AGENDA/KAUPAPA



P O Box 747, Gisborne, Ph 06 867 2049 Fax 06 867 8076 Email service@gdc.govt.nz Web www.gdc.govt.nz

MEMBERSHIP:

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

COUNCIL/TE KAUNIHERA

DATE: Thursday 21 August 2025

TIME: 9:00AM

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

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Council

Chairperson: Mayor Rehette Stoltz

Deputy Chairperson: Deputy Mayor Josh Wharehinga

Membership: Mayor and all Councillors

Quorum: Half of the members when the number is even and a majority when

the number is uneven

Meeting Frequency: Six weekly (or as required)

Terms of Reference:

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

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

- 14. The power to make any resolutions that must be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer.
- 15. Consider any matters referred to it from any of the Committees.
- 16. Authorise all expenditure not delegated to staff or other Committees.

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

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

3.1. Confirmation of non-confidential Minutes 27 March 2025

MINUTES

Draft & Unconfirmed



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

MEMBERSHIP: Her Worship the Mayor Rehette Stoltz, Deputy Mayor Josh Wharehinga, Colin Alder, Andy Cranston,

Larry Foster, Debbie Gregory, Ani Pahuru-Huriwai, Rawinia Parata, Aubrey Ria, Rob Telfer, Teddy

Thompson, Rhonda Tibble and Nick Tupara

MINUTES of the GISBORNE DISTRICT COUNCIL/TE KAUNIHERA

Held in Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne on Thursday 27 March 2025 at 9:00AM.

PRESENT:

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

IN ATTENDANCE:

Chief Executive Nedine Thatcher Swann, Director Internal Partnerships & Protection James Baty, Director Liveable Communities Michele Frey, Director Engagement & Maori Partnerships Anita Reedy-Holthausen, Chief Financial Officer Pauline Foreman, Director Sustainable Futures Jo Noble, Acting Democracy & Support Services Manager Teremoana Kingi and Committee Secretary Sally Ryan.

The meeting commenced with a karakia.

Secretarial Note: Items were heard out of the order described in the agenda. For ease of reference the minutes have been recorded in agenda order.

1. Apologies

MOVED by Cr Ria, seconded by Cr Cranston

That the apologies from Cr Parata, Cr Tibble be sustained.

CARRIED

2. Declarations of Interest

Cr Foster declared an interest in relation to report **25-27** Adoption of Easter Sunday Shop Trading Policy.

3. Confirmation of non-confidential Minutes

3.1. Confirmation of non-confidential Minutes 30 January 2025

MOVED by Cr Wharehinga, seconded by Cr Parata

That the Minutes of 30 January 2025 be accepted.

CARRIED

3.2. Action Register

Noted.

3.3. Governance Work Plan

Noted.

4. Leave of Absence

There were no leaves of absence.

5. Acknowledgements and Tributes

Cr Ria acknowledged Kaiti Hard, Turanga Health and Ngāti Porou who have started a free health clinic initiative that starts today at Te Poho o Rawiri marae. It'll be a monthly free clinic and is a direct result of COVID and cyclone recovery. This will run on the last Thursday of every month.

6. Public Input and Petitions

6.1 Tairāwhiti Positive Ageing Trust

Tairāwhiti Positive Ageing Trust Chairwoman Jean Johnston and Trustee Judy Livingston presented to Council.

Key points of the deputation included:

- Members of the Trust have developed a project that will carry out over the next 12 months.
 Late last year Gisborne District Council introduced the Age Friendly Aotearoa Trust which
 forms part of Te Tari Kaumātua/The Office of Seniors. With Council support the Trust
 received a grant of \$10k in January 2025 to conduct an assessment of the current age
 friendly status of this region.
- Survey questionnaire was given out regarding the Tairāwhiti Age Framework. The survey results will aid Council strategy analysts as current and further needs of senior citizens are considered in all aspects of planning.
- This will inform future work toward an age friendly strategy for Tairāwhiti, and the focus will be on identifying the priorities of older peoples in our region. One of the tools being used is the survey handout, asking citizens over 55 whether Gisborne is age friendly to live in.
- The next part of the process will be to produce a regional collaborative age friendly strategy plan.
- Seeking Council support to encourage the over 55 population of Tairāwhiti to have a say and complete a survey either online or by hardcopy about whether our region is age friendly to live in.

Questions of clarification included:

- The survey was shared with TaiTech to explore the potential for an Al-assisted version; however, found that they needed to retain the original questions as designed by Professor Joost van Hoof.
- Survey results will be returned to Council following completion of a Needs Assessment report, which is due to the Office for Seniors in December. The Trust anticipates presenting findings to Council by early February.

6.2 Deputation from Helen and Ian Burgess

Her Worship the Mayor invited the Burgess family to present their deputation regarding access issues following the loss of the Burgess Road Bridge, which previously connected to Poariki Station.

Key points of the deputation included:

- The Burgess Bridge was destroyed during Cyclone Gabrielle, cutting off vehicle access to Poariki Station. In the immediate aftermath, makeshift solutions such as a boat and later a flying fox were used to transport supplies and people across the river.
- Council has since assisted with alternative access, including the installation of metal approaches and the creation of a secondary track. However, these solutions remain unreliable during high river levels, leaving the flying fox as the only option when the river is impassable.
- The original bridge was constructed in 1963 with the intention of being upgraded within 20 years. While other class one bridges in the area were reinforced during the 1980s, planned upgrades to the Burgess Bridge were delayed when funding was reallocated following Cyclone Bola.
- The Burgess family has previously raised concerns with Council regarding the bridge's vulnerability and the risk of flood damage.
- Without the bridge, farm operations are significantly limited. Access through the river is possible approximately 20 percent of the time in winter and 70 percent in summer. As little as 20 millimetres of rain upstream can make the river unsafe to cross.
- The flying fox is not a sustainable solution. It can only carry one person at a time and requires someone to be stationed at the farm to operate it.
- The loss of the bridge has reduced access to essential and emergency services. It has also created significant logistical challenges for managing 3,500 stock units, including disruptions to stock movement and reliance on neighbouring properties for temporary unloading.
- The family requested that Council reinstate access to Poariki Station by reconstructing the Burgess Bridge.

6.3 Deputation from Jan Crawford

Jan Crawford spoke to Mary Clarke's statement regarding the Mangatai Bridge on Te Kowhai Road.

Key points of the deputation included:

- Council informed Mary that the bridge would be replaced in the event of a natural disaster.
- Request for Council to consider one of the following options:
 - 1. Construct a single-lane bridge above the water level.
 - 2. Install a bailey bridge above the water level.
 - 3. Initiate a property buyout process.

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. Committee Recommendations to Council

10.1. 25-76 Extraordinary Vacancy

MOVED by Cr Wharehinga, seconded by Cr Gregory

Recommends that Council/Te Kaunihera:

1. Agrees to not fill the vacancy.

CARRIED

11. Reports of the Chief Executive and Staff for DECISION

11.1 25-27 Adoption of Easter Sunday Shop Trading Policy

MOVED by Cr Wharehinga, seconded by Cr Thompson

That the Council/Te Kaunihera:

- Adopts the attached draft Tairāwhiti Easter Sunday Shop Trading Policy 2025 (Attachment 1) as the final Tairāwhiti Easter Sunday Shop Trading Policy 2025.
- 2. Specifies that the adopted Tairāwhiti Easter Sunday Shop Trading Policy 2025 would come into effect on 1 April 2025.

CARRIED

11.2 25-45 Our Water [Local Waters Done Well] Engagement Plan and Consultation Document

Director Engagement and Maori Partnerships, Anita Reedy-Holthausen, spoke to the report, with additional points including:

- Staff have included links within the report for those seeking more detailed information, including the Business Case and the Department of Internal Affairs (DIA) paper on Water Services Policy and Legislation.
- As the process moves into the options phase, the narrative has shifted from Local Water Done Well to Our Water, Our Way, reflecting a stronger sense of community ownership over water-related decisions.
- The Consultation Plan outlines the communication channels Council intends to use. While the outcome of these options will impact the entire region, the consultation will primarily focus on properties within the reticulated water supply boundary.
- Council has previously undertaken 13 engagement sessions along the East Coast and south
 of Tairāwhiti. These engagements have included updates on the Local Water Done Well
 process, often delivered in collaboration with lifeline utilities and the roading network.
- The design of the Consultation Document incorporates three interlinked triangles representing different community elements involved in water systems and how these components function collectively.

Questions of clarification included:

• The engagement is primarily focused on reticulated areas; however, alternative ways to engage are available for those outside this zone.

MOVED by Cr Ria, seconded by Cr Cranston

That the Council/Te Kaunihera:

- Adopts draft Local Water Done Well Consultation Document subject to any minor changes.
- 2. Approves the draft Consultation Document for formal consultation from 1 April to 1 May 2025.

CARRIED

11.3 25-58 Approval to Consult - Alcohol Control Bylaw

MOVED by Cr Wharehinga, seconded by Cr Pahuru-Huriwai

That the Council/Te Kaunihera:

- Determines that the proposed draft Te Ture ā-rohe Whakatūpato Waipiro / Alcohol Control Bylaw 2025:
 - a. Is in the most appropriate form of the bylaw;
 - b. Does not give rise to any implications under the New Zealand Bill of Rights Act 1990; and
 - c. Is appropriate and proportionate in the light of crime or disorder in applicable areas.
- Adopts the Statement of Proposal including the draft Te Ture ā-rohe Whakatūpato Waipiro / Alcohol Control Bylaw 2025 in Attachment 1 for consultation using the Special Consultative Procedure.
- 3. Delegates the Hearings Panel to:
 - a. Receive submissions from the public in relation to the proposed amendments to Te Ture ā-rohe Whakatūpato Waipiro / Alcohol Control Bylaw 2015.
 - b. Conduct public hearings and hear any oral submissions from the public in relation to the proposed amendments to Te Ture ā-rohe Whakatūpato Waipiro / Alcohol Control Bylaw 2015.
 - c. Deliberate on any matters arising from the analysis of the submissions received.
 - d. Propose changes to the draft amendments and recommend adoption of the Draft Te Ture ā-rohe Whakatūpato Waipiro / Alcohol Control Bylaw 2025.
- Delegates the Chief Executive to edit the Statement of Proposal if directed by Council, to reflect the preferred option of Council and/or the discussions at this meeting.

