thresholds for rates increases and debt cap), the draft budget estimates will be completed.
41. Draft financial statements will be presented early in 2024.

Legal

42. The Department of Internal Affairs consulted on an Order in Council to make eight temporary amendments to three local government Acts:
- Local Government Act 2002.
 - Local Government (Rating) Act 2002.
 - Local Government (Financial reporting and prudence) Regulations 2014.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

43. The Three-Year Plan links a number of policies, plans and strategies. The strategic framework set by Council will inform future strategy and policy development processes over the next three years, as well as the development of a number of other key Council documents.
44. The 2024 – 2027 Three-Year Plan will review and determine Council's strategic direction for the next three years.
45. Our next 10-year, Long-Term Plan will be developed in 2027.

RISKS - NGĀ TŪRARU

46. There are no major risks associated with the decision in this report.
47. However, there are a number of risks are risks associated with timelines, project delivery and central government changes (**Attachment 4**).

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
Wednesday 6 December	Strategic Framework (SF) workshop #3 (am) Setting the scene for prioritisation (pm)	Morning workshop facilitated by Chris Mene - building on Strategic Framework Workshops 1 and 2: Purpose and Vision, Community Outcomes, Strategic Priorities and Next Steps Financial Strategy, Infrastructure Strategy, Revenue and Financing Policy
Tuesday 12 December	Prioritisation direction and Workshop	Infrastructure Strategy, Financial Strategy, Capital works
Thursday 14 December	Council Meeting	Council direction for high level Financial Strategy Thresholds – rates and debt Decision paper on Strategic Framework (Purpose, Vision, Community Outcomes, Strategic Priorities)
January 2024	Communication and Engagement workshop	Branding, external communication and engagement planning
February 2024	Consultation Document workshop	Present the key messages for the TYP consultation document
March/April 2024	Consultation / hearings	
May/June 2024	Council Meeting	Deliberations / adoption of the TYP

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - 2024-2027 TYP Roadmap [**23-295.1** - 1 page]
2. Attachment 2 - Draft Significant Forecasting Assumptions for the 2024-2027 Three-Year Plan [**23-295.2** - 4 pages]
3. Attachment 3 - 2023 Environmental Scan [**23-295.3** - 49 pages]
4. Attachment 4 - Project Risks [**23-295.4** - 2 pages]

2024-2027 Three Year Plan Development Roadmap



Draft Significant Forecasting Assumptions for the 2024-2027 Three-Year Plan

This section sets out the proposed key assumptions made in preparing the 2024-2027 Three-Year Plan (TYP).

Assumptions

The following information is based on the Long-Term Plan (LTP) 2021-2031 assumptions updated using information provided by the 2023 Environmental Scan and the BERL Cost Adjusters 2023 Final Update document.

CAUTIONARY NOTE

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.

Council has made several assumptions in preparing this TYP. The assumptions ensure that all estimates and forecasts are made on the same basis.

Asset management plans

Forecast figures in the Three-Year Plan relating to the management and enhancement of significant assets have been based on Council's Asset Management Plans.

Activities and service delivery options

It has been assumed that the existing activities, services and methods of delivery will continue, however reviews may occur throughout the Three-Year Plan. This is relevant to the 3 Waters component of Council service delivery which, for the purposes of this Three-Year Plan are assumed to remain with Council to manage and deliver.

Interest

Interest rates on Council net debt will be estimated and updated based on PWC forecast projections, based on our debt needs and underlying debt as of 30 June 2024. Council covers its interest rate exposure using interest rate swaps. The interest rates forecast will be 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 will use forecasts of price level changes prepared by Business and Economic Research Limited (BERL) to calculate the inflation rate for each year of the Plan. The BERL rates are due to be set in November 2023.

Forecast Returns on Investments and Strategic Assets

Council maintains a range of commercial and strategic investments. Council has 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 Plan will need to make assumptions around any strategic changes in direction, including Council leased assets with its Council Controlled Trading Organisation.

External Funding

The forecast financial statements will include a number of operational and capital projects, where they will be assumed to be partially funded by another agency or grant.

There will be a number of major projects to be funded by a combination of Council and external funding (including Waka Kotahi funding and Recovery Projects) There will be 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 project 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
- Patutahi Hall

Council does not fund depreciation on these assets.

Council does not fund depreciation on that portion of the Wastewater Treatment Plant (WWTP) that was pre-funded before the start of the project; coinciding with the total amount collected from the capital rate. In addition, depreciation for new projects WWTP disinfection stage and the pool redevelopment from years 2 and 3, depreciation arising from these projects are funded to the extent of meeting principal repayments.

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 Waka Kotahi 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 fully fund depreciation on some projects that were funded by external grants, the assumption being that in the future when the assets need to be replaced that external funds would be sourced. These include projects such as LiDAR, Navigations, Waingake Native Restoration, library and the War Memorial theatre. The amount of unfunded portion varies, depending on the nature of the asset and proportion of external funds were given to support the initial build.

For instance, intangible assets (such as software) that was external grant funded are likely to have a higher degree of un-funding as the replacement asset at the end of its useful life is assumed to be of a significantly different nature to the original asset. Assets such as the War Memorial Theatre and library are mostly funded, with a much smaller portion being unfunded (27%).

Waingake Native Restoration is a natural living asset, and by its nature will be replenishing and replacing itself through the active management of the forest. As such the portion of "depreciation" recognised has not been funded but the maintenance costs of the forest have been included with the plan.

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

Useful lives of assets are as recorded in Asset Management Plans or based upon professional advice. Refer to the Accounting Policies Depreciation note.

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 Council's borrowing limits set out in the Council Liability Management Policy.

Depreciation on Planned Assets Acquisitions

The depreciation rates used for planned asset acquisition 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 Three-Year Plan.

It is also assumed that the currency and condition of existing resource consents held by Council will not be altered significantly during the term of the Three-Year Plan. The most significant resource consents currently held by Council are for:

- Waipū landfill
- Transfer stations
- Existing wastewater treatment (marine outfall into Tūranganui-a-Kiwa)
- Gisborne wastewater treatment plant.

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 and the BERL inflation indices.

The most recent revaluation of Council's assets was on 30 June 2023. Roading and other infrastructure assets are revalued annually.

It is assumed revaluations will result in an increase in the asset values, revaluation reserves and the depreciation expense.

Economic Assumptions (BERL Cost Adjusters 2023 Final Update; Environmental Scan) to be confirmed, with the published rates

Recovery Plan Funding:

Delivery of full recovery plan outcomes are contingent on supporting central government funding being provided.

Demand for Services:

To remain at current levels or may potentially rise as the increased costs of living erode disposable incomes and increase levels of financial hardship and deprivation accordingly.

The increasing age of the population and the lower percentage of working age population is likely to have an impact on some residents' ability to pay for services and the types of services required.

Deprivation:

Deprivation levels to remain at current high levels.

Waste:

Focus on improved waste management outcomes to continue waste streams, recycling, and standardisation across councils of the types of services provided. This will require operational and capital expenditure to comply and will increase rates requirements for the services provided.

Central Government:

The impact of the new government is still to be determined however the focus on aligning central and local government services to avoid duplication and remove costs is likely to continue.

Regional Planning Environment:

No change. The review of the Tairāwhiti Resource Management Plan (TRMP) is ongoing.

Climate Change:

Dates for achieving Council targets are likely to be extended given the impact of recent severe weather events on Council infrastructure and the added demands of recovery efforts on Council organisational capacity.

Matawai Taiao Environmental Scan

June 2023



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Tirohanga whānui Overview

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

A summary of the most significant factors that Council will need to consider for its planning process are set out below. With the exception of the need to plan for a changing climate and for growth, the remainder represent major changes since the 2021 Environmental Scan.

This Environmental Scan is undertaken at a time when Te Tairāwhiti is recovering from a series of serious weather events, culminating in the devastating floods and slips caused by Cyclone Gabrielle in February 2023. Much of the Council's long term planning will be focused on actions and investment needed to recover from nine major weather events within a two-year period. While this report analyses a range of factors relevant to the long term strategic planning process, recovery will be a primary focus and will require the re-prioritisation of many activities.

The following implications arise from the cyclone recovery programme.

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

- While central government has announced large funding packages for cyclone recovery, it's not yet known how this will be allocated and the extent of Council's recovery liability.
- Infrastructure recovery must be managed alongside resilience, asset renewal, and growth requirements. This will require careful prioritisation.
- Longer term resilience issues around how and where to rebuild from the cyclone and allow future development will be particularly relevant for the review of the Tairāwhiti Resource Management Plan.
- Investing in community wellbeing is particularly important as the region works through the recovery process.

Adapting to a changing climate and building resilience is continuing to grow in importance. It will become increasingly important to incorporate sustainability and resilience requirements into Council's policies, plans and projects. This is likely to have significant funding implications.

Central government has been undertaking an extensive reform programme since the 2021 Environmental Scan. Many of these reforms have major implications for local government including:

- Affordable Water Reform: Council's long term plan/three-year plan will need to include provision for three waters to be retained by the Council until, potentially,

30 June 2026. There is the possibility that a National-led government could repeal the reforms, so the October 2023 election may have an impact. Also, under the recently announced changes to the reform programme, Council will not receive the planned Phase 2 funding.

- Resource Management Reform: These reforms will bring in a completely new planning framework requiring the development of a regional spatial strategy and integrated resource management plan under a new legislative framework. Responsibility for development of the strategy and plan under these reforms will shift to an independent regional planning committee, with Council and Māori membership. This committee will be funded by Council, with the regional planning committee's secretariat also being primarily resourced by Council staff. This may create resourcing issues for Council as it continues to operate under the current Tairāwhiti Resource Management Plan (TRMP). The timing implications of the TRMP review will also need careful consideration.

A careful balance will be needed between capital expenditure for recovery, for asset management, and to accommodate any future population growth. While Te Tairāwhiti's population is predicted to grow over the longer term, the extent and timing of this growth is currently

uncertain. Recent weather events may reduce the attractiveness of the region as a place to live, exacerbating this uncertainty. Council will need to ensure infrastructure is programmed into the long term plan to support population growth at the appropriate time. Capital investment in growth-related infrastructure may be more challenging given the impacts of the cost-of-living crisis and the recovery from recent extreme weather events.

The cost-of-living crisis is putting many households under financial pressure. This may affect Council finances through reduced revenue from user charges and potentially business rates, as well as rates remissions, while debt servicing has become more expensive. As a result, Council may need to carefully prioritise its capital investments and operational spend.

The central government reform programmes are emphasising the importance of partnerships and joint decision-making with Māori. Council has an important role to play in honouring Te Tiriti. To give effect to the Council's Te Tiriti Compass, it will need to focus on ways to develop effective and meaningful collaboration with mana whenua, including opportunities for Te Tiriti based decisions and partnerships. This will require the ongoing development of relationships based in trust, respect and openness, and a commitment to consistently apply Te Tiriti as an organisation.



Whakaritenga Approach

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

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

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

This environmental scan has been undertaken using a modified PESTLE analysis framework. Five factors have been examined; political, social, economic, environmental, and technological. The environmental scan also begins with a consideration of the current risks and trends that are relevant to the development of the Council's long term plan and a 10-year planning horizon.

Ngā tūraru ināiane me ngā ahunga

Current risks and trends

GLOBAL RISKS

The World Economic Forum has released its 2023 report on global risks.² It highlights the interdependence of global risks and instability, including the health and economic aftereffects of the COVID-19 pandemic, the war in Ukraine, including the weaponisation of food and energy, and the rapidly accelerating impacts of climate change.

The report ranks global risks over the short (two-year) and medium (10-year) terms (see below), developed from its latest Global Risks Perception Survey. This provides a useful reminder of the global risk environment, within which this environmental scan is situated.

The most significant risks for the next 10 years are climate related.

2 years

1 cost-of-living crisis	2 natural disasters and extreme weather events
3 geoeconomic confrontation	4 failure to mitigate climate change
5 erosion of social cohesion and societal polarisation	6 large-scale environmental damage incidents
7 failure of climate change adaptation	8 widespread cybercrime and cyber insecurity
9 natural resource crises	10 large-scale involuntary migration

10 years

1 failure to mitigate climate change	2 failure of climate change adaptation
3 natural disasters and extreme weather events	4 biodiversity loss and ecosystem collapse
5 large-scale involuntary migration	6 natural resource crises
7 erosion of social cohesion and societal polarisation	8 widespread cybercrime and cyber insecurity
9 geoeconomic confrontation	10 large-scale environmental damage incidents

Risk categories

Economic

Environmental

Geopolitical

Societal

Technological

² World Economic Forum. 2023. The Global Risks Report 2023: 18th Edition. www.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf

CURRENT GLOBAL GOVERNMENT TRENDS

Current government trends are focusing on becoming future-ready. In its Government Trends 2022 report, Deloitte usefully focuses on three transformative trends in government today; building resilience, fostering connectivity, and improving equity.³ These provide a useful framework for government planning and decision-making.

Three transformative trends in government today; building resilience, fostering connectivity, and improving equity.

Building resilience⁴

In 2019, the Secretary-General of the United Nations categorised climate change as *“the defining challenge of our time”*.⁵ The immediacy of this challenge is being felt in New Zealand with recent extreme weather

events, including the Auckland flooding and Cyclone Gabrielle in early 2023. In the wake of these events, the Prime Minister has acknowledged that, *“there’s no question that as a country we need to look at the resilience of our infrastructure, and we need to do that with a much greater sense of urgency”*.⁶

While significant, climate change is not the only threat we face. We need to be prepared for natural hazards such as earthquakes and tsunamis, the health threats of pandemics, economic shocks caused by recessions and supply chain failures, cyber-attacks, and terrorism. Recent experience with COVID-19 clearly demonstrates the need for greater individual, community and governmental resilience when faced with disruption, no matter where it comes from.

Building resilience requires a multi-pronged focus, such as:

- investing in resilient infrastructure
- enhancing community capacity to withstand extreme events

- improving economic resilience to recessions and strengthening supply chains
- strengthening and future-proofing the labour force.

Fostering connectivity

The challenges societies are facing are too large for any one entity or government agency to address. Greater connectivity is needed with, agencies structured *“around ‘problems’ rather than simply departmental boundaries”*.⁷ In its draft report, the Review into the Future of Local Government emphasises the importance of a *“mutually reinforcing relationship that harnesses the strengths of both local and central government”*⁸ with a strong focus on agreed outcomes and priorities.

Fostering connectivity requires the following types of approaches:

- A linked up, cohesive government that breaks down silos between agencies, enabling them to work together to respond to complex needs.



³ Deloitte. 2022. Government trends. www2.deloitte.com/ie/en/pages/public-sector/articles/government-trends-2022.html

⁴ Resilience is the ability to successfully respond to a disruptive event.

⁵ Science Advisory Group of the UN Climate Action Summit 2019. 2019. United in Science. [ane4bf-datap1.s3-eu-west-1.amazonaws.com/wmocomms/s3fs-public/ckeditor/files/United_in_Science_ReportFINAL_0.pdf?XqG0yszsU_sx2vOehOWpCOkm9RdC_gN](https://s3.amazonaws.com/wmocomms/s3fs-public/ckeditor/files/United_in_Science_ReportFINAL_0.pdf?XqG0yszsU_sx2vOehOWpCOkm9RdC_gN)

⁶ Stuff. 19 February 2023. Passively waiting for climate change has cost us time, options, and lives. www.stuff.co.nz/national/politics/opinion/131257997/passively-waiting-for-climate-change-has-cost-us-time-options-and-lives

⁷ Deloitte. 2022. Government trends. pp 4 and 5.

⁸ Review in the Future of Local Government. 2022. He mata whāriki, he matawānui. Draft report October 2022. p18 www.futureforlocalgovernment.govt.nz/assets/Reports/Draft-report-final.pdf?vid=3

- The infrastructure and tools which embed not only data sharing, but also data collaboration between organisations.
- Government acting as a catalyst for innovation and an activator of wellbeing.

Improving equity

Economic inequality is continuing to rise globally, with an increasing divide between rich and poor. COVID-19 brought the spotlight onto this inequality, with the economic fallout felt disproportionately by those on lower incomes, which could fuel social unrest.⁹ For example, a shift to online services during the pandemic put a spotlight on the digital divide and the need for universal digital access. However, traditional political and governance structures, such as election cycles, make it difficult to take collective, long term action to address inequities and other societal issues, particularly where they involve short term sacrifices.

A public sector approach to improving equity involves actions such as:

- universal and affordable access to digital services to bridge the digital divide
- strengthening representative democracy to ensure diverse community voices are heard and people feel meaningfully engaged¹⁰
- recasting the social safety net through early and human-centred interventions, that provide a holistic approach
- investment in building the resilience of both individuals and communities.

⁹ Deloitte. 2022. Government trends.

¹⁰ Review in the Future of Local Government. 2022.

Ngā take tōrangapū

Political factors

CYCLONE GABRIELLE

In response to Cyclone Gabrielle, the Government has passed emergency weather legislation which has a focus on supporting councils and communities with the significant recovery job ahead and building New Zealand's resilience to future events.

The Government has established a Cyclone Gabrielle Recovery Taskforce, which amongst

other issues, is considering options for managed retreat from areas of high risk of flooding. It has also committed funding for cyclone-affected areas.

The Government has released a framework for deciding whether properties should remain in risk areas and is engaging with affected communities (Future of Severely Affected Land or FOSAL).¹¹ The categories are:

- **Category 1: Repair to previous state is all that is required to manage future severe weather event risk. This means that once any flood protection near the property is repaired, the home can be rebuilt at the same site.**
- **Category 2: Community or property-level interventions will manage future severe weather event risk. This could include the raising of nearby stop banks, improving drainage or raising the property. There are 1818 properties in this category in Te Tairāwhiti.¹²**
- **Category 3: Areas in the high-risk category are not safe to live in because of the unacceptable risk of future flooding and loss of life. Homes in these areas should not be rebuilt on their current sites. There are 18 properties in this category in Te Tairāwhiti.**

The Government has announced a series of measures to support councils in cyclone and flood-affected regions. One of the measures is to enter into a funding arrangement with councils to offer a voluntary buyout for owners of Category 3 designated properties and co-fund work needed to protect Category 2 designated properties. The Cyclone Response Unit, Te Arawhiti, and local councils will run parallel processes engaging with Māori land interests and local iwi to ensure appropriate processes for whenua Māori.¹³

Category 2 and 3 provisional maps have been released to the public and will be updated as more information becomes available from FOSAL assessments. Work is to be undertaken on Category 2 locations to 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.

On 3 May government announced funding for Hawke's Bay and Te Tairāwhiti of:

- \$102m to help councils process and dispose of all the debris coming from residential properties, and to deal with sediment on council-land to make it available to the public again (\$31.4m is allocated to Te Tairāwhiti)
- \$70m for commercial properties (including farmers and growers) to help clean up their land and return to profit (\$7.4m allocated to Te Tairāwhiti)

¹¹ New Zealand Herald. 2 May 2023. Cyclone-hit communities to wait longer for consultation on rebuild or red-zone future. www.nzherald.co.nz/nz/politics/cyclone-hit-communities-to-wait-longer-for-consultation-on-rebuild-or-red-zone-future/ADQYIT3KXZF7JJGQGW5SKSB66Q/

¹² Our road to recovery – Tairāwhiti: Weekly report #8. 19 June 2023.

¹³ New Zealand Government. 1 June 2023. Govt to support councils with buyout and better protection of cyclone and flood affected properties. www.beehive.govt.nz/release/govt-support-councils-buyout-and-better-protection-cyclone-and-flood-affected-properties

- funding for debris and sediment removal from whenua Māori (allocation to be announced).

A \$1b package funding package was announced pre-Budget 2023 for recovery from Cyclone Gabrielle and the Auckland

floods, with a significant amount of this allocated to Waka Kotahi and local roads, rail, and flood protection.

The Government is also setting aside \$6b over a 10-year period to “*build back better*” with greater resilience from the recent

Auckland floods and Cyclone Gabrielle and protect New Zealanders from increasingly severe and unpredictable weather events.

“This investment will initially focus on building back better from the recent weather events. It will also include future-

proofing road, rail, and local infrastructure wiped out by the extreme weather, as well as telecommunications and electricity transmission infrastructure.”¹⁴

CURRENT REFORMS

Central government has been undertaking an extensive reform programme since the 2021 Environmental Scan. Many of these reforms have major implications for local government including:

- Water reform
- Resource management reform
- Review into the future of local government
- Emergency management reform
- Waste sector reform
- Government policy statements
- Development of the National Adaptation Plan and Emissions Reduction Plan.

Affordable water reforms

The Government is reforming the regulation and supply of drinking water, wastewater, and stormwater (the Three Waters) with the aim of significantly improving the safety, quality, resilience, and performance of three waters services.¹⁵

This is a complex and controversial package of reform. The Government’s recent announcement on the *proposed* structure of the reform is as follows:¹⁶

- Ten new regionally owned and led public water services entities are to be established to deliver all three waters services across Aotearoa/New Zealand.

- While existing three waters assets will transfer to the entities to manage and deliver water services, the entities themselves would be owned by local councils on behalf of the public.
- Each entity is to be run by a professional board, with members appointed on competency and skill.
- Strategic oversight and direction of entities would be provided by local representative groups with every local council in the entity area represented, as well as mana whenua.

Establishing the Water Services Entities is intended to create the scale and structural change required to enable the estimated \$120b to \$185b investment required to maintain and improve water infrastructure over the next 30 years. The level of investment needed in water infrastructure

is considered to be out of reach of individual councils alone.¹⁷

Te Tairāwhiti will sit within Entity F covering Gisborne, Wairoa, Central Hawke’s Bay, Hastings and Napier. Each territorial authority will have one representative on the Regional Representative Group. There will be an equal number of mana whenua representatives from across the Entity F area to be decided by mana whenua.

The role of the regional representative group for each entity is to appoint the professional board and to set expectations of how the entity is run that reflect the needs of communities. The regional representative group will also monitor and hold the board to account for meeting those expectations.¹⁸

¹⁴ New Zealand Government. 18 May 2023. New National Resilience Plan to rebuild better. www.beehive.govt.nz/release/new-national-resilience-plan-rebuild-better

¹⁵ Department of Internal Affairs. Three Waters Reform boiled down – a quick overview. [www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme-2022/\\$file/Three-Waters-Reform-boiled-down-June-2022.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme-2022/$file/Three-Waters-Reform-boiled-down-June-2022.pdf)

¹⁶ Hon Kieran McNulty. 13 April 2023. Major shakeup will see affordable water reforms led and delivered regionally. www.beehive.govt.nz/release/major-shakeup-will-see-affordable-water-reforms-led-and-delivered-regionally

¹⁷ New Zealand Government. Why are these changes happening? www.threewaters.govt.nz/improving-nzs-three-waters-system/what-is-changing-and-why/

¹⁸ New Zealand Government. 13 April 2023. Water Services Reform Media Q & A

The new Water Services Entities will be established in a staggered manner from 1 July 2024 through to 1 July 2026.

The Government has also announced that, to meet the cost of establishing 10 entities (as opposed to the four previously anticipated) and ensure that the new entities do not begin with high levels of debt, the second tranche of 'better off' funding for councils will no longer proceed. Te Tairāwhiti's tranche 2 allocation of \$21.62m of 'better off' funding allocated for June 2024 will now no longer be available. This will have budget implications for the Council.

Four pieces of legislation have been introduced to Parliament as part of the reforms.

- The Water Services Entities Act, enacted in 2022, which established the initial governance and accountability arrangements for the water services entities.
- The Water Services Legislation Bill (expected to be enacted by 31 August 2023), which will provide the entities with the legal functions, responsibilities, and powers to operate, including regulatory functions and powers. It will also clarify how the entities will interact with councils and what activities may need to be shared between councils and entities.

- The Water Services Economic Efficiency and Consumer Protection Bill (expected to be enacted by 31 August 2023), which provides a detailed longer-term framework for ensuring entities provide affordable and well managed services. This includes the establishment of a Water Services Commissioner within the Commerce Commission as a public watchdog to promote consumer interests.
- The Water Services Entities Amendment Bill (expected to be enacted by 31 August 2023), which brings in the latest Government announcements including: moving from the original four entities to 10; changing the timeframes for the transition; establishing a water services funding agency to improve the entities' access to capital and debt; and enabling shared services for entities to retain some economies of scale.

The National Party has said that it will replace the legislation if it is leading the government after the October 2023 election.¹⁹

"National will repeal the Water Services Entities Act... within 100 days, if elected. We will restore local control of water and support councils to deliver water services with strict rules for assets and water quality and give them the tools to reach financial

sustainability. This can all be done with local ownership as a bottom line²⁰."

Council may need to further adjust its long term planning in relation to three waters after the election. However, all political parties have made it clear that reform is needed and there is an intention to progress it within the next parliamentary term.

Resource management

The Government is repealing the Resource Management Act 1991 and is replacing it with three new proposed Acts.²¹

- The Natural and Built Environments Act (NBA), which aims to protect and restore the environment, while better enabling development.
- The Spatial Planning Act (SPA), requiring the development of long term regional spatial strategies to help co-ordinate and integrate decisions made under relevant legislation such as the Land Transport Management Act 2003 and the Local Government Act.
- The Climate Adaptation Act, to address complex issues associated with managed retreat.

The NBA and SPA are expected to be passed into law during this term of Government.

The Climate Adaptation Act has not yet been introduced into Parliament.

For councils, the reform will bring a major shift in the development of regional spatial strategies and resource management plans.

Each region will prepare one regional spatial strategy and one NBA plan. This will be undertaken by a regional planning committee, which draws its membership from the local authorities and iwi and hapū in the region. The regional planning committee is supported by a director and secretariat, which is expected to draw heavily on local authority staff for resourcing.

Local authorities will be required to fund and implement the strategies and plans but will not have any direct control over development and content. This has raised concern over the loss of local voice and a lack of democratic accountability.

As a unitary authority, Council will appoint all local authority members to the regional planning committee. It will not, be able to direct decision-making by the committee. It's not yet known when Te Tairāwhiti will be expected to establish a regional planning committee and begin the process of preparing a regional spatial strategy, followed by a regional plan under the NBA.

¹⁹ Radio New Zealand. 13 April 2023. Watch: National Party leader Christopher Luxon responds to Three Waters revamp. www.nz.co.nz/news/political/487880/watch-national-party-leader-christopher-luxon-responds-to-three-waters-revamp

²⁰ Water Services Entities Amendment Bill Select Committee Report (July 2023). selectcommittees.parliament.nz/v/SelectCommitteeReport/4f176ae3-2cfc-488a-e6f3-08db8e14ef90

²¹ Ministry for the Environment. Pathway to reform. environment.govt.nz/what-government-is-doing/areas-of-work/rma/resource-management-system-reform/pathway-to-reform/

Local government

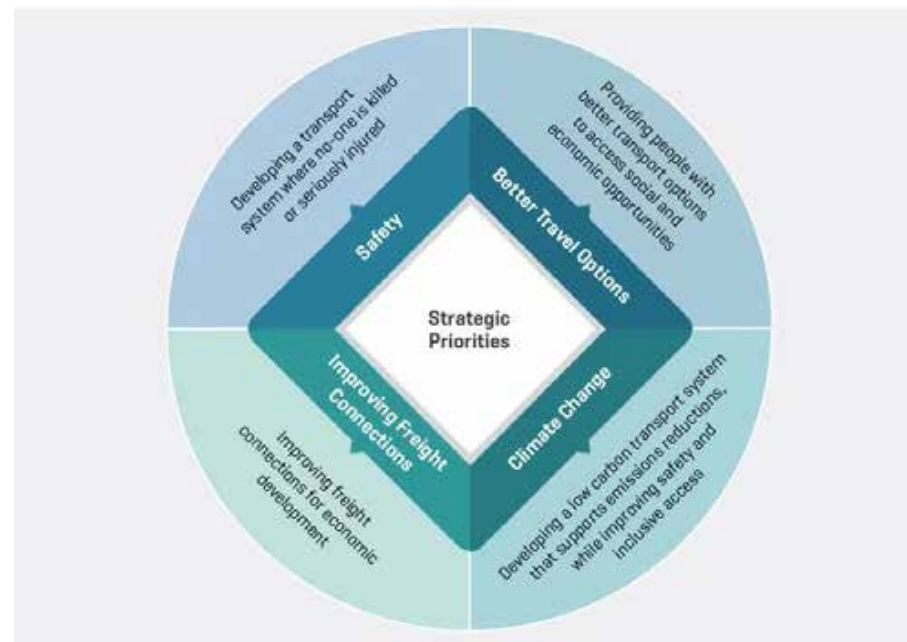
The Government established a Review into the Future for Local Government. The overall purpose of the review was to *“identify how our system of local democracy and governance needs to evolve over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, and actively embody the Treaty partnership”*.²²

The Future for Local Government Panel released its report to the public on 21 June 2023. 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

- lowering the voting age, Te Tiriti based appointments and STV as method for elections
- growing authentic Te Tiriti based partnerships – explicit recognition of local government as a 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.²³



Transport

The Government Policy Statement on Land Transport 2021/22 – 2030/31²⁴ sets out the Government’s priorities for land transport investment over the next 10-year period. It also sets out how money from the National Land Transport Fund (NLTF) is spent on activities such as public transport, state highway improvements, local roads, and road safety. Waka Kotahi NZ Transport Agency and local authorities need to ensure spend on transport reflects these priorities.²⁵

The GPS 2021 continues the strategic direction of GPS 2018. The strategic priorities are safety, better travel options, improving freight connections and climate change.

The Government has released indicative priorities for GPS 2024 for feedback.²⁶ It initially proposed that emissions reduction be an overarching focus for GPS 2024. This was to be supported by five proposed strategic priorities; sustainable urban development, maintaining and operating the system, resilience, safety, and integrated freight system.²⁷

²² Department of Internal Affairs. Review into the Future for Local Government. www.dia.govt.nz/Future-for-Local-Government-Review-Terms-of-Reference

²³ Gisborne District Council. 28 June 2023. Chief Executive Activity Report June 2023. www.gdc.govt.nz/_data/assets/pdf_file/0024/53664/2023-June-28-Council-Agenda.pdf

²⁴ New Zealand Government. Government Policy Statement on Land Transport 2021/22 – 2030/31. www.transport.govt.nz/assets/Uploads/Paper/GPS2021.pdf

²⁵ Ministry of Transport. Government policy statement on land transport. www.transport.govt.nz/area-of-interest/strategy-and-direction/government-policy-statement-on-land-transport/

²⁶ Ministry of Transport. Indicative priorities for GPS 2024. www.transport.govt.nz/area-of-interest/strategy-and-direction/government-policy-statement-on-land-transport-2024

²⁷ Ministry of Transport. Indicative strategic priorities: Developing the Government Policy Statement on Land Transport 2024. www.transport.govt.nz/assets/Uploads/Signalling-GPS24-Indicative-strategic-priorities-Engagement-Paper-FINAL.pdf

The Government has since signalled that these indicative transport priorities will change in the wake of Cyclone Gabrielle, with a greater focus on reconstruction of damaged infrastructure, as well as building greater resilience so the transport network can better withstand the increasing frequency of extreme weather events.²⁸

Emergency management review: the Trifecta programme

Local government and its communities are at the heart of Aotearoa New Zealand's planning for and delivery of civil defence and emergency management.

The National Emergency Management Agency (NEMA) has established a Regulatory Framework Review Programme (also known as the 'Trifecta') which brings together three projects.

- A new Emergency Management Bill
- Review of the National Civil Defence Emergency Management Plan and accompanying Guide
- A roadmap for the National Disaster Resilience Strategy.

The Emergency Management Bill had its first reading on 28 June 2023 and is open for submissions until 3 November

2023. Some of the key measures in the Emergency Management Bill with impacts for Council and Te Tairāwhiti community include:

- Clarifying that CDEM Groups are responsible for regional coordination and governance of emergency management and councils for delivery.
- Recognising the important role Māori play in our emergency management system and enhancing Māori participation at all levels (local to national) and across all activity (from planning to operations).
- Requiring Māori membership of CDEM Groups and collaboration with Māori in development of regional emergency management plans.
- Confirming the roles of lead and support agencies before, during and after an emergency so it is clear who has the authority to wield emergency powers.
- Requiring critical infrastructure providers (lifeline utilities) to contribute to business continuity planning and identify emergency levels of service.
- Enhancing the accountability of critical infrastructure providers through annual reporting on their emergency

management preparedness.

- Requiring CDEM Groups to engage with vulnerable communities likely to be disproportionately affected by emergencies when planning (eg kaumatua, disabled, rural, linguistically diverse).
- Providing Ministers and NEMA with powers to make regulations and rules for a wide range of matters not covered under the Bill.

Work undertaken within the Trifecta Programme will align with the National Adaptation Plan and the National Disaster Resilience Strategy.

Waste management reform

The Government is seeking to reduce waste as part of a transition to a low-emissions circular economy.²⁹ As part of a programme focused on transformational change, the Government has released a new waste strategy³⁰ and legislation.³¹ The legislation will replace the Waste Minimisation Act 2008 and the Litter Act 1979.

Three main initiatives are being proposed to household recycling and food scraps collections.

- From February 2024, councils across Aotearoa will accept the same materials in their household collections. This will reduce contamination of recycling and the amount of waste sent to landfills, which will provide a positive effect for Council.
- By 2027, recycling collections will be available to households in all urban areas.
- By 2030, food scraps collections will be available to households in all urban areas. This will provide households with the opportunity to divert food from landfills. This will be effective if Council has the correct facilities in place to accept and process food waste.