CARRIED

12. Reports of the Chief Executive and Staff for INFORMATION

12.1 25-44 Chief Executive Activity Report March 2024

Chief Executive Nedine Thatcher Swann spoke to the report with additional notes including:

- A key update to the report is the inclusion of a progress update from the Recovery Team.
 This will now form part of the Chief Executive's report to improve visibility and track overall progress more effectively.
- There has been a minor delay in receiving the most current information. As a result, the latest internal report is a few months behind; however, updates will continue to be provided as work progresses.

Questions of Clarification included:

Central Government Updates and Council Plans and Policy Updates

- Staff highlighted that the Resource Management Reform will have major implications for Council's work programme, affecting what is delivered, how it is undertaken, and who Council collaborates with. However, the full extent of these impacts remains uncertain until more detail on the proposed changes to the Bill are released.
- The Government aims to have the new legislation in place by July 2026, with substantive changes and consultation expected to occur around the upcoming election period, during which there will be no elected members in place. It is anticipated that submissions will be made during that time.
- Staff will be presenting a report to the Sustainable Tairāwhiti Committee in May, outlining the most immediate implications of the Reform and providing a clearer path forward.
- Cabinet has not endorsed the Reform report in full, and much of the detail remains to be
 worked through. A more detailed report is expected in June or July 2025, which will
 specifically address the Tairāwhiti Resource Management Plan (TRMP) Review and how it
 aligns with the broader reform. This is to ensure efficient use of time and ratepayer funding.
- Staff noted that there is an apparent paring back of rules, with an increased focus on private property interests and a strong emphasis on compliance, monitoring, and enforcement (CME).
- The nationalisation of CME is an area staff are watching closely. As this aspect has not been fully accepted by Cabinet, there is still an opportunity to work more collaboratively at a regional sector level.
- Regional and unitary Chief Executives are currently exploring the development of a small, shared collaborative service focused on enforcement, recognising opportunities for greater efficiency and consistency in this space.
- From the perspective of Te Uru Kahika (Regional and Unitary Councils Aotearoa), the Resource Management Act (RMA) is widely acknowledged as broken and complex. There is a collective intent to identify components of the Reform that could support a more fit-for-purpose system, while continuing to advocate for those areas that need to be retained.
- Staff clarified that recent changes to national policy and environmental standards, specifically the National Environmental Standards for commercial forestry, have expanded Council's discretion over land use decisions. This includes the ability to determine where commercial forestry planting is appropriate.
- However, discussions at the national level have raised the possibility of reversing these
 changes. While further proposals are anticipated around mid-year, there is currently no
 certainty about what the next set of amendments will include. These developments are
 taking place within the broader context of the Resource Management reform.

Council is currently required to operate under the National Environmental Standards, which
classify afforestation as a controlled activity. This means Council must grant consent on
certain land classes, even when there are concerns. While Council is applying the latest
scientific data such as landslide susceptibility and proximity to waterways to restrict planting
in high-risk areas, it cannot decline applications outright until a Resource Management Plan
change is made to update the relevant rules.

Emergency Management Updates and Tairāwhiti Regional Recovery

• Staff noted that any stop bank upgrades are guided by modelling that takes into account the broader impacts of water movement. Council would not proceed with infrastructure that would negatively impact surrounding areas. Raising stopbanks involves trade-offs, such as the need to increase capacity in other locations or manage overland flow. The Recovery Team is working to reconvene with Te Karaka stakeholders to discuss available options, though setting a meeting date has been challenging.

General Management

 While Council has repaired its relationship with the Paokahu Trust, the trail to the river mouth remains unrepaired. Current discussions have focused exclusively on the future of Paokahu, including the aftercare plan and remediation, and have not yet included the reinstatement of the trail.

Focus Projects

- Staff have not yet completed the report on the most recent Crop Survey. Once finalised, it will be presented to the Operations Committee.
- While the current crop survey does not focus on irrigated areas or areas seeking irrigation,
 this information is being explored through the Water Security Programme, which is
 assessing potential demand. Additionally, Trust Tairāwhiti has commissioned further work
 to evaluate the economic potential if water were available to support varied irrigation
 patterns and crop types across the Waipaoa and surrounding region.
- GNS has recently completed analysis and reporting on groundwater conditions. The deep aquifers have been assessed as being in overall decline, although they have remained relatively stable over the past 2–3 years due to the region's increased rainfall.

Grant Funding

• With the recent resignation of Katarina Kerekere from the Creative Communities Scheme, no one from the community has yet filled her position. Council staff are in active communication with Lilian Ward to identify someone from the Coast who can bring an East Coast perspective. The undersubscription of the fund has been a focus for staff in recent months, and this has led to collaboration with Gizzy Local to encourage more applications, hence the current undersubscription.

• Construction of the Thousand-Year Bridge is now complete; however, several artistic elements still need to be finalised before an official opening can take place. Council is working in partnership with Ngāti OneOne and the artist to move this timeline forward.

MOVED by Cr Ria, seconded by Cr Pahuru-Huriwai

That the Council/Te Kaunihera:

1. Notes the contents of this report.

CARRIED

13. Public Excluded Business

Secretarial Note: These Minutes include a public excluded section. They have been separated for receipt in Section 13 Public Excluded Business of Council.

14. READMITTANCE OF THE PUBLIC

MOVED by Cr Stoltz, seconded by Cr Wharehinga

That the Council/Te Kaunihera

1. Re-admits the public.

CARRIED

15. Close of Meeting

There being no further business, the meeting concluded at 2:40pm.

Rehette Stoltz

MAYOR

3.2. Confirmation of non-confidential Minutes 12 June 2025 - Alcohol Control Bylaw

MINUTES

Draft & Unconfirmed



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

MEMBERSHIP: Josh Wharehinga (Chair), Colin Alder, Aubrey Ria,, Teddy Thompson

MINUTES of the HEARING SUBMISSIONS PANEL/KĀHUI TĀPAETANGA TURE Ā-ROHE Committee

Held in Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne on Thursday 12 June 2025 at 9:00AM.

PRESENT:

Josh Wharehinga (Chair), Colin Alder, Aubrey Ria, Teddy Thompson.

IN ATTENDANCE:

Director Sustainable Futures Jocelyne Allen, Strategic Planning Manager Charlotte Knight, Team Leader Strategy Elise Miller, Intermediate Policy Advisor Makarand Rodge, Acting Democracy & Support Services Manager Teremoana Kingi and Committee Secretary Sally Ryan.

The meeting commenced with a karakia.

1. Acknowledgements and Tributes

There were no acknowledgements or Tributes.

2. Reports of the Chief Executive and Staff for DECISION

2.1 25-139 Review of Alcohol Control Bylaw - Hearings and Deliberations Report

Douglas Lush and Cheanne Johnson spoke on behalf of the National Public Health Service.

- As a medical officer, I have a responsibility to reduce conditions within the community that may cause injury, disease or alcohol harm.
- We support any changes in the Bylaw that reduce exposure to harmful drinking.
- We agree with extending the alcohol ban in the city to include areas to the east of the Taruheru River and the Cenotaph.
- We support the designation of a new alcohol ban area around Kaiti Memorial Park, the Kaiti Hub and outside Kaiti School on Wainui Road.
- We support the updating of all maps and formatting of the Bylaw to ensure clarity and ease of enforcement.

Secretarial Note: The meeting adjourned at 9:08 am to allow sufficient time for submitter

number 23 to attend.

Secretarial Note: The meeting reconvened at 9:13 am.

Secretarial Note: Submitter 23 did not attend to make an oral submission, but their written

submission was noted.

Intermediate Policy Advisor Makarand Rodge spoke to the report.

Points Included:

• Submissions from rural areas were summarised in a table, identifying individual submissions from Waiherere (1), Makaraka (1), Makorori (1), and Te Karaka (3).

• It was noted that rural areas were not specifically consulted, as no changes were proposed for those locations. An example cited was the alcohol ban area in Ruatōria, which has been in effect since 2008 and remains unchanged.

Questions of clarification included:

- Any proposed changes would be clearly outlined in the Statement of Proposal. The intent
 of the current process is to provide overarching provisions that are clearer and more
 effective. In rural areas where no change is proposed, existing rules remain. It was
 clarified that while maps may appear slightly different due to formatting updates or
 standardization, the areas covered have not changed.
- Any area designated as a public place under the Bylaw would be subject to the alcohol ban. The Bylaw does not apply to licensed premises where alcohol consumption is part of the authorised activity. Current rules differentiate between public spaces and licensed premises, and the Bylaw would not override the rights of those premises to operate within their licence conditions.
- Licensed premises are subject to the conditions of their alcohol licence. While the alcohol ban applies to public places, enforcement is generally complaint-driven rather than actively patrolled. The line between private and public space can be unclear at times, and any enforcement under the Bylaw would typically be initiated in response to specific complaints. As such, while the potential exists for enforcement action, it may or may not be pursued depending on the situation.
- Under the current legislative framework, there is limited flexibility. Both sets of regulations
 must operate concurrently, and enforcement decisions ultimately rest with the police's
 discretion.
- Staff acknowledged the need for more signage in areas where alcohol bans are in place, noting that current signage is insufficient.
- An email was sent to relevant businesses within the Gisborne Wharf/Port area. A link to the
 consultation page was included in the email; however, the submissions indicate that no
 responses were received from these businesses during the formal consultation period

Secretarial Note: Deliberations began at 9:26 am:

MOVED by Cr Ria, seconded by Cr Thompson

That the Hearing Submissions Panel/Kāhui Tāpaetanga Ture Ā-Rohe Committee:

- Receives and hears submissions from the public in relation to the proposed amendments to Te Ture ā-rohe Whakatūpato Waipiro / Alcohol Control Bylaw 2015.
- 2. Deliberates on matters raised through the submissions and provides recommendations in the Panel's Decision Report to Sustainable Tairāwhiti on the following proposals:
 - a. Proposal 1: Extend the current alcohol ban in Gisborne City to include areas east of Taruheru River and Cenotaph;
 - b. Proposal 2: Designate new alcohol ban area to include Kaiti Memorial Park, Kaiti Hub, and area outside Kaiti School;
 - c. Proposal 3: Update all the maps in the Bylaw for clarity and readability.
- 3. Recommends any changes to the draft Bylaw arising from deliberations and endorses the adoption of the Te Ture ā-rohe Whakatūpato Waipiro / Alcohol Control Bylaw 2025.
- 4. Delegates authority to the Panel Chair to finalise the Adoption Report, including the Panel's recommendations and supporting rationale, for submission to Council.

CARRIED

3. Close of Meeting

There being no further business, the meeting concluded at 9:47 am.

Josh Wharehinga

CHAIR

3.3. Confirmation of non-confidential Minutes 26 June 2025

MINUTES

Draft & Unconfirmed



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

MEMBERSHIP: Her Worship the Mayor Rehette Stoltz, Deputy Mayor Josh Wharehinga, Colin Alder, Andy Cranston,

Larry Foster, Debbie Gregory, Ani Pahuru-Huriwai, Rawinia Parata, Aubrey Ria, Rob Telfer, Teddy

Thompson, Rhonda Tibble and Nick Tupara

MINUTES of the GISBORNE DISTRICT COUNCIL/TE KAUNIHERA

Held in Te Ruma Kaunihera (Council Meeting Room), Awarua, Fitzherbert Street, Gisborne on Thursday 26 June 2025 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, Rob Telfer, Daniel Thompson, Rhonda Tibble, Nick Tupara, Josh Wharehinga.

IN ATTENDANCE:

Chief Executive Nedine Thatcher Swann, Director Lifelines Tim Barry, Director Internal Partnerships & Protection James Baty, Director Liveable Communities Michele Frey, Director Engagement & Maori Partnerships Anita Reedy-Holthausen, Chief Financial Officer Pauline Foreman, Revenue Team Leader Fiona Scragg, Strategic Planning Manager Charlotte Knight, Chief Advisor Maori Gene Takurua, Integrated Catchments Manager Kerry Hudson, Taith Consulting Limited Managing Director James Llewellyn, Acting Democracy & Support Services Manager Teremoana Kingi and Senior Governance Advisor Jill Simpson.

The meeting commenced with a karakia.

Secretarial Note: Tim Barry, Gene Takurua and Willy Te Aho attended the meeting via audio

visual link.

Secretarial Note: Items were heard out of the order described in the agenda. For ease of

reference the Minutes have been recorded in agenda order.

1. Apologies

There were no apologies.

2. Declarations of Interest

There were no interests declared.

3. Confirmation of non-confidential Minutes

3.1 Confirmation of non-confidential Minutes 19 March 2025 - Bylaw Submissions Panel - Easter Sunday Trading

MOVED by Cr Pahuru-Huriwai, seconded by Cr Thompson

That the Minutes of 19 March 2025 be accepted.

CARRIED

3.2 Confirmation of non-confidential Minutes 9 April 2025 - Extraordinary Council

MOVED by Cr Stoltz, seconded by Cr Tibble

That the Minutes of 9 April 2025 be accepted.

CARRIED

3.3 Confirmation of non-confidential Minutes 15 April 2025 - Bylaw Submission Panel - Cemeteries & Crematoria Bylaw

MOVED by Cr Thompson, seconded by Cr Wharehinga

That the Minutes of 15 April 2025 be accepted.

CARRIED

3.4 Confirmation of non-confidential Minutes 29 April 2025 - Hearings Submission Panel - Sensitive Sites

MOVED by Cr Stoltz, seconded by Cr Parata

That the Minutes of 29 April 2025 be accepted.

CARRIED

3.5 Confirmation of non-confidential Minutes 21 May 2025 - Local Water Done Well Hearings and Deliberations

MOVED by Cr Stoltz, seconded by Cr Ria

That the Minutes of 21 May 2025 be accepted.

CARRIED

3.6 Action Register

Noted.

3.7. Governance Work Plan

Noted.

4. Leave of Absence

There were no leaves of absence.

5. Acknowledgements and Tributes

Cr Wharehinga acknowledged the recent passing of Te Pāti Māori MP, Tākutai (Tarsh) Kemp, and extended a heartfelt mihi on behalf of the Council as a local government entity. Cr Wharehinga paid tribute to the MP, who was duly elected by her constituents to represent them in Central Government.

Cr Thompson acknowledged the one-year anniversary of the passing of the three fishermen and expressed his respect to their families and the wider community.

6. Public Input and Petitions

Wi Pere Trust (The Trust) Chairman, Allan Haronga, and Wi Pere Trust Farm Manager Tim Rhodes attended.

Key points of the deputation included:

- The Trust is advocating for a reallocation of the \$64 million flood mitigation package for Gisborne to the affected lands located at Tangihanga (across the river from Ormond Township) and at Te Karaka near the Kanakanaia Bridge.
- The Trust is managing multiple flood protection issues involving Gisborne District Council (Council) and is seeking Council's assistance.
- At Tangihanga, following Cyclone Gabrielle, Council had agreed to undertake necessary flood protection works, including significant earthworks and stopbank upgrades. This area includes approximately 145 hectares of corpus land. However, realignment of the floodbanks will result in an additional 15 hectares of corpus land losing existing protection and becoming high risk. The Trust noted that Council has since withdrawn from this commitment, a decision they believe will disadvantage the Wi Pere whānau while still providing protection to the wider Gisborne community.
- The estimated cost to complete the river works and soil removal at Tangihanga is approximately \$4 million. Additionally, the Trust reported that Council has left an unfinished drainage outlet from the basin, which they believe is Council's responsibility. The estimated cost to complete this remedial work is \$1.5 million.
- At Te Karaka, the preferred flood protection option is expected to require further acquisition of Wi Pere Trust land.
- The third proposed option would also affect another 10 hectares of corpus land.
- The Trust emphasised the cultural and economic importance of corpus land to their people. They indicated support for Option 3 if Council commits to completing the Tangihanga flood protection works. They noted that completing works downstream of Te Karaka would benefit communities including Te Karaka, Ormond, and Gisborne City.
- For context, since Cyclone Bola in 1988, flooding at Tangihanga has cost the Trust several
 million dollars in repairs and lost revenue. The Trust views the current situation as
 inequitable, as their land continues to incur losses while providing protection to other
 vulnerable areas.
- The estimated annual economic return from the Tangihanga Station, if flood protection works are completed, is approximately \$6 million. In the event of a major flood, this revenue would be severely impacted.
- The Trust is seeking Council's support to reallocate \$5.5 million of the existing flood mitigation funding package to complete the Tangihanga works. They believe this would provide regional benefits from Te Karaka through to the Waipaoa River outfall.
- The Trust invited Council to attend a site visit to Tangihanga and Te Karaka to better understand the impacts and benefits of the proposed works.

6.1. Charlotte Gibson - Ngāti Oneone

Ngāti Oneone representative, Charlotte Gibson, attended to speak on the petition for Ngāti Oneone Ki Te Whenua.

Ms Gibson thanked Councillors who had taken the time to engage with Ngāti Oneone and extended an invitation to those who had not yet visited, saying, "Nau mai, haere mai, pikau mai."

Key points of the deputation included:

- Ms Gibson affirmed that Te Poho o Rawiri once stood in the Harbour Basin before being removed under various legislative acts of the time. She stated that more than a century has passed, and that it is now time to return the land.
- Thanks were extended to Trust Tairāwhiti and Port Eastland for meeting with iwi representatives to discuss the kaupapa.
- Ngāti Oneone is the only hapū within the rohe that is landless. They were the first hapū to
 experience homelessness within their own community—a situation that continues today.
 Ms Gibson acknowledged that while solutions are possible, space and partnerships are
 needed to enable them.
- She asked that Council continue to place its trust in Ngāti Oneone, just as it did during times of disaster, when the hapū were entrusted with the district's most valued taonga—its people. She highlighted that caring for people, particularly in times of crisis, is a role they carry with mana and pride.
- Ms Gibson noted that it was Day 54 of the sit-in action, and while the people are cold, they remain committed and will continue to occupy the space until there is a resolution for their uri.
- She explained that Oneone ki te Whenua was activated on 5 May 2025, 185 years to the day that their ancestor, Rawiri Te Eke Tu, signed Te Tiriti o Waitangi with the words "Ae rā". In honour of that, she said to Council: "Ae rā."
- Support was sought for Ngāti Oneone's efforts to uplift themselves so they can in turn support and uplift the wider Tairāwhiti community. Ms Gibson reminded Councillors that during the COVID-19 pandemic and recent severe weather events, Ngāti Oneone delivered food and care not just to their own people, but to all in need.
- Councillors were invited to join the Facebook page Oneone ki te Whenua to learn more and stay connected. She noted that support for the kaupapa is growing, with backing from across Tairāwhiti and around the globe.
- Ms Gibson concluded by encouraging Councillors to support the Statement of Intent.