²⁸ Ministry of Transport. March 2023. Government Policy Statement on land transport 2024. www.transport.govt.nz/area-of-interest/strategy-and-direction/government-policy-statement-on-land-transport-2024/

²⁹ Ministry for the Environment. 29 March 2023. Government announces new era for New Zealand's waste system. environment.govt.nz/news/government-announces-new-era-for-new-zealands-waste-system/

³⁰ Ministry for the Environment. Te rautaki: Waste strategy. environment.govt.nz/publications/te-rautaki-para-waste-strategy/

³¹ Ministry for the Environment. Waste legislation reform. environment.govt.nz/what-government-is-doing/areas-of-work/waste/waste-legislation-reform/

PARTNERSHIP WITH MĀORI³²

In 2022, Council adopted its Te Tiriti Compass, a tool to focus its intent to honour Te Tiriti and form expectations for how the Council approaches partnerships under Te Tiriti o Waitangi and acts as a Tiriti partner. The partnership journey begins with building trust and in some cases, rebuilding relationships bound in respect, trust, and openness.

Council intends to reset, refocus, and return its energy to enhancing its Tiriti partnership mahi with mana whenua, while finding a path through the challenges currently being faced. Using the compass, Council aims to redirect itself towards the 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.³³

Council's representation changed from the 2022 election to provide greater representation for Māori. The representation arrangements involve one Mayor and 13 councillors in total, being:

- eight general ward councillors elected district-wide from Te Tairāwhiti general ward
- five Māori ward councillors elected district-wide from Te Tairāwhiti Māori ward.³⁴

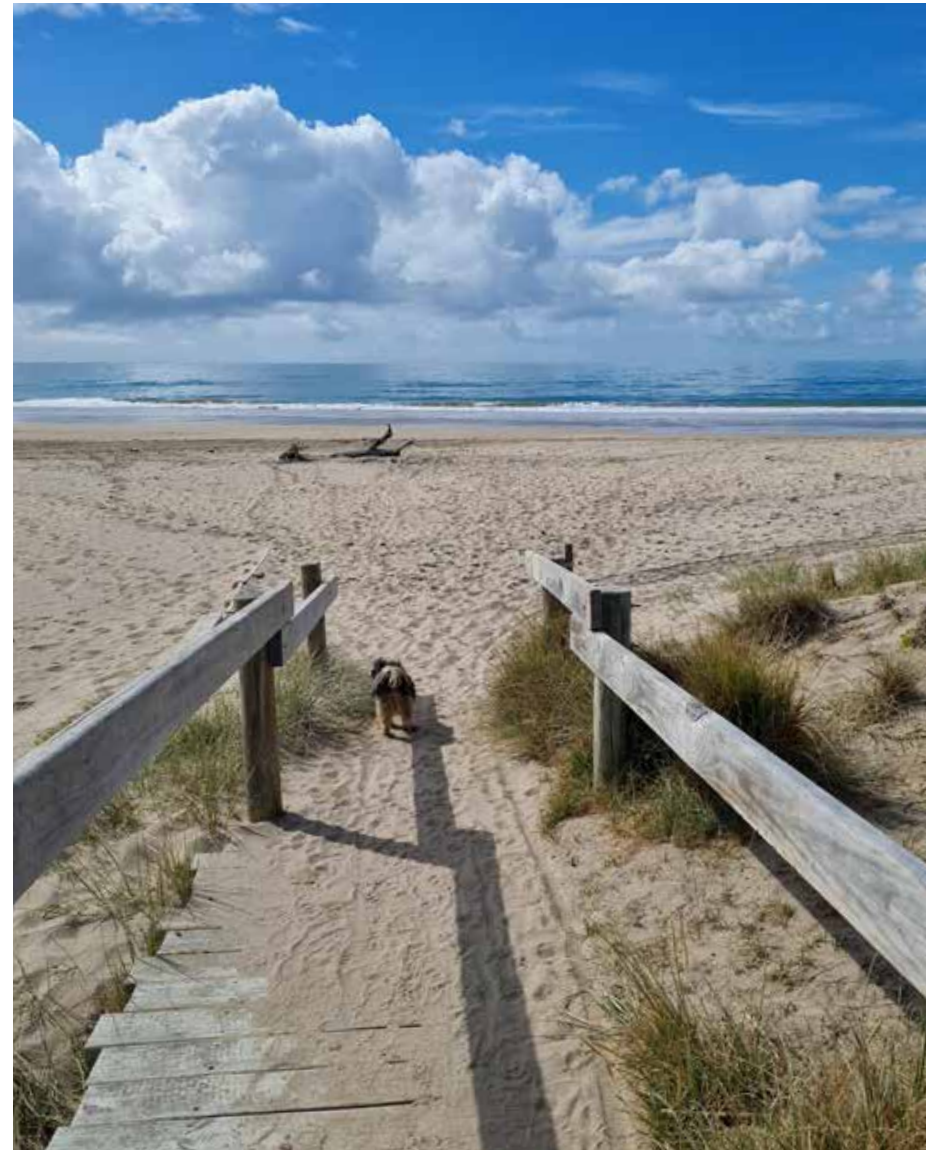
At the end of 2022, Council committed to having a Tairāwhiti Plan Review Committee. This signalled Council's intent to reset the regional plan together, in partnership with tangata whenua. Iwi-nominated members, a terms of reference (TOR) and other matters need to be resolved before this committee is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



³² Gisborne District Council. 2023. Our Tairāwhiti – 2022-2023 Annual Plan. www.gdc.govt.nz/_data/assets/pdf_file/0016/40570/Annual-Plan-2022-2023.pdf

³³ Gisborne District Council. 2023. Our Tairāwhiti – 2022-2023 Annual Plan.

³⁴ Gisborne District Council. 2023. Our Tairāwhiti – 2022-2023 Annual Plan.



KEY IMPLICATIONS FOR COUNCIL

Cyclone recovery: the Government has announced considerable cyclone recovery and national resilience funding. While it is not yet known how this will be allocated, Te Tairāwhiti will be a major beneficiary. It is not known though, the extent of the Council's recovery liability.

Water reform: water reform will have a major impact on the business of Council. However, it's likely that Council will be required to continue to operate its three waters assets for up to two years after July 2024. There also remains a possibility that the legislation will be repealed if there is a change in government after the October 2023 central government elections. Therefore, Council may need to plan for multiple scenarios in its 2024-2034 Long Term Plan. As well, Council will no longer receive tranche 2 of the better off funding, which will have financial implications.

Resource management reform: the resource management reforms will have budget and resourcing implications for the Council, particularly given the requirement to fund the establishment and operation of a regional planning committee. The impact on the TRMP review programme will also need careful consideration.

Partnership with Māori: to give effect to Te Tiriti Compass, Council will need to focus on ways to develop effective and meaningful collaboration with mana whenua, including opportunities for Te Tiriti based decisions and partnerships. This will require the ongoing development of relationships based in trust, respect and openness, and a commitment to consistently apply Te Tiriti as an organisation.

Emergency management reform: the changes to the emergency management framework would require changes to the governance and accountability arrangements for emergency management. Governance decisions typically taken by Council alone would be shared with mana whenua through CDEM Groups. Critical infrastructure providers such as territorial authorities for local roads would need to be more accountable to Government for planning and responding to emergencies and take on additional reporting requirements. These changes will have resource and financial implications for Council.

Ngā take ā-iwi Social factors

CYCLONE GABRIELLE³⁵

Cyclone Gabrielle has had widespread social impacts to the health and wellbeing of communities, raising issues around equitable access to services, and has caused extensive damage to homes, businesses, and infrastructure across Te Tairāwhiti. Housing is a particularly significant issue:

- As at June 2023, 202 properties have been yellow stickered and 30 red stickered.
- As at 27 April 2023, 177 whānau were registered with the Temporary Accommodation Service with the Ministry of Business, Innovation & Employment.
- The Ministry of Housing and Urban Development has repurposed existing funding through Toitū Tairāwhiti Housing Ltd to use part of their Whai Kāinga Whai Oranga prototype funding to build and deliver 100 temporary homes for impacted whānau. This provides immediate housing for directly affected whānau.

The Tairāwhiti Mayoral Relief Fund and Disaster Relief fund have been supporting whānau and communities to get immediate access to funds to assist with recovery. Of the \$3.5m total funds available, \$3.2m was allocated at the end of June 2023.

Recovery in the social environment encompasses health, safety, and welfare of the community. It's focused at the local level with active participation of communities using expertise drawn from whānau and collective experience, and ensuring government agencies are joined up, connected, and working as one. Immediate funding of \$16.8m has been requested from the Government.



³⁵ Office of Recovery Tairāwhiti. 24 May 2023. Our road to recovery – Tairāwhiti. www.gdc.govt.nz/_data/assets/pdf_file/0017/52316/Agenda-Civil-Defence-Emergency-Management-24-May-2023.pdf

TE TAIRĀWHITI'S DEMOGRAPHICS³⁶

Population forecasts

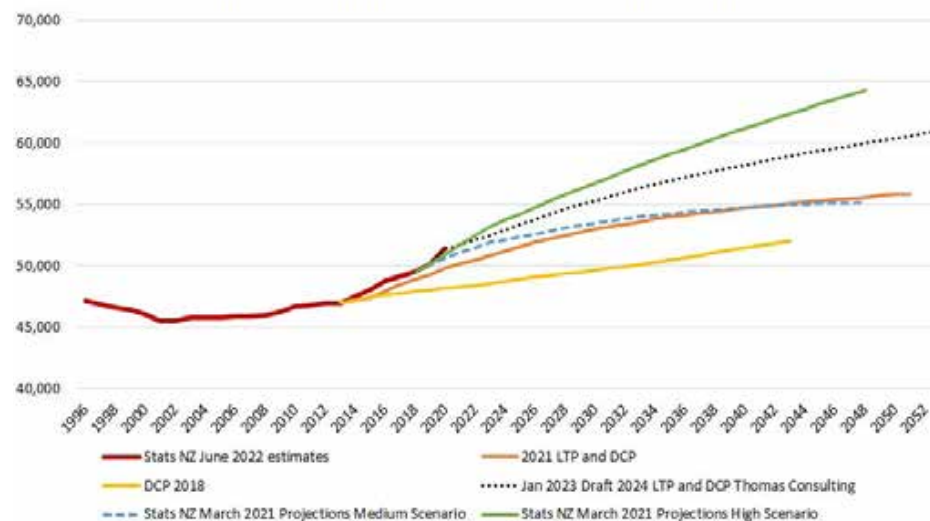
The usually resident population of the Te Tairāwhiti was 47,517 at the time of the 2018 census. This represents an increase of 3,864 people from the 2013 census, or 1.7% increase pa. The estimated resident population (provisional at 30 June 2022) was 52,100.³⁷ Growth has exceeded forecasts prepared prior to the 2021-2031 Long Term Plan.³⁸

The significant disruptions caused by COVID-19 have brought considerable uncertainty to population forecasting. The chart below sets out a series of forecasting comparisons for Te Tairāwhiti.³⁹ Almost all forecasts show a moderate to high level of population growth over the next 20 years.

While several of the population projection scenarios show continued growth, new population projections from Infometrics suggest that national population growth will slow over the next decade and *“that this trend will be reflected across most regions, which will require even more focus on planning properly for the future”*. This is based on a softer outlook for both net international migration and natural population increase, which means *“population growth will be slower in the next decade than the past decade”*.⁴⁰ Growth projections warrant further consideration, particularly in the wake of the cyclone, which may have an impact on the attractiveness of Te Tairāwhiti to new residents.

Population growth will not be evenly spread around the region. Thomas Consulting reports that *“over the past five years 82 – 85% of all new dwellings in Te Tairāwhiti have been in the main Gisborne Urban Area area”*. It can be assumed that population growth will continue to be concentrated within the Gisborne urban area. This growth is planned to come from a more compact urban form via a mix of infill development and building up rather than out. This growth is likely to require investment in reticulated network services and forms of design that can reduce the strain on the network.

Population estimates and forecasts Te Tairāwhiti



³⁶ This section primarily uses data from the 2018 census.

³⁷ Stats NZ. 25 October 2022. Subnational population estimates: At 30 June 2022 (provisional). www.stats.govt.nz/information-releases/subnational-population-estimates-at-30-june-2022-provisional/

³⁸ Thomas Consulting. May 2023. Growth forecast update – Gisborne District and Gisborne Urban Area.

³⁹ Thomas Consulting. January 2023.

⁴⁰ Infometrics. 27 October 2022. Media Release: New population projections show regions will need to change how they plan for population growth. www.infometrics.co.nz/article/2022-10-mr-population-projections-need-to-change-plan-population-growth

Age

The median age of Te Tairāwhiti population is estimated at 37.2 years (younger than the national median of 38 years).⁴¹

Te Tairāwhiti's working age population (15 to 64) is estimated at 2022 to be 61.2%, lower than the national average of 64.8%. Based on the 2022 population estimates, the region has a higher percentage of people under 15 (22.3% versus 18.8% nationally). The over 65 age group has grown from 15.2% of the regional population in 2018 to an estimated 16.5% in 2022. This is in line with national trends.⁴²

Based on the 2022 population estimates, the region has a higher percentage of people under 15 (22.3% versus 18.8% nationally).

A recent study by the Retirement Commission shows that retiring at the age of 65 is common but not the norm. 27% of the participants 65 years or older continue to work for pay. Conversely, nearly one in five participants had retired prior to 65.⁴³

One in four people in New Zealand live with a disability.

Disability

One in four people in New Zealand live with a disability. This rate is higher for Māori.⁴⁴ 8.9% of Te Tairāwhiti population has 'a lot of difficulty' or 'cannot do at all' one or more of the following activities: walking, seeing, hearing, cognition, self-care, and communication. The over 65 age group is most affected.⁴⁵

Māori population

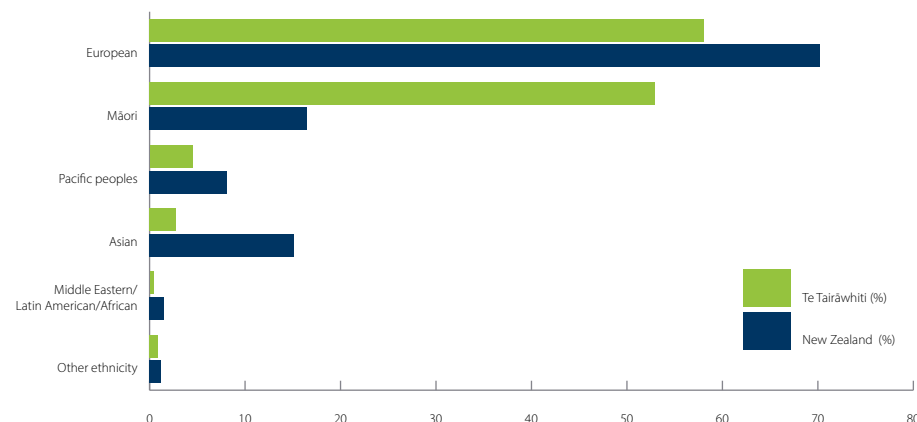
52.9% of the population identify as Māori, far above the national average of 16.5%. Stats NZ is forecasting an annual increase of the Māori population of between 0.5% and 2.3% to 2043.

The Māori population is significantly younger than the non-Māori population in Te Tairāwhiti, with a medium age of 27.7 years as compared to 37 for the population of the region as a whole.⁴⁶ At the 2018

census, 30.2% of the Māori population in Te Tairāwhiti were under 15 years of age. Stats NZ are forecasting that this will decrease to 22.8% by 2043.⁴⁷

In 2018 Census, 16.6% of Te Tairāwhiti residents reported being able to converse in te reo Māori. This is over four times the national average, and it is the next most common language in Te Tairāwhiti after English.⁴⁸

Ethnic groups for people in Te Tairāwhiti and New Zealand, 2018 Census



⁴¹ Stats NZ. Subnational population estimates (RC, SA2), by age and sex, at 30 June 1996-2022 (2022 boundaries). nzdotstat.stats.govt.nz/wbos/Index.aspx?DataSetCode=TABLECODE7979#

⁴² Stats NZ. Subnational population estimates (RC, SA2), by age and sex, at 30 June 1996-2022 (2022 boundaries).

⁴³ Retirement Commission. December 2021. Asset drawdown (decumulation) and paid work profile of Pre- and Post-Retirees. retirement.govt.nz/policy-and-research/older-people/

⁴⁴ Stats NZ. 2014. Disability Survey: 2013. www.stats.govt.nz/assets/Uploads/Disability-survey/Disability-survey-2013/Disability-survey-2013-additional-documents/Disability-Survey-2013.pdf

⁴⁵ Stats NZ. Gisborne Region. www.stats.govt.nz/tools/2018-census-place-summaries/gisborne-region#health

⁴⁶ Stats NZ. 2018 Census Place Summaries: Gisborne Region. www.stats.govt.nz/tools/2018-census-place-summaries/gisborne-region

⁴⁷ Stats NZ. Subnational ethnic population projections, by age and sex, 2018(base)-2043. nzdotstat.stats.govt.nz/wbos/Index.aspx?DataSetCode=TABLECODE8606#

⁴⁸ Stats NZ. 2018 Census Place Summaries: Gisborne District

URBANISATION AND GROWTH

Housing supply

There is a housing crisis in Te Tairāwhiti. Regional housing stocktakes identify:⁴⁹

- An immediate shortage of at least 400 houses across the housing spectrum.
- The most pressure is on social housing, with the waiting list for government-provided housing rising to over 750 in 2022.
- Acute shortage of rental properties with the number of rentals falling by 8 percent over the past five years.⁵⁰
- By 2024 there is likely to be demand for at least 1,280 more homes, rising to 2,570 in 2030 and 5,360 in 2050.