Secretarial note: Willie Te Aho joined the meeting via audio-visual link.

• Mr Te Aho acknowledged Council staff for their collaboration with Ngāti Oneone in shaping the report and recommendations presented at the meeting. He also acknowledged the revised recommendations that had been tabled.

- He urged Council to work alongside Ngāti Oneone to finalise and sign off the Statement
 of Intent, stating that the hapū is now ready to proceed. He described the process as a
 positive and constructive way forward, demonstrating leadership not only from Ngāti
 Oneone but also from Gisborne District Council.
- Mr Te Aho noted that Ngāti Oneone has had productive discussions with Trust Tairāwhiti and Port Eastland at Te Pā Eke Tu, and that Council now has a significant opportunity to show leadership in this space.

6.2. Adrienne Baird - Uawa Cycle and Walkway

Uawa Cycle and Walkway Charitable Trust Community Lead, Bessie Macey, and Uawa Cycle and Walkway Charitable Trust Health & Safety Advisor, Greg Shelton, attended.

Ms Macey thanked Her Worship the Mayor and Councillors for their ongoing support and acknowledged the funding provided by Gisborne District Council (Council) and Waka Kotahi NZ Transport Agency (NZTA) for Stage 2 of the Uawa Cycle and Walkway project.

Key points of the deputation included:

- Raised concerns around the recent Government Policy Statement on Land Transport and Government's blanket withdrawal of funding for walking and cycling projects which has significantly impacted what Council is now able to support.
- Ms Macey advised that the Uawa Cycle and Walkway Charitable Trust (the Trust) has
 recently been established. The kaupapa of the Trust is the ongoing maintenance and
 development of the Uawa Cycle and Walkway, as well as the enhancement of its
 immediate environment.
- The Trust is currently in negotiations with the Hauiti Incorporation Management Committee for permission to build a section of the walkway across farmland adjacent to the Kaitawa Estuary. Hauiti Inc. has expressed support in principle for the proposed trail.
- The Trust acknowledged that Gisborne Holdings Ltd (GHL) has recently secured a 21-year lease of the Tolaga Bay Motor Camp, with plans to upgrade the facility and apply for Top 10 Holiday Park status. Trust members have engaged with GHL, who have pledged strong support for the cycle and walkway, recognising its potential to support the Tolaga Bay economy.
- Mr Shelton highlighted that in most regions, cycle and walkways are developed for two key reasons: to provide a safe, all-weather walking environment for families and individuals year-round, and to encourage people to explore their surroundings and showcase the unique natural and cultural assets of the area.
- Mr Shelton explained that Stage 2 of the project was completed first because it was more straightforward, involving only two key stakeholders: NZTA and Gisborne District Council. Stage 1 includes plans to clip on to the Uawa Bridge and install two 20-metre bridges leading to the start of the Cooks Cove Walkway and the Holiday Park. This would enable safe, continuous access across both sides of the river.

Notes that this land was taken over by Council for log and slash marshalling following recent weather events. While the walkway itself was not damaged, the area has since been cleared yet remains closed. The Trust expressed concern that Council has not reengaged on the matter and public access has not been reinstated. The Trust wishes to maintain a positive relationship with Gisborne District Council (GDC) and is seeking reinstatement of access through the slash paddock for continued walkway use.

Recommendations

- 1. That the trust be invited to work alongside the Council's Tairāwhiti Community Facilities Strategy Team including Anita Reedy Holthausen, Jocelyne Allen, Michele Frey, Tim Barry, James Baty and their teams. The goal is to develop a long-term cost-effective maintenance plan for the Uawa Cycle and Walkway that is sustainable and fit for purpose. This plan will involve the Trust, Uawa/Tolaga Bay community and Gisborne District Council.
- 2. Reopen the temporarily closed section of the Uawa Cycle and Walkway at Solander and Ferneaux Street immediately now that slash removal work from Tatarahake Beach is complete.

Questions of clarification included:

Mr Shelton advised that to reopen the currently closed 80-metre section, netting at the
northern and southern ends must be removed, and a 2-metre-wide path reinstated along
the area previously used for truck access.

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. Committee Recommendations to Council

10.1 25-169 Committee Recommendation to Council - March 2025

MOVED by Cr Foster, seconded by Cr Alder

That the Council/Te Kaunihera:

- 1. Adopts the recommendations from the Tairāwhiti Resource Management Plan Review Committee:
 - a. Confirms the content of the draft Plan Change (including any amendments).
 - b. Sends the Draft Plan Change to Iwi Authorities as required by Clause 4A, 1st Schedule Resource Management Act 1991.

CARRIED

11. Reports of the Chief Executive and Staff for DECISION

11.1 25-148 Petition for Oneone Ki Te Whenua

Chief Executive Nedine Thatcher Swann advised that the report responds to the petition received from Ngāti Oneone, which seeks the return of any Gisborne District Council (Council) owned land within the rohe, including land on Titirangi.

The report recommends Council approve a Statement of Intent to explore the future of relevant land parcels in partnership with Ngāti Oneone. The recommendation acknowledges the significance of the issue, particularly the long-standing alienation of Ngāti Oneone from their ancestral land.

This approach includes taking a structured and Te Tiriti o Waitangi responsive pathway to assess the land parcels, prioritise them, and consider the different arrangements and ownership structures currently in place.

It was recommended that a final Statement of Intent be brought to the Council meeting on 21 August 2025 for approval. Alternatively, Council could choose to delegate authority to the Chief Executive and the Mayor to sign off the document.

Questions of clarification included:

- The amended recommendations were developed in collaboration and agreement with Ngāti Oneone and are consistent with previous Council decisions, such as the return of whenua at Tokomaru Bay.
- The Statement of Intent will be presented to Council on 21 August 2025 for formal consideration and approval.
- The intent is to define clear parameters that can be effectively managed, influenced, and controlled through ongoing engagement with Ngāti Oneone and with a focus on their identified priority areas.
- Among the 265 land parcels currently under consideration, there may be opportunities for early progress, which will be explored in partnership with Ngāti Oneone.

MOVED by Cr Wharehinga, seconded by Cr Gregory

That the Council/Te Kaunihera Council amend the recommendation as follows:

 Approves the preparation of a Statement of Intent to formally commence investigations into the future of Council-owned/vested land in the Ngāti Oneone Rohe, including Titirangi Reserve and surrounds.

- 2. Agrees that in preparing a Statement of Intent, Council affirms the following: Council is committed to progressing this kaupapa in a manner that upholds Te Tiriti o Waitangi, and Council signals its genuine intent to:
 - Explore the return or vesting of land to the rightful owners where there is no longer a genuine public need, or where ongoing stewardship and use would be more appropriately held by tangata whenua.
 - Engage in good faith and in the spirit of partnership with Ngāti Oneone.
 - Ensure the process is transparent, timely, and upholds and enhances the dignity, integrity, and mana of those involved.
 - Develop the Statement of Intent in a way that achieves the aspirations of Ngāti Oneone while aligning with Council's statutory responsibilities and broader community obligations.
- 3. Directs staff to present the draft Statement of Intent to the next Council meeting for formal adoption.

CARRIED

Secretarial Note: The meeting adjourned at 10.00am for morning tea and reconvened at 10.15am.

11.2 25-111 2025/26 Annual Plan

Chief Financial Officer Pauline Foreman spoke to the report and answered questions of clarification including:

- Costs associated with operational charges to contracted services are a Council
 responsibility. Pauline Foreman noted that time-related adjustments to the budget have
 been made to align with rising inflation.
- Notes that stage 2 of the Kiwa Pools project involves maintenance work on the existing hydroslide, not the installation of a new slide. Funding for the outdoor area upgrades was a part of the commitment Council made with Crown Infrastructure Partners (CIP) during the development of Kiwa Pools.
- Director of Liveable Communities, Michele Frey, advised that staff are currently undertaking an analysis of potential new features for the outdoor area of Kiwa Pools. A masterplan will be developed to help determine the most appropriate features to be delivered within the allocated \$6.5 million budget.
- Pauline Foreman explained that to match the rise in Council's debt levels, an increase in rates was required. Debt has increased beyond what was originally projected in the 3 Year Plan (3YP). This was largely due to the need to match roading renewals to the increased New Zealand Transport Agency (NZTA) "potholes" budget. Additionally, changes to the Statement of Intent meant that a dividend initially expected during the 3YP planning phase was not received. As a result, Council opted to smooth the impact by increasing rates gradually over time to absorb the debt.

- The Chief Executive noted that Council continues to maintain significantly lower debt levels compared to other councils across New Zealand. However, the recent increase in debt is largely due to the substantial disruption caused by the Cyclone, with much of the borrowing directed towards front-loading recovery-related expenses. It was explained that during such periods of disruption, increased debt is to be expected. It was also noted that with the new national water regime, Council is likely to require greater debt headroom. In response, Council is pursuing a credit rating to enable higher borrowing limits.
- Council is required by legislation to work to the financial benchmarks under the Local Government Act 2002 (LGA). Under the LGA we are required to monitor debt on a regular basis and keep track of Council's ability to repay that debt.
- Nedine Thatcher Swann noted that Council is partnering with Ngāti Porou to prioritise the Waipiro Bay roads as part of the heavy projects funding out of recovery. Staff will include this in the document.
- Pauline Foreman advised that the key changes in the current and previous cost summaries of services by activity is the allocation of money towards recovery-related activities. She also noted that costs associated with the Enterprise Management Programme, which were originally intended to be treated as capital expenditure, are now required to be classified as operational expenditure.
- The Chief Executive advised that Council remains within the debt parameters outlined in the Financial Strategy. At a strategic level, councillors influence over both the spending and debt thresholds, as well as the embedded within the Annual Plan. These settings will be reviewed again when Council revisits the next Ten-year Plan.

MOVED by Cr Parata, seconded by Cr Wharehinga

That the Council/Te Kaunihera:

- 1. Adopts the Gisborne District Council 2025/26 Annual Plan (Attachment 1) subject to any minor changes, including formatting or external legal changes.
- 2. Approves the Capital Investment Programme of \$163m for 2025/26.
- 3. Agrees that it is financially prudent to budget for an accounting surplus in the Annual Plan 2025/26.

CARRIED

Secretarial Note: Cr Thompson asked that his vote against the recommendation be recorded.

11.3 25-132 Setting of Rates, Due Dates and Penalties for 2025/26

Chief Financial Officer Pauline Foreman spoke to the report and answered questions of clarification including:

- The rates cannot be set until the Annual Plan has been adopted, as the Plan outlines the criteria for rate setting. As outlined in the first recommendation, once the Funding Impact Statement within the Annual Plan is adopted, Council may then set the rates for the new financial year in accordance with the Local Government Act 2002 (LGA). The format of the recommendations follows the prescribed structure required under the LGA.
- When the setting of rates has been adopted, communication to the public will provide a breakdown of the general rates increases.
- Pauline Foreman confirmed that properties can be charged a water availability rate if water infrastructure is available to them, even if they are not actively using the service. In such cases, only 50% of the full water rate is applied. Revenue Team Leader Fiona Scragg explained that this typically applies in situations where a connection has been provided but is not currently in use. For instance, in urban subdivisions where infrastructure has already been installed but some lots remain undeveloped, properties connected to the pipe network but do not yet have a dwelling, will still incur a water availability charge.

MOVED by Cr Wharehinga, seconded by Cr Parata

That the Council/Te Kaunihera:

1. Having adopted the 2025/26 Annual Plan report 25-111) including the 2025/26 Funding Impact Statement, Council resolves under section 23 of the Local Government (Rating) Act 2002 to set the following rates for the year commencing 1 July 2025 and concluding 30 June 2026:

General Rate

1.1 A uniform general rate of \$0.00054177 (exclusive of GST) per dollar of capital value, set on all rateable land in the district.

Uniform Annual General Charge

1.2 A uniform annual general charge of \$1074.24000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on all rateable land in the district.

Animal Control Targeted Rate

1.3 A uniform targeted rate for animal control of \$36.03000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on Residential land in areas DRA1 and DRA1A and Residential Rural Townships in areas DRA3, DRA4 and DRA5.

Building Services Targeted Rate

- 1.4 A targeted rate for building services set on all rateable land in the district and differentiated as follows:
 - 1.4.1 Inner Zone: A rate of \$0.00005285 (exclusive of GST) per dollar of capital value on rateable land.
 - 1.4.2 Outer Zone: A rate of \$0.00002201 (exclusive of GST) per dollar of capital value on rateable land.

Noise Control Targeted Rate

1.5 A uniform targeted rate for noise control of \$3.48000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on Residential land in the Inner Zone (DRA1, DRA1A and DRA2).

Resource Consents and Planning Targeted Rate

1.6 A uniform targeted rate for resource consents and planning of \$0.00036922 (exclusive of GST) per dollar of land value, set on all rateable land in the district.

Land Drainage (Contributors) Targeted Rate

- 1.7 A uniform targeted rate for land drainage of \$0.55626109 (exclusive of GST) per hectare, set on all rateable land in the following Drainage Scheme Areas.
 - Eastern Hill Catchment 8
 - Western Hill Catchment F

Land Drainage (Direct Beneficiaries) Targeted Rate

1.8 A uniform targeted rate for land drainage of \$28.73910793 (exclusive of GST) per hectare, set on all rateable rating units in the following Drainage Scheme Areas as set out in the Annual Plan 2025/26 Funding Impact Statement for:

Ormond, Eastern Taruheru, Western Taruheru, Willows, Waikanae Creek, City/Wainui, Taruheru Classes A-D, Waipaoa, Patutahi, Ngatapa, Manutuke, Muriwai.

Te Karaka Flood Control Targeted Rate

- 1.9 A targeted rate for Te Karaka Flood control set on all rateable land in the Te Karaka Flood Control Non-Residential and Residential Areas as set out in the Annual Plan 2025/26 Funding Impact Statement, differentiated as follows:
 - 1.9.1 Non-residential: A rate of \$0.00039785 (exclusive of GST) per dollar of capital value on rateable land in the Te Karaka Flood Control Non-Residential Area.
 - 1.9.2 Residential: A rate of \$0.00048087 (exclusive of GST) per dollar of capital value on rateable land in the Te Karaka Flood Control Residential Area.

Waiapu River Erosion Protection Scheme Targeted Rate

- 1.10 A targeted rate for the Waiapu River Protection Scheme set on all rateable land in the Waiapu River Erosion Protection Scheme Area as set out in the Annual Plan 2025/26 Funding Impact Statement and differentiated as follows:
 - 1.10.1 Contributors: A rate of \$0.05762097 (exclusive of GST) per hectare on rateable land in the Contributors Area.
 - 1.10.2 Direct Beneficiaries: A rate of \$0.00028329 (exclusive of GST) per dollar of capital value on rateable land in the Direct Beneficiaries Area.
 - 1.10.3 Indirect Beneficiaries: A rate of \$0.00001061 (exclusive of GST) per dollar of capital value on rateable land in the Indirect Beneficiaries Area.

Waipaoa River Flood Control Scheme Targeted Rate

1.11 A uniform targeted rate for the Waipaoa River Flood Control Scheme of \$0.00005225 (exclusive of GST) per dollar of capital value, set on all rateable land in the Waipaoa River Flood Control Scheme Area Classes A-F as set out in the Annual Plan 2025/26 Funding Impact Statement.

Aquatic and Recreation Facilities Targeted Rate

- 1.12 A targeted rate for aquatic and recreation facilities set on all rateable land in the district and differentiated as follows:
 - 1.12.1 Inner Zone: A rate of \$0.00013084 (exclusive of GST) per dollar of capital value on rateable land.
 - 1.12.2 Outer Zone: A rate of \$0.00003925 exclusive of GST) per dollar of capital value on rateable land.

Parks and Reserves Targeted Rate

- 1.13 A targeted rate for parks and reserves set on all rateable land in the district and differentiated as follows:
 - 1.13.1 Inner Zone: A rate of \$379.76000000 (exclusive of GST) per rating unit.
 - 1.13.2 Outer Zone: A rate of \$202.64000000 (exclusive of GST) per rating unit.

Animal and Plant Pests Targeted Rate

- 1.14 A targeted rate for animal and plant pest control set on all rateable land in the district and differentiated as follows:
 - 1.14.1 Inner Zone: A rate of \$0.00001801 (exclusive of GST) per dollar of land value on rateable land.
 - 1.14.2 Outer Zone: A rate of \$0.00010247 (exclusive of GST) per dollar of land value on rateable land.

Soil Conservation, Advocacy and Land Use Targeted Rate

- 1.15 A targeted rate for soil conservation, advocacy and land use, set on all rateable land the following differential categories:
 - 1.15.1 Inner Zone: A rate of \$0.00012218 (exclusive of GST) per dollar of land value on rateable land.
 - 1.15.2 DRA3 and 4: A rate of \$0.00016514 (exclusive of GST) per dollar of land value on rateable land.
 - 1.15.3 DRA5: A rate of \$0.00062034 (exclusive of GST) per dollar of land value on rateable land.

Theatres Targeted Rate

- 1.16 A targeted rate for theatres set on all rateable land in the district and differentiated as follows:
 - 1.16.1 Inner Zone: A rate of \$0.00005477 (exclusive of GST) per dollar of capital value on rateable land.
 - 1.16.2 Outer Zone: A rate of \$0.00001643 (exclusive of GST) per dollar of capital value on rateable land.

Water Conservation Targeted Rate

1.17 A targeted rate for water conservation set on all rateable land in the district and differentiated as follows:

- 1.17.1 Inner Zone: A rate of \$0.00024552 (exclusive of GST) per dollar of land value on rateable land.
- 1.17.2 Outer Zone: A rate of \$0.00014967 (exclusive of GST) per dollar of land value on rateable land.

Business Area Patrol Targeted Rate

1.18 A uniform targeted rate for monitoring the Central Business District Area of \$0.00031078 (exclusive of GST) per dollar of capital value on all commercial land within the Central Business District area and as set out in the Annual Plan 2025/26 Funding Impact Statement.

Economic Development and Tourism targeted rate

1.19 A uniform targeted rate for economic development and tourism of \$0.00025608 (exclusive of GST) per dollar of capital value on all Industrial, Commercial, Retail and Accommodation land as set out in the Annual Plan 2025/26 Funding Impact Statement.