Regional housing strategy⁵¹

The 2019 Regional Housing Strategy focused on the rapid acceleration of the supply of all housing types. Despite gains made in response, the housing crisis has worsened. The 2022 Regional Housing Strategy focuses on the following goals:

- changing regulations and improving consent processes to accelerate housing development
- ensuring a reliable supply of building materials and resilient supply chains
- developing solutions to the building labour shortage that build capacity

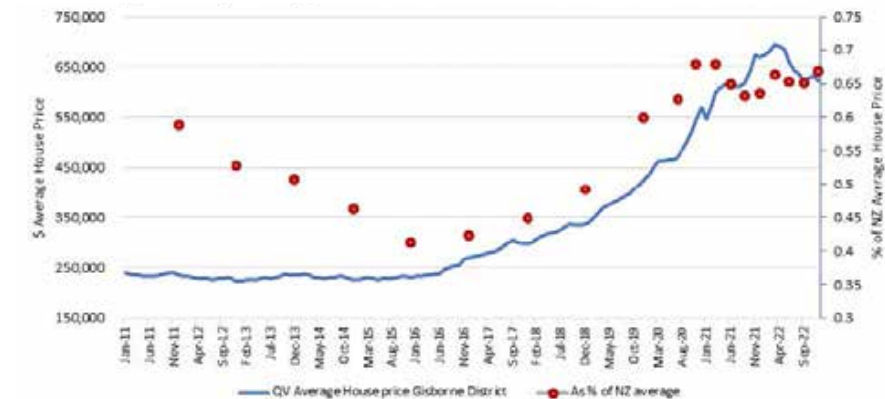
- funding and programming the infrastructure needed to support housing development
- addressing financial barriers to home ownership and tenancy
- developing partnerships that harness collective resources for greater impact.

The strategy requires a number of actions from the Council through the development of the Future Development Strategy, land use (currently resource management) plans, consent process improvements, advocacy, and the provision of infrastructure needed to support housing development.

Housing affordability

Very high house prices in Auckland and other larger cities saw people investing and/or relocating to more affordable areas. As a result, massive price increases occurred in Gisborne and other more affordable areas across New Zealand (see the chart below) through to early 2022.⁵²

QV/Core Logic average house price Gisborne region with % of NZ house price



Current economic conditions are having a significant impact on New Zealand's housing market. The median house price for Te Tairāwhiti has decreased by 19.6% annually to \$575,000 in February 2023 and sales were down by 39.1%⁵³. However, the median housing price remains significantly higher than five years ago as shown overleaf.

Housing affordability has worsened significantly in Te Tairāwhiti from 2016, when affordability peaked. But based on the ratio of average current house value to average household income, housing remains more affordable in Te Tairāwhiti than for New Zealand as a whole, (6.2 for Te Tairāwhiti vs 8.7 for New Zealand).

⁴⁹ Manaaki Tairāwhiti. June 2022. Te Tairāwhiti Regional Housing Strategy 2022-2027.

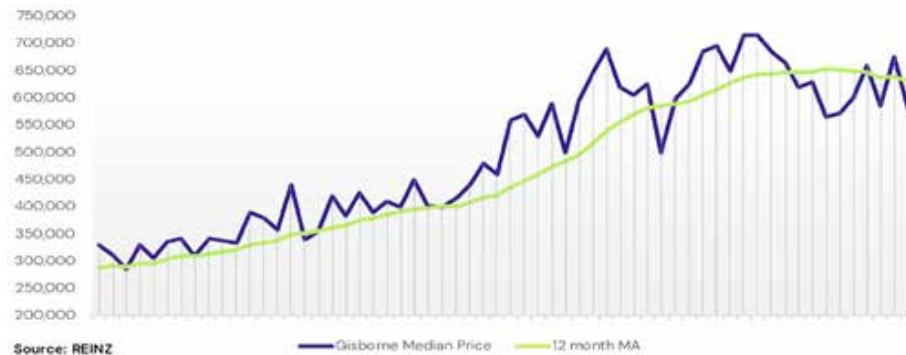
⁵⁰ Manaaki Tairāwhiti and Trust Tairāwhiti. 2022. Gisborne housing stocktake: Update 2022.

⁵¹ Manaaki Tairāwhiti. June 2022. Te Tairāwhiti Regional Housing Strategy 2022-2027.

⁵² Thomas Consulting. January 2023.

⁵³ Real Estate Institute of New Zealand. 14 March 2023. Monthly Property Report. www.reinz.co.nz/libraryviewer?ResourceID=513

Gisborne region median price past 5 years



Rental affordability, based on the ratio of average weekly rent to average household income is worse in Te Tairāwhiti than for New Zealand as a whole (22.3% for Te Tairāwhiti vs 21.8% for New Zealand) and rental affordability in Te Tairāwhiti has significantly worsened over the past three years.⁵⁴

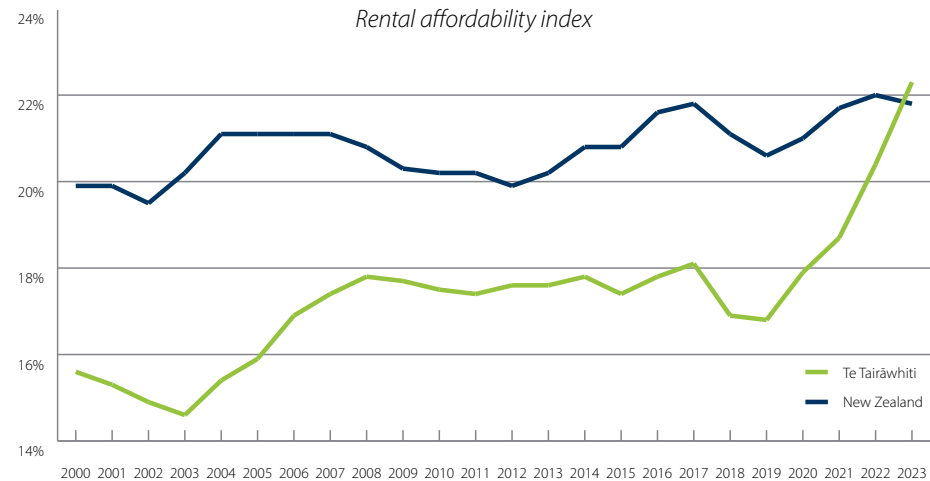
Weekly rent to average household income is worse in Te Tairāwhiti than for New Zealand as a whole.

The combination of rising interest rates and general prices will inevitably place more financial stress on some, particularly vulnerable households.⁵⁵

About 62% of households in Te Tairāwhiti own the dwelling they live in and had, as at the 2018 census, the lowest rate of home ownership along with Auckland.⁵⁶

As at December 2022, people who were renting properties in Te Tairāwhiti were spending on average 38.1% of their income on rent. Outer Kaiti was the most unaffordable, with 57.2% of annual household income spent on rent, followed by Mangapapa North (47.5%) and Kaiti South (47.4%).⁵⁷

Rental affordability index



Analysis undertaken by ME Consulting suggests that there are likely to be shortfalls in residential dwelling capacity within Gisborne's main urban area across the short, medium, and long term. "The estimated shortfalls are predominantly due to limitations in the supply of infrastructure-served greenfield land, with infrastructure constraints also likely to occur in the long term."⁵⁸ It is projected that Te Tairāwhiti will need nearly 30% (5,000+) more houses over the next 30 years.⁵⁹ This will need to be addressed through the Future Development Strategy, the review of the Tairāwhiti Resource Management Plan, and associated infrastructure provision.

About 62% of households in Te Tairāwhiti own the dwelling they live in and had, as at the 2018 census, the lowest rate of home ownership along with Auckland.

⁵⁴ Infometrics. Regional Economic Profile: Tairāwhiti.

⁵⁵ Infometrics. Regional Economic Profile: Tairāwhiti. ecoprofile.infometrics.co.nz/Tairāwhiti/StandardOfLiving/Housing_Affordability

⁵⁶ ME Consulting. 9 March 2022. Tairāwhiti Housing and Business Capacity Assessment.

⁵⁷ Dot Loves Data. Q4 2022. Community Compass Quarterly Report: Gisborne District.

⁵⁸ ME Consulting. 9 March 2022. Tairāwhiti Housing and Business Capacity Assessment.

⁵⁹ Gisborne District Council. 23 June 2022. Workshop: Property Strategy – 22-139 Direction for Property Strategy Development.

Housing condition

Housing condition is an issue in Te Tairāwhiti.

- 26.4% of homes were reported as either always or sometimes damp, and 21.3% had mould.⁶⁰
- 8% of households did not have access to basic amenities (cooking facilities, safe tap water, kitchen sink, fridge, bath or shower, toilet, electricity supply).⁶¹
- a majority of houses are sometimes or always cold,⁶² and 23.1% need moderate to major repairs.⁶³

26.4% of homes were reported as either always or sometimes damp, and 21.3% had mould.

⁶⁰ Stats NZ. One in Five Homes Damp. (2019). www.stats.govt.nz/news/one-in-five-homes-damp

⁶¹ Manaaki Tairāwhiti. June 2022. Te Taiāwhiti Regional Housing Strategy 2022-2027.

⁶² Trust Tairāwhiti. 2022. Tairāwhiti Wellbeing Survey. www.tairawhitidata.nz/

⁶³ Stats NZ. Wellbeing Statistics: 2018 – Housing Quality and Tenure Security. www.stats.govt.nz/information-releases/wellbeing-statistics-2018

WELLBEING

Wellbeing insights

Trust Tairāwhiti's wellbeing survey identified the following wellbeing insights.⁶⁴

- One of the most negative factors impacting wellbeing as a region is how respondents see the condition of the environment in Te Tairāwhiti.
- Sense of safety as a region is quite low compared to the national average.
- Social support in Te Tairāwhiti is tracking above the national average.
- The region has substantially higher proficiency in te reo speakers that speak fairly well to very well te reo compared to the national average.
- Te Tairāwhiti is at almost double the national average when it comes to people that experience some form of discrimination, whether it's gender, age, or ethnicity.
- Close to 20 percent of respondents often struggle to pay their bills compared to nine percent at a national level.
- There is a disparity between low-income and high-income distribution in Te Tairāwhiti compared to the national average.



Deprivation

Te Tairāwhiti has the highest level of deprivation when compared to any other district, with 63% of the population living in deprived communities (deprivation index 8 to 10). By comparison, 14.8% live in high socio-economic performing communities (deprivation index 1 to 3). Deprivation within the Māori population is more pronounced, with 77% living within deciles 8-10.⁶⁵

The Government has announced a \$74m education package aimed at tackling low school attendance rates across the country. This will include an increase in truancy officers.

Education

In term 4 of 2022, only 50% of children were attending school regularly, with the lingering impacts of COVID-19 being the main driver for absence.⁶⁶ Regular attendance in Te Tairāwhiti was a low 35.5%.⁶⁷ Ethnicity also plays a factor, with percentages of Māori and Pasifika students attending school regularly much lower than that of European/Pākehā. Research has shown that sustained absence from school affects educational achievement and can lead to significantly diminished opportunities later in life.

The Government has announced a \$74m education package aimed at tackling low school attendance rates across the country. This will include an increase in truancy officers.⁶⁸

⁶⁴ Trust Tairāwhiti. 2022. Tairāwhiti Wellbeing Survey.

⁶⁵ Dot Loves Data. Q4 2022. Quarterly Report: Gisborne District.

⁶⁶ Ministry of Education. Term 4 Attendance Report. www.educationcounts.govt.nz/_data/assets/pdf_file/0020/220934/Term4-2022-Attendance-Report.pdf

⁶⁷ Ministry of Education. Attendance. www.educationcounts.govt.nz/statistics/attendance

⁶⁸ New Zealand Herald. 21 February 2023. Budget 2023: School attendance focus of \$74m education package with 82 truancy officers. www.nzherald.co.nz/nz/politics/budget-2023-school-attendance-focus-of-74m-education-package-with-82-truancy-officers/CRAWCFX65FH7NDH45JM6MPSNIA/

ARTS, CULTURE AND RECREATION

Research undertaken in 2020 identifies the important roles that the arts plays in New Zealand society.⁶⁹

- New Zealanders are more positive than ever about the vital role the arts play in our lives.
- The arts are making a powerful contribution to New Zealanders' wellbeing.
- More New Zealanders appreciate the arts' powerful role in connecting whānau and communities, but access to the arts could be improved.
- The arts are helping more of us explore and build our own sense of identity, as well as growing our connections with other New Zealanders.
- Attendance has declined but participation has held steady, and how we want to experience the arts is changing.

The arts sector also creates jobs, generates household income, supports tourism, and contributes to economic development.⁷⁰

"Research shows the gross output (sales plus non-market activity) of arts-related industries amounted to about \$900m in New Zealand in 2006/07. For every dollar invested in public libraries, the community gets \$4.10 return on investment."⁷¹

The arts sector also creates jobs, generates household income, supports tourism, and contributes to economic development.

Te Tairāwhiti is a region deeply connected with its Māori heritage and culture. There are strong iwi affiliations and large areas of Māori land. There are 71 operational marae which provide community hubs and are key providers of cultural spaces, venues, accommodation, and centres for manaaki and wellbeing.⁷²

Access to Māori cultural institutions (both built and intangible) are important wellbeing indicators for Māori. The majority of Māori (61%) in Te Tairāwhiti believe that

it is very or quite important to be engaged with Māori culture (much higher than the national average of 46.3%).⁷³ Councils have a key role in the management and stewardship of public places, and the land transport network that connects rural and coastal hinterlands to their awa, maunga, urupa, marae, whenua Māori culturally significant sites, such as maara kai and pa harakeke and waahi tapu. This is often not recognised, celebrated, or held up as a key success story of Council, but is an important role in the daily social fabric of the community.

Key events in Te Tairāwhiti include the Rhythm and Vines music festival and the Te Tairāwhiti Arts Festival. Kapa haka is also flourishing in the region.

Council is part-way through the development of Navigate Tairāwhiti. It is a programme of five projects delivered together with tangata whenua and partner organisations. The programme weaves together significant sites through storytelling and design to showcase the region's unique culture and heritage of first arrivals and great navigators.⁷⁴

As at 2021, Council owns and manages over 1,190ha of open space. This includes destination parks, neighbourhood parks, sports parks, and natural areas. This is a significant portfolio given the size of the population. This is critical infrastructure for a well-functioning urban environment.

Te Tairāwhiti is a region deeply connected with its Māori heritage and culture. There are strong iwi affiliations and large areas of Māori land.

Key events in Te Tairāwhiti include the Rhythm and Vines music festival and the Te Tairāwhiti Arts Festival. Kapa haka is also flourishing in the region.

⁶⁹ Creative NZ. 2020. New Zealanders and the Arts - Ko Aotearoa me ōna Toi. creativenz.govt.nz/development-and-resources/new-zealanders-and-the-arts---ko-aotearoa-me-ona-toi

⁷⁰ Creative NZ. The arts contribute to the economy. creativenz.govt.nz/advocating-for-the-arts/advocacy-toolkit/the-evidence-to-support-your-advocacy#economy

⁷¹ Gisborne District Council. 2018. Tairāwhiti Arts Facilities Plan. www.gdc.govt.nz/_data/assets/pdf_file/0025/7576/arts-facilities-plan-2018.pdf

⁷² Tairāwhiti 2050: Background Information. Data is from 2017.

⁷³ Kimihia He Oranga. 2017. Tairāwhiti Māori Economic Development Report.

⁷⁴ Gisborne District Council. 2022-2023 Annual Plan.

However, open space is not always equitably located, and some examples exist where additional land is required to meet the needs of growing communities. As well, open spaces within the general urban area of Gisborne are poorly connected which impacts on cycling and walking links.

Future projects that are required include a new urban destination playground that is resilient to flooding and is accessible and inclusive. Stormwater infrastructure investment is also needed in reserves and the Taruheru cemetery.

A new urban cemetery is required to meet the demands of population growth and respond to increasing numbers of extreme weather events causing high groundwater.

Council owns and operates community and events facilities, including theatres, museums, and a library.⁷⁵ The new Kiwa Pools complex has been built in consultation with Rongowhaka iwi.

Lack of funding and weather events are having an impact on community events and activities. There are also no spaces for performing arts in rural townships. This provides an opportunity to strengthen and develop marae as facilities for arts.

Compared to other regions, Te Tairāwhiti has low provision of sports and community facilities. For example, the region has only one quarter of the national benchmark for public indoor courts (1 per 10,000 population). This is a key area of need, and an indoor sports hub is a key planned project to address the need for regional public court space.

The 2021-2031 Long Term Plan identified that upgrades would be needed to sports facilities by 2028 to ensure they are safe to use and meet community expectations.

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.⁷⁶

⁷⁵ Gisborne District Council. 2021. Infrastructure Strategy. www.gdc.govt.nz/data/assets/pdf_file/0027/25749/Infrastructure-Strategy-2021.pdf

⁷⁶ Gisborne District Council. Chief Executive Activity Report June 2023.

KEY IMPLICATIONS FOR COUNCIL

Growth: Any population growth will inherently put pressure on existing Council services and facilities, with resulting capital expenditure and service level implications. However, there are mixed views on the likelihood and level of growth over the next decade. The impacts of Cyclone Gabrielle and other weather events may also affect the desirability of Te Tairāwhiti as a place to live which could reduce net migration. Careful growth planning will need to be undertaken to ensure any new infrastructure investment occurs at the right time and in the right places. As well, any future growth is not likely to be evenly spread across the region, with rural areas likely to experience further decline consistent with the trend of urbanisation. This may affect the viability of Council services in rural areas, impacting on the wellbeing of those communities.

Cyclone Gabrielle: The cyclone has had significant impacts on community wellbeing. While additional funding will alleviate these impacts over time, the cyclone recovery will put pressure on an already complex housing need. It also raises longer term resilience issues around how and where to rebuild, and where to allow future development. This will be particularly relevant to Council's TRMP review. A careful balance is also needed between capital investment in recovery, new infrastructure to accommodate any potential future growth, and asset management requirements.

An ageing population: The over 65 age group is increasing, raising a number of implications for Council, such as the following:

- Ongoing financial sustainability where the rating base is comprised of an increasing number of retired ratepayers (including their ability to pay rates).
- The types of services and infrastructure an ageing population will need (such as health and recreational needs, and the importance of accessibility and universal design), how this contrasts with the needs of other population groups, such as the young and those with disabilities, and delivery options. This may require joint ventures and collaboration with other agencies (including central government), multi-use and flexible facilities, and decisions to discontinue some services.
- An ageing population does potentially provide a growing base of volunteers that can actively contribute to the social and cultural wellbeing of the community. This is an area that the Council could explore further.

Housing security: Supporting housing security both in terms of supply and affordability will be an ongoing issue for Council. It has a range of tools, such as land use planning and infrastructure investment to enable and facilitate residential development, as well as advocacy to encourage greater public housing supply.

Ngā take ōhanga Economic factors

CYCLONE GABRIELLE⁷⁷

The devastating economic impact of Cyclone Gabrielle is being felt widely across Te Tairāwhiti's economy and the effect will likely last for many years. The negative economic impacts will arise from a range of factors including lost productive capacity (e.g. farmland, buildings etc) and lost output (e.g. damaged crops, people unable to access work locations, or unable to undertake work activities. Lost harvests may continue for successive seasons as the land recovers.

Horticulture, general and pastoral farming have been significantly affected, with losses estimated to be significantly above \$100m.⁷⁸ The worst affected are those businesses which rely on water and road access.⁷⁹ Also, internet and phone connectivity issues have hampered those who could otherwise work remotely.

Other impacts may be felt through effects such as future worker shortages, due to a worsening of the supply of housing. There is also the significant cost and resource requirement associated with rebuilding public infrastructure destroyed by the cyclone, although much of this cost will be covered by either central government or insurers and the rebuild will also create employment opportunities and demand for materials. Ongoing weather events may continue to cause damage to public infrastructure.

Total direct losses across these sectors are estimated to be \$400 to \$500m over three to five years.

Economic recovery is focused around forestry, horticulture, agriculture, small-to-medium sized businesses, and the tourism sector. Total direct losses across these sectors are estimated to be \$400 to \$500m over three to five years.⁸⁰

⁷⁷ Office of Recovery Tairāwhiti. 24 May 2023. Our road to recovery – Tairāwhiti.

⁷⁸ Tairāwhiti Trust Survey. March 2023. Cyclone Gabrielle Insights.

⁷⁹ Tairāwhiti Trust Survey March 2023. Cyclone Gabrielle Insights.

⁸⁰ Office of Recovery Tairāwhiti. 24 May 2023. Our road to recovery – Tairāwhiti.

INTERNATIONAL ECONOMIC TRENDS

The long period of economic stability and globalisation which characterised the 2010s is becoming a distant memory, with developed countries experiencing an uneven and slow recovery from the pandemic, war in Ukraine, China's economy slowing, a shift towards protectionist policies and central banks raising interest rates to curb the re-emergence of inflation.

While global supply chains are being restored and global trade hit a record high in 2022⁸¹ with some of the critical shortages arising during the pandemic now reversed (computer chip manufacturers are facing a glut),⁸² other factors are creating economic headwinds. For example, the current downturn in economic activity within China will result in lower demand for

imported goods and services from Chinese households. Countries which depend heavily on China for export revenue, such as New Zealand are likely to see their prospects dulled.⁸³ Meanwhile, the full effects of monetary tightening around the world are expected to be felt by later this year and continue through to at least the end of 2023.⁸⁴

GDP increasing by around 5.3% in the March 2022 quarter.

CPI increased by 7.2% in the 12 months to December 2022.

NATIONAL ECONOMIC CONTEXT

Against the backdrop of global uncertainty, New Zealand's economy is poised at a significant turning point. Having weathered the shock of COVID-19, the economy returned to strong growth through to 2022, with GDP increasing by around 5.3% in the March 2022 quarter as the economic constraints of COVID-19 receded and factors such as stronger tourism activity and solid household spending took hold. In fact, at this point the New Zealand economy was expanding at its fastest pace for over 20 years as substantial fiscal and monetary support boosted spending and investment

levels economy wide.⁸⁵ Although the rate of growth slowed during the year, Infometrics estimates that economy expanded by 2.6% in the year to September 2022.⁸⁶

However, rising inflationary pressure has been an unwelcome companion to the recovery. According to Statistics NZ the consumers price index (CPI) increased by 7.2% in the 12 months to December 2022, following a 7.2% annual increase in the September 2022 quarter, and a 7.3% increase in the June 2022 quarter. The main driver of inflation is housing, with rising

prices for both constructing and renting housing. More expensive materials and higher labour costs led to a 14% increase in the cost of building a new house in the 12 months to December 2022, following a 17% increase in the 12 months to September.⁸⁷

Employment has also remained strong with an extremely tight labour market and the unemployment rate easing towards record lows.⁸⁸ Wages have also been rising but at a notably slower rate than prices, with an annual average wage increase to October 2022 of 3.7%.⁸⁹

14% increase in the cost of building a new house in the 12 months to December 2022.

Annual average wage increase to October 2022 of 3.7%.

⁸¹ ASB, March 2023, Trade Disruptions Update. p1. www.asb.co.nz/content/dam/asb/documents/reports/economic-note/asb-trade-update-mar-2023.pdf?et rid=MjMyOTAwNDA3OTQ3S0&et cid=6972769

⁸² Economist. 18 to 24 February 2023. Briefing: Taming Inflation. p16.

⁸³ BERL. 2022. Cost adjusters 2022 update Whiringa-ā-nuku/October 2022. p2. www.lgsectorgoodtoolkit.nz/assets/Uploads/Cost-adjusters-2022-update4.pdf

⁸⁴ BERL. 2022. Cost adjusters 2022 update Whiringa-ā-nuku/October 2022. p2.

⁸⁵ Infometrics, Feb 2023, Assessing economic trends across local economies in 2022. www.infometrics.co.nz/article/2023-02-assessing-economic-trends-across-local-economies-in-2022

⁸⁶ Infometrics. Quarterly Economic Monitor – Tairāwhiti September 2022. p1

⁸⁷ Stats NZ. 25 January 2023. Annual inflation remains at 7.2 percent. www.stats.govt.nz/news/annual-inflation-remains-at-7-2-percent/

⁸⁸ ASB. January 2023. Economic Note: Q4 2022 Labour Market Data Preview

⁸⁹ Steven Walton. November 2022. Stuff. www.stuff.co.nz/business/money/130469754/five-charts-to-understand-the-economy-amid-the-cost-of-living-crisis

This situation has prompted a strong monetary policy response from the Reserve Bank, which having actively stimulated economic activity during the pandemic, is now fighting to reign in the economy and bring inflation back within its 1% to 3% target range. The ongoing sequence of interest rate hikes have seen

the Official Cash Rate (OCR) rise from a low of 0.25% in October 2021 to 5.25% in April 2023. Prior to the pandemic, the OCR had been stable at 1.75% for a number of years. It passed this level in May 2022.⁹⁰

There is a general consensus amongst forecasters that the New Zealand economy is facing significant economic headwinds

and all eyes are now focused on how serious this recession might be in the wake of the Reserve bank's actions.⁹¹

ASB: *"We expect that in total the economy will contract upwards of 2% by early 2024, more than half the size of the 2008/09 decline."*⁹²

Infometrics: *"We think the economy is already in recession at the moment. We suspect that the final quarter of 2022 will have shown negative growth, and we're expecting negative growth to pretty much continue throughout 2023 and early next year as well."*⁹³

TE TAIRĀWHITI REGIONAL ECONOMY

Overview

Te Tairāwhiti's economy expanded by a respectable 1.5% in the year to December 2022. However, the national economy grew by 2.8% over the same period.⁹⁴ Annual GDP growth in Te Tairāwhiti had previously peaked at 7.7% in the year to December 2021, as economic activity ramped up following the lifting of initial COVID-19 restrictions.⁹⁵

However, in the September 2022 quarter, Te Tairāwhiti's economy started to show signs of more challenging conditions taking hold. Infometrics provisional estimates show a 1.4% fall in economic activity

occurred in the region during this quarter and Te Tairāwhiti appeared to be at the leading edge of the broader slowdown in national economic activity.

Looking ahead, the massive disruptions from Cyclone Gabrielle can be expected to significantly dampen regional economic activity, before providing an artificial boost to growth as the recovery gets underway.⁹⁶



⁹⁰ Official Cash Rate. www.interest.co.nz/charts/interest-rates/ocr

⁹¹ For example, this article from Westpac www.newshub.co.nz/home/money/2023/02/westpac-forecasts-recession-in-late-2023-unemployment-to-rise-to-5-2-percent.html

⁹² ASB. April 2023. Economic Forecast Update. p1.

⁹³ Gareth Kiernan. Infometrics. February 2023. www.rnz.co.nz/news/business/483545/new-zealand-likely-to-remain-in-recession-into-next-year-infometrics-forecast

⁹⁴ Infometrics December 2022. Quarterly Economic Monitor – Tairāwhiti. p1.

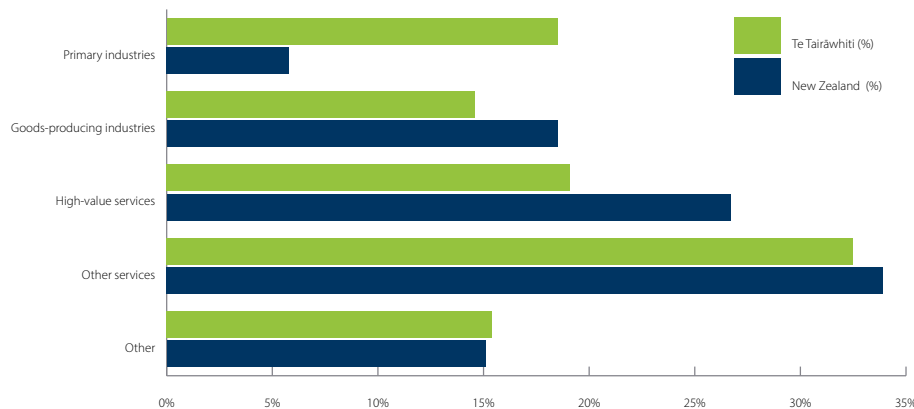
⁹⁵ Infometrics. September 2022. Quarterly Economic Monitor – Tairāwhiti. p1.

⁹⁶ Infometrics. September 2022. Quarterly Economic Monitor – Tairāwhiti. p1.

Structure of the regional economy⁹⁷

The structure of Te Tairāwhiti's economy is distinctly different to that of the national economy. The main difference is the importance of the primary sector, which is a major contributor to the region's economy and accounts for 18.5% of GDP, versus only 5.8% at the national level. All other sectors are under-represented in comparison to the national economy, as shown in the chart below.⁹⁸

Share of total GDP



Agriculture, forestry, and fishing was by far the largest broad industry in Te Tairāwhiti in 2021, accounting for 18.3% of total GDP (\$449m). The second largest industry was Construction (8.5% or \$209m) followed by Health Care and Social Assistance (7.5% or \$192m) (refer to piechart).

At the more detailed (54 industry) level, Health Care and Social Assistance was the largest sector in the region accounting for 7.8% of GDP (\$192m). The second largest was Forestry and Logging (7.4% or \$174m) followed by Property Operators and Real Estate Services (6.3% or \$156m). Some other primary industry contributions to GDP included:⁹⁹

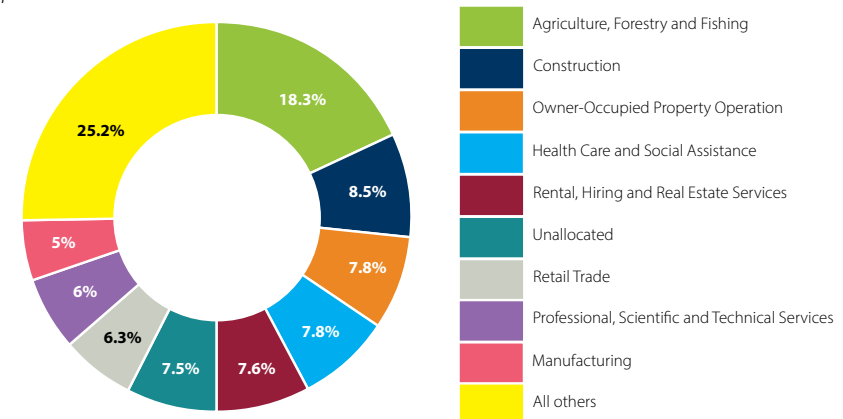
- Sheep, Beef Cattle and Grain Farming: \$110m (4.5%)
- Horticulture and Fruit Growing: \$65m (2.6%)
- Fishing and Aquaculture: \$14m (0.6%)

Assessing the contributors to regional economic growth reveals an interesting result. The Professional, Scientific and Technical Services sector only accounts for 6% of the regional economy, but in the year to September 2022 it made the largest contribution to overall growth. The industry grew by 21% and was responsible for over 20% of the region's total growth (1.1%). The next largest contributor was

Health Care and Social Assistance (0.6%) followed by Wholesale Trade (0.5%). The largest detractor from growth over the year was Heavy and Civil Construction, which declined by 7.2% and contributed -0.2% to the total growth of 1.5% (although this may change as the region moves into cyclone recovery), with Fruit and Cereal Manufacturing (-0.2%) the next largest detractor.¹⁰⁰

Te Tairāwhiti has, from an economic perspective, the largest comparative advantage compared to the economy as a whole in the primary activities of forestry and logging, horticulture and fruit growing and sheep, beef cattle, and grain farming.

Proportion of total GDP



⁹⁷ Infometrics 2022 Annual Economic Profile: Tairāwhiti.

⁹⁸ The primary sector makes direct use of natural resources. It extracts or harvests products from the earth. The secondary sector produces manufactured and other processed goods. The tertiary sector includes the lower value-adding service industries, while the quaternary sector includes the higher value-adding, knowledge-based service industries.

⁹⁹ These do not include the industries that provide support, such as food processing, road transport, or dairy product manufacturing.

¹⁰⁰ Infometrics 2022 Annual Economic Profile: Tairāwhiti. No commentary was provided on the factors influencing growth. Historical trends point to a degree of volatility within these industries generally.

Productivity

Productivity (GDP per employee) in the region has generally been increasing over the last 10 years, with the exception of the 2019-2021 period when the effects of COVID-19 intervened. In the year to September 2022, productivity growth resumed at an annual rate of 2.5%, above the national average of 2.3%. However, at \$99,841, productivity per filled job, the region is significantly lower than the national average of \$132,815.¹⁰¹

Employment¹⁰²

Total employment in Te Tairāwhiti was around 24,650 in the year to September, up 2.9% from the previous year (compared to 3% nationally). While there has been reasonable growth in employment over a 10-year period (an average of 1.6% pa), this is below the national average (2.0% pa). The primary sector accounted for over 20% of the workforce in 2022, compared with only 6% nationally.

Notably, the sectors making the largest contribution to employment growth were Health Care and Social Assistance adding 148 jobs in 2022 and Professional, Scientific and Technical Services (121 jobs).¹⁰³ The highly concentrated nature of the region's economy makes it more vulnerable to adverse effects, such as worsening climatic conditions or commodity price fluctuations.¹⁰⁴ Although this is only a snapshot in time, it will be useful to monitor this indicator to see if there is a developing trend around growth in service based activity, which would help to increase economic diversity in the region.