Cyclone Gabrielle Recovery Targeted Rate

- 1.20 A targeted rate for Cyclone Gabrielle Recovery for woody debris to cover maintenance and pre-emptive work to protect Council assets including our bridges and protection of water supply assets; and our beach fronts.
 - 1.20.1 Pastoral: A rate of \$0.00003190 (exclusive of GST) per dollar of capital value on all Pastoral land over 5 hectares, and on forestry properties with 20 hectares or more of pastoral land.
 - 1.20.2 Forestry: A rate of \$0.00092902 (exclusive of GST) per dollar of capital value on all Forestry land and on Pastoral properties with 20 hectares or more of forestry.

Flood Damage and Emergency Works Targeted Rate

- 1.21 A targeted rate for flood damage and emergency reinstatement, set on all rateable land in the following differential categories:
 - 1.21.1 Residential, Lifestyle and other: A rate of \$0.00002057 (exclusive of GST) per dollar of capital value on the following:
 - Residential, Lifestyle, Arable and other land.
 - Horticulture and Pastoral land with land area less than 5 hectares.
 - 1.21.2 Industrial and Commercial: A rate of \$0.00004114 (exclusive of GST) per dollar of capital value on all Industrial and Commercial land.
 - 1.21.3 Horticultural and Pastoral: A rate of \$0.00003085 (exclusive of GST) per dollar of capital value on all Horticulture and Pastoral land over 5 hectares, and on forestry properties with 20 hectares or more of pastoral land.
 - 1.21.4 Forestry: A rate of \$0.00028282 (exclusive of GST) per dollar of capital value on all Forestry land and on Pastoral properties with 20 hectares or more of forestry.

Non-subsidised Local Roads Targeted Rate

1.22 A targeted rate for local roading set on all rateable land in the district and differentiated as follows:

- 1.22.1 Outer Zone: A rate of \$0.00000939 (exclusive of GST) per dollar of capital value on rateable land.
- 1.22.2 Inner Zone: A rate of \$0.00000398 (exclusive of GST) per dollar of capital value on rateable land.

Passenger Transport Targeted Rate

1.23 A targeted rate for passenger transport of \$37.57000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on Residential land in area DRA1.

Subsidised Local Roading Targeted Rate

- 1.24 A targeted rate for local roading, set on all rateable land in the following differential categories:
 - 1.24.1 Residential, Lifestyle and other: A rate of \$ 0.00033133 (exclusive of GST) per dollar of capital value on the following:
 - Residential, Lifestyle, Arable and other land.
 - Horticulture and Pastoral land with land area less than 5 hectares.
 - 1.24.2 Industrial and Commercial: A rate of \$ 0.00066266 (exclusive of GST) per dollar of capital value on all Industrial and Commercial land.
 - 1.24.3 Horticultural and Pastoral Farming: A rate of \$0.00049700 (exclusive of GST) per dollar of capital value on all Horticulture and Pastoral land over 5 hectares, and on forestry properties with 20 hectares or more of pastoral land.
 - 1.24.4 Forestry: A rate of \$0.00455581 (exclusive of GST) per dollar of capital value on all Forestry Exotic land and on Pastoral land with 20 hectares or more of forestry.

Commercial Recycling Targeted Rate

1.25 A targeted rate for commercial recycling of \$65.05000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on participating non-residential land within the CBD who have elected to receive the service.

Uniform Waste Management Targeted Rate

1.26 A uniform targeted rate for waste management for refuse and recycling of \$130.12000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on all rateable land in the district for which the service is provided, area as defined in the Annual Plan 2025/26.

Rural Transfer Station Targeted Rate

1.27 A uniform targeted rate of \$202.35000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on all rateable land within a defined 15km radius scheme area of a Rural Transfer Station, as identified in the Annual Plan 2025/26 Funding Impact Statement.

Stormwater Targeted Rate

- 1.28 A targeted rate for stormwater, set on all rateable land in the following differential categories:
 - 1.28.1 Commercial and Industrial land in DRA1 and DRA1A: A rate of \$0.00037957 (exclusive of GST) per dollar of capital value.
 - 1.28.2 All Rural Townships in DRA3, DRA4 and DRA5 and also Manutuke and Patutahi: A rate of \$82.44000000 (exclusive of GST) per separately used or inhabited part of a rating unit.
 - 1.28.3 DRA1 and DRA1A: A rate of \$209.19000000 (exclusive of GST) per separately used or inhabited part of a rating unit on all Residential land.

Wastewater Targeted Rate

- 1.29 A targeted rate for wastewater, set on all connected rating units in the following differential categories:
 - 1.29.1 Gisborne City: A rate of \$741.27000000 (exclusive of GST) per pan (water closet or urinal) on all land in the Gisborne City area connected to the wastewater system as identified in the Annual Plan 2025/26 Funding Impact Statement.
 - 1.29.2 Te Karaka: A rate of \$472.55000000 (exclusive of GST) per pan (water closet or urinal) on land in the Te Karaka area connected to the wastewater system as identified in the Annual Plan 2025/26 Funding Impact Statement.

Water (Availability) Targeted Rate

1.30 A fixed targeted rate for water supply of \$159.12000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on all rateable land that is not connected to the water supply, but for which connection is available. Connection is deemed available where a rating unit is situated within 100 metres of any part of the water supply network.

Water (Connection) Targeted Rate

1.31 A fixed targeted rate for water supply of \$318.24000000 (exclusive of GST) per separately used or inhabited part of a rating unit, set on all rateable land that is connected to the water supply.

Water (Metered) Targeted Rate

- 1.32 A targeted rate for water supply as defined in the Water Supply Bylaw 2015 for connected rating units and differentiated as follows:
 - 1.32.1 A rate of \$2.10000000 (exclusive of GST) per cubic metre of water supplied for identified extraordinary users.
 - 1.32.2 A rate of \$2.10000000 (exclusive of GST) per cubic metre of water supplied for identified extraordinary domestic users for water supplied above 300 cubic metres.
- Resolves under section 24 of the Local Government (Rating) Act 2002 that all rates (excluding the Water (Metered) Targeted Rate) be payable in four equal instalments, with each instalment due on the rates due date stated in the Table 1.

3. Resolves under sections 57 and 58 of the Local Government (Rating) Act 2002 to authorise the addition of a penalty of 10% of the amount of any rates (excluding the Water (Metered) Targeted Rate) unpaid after the rates due date, with the penalty to be added on the Penalty Date stated in Table 1 below:

Table 1 for Rates Penalty dates:

Rate Instalment Dates	Rates Due Date	Date Penalty is to be added	Penalty Amount
Invoiced quarterly			
Instalment 1	20 August 2025	26 August 2025	10%
Instalment 2	20 November 2025	26 November 2025	10%
Instalment 3	20 February 2026	26 February 2026	10%
Instalment 4	20 May 2026	26 May 2026	10%

- 4. Resolves under sections 24 of the Local Government (Rating) Act 2002 that the Water (Metered) Targeted Rate be payable on the rates due date stated in Table 2.
- 5. Resolves under 57 and 58 of the Local Government (Rating) Act 2002 to set the following due dates for the payment of the Water (Metered) Targeted Rate, and to add a penalty of 10% of the amount remaining unpaid after the due date. The penalty will be added on the Penalty Date in Table 2 below.

Table 2 Water Penalty dates:

Month of invoice Invoiced annually	Due date	Date penalty added
Jun-25	21 July 2025	25 July 2025
Invoiced six-monthly		
Jun-25	21 July 2025	25 July 2025
Dec-25	20 January 2026	27 January 2026
Invoiced quarterly		
Jun-25	21 July 2025	25 July 2025
Sep-25	20 October 2025	24 October 2025
Dec-25	20 January 2026	27 January 2026
Mar-26	20 April 2026	24 April 2026
Invoiced monthly		
Jun-25	21 July 2025	25 July 2025
Jul-25	20 August 2025	26 August 2025
Aug-25	22 September 2025	26 September 2025
Sep-25	20 October 2025	24 October 2025
Oct-25	20 November 2025	26 November 2025
Nov-25	22 December 2025	5 January 2026
Dec-25	20 January 2026	27 January 2026
Jan-26	20 February 2026	26 February 2026
Feb-26	20 March 2026	26 March 2026
Mar-26	20 April 2026	24 April 2026
Apr-26	20 May 2026	26 May 2026
May-26	22 June 2026	26 June 2026

CARRIED

Secretarial Note: The meeting adjourned at 11.19am and reconvened at 11.25am.

11.4 25-168 Strategic Network Resilience Programme Business Case Approval for Submission to New Zealand Transport Agency

Chief Executive Nedine Thatcher Swann acknowledged the support of the New Zealand Transport Agency (NZTA) in contributing to the development of the Strategic Network Resilience Programme Business Case.

James Llewellyn, Managing Director of Taith Consulting, delivered a presentation on the Programme Business Case, which is to be submitted to NZTA for peer review.

Questions of clarification included:

- It was noted that the finer details of the Strategic Roading Network are still to be developed and will be addressed during the upcoming Policy Review, scheduled for late 2025 through to mid-2026.
- Director Community Lifelines, Tim Barry, advised that NZTA appears to be very supportive
 of the Strategic Network Resilience Programme Business Case. He noted that although
 NZTA often takes a standardised "one size fits all" approach, they recognise that our
 region has acute challenges.

MOVED by Cr Thompson, seconded by Cr Pahuru-Huriwai

That the Council/Te Kaunihera:

- 1. Endorses the preferred option "Balanced Reach" programme outlined in the draft Programme Business Case (PBC) document.
- 2. Approves submission of the draft Programme Business Case (PBC) document for New Zealand Transport Agency (NZTA) peer review.
- Notes that final approval of the Programme Business Case (PBC) document will be requested after New Zealand Transport Agency (NZTA) peer review at the 13 August Council meeting.