Self-employment in Te Tairāwhiti makes up a sizeable proportion of the total workforce at 14.2% for the 2018 year (over 3,508 workers), but this is slightly below the New Zealand average of 16.2%. The rate of self-employment relative to total employment in Te Tairāwhiti has been in decline since a high point of 17.2% in 2000, although the numbers of self-employed continue to rise.¹⁰⁵

Labour availability remains a significant challenge to the region's economy. The increasing tightening of the labour market suggests that it will be important to investigate ways to attract key workers as well as making better use of available labour.¹⁰⁶ There may also be opportunities to consider how the infrastructure rebuild might be used to help attract more mobile workers who have the opportunity to work remotely.

Te Tairāwhiti has one of the highest concentrations of workers in high-emissions industries and a high exposure to sectors where job losses are expected over the coming decade associated with the transition to a low-emissions Aotearoa. Māori businesses and workers are overrepresented in high emissions sectors and could face disproportionate impacts in the transition to a low emissions economy, based on experience with previous economic transitions. As emissions-intensive industries have high concentrations of workers with low or no

The primary sector accounted for over 20% of the workforce in 2022, compared with only 6% nationally.

qualifications, there is a need "for effective retraining and upskilling options, and the development of transferrable skills that are compatible with multiple roles as a form of insurance against future uncertainty". As well, MBIE suggests that more Māori-led approaches to understanding and meeting the needs of Māori workers and firms could be supported.¹⁰⁷

¹⁰¹ Infometrics 2022 Annual Economic Profile: Tairāwhiti.

¹⁰² Data in this sub-section is from Infometrics. 2018 Annual Economic Profile: Gisborne District. (2019).

¹⁰³ Infometrics 2022 Annual Economic Profile: Tairāwhiti.

¹⁰⁴ Infometrics 2022 Annual Economic Profile: Tairāwhiti.

¹⁰⁵ Infometrics 2022 Annual Economic Profile: Tairāwhiti and New Zealand.

¹⁰⁶ Gisborne District Council. 2019. Tairāwhiti 2050: Background Information.

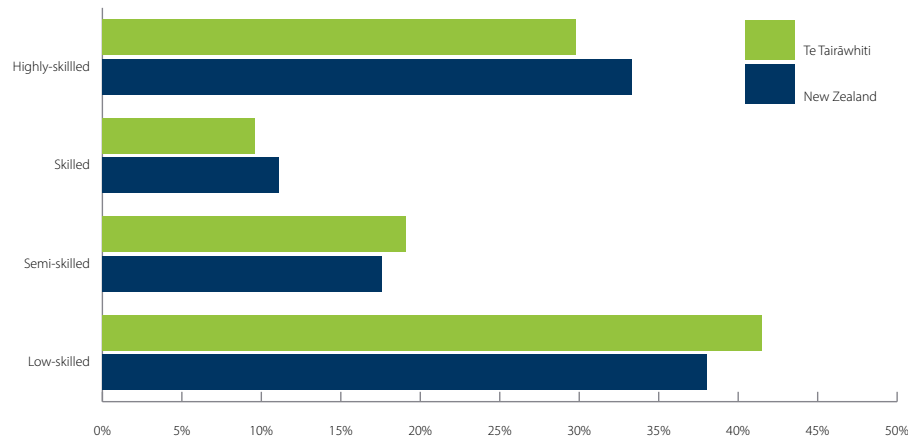
¹⁰⁷ Ministry of Business, Innovation & Employment. 2021. The emissions exposure of workers, firms and regions. www.mbie.govt.nz/dmsdocument/13781-the-emissions-exposure-of-workers-firms-and-regions Ministry of Business, Innovation & Employment. 2022. The Impacts of Economic Transitions on Firms, Workers, Regions and Households. www.mbie.govt.nz/dmsdocument/25537-impacts-of-economic-transitions-on-firms-workers-regions-and-households



Skill levels and youth opportunities

A region that has a higher proportion of high skilled jobs can generally offer a higher standard of living to its residents and also has a better chance of attracting and retaining workers. In Te Tairāwhiti, over 60% of the workforce are employed in low or semi-skilled jobs. The chart below shows the 2018 workforce skills comparison between Te Tairāwhiti and New Zealand.¹⁰⁸

Workforce skills



Meanwhile, the average annual earnings per filled job of \$60,355 is considerably (13%) lower than the national average of \$69,585.¹⁰⁹

The NEET (not in employment, education, or training) rate for those aged 15 to 24

in Te Tairāwhiti is 13.2%, which is a little higher than the national average of 11.7% (for the year ending Sept 2022). Meanwhile, unemployment at 3.9% is also a little above the national average of 3.4%.¹¹⁰

Business growth

There were 5,463 businesses in Te Tairāwhiti in September 2022, with an annual increase of 3.5%, compared to an increase of 4.8% nationally. Over the 10 years to 2022, the average annual rate of growth of new businesses in Te Tairāwhiti has been 0.8%, compared to 1.9% nationally. The biggest contributors to the growth of new businesses in the 10 years to September 2022 were Rental, Hiring and Real Estate (150), Construction (140) and Professional Scientific and Technical Services (108).¹¹¹

The biggest contributors to the growth of new businesses were Rental, Hiring and Real Estate, Construction and Professional Scientific and Technical Services.

60% of the workforce are employed in low or semi-skilled jobs.

The average annual earnings per filled job of \$60,355 is considerably (13%) lower than the national average of \$69,585.

¹⁰⁸ Infometrics 2022 Annual Economic Profile: Tairāwhiti and New Zealand.

¹⁰⁹ Infometrics 2022 Annual Economic Profile: Tairāwhiti and New Zealand.

¹¹⁰ Infometrics 2022 Annual Economic Profile: Tairāwhiti and New Zealand.

¹¹¹ Infometrics 2022 Annual Economic Profile: Tairāwhiti and New Zealand.

ECONOMIC DEVELOPMENT

A Māori perspective¹¹²

Māori make up more than 50% of Te Tairāwhiti's population (27,330 people out of the total of 50,700 in 2020).¹¹³ The region has a significant number of Māori businesses, ranging from Māori authorities, large Māori-owned businesses, small and medium enterprises, and Māori-in-business (self-employed). In 2019, Māori enterprises, with a GST turnover of greater than \$30,000, employed around 700 people (a decline from a high point of around 810 employees in 2016).¹¹⁴

28% of Te Tairāwhiti is Māori land. A 2011 Te Puni Kōkiri report¹¹⁵ identified a wide range of owner aspirations for their land, including the importance of retaining the land, utilising it within the context of Māori cultural values (such as kaitiakitanga and manaakitanga), and achieving a balance between managing the land as a viable business, while also maintaining cultural connection. Other aspirations include maximising financial return for current and future generations and achieving the best economic potential.

A number of barriers to achieving these aspirations were also identified, including lack of capital. Funding is being provided to address some of these barriers. For example, Te Rimu Trust in Te Araroa have been funded by the Te Puni Kōkiri Te Ringa Hāpai Whenua Fund to install a 500kW solar farm. Stage 1 of the plans will generate more than 805 Megawatt hours to power a proposed Marine Access Facility and the recently developed Aerodrome. Stage 2 of the Solar Farm is planned for the future expansion of Te Araroa across the 4-hectare site. The Trust's Chair Richard Clarke has commented that "this solar farm is going to open up a huge part of our whenua for development, including a planned papakāinga project".¹¹⁶

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

- A focus on people, including for example, rebuilding rural communities, building entrepreneurial capability and capacity, building new work

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

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

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

28% of Tairāwhiti is Māori land.

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

¹¹² This sub-section draws heavily on information from Kimihia He Oranga. Tairāwhiti Māori Economic Development Report. 2017.

¹¹³ Trust Tairāwhiti. 2021. *Tini nga hua maha nga huarahi Creating Pathways: Workforce Development Plan*. p18.

¹¹⁴ Stats NZ. New Zealand business demography statistics: At February 2019. www.stats.govt.nz/information-releases/new-zealand-business-demography-statistics-at-february-2019

¹¹⁵ Te Puni Kōkiri. 2011. *Owner Aspirations Regarding Utilisation of Māori Land*.

¹¹⁶ Te Puni Kōkiri. 8 November 2022. *Harnessing the Tairāwhiti sun for solar farm*. www.tpk.govt.nz/en/mo-te-puni-kokiri/our-stories-and-media/harnessing-the-tairawhiti-sun-for-solar-farm

The following iwi have reached Treaty settlements in Te Tairāwhiti, and one claim is still under negotiation.¹¹⁷

CLAIMANT	NEGOTIATION STATUS
Ngāti Porou	Legislation for this settlement was passed on 29 March 2012.
Ngāi Tamanuhiri	Legislation for this settlement was passed on 31 July 2012.
Rongowhakaata	Legislation for this settlement was passed on 31 July 2012.
Iwi and hapū of Te Rohe o Te Wairoa	Legislation for this settlement was passed on 6 September 2018. While the substantive portion of the iwi and hapū of Te Wairoa's settlement rests within the Hawke's Bay region, they also have statutory acknowledgments and financial redress from the Crown within Te Tairāwhiti.
Te Aitanga a Mahaki, Te Whānau a Kai and Ngā Ariki Kaiputahi	While included in the collective Tūranga Iwi settlement package agreed to in principle in 2008, Māhaki, Whānau a Kai and Ngā Ariki have yet to complete negotiations with the Crown. It is likely their joint settlement negotiations will proceed at pace over the coming 1-3 years. These will all form part of one piece of settlement legislation with specific and individual redresses to each.

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

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

The Tairāwhiti Economic Action Plan, adopted in 2017 and refreshed in 2019 sets out priorities for a five-year period.¹¹⁸ The intention is now to re-set the strategy post-COVID-19 and Cyclone Gabrielle with a recovery lens.¹¹⁹

There are nine priority action areas and a list of actions where Council is identified as the lead agency (noting that there are other actions in the TEAP where Council is identified as a supporting agency).

- Realising the value of our forestry assets
- Driving sustainable value-added horticultural production
- Unlocking the potential of whenua Māori
- Growing our tourism sector
- Improving our transport connections
- Maximising tech opportunities
- Growing our people
- Becoming a business enabled region
- Future-proofing our prosperity



¹¹⁷ The Office for Māori Crown Relations – Te Arawhiti. 2022. Treaty Settlements Year-to-Date Progress Report: 1 July – 31 December 2022. www.govt.nz/assets/Documents/OTS/Quarterly-reports/Quarterly-report-to-31-Dec-2022.pdf

¹¹⁸ This Plan synthesises the 2017 Tairāwhiti Economic Action Plan and the Tairāwhiti Māori Economic Development Report into one document.

¹¹⁹ Gisborne Herald. 17 January 2023.

SPECIFIC INDUSTRIES

Existing and emerging contributors to Te Tairāwhiti's economy include the following:

- **Forestry** - around 7.4% of the region's GDP comes from Forestry and Logging, compared to 0.6% nationally. Forestry and Logging in Te Tairāwhiti accounts for 11.6% of the industry in New Zealand and previous studies indicate that 14% of New Zealand's log exports come from Te Tairāwhiti. A recent study reported a number of historical impediments to the development of the forestry industry in the region. However, forest harvests have significantly increased since 2007.¹²⁰ Most produce

is exported as raw logs, which have low margins. Very little value-added processing occurs locally, 80 although actions prioritised under the Tairāwhiti Economic Action Plan seek to address this. But forestry also comes at a cost, as considered in the ministerial inquiry into the issue of forestry slash undertaken post-Cyclone Gabrielle. Previously, the Council has succeeded in prosecuting forestry companies for breaches of the RMA in their work practices, extracting more than \$1.3m in fines and reparation from five foresters following slash damage after storms in June 2018.¹²¹

- **Horticulture** - this sector generates \$65m in GDP annually and employs over 1,366 people. Irrigation is a major constraint to current production, as well as future growth. Actions under the Tairāwhiti Economic Action Plan seek to address the issue of water sustainability and resilience.
- **Tourism** - tourism had steadily grown over the 10 years to 2020, reaching around 5% of total economic activity. It was an emerging industry, with a range of untapped and under-developed opportunities, including authentic cultural tourism. Post-COVID-19, the opportunity for growth has re-emerged.

There are a number of actions identified in the Tairāwhiti Economic Action Plan, which are aimed at growing the tourism sector. The promotion of a regulatory environment that provides for and encourages tourism can bring positive economic outcomes and benefits. In particular, enabling the hosting of events through supportive provisions within the Tairāwhiti Resource Management Plan would provide an incentive for event organisers to host events within the region. Such provisions could also be supported by a positive regulatory (licensing) and event permit process.



¹²⁰ Agfirst. 2017. Analysis of Drivers and Barriers to Land Use Change. p21

¹²¹ New Zealand Herald. 9 March 2023. Cyclone Gabrielle: Prosecutors widen investigations into forestry slash. www.nzherald.co.nz/nz/cyclone-gabrielle-prosecutors-widen-investigations-into-forestry-slash/XOCDAX3BERCSTKXGWROXYROITU/

INVESTMENT

Provincial Growth Fund

In 2018, Government committed to investing \$3b over three years in regional economic development, through its Provincial Growth Fund (PGF). The PGF aims to lift productivity in the provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets.¹²²

The PGF was reset in 2020 to assist with the New Zealand's post-COVID-19 recovery by creating jobs in shorter timeframes through at least \$600m being refocused on projects with more immediate economic benefits.

BERL assessed the contribution the Provincial Growth Fund (PGF) has made, and will continue to make, to the economy of Te Tairāwhiti. The introduction of the PGF provided a strong, much needed boost to employment and growth in some of the traditional sectors, such as forestry and farming. However, equally

importantly, the funding also encouraged the establishment, and growth, of organisations in non-traditional industries such as medical research and engineering technologies. The funding allowed various businesses and organisations in the region to collectively boost innovation, employment, economic opportunities, and the resilience of the region.¹²³

BERL's modelling showed that, allowing for multiplier effects, the increase will be just over 1,500 Full Time Equivalent (FTE) jobs (6.6 percent of all FTEs in the region, as of February 2021), and the increase in GDP will be \$176m (7.6 percent of Gisborne's GDP, as of March 2020). This is a significant outcome for a region like Te Tairāwhiti, which has historically experienced slow growth and limited opportunities. It also highlights how PGF investment in a large variety of sectors and industries has enabled the whole region to pull itself out of the low-growth and low-investment cycle.¹²⁴

¹²² Grow Regions. The Provincial Growth Fund. www.growregions.govt.nz/about-us/the-provincial-growth-fund/

¹²³ BERL. 2022. The Impact of the Provincial Growth Fund on the Gisborne Economy. pi. www.gdc.govt.nz/data/assets/pdf_file/0028/39943/BERL-Report.pdf

¹²⁴ BERL. 2022. The Impact of the Provincial Growth Fund on the Gisborne Economy. pii. www.gdc.govt.nz/data/assets/pdf_file/0028/39943/BERL-Report.pdf

KEY IMPLICATIONS FOR COUNCIL

Cyclone Gabrielle: the economic impact of Cyclone Gabrielle is being felt widely across Te Tairāwhiti's economy and the effect will likely last for many years. The impacts include reduced income, additional cost associated with rebuilding public and private infrastructure destroyed by the cyclone and changed investment priorities to address resilience to climate change.

Economic uncertainty post-COVID-19: rising prices, higher interest rates and an economy moving quickly from rapid expansion to recession can all be expected to lead to a moderating influence on households' and firms' spending and investment decisions in the short to medium term. This may have a negative effect on Council finances, through reduced revenue from user charges and potentially business rates, while debt servicing has become more expensive.

Supporting industry: being heavily reliant on primary industry means that Te Tairāwhiti's economy is sensitive to external factors such as flooding and droughts, the availability of the roading network, and the availability of water resource.

- Ongoing investment in core infrastructure (such as transport, water, and wastewater) will continue to have significant financial implications for Council.
- Alternative transport options, such as a rail connection to the Hawke's Bay, could provide support to industry, recognising the need for a mode change from road to rail to handle the growth in containerised produce, meat, and processed timber. Given ongoing weather events, this is an area that could warrant further investigation.
- Labour availability remains a significant challenge to Te Tairāwhiti's economy, which was already facing labour shortages, although the recent immigration changes and dramatic increase in new arrivals may change this situation. Stats NZ notes that arrivals for the year to February 2023 are much higher than the long term average of 118,884. Similar comments can be made about the net gain of 52,000 to February 2023.¹²⁵ It will be important to investigate ways to continue to attract additional working age residents as well as making better use of available labour, to help offset any risk to labour supply associated with an ageing population.¹²⁶
- There may also be opportunities to consider how the infrastructure rebuild might be used to help attract more mobile workers who can work remotely, such as through better and/or more reliable internet access. This could assist in attracting service activities that will add materially to the region's prosperity whilst supporting diversification from the primary sector. The recent strong growth in employment in the Professional, Scientific and Technical Services indicates potential here.¹²⁷
- It will be beneficial to consider the opportunities for realising greater value from industries with the largest comparative advantage (forestry and logging, horticulture and fruit growing and sheep, beef cattle, and grain farming) through for example, more processing activity being undertaken within the region, as well as exploring options to attract high-wealth-generating businesses.
- Planning provisions and permitting options can be explored to incentivise and support economic

development in targeted locations, as well as for key industries (such as the growing tourism sector).