CARRIED

Secretarial Note: The meeting adjourned at 12.10pm for lunch and reconvened at 12.45pm.

11.5 25-163 Adoption of Cemeteries and Crematoria Bylaw

Cr Wharehinga introduced the report and Strategic Planning Manager, Charlotte Knight, answered questions of clarification including:

- Staff confirmed that "aesthetic requirements" are outlined in the draft bylaw under section 26.
- Staff also advised that the Gangs Act 2024, introduced by central government, prohibits
 the display of gang insignia. A guidance document will be developed and provided to
 commercial operators involved in creating monuments and memorials to ensure they are
 aware of and comply with the relevant bylaw requirements.

MOVED by Cr Wharehinga, seconded by Cr Pahuru-Huriwai

That the Council/Te Kaunihera:

- Confirms that the proposed amended Cemeteries and Crematoria Bylaw 2015 (Attachment 1) is the most appropriate form of the Bylaw and does not give rise to any implications under the NZ Bill of Rights Act 1990.
- 2. Adopts the amended Cemeteries and Crematoria Bylaw 2015 (Attachment 1) as the final Cemeteries and Crematoria Bylaw 2015.
- 3. Publicly notifies the adopted amended Cemeteries and Crematoria Bylaw 2015 (Attachment 1) in July 2025.
- 4. Specifies that the Cemeteries and Crematoria Bylaw 2015 (Attachment 1) will come into effect on 1 August 2025.

CARRIED

12. Reports of the Chief Executive and Staff for INFORMATION

12.1 25-144 Sustainable Land Use - Transition Guide (Version 1)

Chief Executive, Nedine Thatcher Swann, acknowledged Kerry Hudson, Lisa Gooch, John Hutchings, and Dan Evans for their significant contributions in facilitating and coordinating a diverse group of representatives to develop the Sustainable Land Use guidelines.

Integrated Catchments Manager, Kerry Hudson, provided a brief continuation following the Chief Executive's overview and answered questions of clarification including:

- Nedine Thatcher Swann advised that there will be costs associated with transitioning to sustainable land use. This forms the second phase of the process, which involves the development of a business plan that will aim to secure investment from Central Government. This business case is being developed in collaboration with the forestry and farming sectors to quantify the scale of the issue.
- The business case is scheduled to be presented to Council in September, after which it will be submitted to Government.

Secretarial Note: Cr Tibble arrived at 1.05pm.

MOVED by Cr Ria, seconded by Cr Alder

That the Council/Te Kaunihera:

 Notes and acknowledges the significant cross-sector collaboration and leadership demonstrated by Transition Advisory Group (TAG) and the contributing parties in the development of this Guide.

CARRIED

12.2 25-135 Chief Executive Activity Report - June 2025

Chief Executive Nedine Thatcher Swann provided a brief overview of the report and offered apologies regarding the recovery section, noting that the omission was due to timing constraints. She advised that a more detailed discussion on recovery is scheduled for the August Council meeting.

Questions of clarification included:

Central Government Updates

 The preferred operating model for Local Water Done Well has been approved in terms of the business unit. The only caveat on that is that Our Water Services Delivery Plan, which is currently being developed, needs to be approved by DIA.

Tairāwhiti Regional Recovery

- Category 3 buyouts are on track. However, there are a small number of cases that staff are still working through. One in particular may not be finalised in time, and staff are currently seeking an extension for that settlement.
- Council is close to signing the contract to secure a further \$27m in funding for the next phase of the Woody Debris removal programme which will focus on woody debris at the source – behind the forest gate.
- The operational report relating to recovery will be emailed out to councillors.

Focus Projects

- Staff advised that Council currently operates a science monitoring programme focused on understanding the environment, including E. coli monitoring. However, this programme does not include regular source-tracking of E. coli. Additional testing related to source identification has been carried out under the Tairāwhiti Resource Management Plan (TRMP) programme.
- In parallel, Council continues with business-as-usual (BAU) testing, particularly during the summer season, with reporting obligations related to safe swimming managed through the Land, Air, Water Aotearoa (LAWA) network.
- Staff noted that identifying the type and source of E. coli is particularly useful in the policy and planning space. Under the Regional Freshwater Plan, this information helps inform the development and refinement of rules to better mitigate contamination risks.
- At the time of sample collection, environmental conditions (e.g., rain, sun) are recorded and considered alongside test results. One of the key reasons for conducting additional testing is to move beyond simply measuring levels and toward understanding the source of contamination.

Biodiversity

 Regional Biodiversity Transformation Manager, Amy England, advised that there is no seeding trial currently underway. A trial had been planned for winter 2024; however, it was unable to proceed due to issues with Civil Aviation Authority (CAA) certification for the drone operator. Staff are returning to the planning stage but intend to progress the trial in future.

MOVED by Cr Stoltz, seconded by Wharehinga

That the Council/Te Kaunihera:

1. Notes the contents of this report.

CARRIED

13. Public Excluded Business

Secretarial Note: These Minutes include a public excluded section. They have been

separated for receipt in Section 13 Public Excluded Business of Council.

12. Readmittance of the Public

MOVED by Mayor Stoltz, seconded by Cr Wharehinga

That the Council/Te Kaunihera:

1. Re-admits the public.

CARRIED

16. Close of Meeting

There being no further business the meeting concluded at 2.00pm.

Rehette Stoltz

MAYOR

3.4. Action Register

Meeting Date	Item No.	ltem	Status	Action Required	Assignee/s	Action Taken	Due Date
26-06-25	11.3	25-132 Setting of Rates, Due Dates and Penalties for 2025/26	, ,	Staff to develop and provide a map that clearly identifies rural townships and broader rural zones. It was noted that the current map outlines a defined area which excludes these rural communities. As these areas are not currently mapped in the system, staff are to investigate options for creating and supplying maps that include them.		17/07/2025 Fiona Scragg Work in progress, reviewing data to create maps and working with GIS team. Expected time frame would be September 2025 due to priority workloads and staff resourcing	
26-06-25	12.2	25-135 Chief Executive Activity Report - June 2025		Tairawhiti Regional Recovery The operational report relating to recovery to be emailed out to Councillors.	T . A . A 4"1." . 1 .		21-08-25
28-05-25	10.2	25-136 Heavy Vehicle Route Update – Regional Transport Committee	In progress	Transferred from the Regional Transport Action Register Staff to provide information on the appropriate next steps to initiate further engagement with Ngati Oneone regarding the Ports twin-berth expansion	Te Ao Mihiata- Paenga-Morgan		

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3.5. Governance Work Plan

2025 COUNCIL					Meeting Dates											
HUB	Activity	Name of agenda item	Purpose	Report type	Owner	30-Jan	27-Mar	9-Apr	21-May	18-Jun	26-Jun	21-Aug	2-0ct	30-Oct	12-Nov	11-Dec
Finance & Affordability	Risk & Performance	Chief Executive Activity Report	Provide elected members with an update on Council activities for the covered period.	Information (I)	Amy Shanks											
Sustainable Futures	Strategic Planning	25-174 Mobile Trades Bylaw - Deliberations and Adoption Report	To provide information on the submissions received (during formal consultation) on the proposed bylaw, submission analysis and recommendation to Council for adopting the final form of the Bylaw.	Decision (D)	Kea Phillips & Makarand Rodge											
Sustainable Futures	Strategic Planning	25-173 Alcohol Control Bylaw Review - Adoption	Seeking adoption of the Alcohol Control Bylaw Review (Panel's report)	Decision (D)	Makarand Rodge											
Sustainable Futures	Strategic Planning	25-196 Strategic Roading Network Resilience Programme Business Case Final Approval	Set out conclusions of the independent peer review of the Strategic Roading Network Resilience Programme Business Case (PBC). Request Council approval of the final PBC document, which will then be submitted to New Zealand Transport Agency (NZTA). Outline the necessary next steps and receive Council direction to proceed to programme implementation.	Decision (D)	Tina Middlemiss											

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2025 COUNCIL					Meeting Dates											
HUB	Activity	Name of agenda item	Purpose	Report type	Owner	30-Jan	27-Mar	9-Apr	21-May	18-Jun	26-Jun	21-Aug	2-Oct	30-Oct	12-Nov	11-Dec
Engagement and Māori Partnerships	Democracy Support Services	25-198 Transition to a new Council following Elections	Provide information about the transition between pre and post-election. Inform Council of the timelines, risk, options and decision recommendations to ensure continuity during interim election period.	Decision (D)	Teremoana Kingi											
Community Lifelines	3 Waters	25-166 Water Services Delivery Plan	Seeking decision to adopt the 2025 Water Services Delivery Plan as required under the Local Government Act 2024. This will confirm Council's preferred delivery model for three waters services and enables submission of the certified plan to the Secretary for Local Government by deadline of 3 September 2025.	Decision (D)	Tim Barry / Leo Kelso											

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2025 COUNCIL						Meeting Dates										
HUB	Activity	Name of agenda item	Purpose	Report type	Owner	30-Jan	27-Mar	9-Apr	21-May	18-Jun	26-Jun	21-Aug	2-0ct	30-Oct	12-Nov	11-Dec
Finance & Affordability	Rates	25-179 Rates Remission and Postponement Policy Amendment	Seeking Council adoption of proposed amendments to the Rates Remission and Postponement Policy, including a new clause enabling targeted rate remission for properties affected by major natural disasters over an extended period. The proposed clause allows Council to provide support in cases of demonstrated long-term hardship, including where access is disrupted and ensures flexibility to respond to a range of future natural events.	Decision (D)	Fiona Scragg											
Engagement and Māori Partnerships	Democracy Support Services	25-205 GHL Annual General Meeting and Appointment of Shareholder Proxy	To appoint a proxy for Gisborne Holdings Limited AGM to be held Thursday 25 September 2025 at 5.30pm.	Decision (D)	Teremoana Kingi											
Sustainable Futures	Strategic Planning	25-212 Draft Urban Plan Change - Public Notification Decision	Publicly notify.	Decision (D)	Shane McGhie											

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2025 COUNCIL						Meeting Dates										
нив	Activity	Name of agenda item	Purpose	Report type	Owner	30-Jan	27-Mar	9-Apr	21-May	18-Jun	26-Jun	21-Aug	2-0ct	30-Oct	12-Nov	11-Dec
Finance & Affordability	Risk & Performance	Public Excluded 25-208 Gisborne Holdings Ltd Land Sales	Sell non-strategic properties.	Decision (D)	Nick Webb											

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10. Reports of the Chief Executive and Staff for DECISION



25-185

Title: 25-185 Statement of Intent Oneone Ki Te Whenua

Section: Chief Executive's Office

Prepared by: Gene Takurua - Chief Advisor - Māori

Meeting Date: Thursday 21 August 2025

Legal: No Financial: No Significance: Medium

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

This report seeks Council's approval of the proposed Statement of Intent to affirm its commitment to a structured, principled and good faith process with Ngāti Oneone aimed at investigating the future of Council-owned land within their rohe.