- The Tairāwhiti Economic Action Plan allocates several actions to Council to support industry and the regional economy. Some of these may already be budgeted and funded, while some are proposed initiatives. The financial and resourcing implications of these will need to be considered, particularly considering the demands of funding recovery.

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

¹²⁵ Paul Spoonley. 21 April 2023. The Spinoff. thespinoff.co.nz/society/21-04-2023/immigrants-are-back-and-so-are-the-challenges-of-population-growth

¹²⁶ Gisborne District Council. 2019. Tairāwhiti 2050: Background Information.

¹²⁷ Infometrics 2022 Annual Economic Profile: Tairāwhiti.

Ngā take taiao Environmental factors

CYCLONE GABRIELLE¹²⁸

Cyclone Gabrielle caused widespread severe flooding, river channel changes, landslides and landslide dams, and the mobilisation of large woody debris. Quantifying the impacts and finding solutions to the issues that arise is a complex task that will take several years.

Early focus is on getting the data needed to inform the recovery process and establishing priorities. This includes understanding future risks from flooding and riverbank erosion, the risk to the water supply, and the risk to communities from landslide dam breach. The cumulative effects of nine weather events in 18 months since June 2021 also needs to be understood, particularly when considering managed retreat options.

The built environment has suffered significant damage, particularly the local road network with over 3,000 sites and 180 roads affected. The cyclone caused major damage to Gisborne's primary water supply and while the pipeline has been repaired, the network remains incredibly vulnerable. The flood protection network has also been severely damaged.

Asset management has been assessed as a significant risk based on the impact of not only the cyclone, but also previous flooding to the road network, stopbanks and water infrastructure. Reduced capacity to maintain existing levels of service is an emerging risk.¹²⁹

¹²⁸ Office of Recovery Tairāwhiti. 24 May 2023. Our road to recovery – Tairāwhiti.

¹²⁹ Gisborne District Council. 17 May 2023. 23-70 Council's Strategic Risk Management Repoer. www.gdc.govt.nz/_data/assets/pdf_file/0019/52048/Agenda-Audit-and-Risk-17-May-2023.pdf

Immediate funding of \$5.16m has been requested from the Government for the natural environment and \$534m for the built environment. Resilience funding has also been requested for \$66.2m for the natural environment and \$547m for the built environment.

The Severe Weather Emergency Legislation Act passed into law on 20 March 2023. It made changes to several existing laws including three main changes to the Resource Management Act.¹³⁰

- For owners or occupiers of rural land in the severe weather-affected areas, the Act allows emergency or remedial actions to be carried out without a resource consent.
- For infrastructure providers and those carrying out public works, the RMA changes provide more time to notify councils and apply for retrospective consents for emergency work.
- The Act makes changes to notice requirements for councils who are

exercising emergency powers under the RMA to enter properties and prevent serious harm from occurring.

The Severe Weather Emergency Recovery Legislation Act allows several laws to be changed to help communities continue their recovery from recent severe weather events through the development of Orders in Council. Areas where these are likely to assist include:

- removing barriers that might prevent temporary housing

- assisting waste management
- fast tracking the repair and restoration of significant infrastructure like roads, powerlines and pipes, and streamline planning requirements while ensuring infrastructure is 'built back better' where possible
- enabling urban landowners and occupiers to carry out certain emergency works to help them recover and rebuild
- altering some existing resource management planning requirements.



¹³⁰ Ministry for the Environment. 13 April 2023. Recovering from recent weather events. environment.govt.nz/what-government-is-doing/areas-of-work/recovering-from-recent-severe-weather-events/#changes

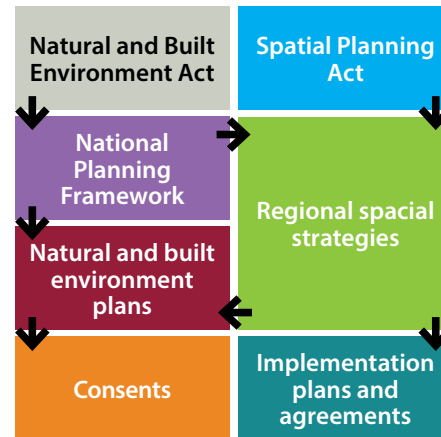
ENVIRONMENTAL POLICY AND REGULATION

Resource management reform

The resource management system is currently being reformed with the key components of the future system set out below.

- The National Planning Framework (NPF) will provide national policy direction on matters of national significance, environmental limits, and targets, as well as direction on conflict resolution.
- The SPA will provide for longer term, spatially based regional planning. It will introduce new requirements for a regional spatial strategy (RSS) and an implementation plan to integrate environment, land use, infrastructure, the coastal marine area, and other planning.
- The NBA will be the primary legislation to replace the Resource Management Act 1991 (RMA). It will focus on protecting and restoring the environment, and on enabling land use that provides for growth and change while meeting environmental outcomes.¹³¹

Under the proposed resource management reform, Te Tairāwhiti will need to form a regional planning committee, with Council and Māori membership (and a central



government member for the regional spatial strategy). This committee will need to develop a regional spatial strategy (as required by the SPA) and then a resource management plan (as required by the NBA). It is not yet known when the process to establish an RPC will commence.

The reforms bring a new approach to resource management planning, with a move from effects-based planning to an outcomes-based approach. The NBA “draws on te Oranga o te Taiao, a te ao Māori concept that speaks to the health of the natural environment, the essential

*relationship between the health of the natural environment and its capacity to sustain life, and the interconnectedness of all parts of the environment”.*¹³²

A staged approach is anticipated for transition to the new system. Existing RMA plans will continue to apply until a new NBA plan is adopted.

The NBA “draws on te Oranga o te Taiao, a te ao Māori concept that speaks to the health of the natural environment, the essential relationship between the health of the natural environment and its capacity to sustain life, and the interconnectedness of all parts of the environment”.

Tairāwhiti Resource Management Plan¹³³

The Tairāwhiti Resource Management Plan (TRMP) covers all Council’s resource management plans, including the regional policy statement, regional coastal plan, regional plan, and district plan. It is currently under review (as required by the Resource Management Act), with the first phase of work focusing on:

- The development of a new Regional Policy Statement to provide the overarching direction and set the scene for the rest of the TRMP.
- Continued implementation of regional freshwater planning provisions and catchment plans required under the National Policy Statement for Freshwater Management 2020.
- Implementation of the National Policy Statement on Urban Development 2020 to support urban growth and development planning, including housing outcomes.

Public notification of the proposed Regional Policy Statement, proposed urban chapters, and proposed plan change for the Regional Freshwater Plan is planned for 2023-24.

¹³¹ Ministry for the Environment. 2022 Our Future Resource Management System: Overview. environment.govt.nz/assets/publications/RM-reform/Our-future-resource-management-system-overview.pdf

¹³² Ministry for the Environment. 2022. p15.

¹³³ Gisborne District Council. Review of the Tairāwhiti Resource Management Plan. www.gdc.govt.nz/council/review-of-tairawhiti-resource-management-plan

Phase 2 will start in early 2024 and include the coastal plan, the remainder of the regional plan provisions and the remaining parts of the district plan, with public notification in 2028.

The implications of the transition to the new resource management system will need to be considered as this work continues.

National Policy Statement for Urban Development and Future Development Strategy

The Council is preparing a 30-year Future Development Strategy (FDS) under the National Policy Statement - Urban Development (NPS-UD) which is intended to:

“set the high-level vision for accommodating urban growth over the long term, and identifies strategic priorities to inform other development-related decisions, such as:

- district plan zoning and related plan changes

- priority outcomes in long term plans and infrastructure strategies, including decisions on funding and financing
- priorities and decisions in regional land transport plans under Part 2 of the Land Transport Management Act 2003.”¹³⁴

The FDS is one tool to respond to Te Tairāwhiti’s housing crisis. It is projected that Te Tairāwhiti will need nearly 30% (5,300) new houses over the next 30 years.¹³⁵ The FDS sets out the broad locations for where new housing via intensification will be located in and around Gisborne. In addition, it identifies new and/or upgraded infrastructure that is required to support and service this new housing. As part of the FDS, the areas that have been identified as being appropriate for supporting some level of housing intensification will have infrastructure implications.¹³⁶

The FDS is due to be notified for public consultation in late 2023. It is planned to be reviewed every three years and replaced every six years.¹³⁷

Other national policy statements

The National Policy Statement – Highly Productive Land 2022 (NSP-HPL) came into effect on 17 October 2022. It aims to identify and protect highly productive land for primary production, both now and for future generations. The Council has categorised highly productive land, although more detailed mapping and identification will be undertaken for the Regional Policy Statement. The national policy statement is being considered for resource consent applications relating to highly productive land.¹³⁸

National Policy Statement – Freshwater Management 2020 (NPS-FM) requires freshwater to be managed in a way that ‘gives effect’ to Te Mana o te Wai. This *“is a concept that refers to the fundamental importance of water and recognises that protecting the health of freshwater protects the health and wellbeing of the wider environment. It protects the mauri of the wai. Te Mana o te Wai is about restoring and preserving the balance between*

*the water, the wider environment, and the community.”*¹³⁹ Local authorities are also required to give effect to National Environmental Standards for Freshwater, stock exclusion regulations, and water measurement and reporting regulations.¹⁴⁰

The Proposed National Policy Statement – Indigenous Biodiversity (NPS-IB) has an objective to “protect, maintain and restore indigenous biodiversity in a way that recognises tangata whenua as kaitiaki, and people and communities as stewards, of indigenous biodiversity and provides for the social, economic and cultural wellbeing of people and communities, now and into the future.”¹⁴¹ It covers all land (public, private and Māori owned) and will require all councils (working with iwi and landowners) to identify, map and manage the protection of all significant natural areas (SNAs). SNAs would be identified by councils and ecologists working with landowners, using standard significance criteria outlined in the NPS-IB and which are already widely used by councils.

¹³⁴ Ministry for the Environment. Fact Sheet: Future Development Strategies. environment.govt.nz/assets/publications/Files/FDS-Fact-sheet-updated.pdf

¹³⁵ Gisborne District Council. 23 June 2022. Workshop: Property Strategy – 22-139 Direction for Property Strategy Development.

¹³⁶ Gisborne District Council. Future Development Strategy. www.gdc.govt.nz/council/review-of-tairāwhiti-resource-management-plan/future-development-strategy

¹³⁷ Ministry for the Environment. 2020. National Policy Statement on Urban Development. Clause 3.7.

¹³⁸ Gisborne District Council. National Policy Statement for Highly Productive Land. www.gdc.govt.nz/council/tairāwhiti-plan/national-policy-statement-for-highly-productive-land

¹³⁹ National Policy Statement for Freshwater Management 2020. p5. environment.govt.nz/assets/publications/National-Policy-Statement-for-Freshwater-Management-2020.pdf

¹⁴⁰ Ministry for the Environment. National Policy Statement for Freshwater Management. environment.govt.nz/acts-and-regulations/national-policy-statements/national-policy-statement-freshwater-management/#requirements-of-the-freshwater-nps

¹⁴¹ Ministry for the Environment. National Policy Statement for Indigenous Biodiversity: Exposure Draft Summary. environment.govt.nz/assets/publications/npsib-exposure-draft-summary.pdf

TE TAIRĀWHITI'S NATURAL ENVIRONMENT

Natural hazards

Te Tairāwhiti is subject to a number of identified hazards, including tsunami, coastal erosion, soil stability, susceptibility to liquefaction and flooding.

A natural hazard research review undertaken in July 2022 identified the following natural hazards as higher priority matters for further investigation.¹⁴²

- Earthquake (liquefaction) – Since the Canterbury earthquake, significant advances have been made in the field of liquefaction science. Most town centres have been mapped. There is a need to undertake high level mapping across areas of the region not currently covered.
- Landslides - The historic impacts of landslides on the built and natural environment in Te Tairāwhiti is well documented and the hazard is a significant issue for the region. Existing information is limited in extent. Some mapping is available in Gisborne City but only commentary is available in other areas.

- Flooding - Existing information generally relates to only Gisborne/Poverty Bay Flats. The Council has been upgrading the existing stopbanks of the Waipaoa Flood Protection Scheme. This major infrastructure project is designed to protect communities, Gisborne City, and more than 10,000 hectares of fertile land on the Poverty Bay Flats from a 100-year flood event. This \$32-35m upgrade is expected to be completed by 2031.¹⁴³

A three-day workshop held in September 2022, focused on the risk impact for a magnitude 9 Hikurangi trench earthquake and tsunami hitting Tūrangānui-a-Kiwa and the coastal zones in Te Tairāwhiti. A detailed regional plan is being prepared for a catastrophic event based on a Hikurangi M9 earthquake and tsunami, with a major focus being on preparedness.

¹⁴² Tonkin & Taylor. July 2022. Natural Hazard Research Review – Summary Report.

¹⁴³ Gisborne District Council. Waipaoa Flood Protection Scheme Upgrade. Retrieved on 8 April 2020 from www.gdc.govt.nz/the-waipaoa-river-flood-control-scheme/

Climate change

Te Tairāwhiti's climate is changing. By 2040 it is expected to be:¹⁴⁴

- Between 0.5 to 1oC warmer (average mean temperature), rising to up to 3oC by 2090 for some parts of the region.
- Slightly dryer, with annual rainfall expected to decrease by between 0 - 5%
- Droughts are likely to increase in intensity and duration.
- Extreme, rare rainfall events will become more severe in the future. Short duration rainfall events have the largest relative increases compared with longer duration rainfall events.
- Ex-tropical cyclones will get stronger and cause more damage as a result of heavy rain and winds.

Climate change is expected to have the following implications for Te Tairāwhiti.¹⁴⁵

- Increasing temperatures are likely to bring biosecurity threats as a result of changes in pests and diseases in the region. This will impact the primary sector and the natural environment. Human health will also be affected by hot conditions and heatwaves.
- Warmer temperatures, a longer growing season, and fewer frosts could provide opportunities for new crops, and lengthen the tourist season.
- Increased rainfall intensity is likely to

cause erosion and flooding, resulting in damage to infrastructure, the forestry sector, agricultural land productivity, and crops. This is likely to affect regional connectivity.

- Future reductions in rainfall and increases in drought severity may cause fire risk affecting forestry, the natural environment, and the tourism sector. It may affect the available water take for irrigation and urban supply, and also affect freshwater ecosystems.
- While the impacts will vary from location to location along the coast, there will be increased risk to coastal roads and

infrastructure from coastal erosion and inundation. Coastal flooding is also likely to affect primary sector activities, as well as cause habitat loss at the coastal margins where ecosystems are not able to move further inland.

- Increased concentrations of carbon dioxide should increase forest, pasture, crop, and horticulture productivity, if not limited by water availability.

The risk identification stage is complete for the Regional Climate Change Risk Assessment resulting in a long list of climate change risks for the region. Scoping is underway the next phase, which is a detailed assessment of priority risk areas. This will ensure the Council has the right information to support a regional adaptation planning and alignment with recovery.¹⁴⁶ Council is also starting to progress place-based adaptation plans.

Biodiversity

The Council has a four-year Biodiversity Work Plan, which focuses on biodiversity action while a regional biodiversity strategy is being developed. The biodiversity actions contained in this document include plant

and animal pest control, revegetation planting/natural regeneration, and partnerships with other organisations and groups. The Tairāwhiti Biodiversity Work Plan ensures that the current national biodiversity targets are translated into local action.¹⁴⁷

Freshwater

Council plays a central role in improving freshwater in Te Tairāwhiti. It is working with community groups, agencies, and iwi and hapū on a number of freshwater projects including:¹⁴⁸

- **Freshwater Improvement Fund**
A programme of work encompassing 32 sub-projects that include riparian planting, wetland restoration, the removal of fish passage barriers, enhancing fish spawning, and reducing erosion in Gisborne's urban and peri-urban waterways.
- **Freshwater Farm Plan – Regional Pilot**
Te Tairāwhiti has been selected as one of three regions to test the freshwater farm planning process with a small selection of farms from each of these regions. The pilot will be undertaken during September through to November.

¹⁴⁴ NIWA. November 2020. Climate Change Projections and Impacts for Tairāwhiti and Hawke's Bay. Ministry for the Environment. Climate change projections for the Gisborne and Hawke's Bay region. www.mfe.govt.nz/climate-change/likely-impacts-of-climate-change/how-could-climate-change-affect-my-region/gisborne

¹⁴⁵ NIWA. November 2020.

¹⁴⁶ Gisborne District Council. Chief Executive Activity Report June 2023.

¹⁴⁷ Gisborne District Council. 2022. Tairāwhiti Regional Biodiversity Work Plan 2022-2026.

¹⁴⁸ Gisborne District Council. 8 September 2022. Report to Sustainable Tairāwhiti Committee for Information.

- **Integrated Catchment Management Plan (ICMP)**

Council's utilities team is developing an ICMP as a requirement under the Tairāwhiti Resource Management Plan (TRMP). The ICMP will be developed alongside the freshwater planning workstream and will be completed by July 2025.

- **Lower Waimatā Restoration Plan**

The Waimatā Catchment Group and Council have engaged consultancy Isthmus to develop a Catchment Restoration Plan for the lower Waimatā river.

- **Taruhuru River Restoration Project**

This project is included as a non-regulatory project in the Waipaoa Catchment Plan. Staff have been recently working with mana whenua to collect more information about the river and are working towards the development of an implementation plan.

Council has infrastructure assets of \$2,537m.

Roading assets are around 80% of the total asset value.

TE TAIRĀWHITI'S BUILT ENVIRONMENT

Infrastructure generally

Council has infrastructure assets of \$2,537m (replacement cost).¹⁴⁹ This includes the roading network, community facilities, and four waters infrastructure (water, wastewater, stormwater, and land drainage and flood control). Roding assets are around 80% of the total asset value, of which over half is the value of land.

Council is moving from an age-based renewal strategy to one based on condition and risk (asset criticality and probability of failure).¹⁵⁰ Asset management and the capacity to maintain levels of service have been assessed as a serious risk to Council.

Four waters

Te Tairāwhiti is predicted to get increasingly hotter and drier because of climate change. While extreme weather events (such as ex-tropical cyclones) are likely to become more intense, the region is predicted to increasingly experience more days in drought as this century progresses. This will place increasing pressure on water, a resource that is already showing signs of strain in some areas, with shortages to drinking water, irrigation, and businesses during times of drought. Across the Tūranga (Poverty Bay) flats, most water resources are over or fully allocated with little capacity for additional irrigation available. Demand for water for crop irrigation on the Poverty Bay Flats remains strong and is expected to increase.¹⁵¹

The existing authorisation to take water from Te Arai River for the municipal water supply expires in 2026. This authorisation was granted prior to the Resource Management Act. A new consent for the Te Arai water take is likely to be subject to more stringent regulatory measures, such as a minimum sustainable flow. Currently Te Arai is a 100% take. Managing the impact of these requirements on Council's ability to operate the water supply service requires careful planning.¹⁵²

Projects are underway within the region to manage the ongoing security of water supply. One major project is the managed aquifer recharge trial which aims to inject water from the Waipaoa River into the Makauri aquifer for use on 3000 hectares

of irrigated horticultural farmland. A successful pilot has proven its feasibility and work is underway to proceed with Stage 2, which will fully investigate all potential risks. This is proposed to run over two and a half years and inject up to 360,000m³ per year, depending on river flows. Once the trial is completed, Council's role will be a regulatory one.

Council is competing for water. While Council is implementing water use reduction strategies ultimately additional storage (dams), or an alternative water source will be required. If storage is an option, consideration will be given to sharing for irrigation as well as drinking water. An alternative water source from the Waimata River maybe viable.

¹⁴⁹ Gisborne District Council. 2021. 2021-2031 Long Term Plan. www.gdc.govt.nz/_data/assets/pdf_file/0019/25354/Long-Term-Plan-Volume-2.pdf

¹⁵⁰ Gisborne District Council. 2021. Long Term Plan.

¹⁵¹ Gisborne District Council. 2021. Long Term Plan.

¹⁵² Gisborne District Council. 2021. Long Term Plan

Roads

Council is responsible for 1,893km of the region's roading network, of which 13% is urban and 87% is rural, with 46% sealed and 54% unsealed.¹⁵³ The region is relatively isolated from the rest of the North Island and relies heavily on two state highway corridors to connect within the region, as well as to neighbouring regions and the rest of the country. SH2 provides the only viable road connection to the south, while SH2 and SH35 connect Gisborne to the Bay of Plenty. The state highways also provide important connections for rural and urban communities.

The 2021-2031 Regional Land Transport Plan identifies the three priority areas for investment.¹⁵⁴

- **Safety** - Investment in safety infrastructure interventions for high-risk areas, speed management and safety

promotion programmes targeted at reducing deaths and serious injuries.

- **Reliability and resilience** - Target investment in projects that enable growth and improve travel time reliability and resilience.
- **Access** - Planning and investment in programmes and infrastructure targeted at providing and promoting transport choice.

Council is responsible for 1,893km of the region's roading network, of which 13% is urban and 87% is rural, with 46% sealed and 54% unsealed.

Coastal roads will also become more vulnerable as rising sea level drives shoreline retreats and increases the risk of coastal flooding. More land erosion and slips are expected due to changing rainfall patterns. This is likely to have greater impacts on rural roads with poor geology. Hotter temperatures (25°C and over) are likely to make roads 'melt' more often and increase maintenance costs. This occurs when the bitumen below the chipseal melts and rises to the road surface.¹⁵⁵

Alternatives to the road network

Te Tairāwhiti has a limited number of public transport services, targeting accessibility rather than journeys to work.¹⁵⁶

Other transport options, particularly to support the movement of freight, include the reinstatement of the rail connection between Gisborne and Hawke's Bay.

BERL has undertaken a feasibility study (funded by the PGF),¹⁵⁷ which found that reinstatement of the rail line is feasible from an engineering perspective, there is a prima facie case of sufficient demand for rail freight services, and there are numerous environmental, social, and cultural wellbeing advantages for reinstatement option. Reinstatement of the Gisborne to Wairoa rail line was not included in the New Zealand Rail Plan 2021-24. However, the Council will continue to advocate for the project's inclusion in later years.¹⁵⁸

A coastal shipping route put in place between Napier and Gisborne due to road closures caused by Cyclone Gabrielle ran 13 trips in its first month of operation. The government provided a \$2.75m subsidy for the freight ship *Rangitata* to run for three months.¹⁵⁹

¹⁵³ Gisborne District Council. 2021. Regional Land Transport Strategy 2021-2031. www.gdc.govt.nz/_data/assets/pdf_file/0019/25831/05ea94fb0b1a850fa39c026ebf1ac190208ca2cf.pdf

¹⁵⁴ Gisborne District Council. 2021. Regional Land Transport Strategy.

¹⁵⁵ Gisborne District Council. 2021. Long Term Plan.

¹⁵⁶ Gisborne District Council. 2021. Regional Land Transport Strategy.

¹⁵⁷ BERL. (2019). Tūranga ki Wairoa Rail: Feasibility Study into Reinstatement of Rail Line. Whiringa-ā-rangi 2019. www.berl.co.nz/sites/default/files/2019-12/T%C5%ABranga%20ki%20Wairoa%20Rail%20-%20Feasibility%20Study%20Into%20Reinstatement%20of%20Rail%20Line.pdf

¹⁵⁸ Gisborne District Council. 2021. Regional Land Transport Plan.

¹⁵⁹ Radio New Zealand. 4 May 2023. Coastal shipping route between Napier and Gisborne 'a success'. www.rnz.co.nz/news/business/489281/coastal-shipping-route-between-napier-and-gisborne-a-success

KEY IMPLICATIONS FOR COUNCIL

Infrastructure recovery and resilience: Te Tairāwhiti is facing a major infrastructure recovery effort over several years. It is not yet known how much of this the Council will be required to fund. This recovery must be managed alongside resilience, asset renewal and growth requirements. This will require careful prioritisation. It may also be necessary to revisit the net debt-to-revenue limit of 130% set in the 2021-2031 Long Term Plan.

Climate change: the environmental and infrastructure implications of climate change remain a significant issue for the Council, particularly given the region's vulnerability to natural hazards and sea level rise. Ongoing regional planning will be required.

Environmental reform: central government is undertaking a significant programme of environmental reform. These reforms will require significant ongoing funding and resourcing from the Council through the development of a regional spatial strategy and a regional plan that is compliant with the new legislation, as well as government policy statements and standards. The implications for the TRMP are not yet known.

Ngā take hangarau

Technological factors

CYCLONE GABRIELLE

Cyclone Gabrielle placed the electricity and telecommunications networks under severe stress.

Loss of communications has demonstrated the need for portable wireless mobile networks that can operate in emergency situations.

The Napier to Gisborne core fibre connection sustained five direct breaks and another

four between Gisborne and Ōpōtiki. While immediate repairs have been made, long term upgrades will be needed as other infrastructure is reconstructed. Long term resilience planning is also required.

The recent announcement of the partnership between One NZ and SpaceX to provide 100 percent mobile coverage by the end of 2024 could dramatically increase

resilience during emergency events.¹⁶⁰

While cyclones Hale and Gabrielle tested the electricity network and caused multiple outages, it didn't reduce the resilience of the network. Resilience is likely to improve over coming months as a result of recovery and remedial work scheduled and already undertaken. This includes investment into generators and tankers to be able to keep the

lights on during outages and strengthening of walls around transmission towers to prevent slips. Some future resilience work will include a few more stationary generators (e.g. in Raupunga), non-network solutions for remote areas (e.g. solar powered sites with battery and generator near Tairāwhiti and Hokoroa) and reconfiguration of the network in some places.

ENERGY

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

the region on the high-voltage power supply network.¹⁶¹

Firstlight Network (formerly Eastland Network) is the electricity lines company for Te Tairāwhiti and Wairoa, delivering power to nearly 26,000 customers across 12,000km². Eastland Group and its sole shareholder Trust Tairāwhiti sold Eastland

Network to Firstgas for \$260m. The proceeds from the sale will be split with sole shareholder Trust Tairāwhiti, which will receive \$80m. The sale is intended to *"release significant capital for Eastland Group's strong pipeline of projects, including local and national renewable energy opportunities"*.¹⁶²

Achieving the Government's 2050 net-zero carbon emissions targets will require industry and consumers to shift to new technologies like electric vehicles. Investment in clean renewable electricity generation will be required and there is likely to be an increased in distributed energy resources like roof-top solar panels and wind turbines.¹⁶³

¹⁶⁰ One NZ. 100% mobile coverage. Launching 2024. one.nz/why-choose-us/spacex/

¹⁶¹ Tairāwhiti Lifelines Group. 2017. Lifeline Utilities Vulnerability Study.

¹⁶² Eastland Group. 22 November 2022. Eastland Group and shareholder Trust Tairāwhiti announce sale of Eastland Network to Firstgas Group, owned by Igneo Infrastructure Partners, for \$260 million. www.eastland.nz/2022/11/22/eastland-group-and-shareholder-trust-tairawhiti-announce-sale-of-eastland-network-to-firstgas-group-owned-by-igneo-infrastructure-partners-for-260-million/

¹⁶³ New Zealand Infrastructure Commission. Rautaki Hanganga o Aotearo. New Zealand Infrastructure Strategy 2050.

DIGITAL CONNECTIVITY

Ultra-fast broadband has been rolled out to Gisborne, Ruatōria, Tolaga Bay, Manutuke, and Te Karaka providing access for over 15,000 end users and a population of around 37,000.¹⁶⁴

However, digital connectivity remains an issue for rural and remote communities. A number of initiatives have either been completed or are underway to improved digital connectivity in Te Tairāwhiti. In 2022, the Government announced further funding for upgrades to rural connectivity to upgrade existing towers and establish new connections. Te Tairāwhiti is an area targeted for investment.¹⁶⁵

The introduction of Starlink into New Zealand has the ability to revolutionise digital connectivity to all parts of New Zealand. The recently announced partnership with One NZ has the potential to provide digital access to all parts of Te Tairāwhiti.¹⁶⁶

However, affordability remains a significant issue affecting digital accessibility for low-income New Zealanders, which raises equity issues.

The HB Williams Memorial Library provides free internet access.¹⁶⁷ It has teamed up with the Digital Inclusion Alliance Aotearoa to offer Skinny Jump. This is designed for eligible households who don't have a broadband connection. Participants receive a free wifi modem and 35GB of data for \$5 on the pre-pay service with no fixed contract.¹⁶⁸

The Government has also released a 10-year vision for digital connectivity, 'Lifting Connectivity in Aotearoa',¹⁶⁹ with a vision of *"enabling Aotearoa New Zealand's people, communities, economy, and environment to flourish and prosper in the digital era"*. The following objectives are particularly relevant to Te Tairāwhiti:

- By 2032, all people in Aotearoa New Zealand will be able to access networks that provide high-speed broadband and reliable voice connections.
- By 2032, every rural and remote resident and worker in New Zealand will have the ability to access the connectivity they need.



¹⁶⁴ Crown Infrastructure Partners. Ultra-Fast Broadband Programme: Full City/Town List and Schedule – June 2022. www.crowninfrastructure.govt.nz/wp-content/uploads/CIP-UFB-Programme-Schedule-JUNE-2022.pdf

¹⁶⁵ New Zealand Reseller News. 2 December 2022. Twenty-one New Contracts Inked to Expand NZ's Rural Broadband Base. www.reseller.co.nz/article/703780/twenty-one-new-contracts-inked-expand-nz-rural-broadband-base/

¹⁶⁶ One NZ. 100% mobile coverage. Launching 2024.

¹⁶⁷ This is provided through the Aotearoa People's Network Kaharoa (APNK) which offers computer hardware and high-speed internet for New Zealand public libraries so that all New Zealanders can be connected online. natlib.govt.nz/librarians/apnk/about-apnk

¹⁶⁸ HB Williams Memorial Library. Skinny Jump. gpl.govt.nz/services/skinny-jump/

¹⁶⁹ Ministry of Business, Innovation, & Employment. 2022. Lifting Connectivity in Aotearoa New Zealand. www.mbie.govt.nz/assets/lifting-connectivity-in-aotearoa-new-zealand-december-22.pdf

KEY IMPLICATIONS FOR COUNCIL

Digital connectivity: while digital connectivity continues to improve, cost will remain an issue for some, especially those on low incomes. This suggests that local government will continue to have an important role providing digital access both at its library and at remote locations for those that cannot afford access.



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Project risks

- The TYP project involves several workstreams that produce a variety of documentation which form part of the 2024–2027 TYP.
- Project risks and the status of workstreams are reported monthly to Te Ranga Whakahau major projects steering group, and any issues requiring urgent attention that are out of scope for the Project Manager are elevated to the Business Owner and/or Project Sponsor.
- The following have been identified as key project risks as at 1 November 2023:

ID	Risk Description	Rating	Mitigation	Owner
01	<p>Key non-negotiable project milestones are not adhered to e.g. activity management plan milestone dates.</p> <p><u>Impact:</u> causing reduced timeframes to deliver phases in the TYP process, leading to unnecessary milestone pressures with a negative effect on staff wellbeing and poor decision-making.</p>	Extreme	<p>Mitigated by clear communication of purpose, process and deadlines - actively creating awareness among internal stakeholders, managing timeframes, identifying issues early - and escalating issues to Te Ranga Whakahau where necessary and - sticking to non-negotiable deadlines.</p> <p>Also mitigated by Te Ranga Whakahau members: prioritising their Hubs meeting TYP milestone deadlines.</p> <p>Accepting accountability in sharing Councillor workshop dates and accompanying noting/decision reports to rest of Council.</p>	Risk and Performance Te Ranga Whakahau
02	<p>Key staff are unable to complete critical path tasks (e.g. workload, shortage of skilled staff) and there is no back-up person.</p> <p><u>Impact:</u> Loss of continuity, missed deadlines and delays.</p>	High	<p>Mitigated by identifying workstream leads; sharing the TYP work programme across Hubs; setting up SharePoint folders when collaboration is needed.</p>	Identification – Risk and Performance Resourcing – Hub directors
03	<p>Inability to adequately resource multiple TYP processes in parallel (e.g. Annual Plan, Annual Report, YE and TYP options prioritisation).</p> <p><u>Impact:</u> slippage in delivering key programme milestones.</p>	Medium	<p>Mitigated by early scheduling to ensure milestones are met creating awareness and having an understanding of the capacity and system issues as well as non-negotiable milestone dates</p>	Finance

ID	Risk Description	Rating	Mitigation	Owner
04	Unforeseen and unavoidable situations – further Severe weather events and COVID. <u>Impact:</u> supplier and logistic challenges, unsafe and inappropriate working environment or a number of other issues that are not present when working in Council offices.	Medium	Mitigated by Council having business continuity plans in place to ensure that we can continue to meet TYP milestones.	Risk and Performance Health & Safety
05	Uncertainty with central government-driven reforms – changes to legislation part way through the programme. <u>Impact:</u> can result in resetting of programme milestone dates.	Extreme	Mitigated by keeping a close watch on progress made in this area and having two TYP options - A & B.	Risk and Performance, Strategic Planning
06	Central Government general elections in late 2023 – changes in parliamentary party. <u>Impact:</u> could result in change of policy directions.	High	Mitigated by preparing 'what if' scenarios.	Risk and Performance, Finance, Governance
07	Silo effect when developing the TYP <u>Impact:</u> planning not integrated and aligned; increased risk of duplication, not communicating between hubs and wasting time.	High	Mitigated by having a Comms and Engagement Plan, inclusive of internal stakeholders and a shared portal to keep updated on work programme. Cascading of Te Ranga Whakahau approval of workshop dates and decision/noting reports.	Risk and Performance, Information Services, Comms, Hub Directors