SUMMARY - HE WHAKARĀPOPOTOTANGA

At its 16 June 2025 meeting, Council received a petition from Ngāti Oneone highlighting historic impacts on their lands from port and public works development. Ngāti Oneone owns three parcels in the Kaiti Block:

- Te Poho o Rawiri Marae.
- Hirini Street urupā (including the resting place of Hirini Te Kani).
- Kaiti 322 block (currently landlocked).

Within Ngāti Oneone's identified tribal estate, Council owns approximately 265 land parcels. Council resolved to prepare a Statement of Intent (SOI) to guide an investigation into the future of these holdings.

Since June, Council staff and Ngāti Oneone have jointly prioritised eight (8) parcels for potential purchase by the hapū, to support their social, cultural, environmental, and economic development: (see Attachment 1 Map)

- Ranfurly Road (3 lots) opposite the marae, acquired via land swap with the Port; designated as recreation reserve.
- 89 Kaiti Beach Road Gisborne Yacht Club site.
- 8 Titirangi Drive acquired via FOSAL Category 3 to access Kaiti 322.
- Cambridge Terrace (3 lots) designated as recreation reserve.

The draft SOI sets clear, transparent parameters for the investigation process.

Ngāti Oneone also seeks a Mana Whakahono ā Rohe agreement under the RMA to support implementation of the SOI.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

- 1. Adopts the statement of Intent as outlined on pages 6-7 of this report.
- 2. Instructs the Chief Executive to work through the required steps and key decisions including:
 - Investigative work on the 8 parcels of land identified by Ngāti Oneone and associated legal and ownership processes in relation to the potential sale at value to Ngāti Oneone, including any requirement for public consultation
 - Investigation into any Rights of First Refusal that Council might hold on lands within the area of Ngāti Oneone interest in the Kaiti block.
 - Formally inviting Ngāti Oneone to enter a Mana Whakahono ā Rohe (MWaR) with the Council under the Resource Management Act 1991 (RMA) for the purpose enacting the Statement of Intent amongst other partnership matters covered in this report.

Authorised by:

Nedine Thatcher Swann - Chief Executive

Keywords: Ngāti Oneone, Statement of Intent, return of Council lands

BACKGROUND - HE WHAKAMĀRAMA

- 1. On 8 May 2025 Ngāti Oneone presented a petition Gisborne District Council, Trust Tairāwhiti and Eastland Port **Petition for ONEONE KI TE WHENUA**.
- 2. In the petition Ngāti Oneone outlined past actions on their lands arising from the development of the port and public works. They assert 'the raupatu of our lands has alienated Ngāti Oneone occupation and cultivation of these areas, destroyed puna wai, wahi tapu and urupa'.
- 3. Council acknowledges the impact of colonisation, including land loss and cultural erosion, suffered directly and consistently by Ngāti Oneone. The impact resulting in the Hapū being landless, and its language and unique culture being marginalised.
- 4. To address these issues, they requested the following actions from Gisborne District Council, Trust Tairāwhiti and Eastland Port:
 - Action Item 1 WHAKAHOKIA WHENUA MAI: The immediate return of all lands within the Ngāti Oneone tribal estate that are not operating as core business of Eastland Port and Gisborne District Council.
 - Action Item 2 WHAKAMANA TANGATA: Financial recompense by Trust Tairāwhiti (as the sole Shareholder of Eastland Port) to Ngāti Oneone for the continued alienation from our lands and, refrain from placing further demands on Ngāti Oneone causing duress, suffering and grievance.
 - Action Item 3 TE TIRITI: Actively seek a pathway whereby Ngāti Oneone are treated in the same vein as a "Treaty Partner" who holds mana whenua of said lands, as opposed to a community group.
- 5. The requests from Ngāti Oneone for ownership of Council land have prompted the development of a framework to guide Council responses to tangata whenua land ownership requests.
- 6. Council acknowledges the request from Ngāti Oneone that Council land at Onepoto Beach be returned to them, as per their deputation to Council meeting 17 October 2024 [Report 23-23] where the matter of the lease to the Gisborne Yacht Club was discussed.
- 7. Ngāti Oneone have also requested ownership of parcels of Council land in proximity of Te Poho o Rawiri, and Council staff are working with Ngāti Oneone to understand the legal gazetting that underpins the whenua of Titirangi Reserve.

DISCUSSION and OPTIONS - WHAKAWHITINGA KÖRERO me ngā KÖWHIRINGA

- 8. Based on past requests and following receipt of the petition Council committed to the following undertakings:
 - Prepare a Statement of Intent to formally commence investigations into the future of Council-owned/vested land in the Ngāti Oneone rohe, including Titirangi Reserves and surrounds.
 - That in the preparation of the Statement of Intent, Council affirms their commitment to progressing in a manner that upholds Te Tiriti o Waitangi.

- Explore the return or vesting of land to Ngāti Oneone where there is no longer a genuine public need, or where ongoing stewardship and use would be more appropriately held by tangata whenua.
- Engage in good faith and in the spirit of partnership with Ngāti Oneone.
- Ensure the process is transparent, timely, and upholds and enhances the dignity, integrity, and mana of those involved.
- Develop the Statement of Intent in a way that achieves the aspirations of mana whenua while aligning to Council's statutory responsibilities and broader community obligations.
- 9. In subsequent meetings with Ngāti Oneone, conversations have progressed well, and have included:
 - A prioritisation of land parcels from the broader 265 parcels to 8 specified parcels of land.
 - A mechanism for working together in the form of the Mana Whakahono a Rohe (MWAR) framework and provide adequate governance and transparency.
 - Potential projects that can be progressed under the MWAR for the greater benefit of the community.
 - Investigation into any Rights of First Refusal that Council might hold on lands within the area of Ngāti Oneone interest.
- 10. The following parcels are those identified as a priority for investigation into the potential the purchase at value by Ngāti Oneone:

Ranfurly Road – 3 parcels - Lot 2 DP 448152, Lot 3 DP 448152, Lot 4 DP 448152

This land is directly opposite the marae and was acquired through a land swap with the Port of Gisborne.

The land is held by Council for the "Operation of Local Services". It is informally used for grazing purposes. The land is zoned Heritage Reserve under the Tairāwhiti Resource Management Plan (TRMP) and Ngāti Oneone seek a change in this zoning in order that the land can be used for the social, economic, cultural and environmental development of Ngāti Oneone under Te Poho o Rawiri marae.

• 89 Kaiti Beach Road – Lot 26 DP 7819

Gisborne Yacht Club. Ngāti Oneone has made previous submissions on this land and is happy for the land to remain with public access in part or jointly managed with the Gisborne District Council.

• 8 Titirangi Drive – Lot 2 DP 304727

Recently acquired by Council through the FOSAL Category 3 buy out process. The use of this land, as agreed by Council in the Policy Framework for Storm Affected Land would help Ngāti Oneone to access their Kaiti 322 block which is currently landlocked. Further agreement will be needed from another landowner with both owners benefitting from the use of this land.

- Cambridge Terrace 3 parcels Lot 29 DP 5094, Lot 30 DP 5094, Lot 31 DP 5094
 - Land is designated as recreational reserve. The aim is to establish a community initiative in this area and utilise the native bush.
- 11. Once the legal issues have been clarified and any public consultation or Ministerial requirements have been met (in relation to recreation reserves) Ngāti Oneone will purchase these lands at the valuation agreed through the Statement of Intent process.
- 12. There is agreement to work jointly on Titirangi Reserve as approved by the full Council in June 2025.
- 13. Ngāti Oneone (through Te Aitanga a Māhaki) has committed to co-fund this work as a part of the comprehensive Te Aitanga a Māhaki settlement of Crown breaches of Te Tiriti o Waitangi, or when Te Aitanga a Mahaki completes its current settlement for Mangatu state forest. Under the Waitangi Tribunal's report on Mangatu forest in September 2021, the Tribunal made a binding recommendation for \$200m. Te Aitanga a Māhaki is committed to providing the financial support to Ngāti Oneone and Te Whānau a lwi in order to fulfil their commitments to kaitiakitanga on Tltirangi maunga.
- 14. While committed to the outcome, Council must complete the analysis to work through the legal ownership processes and understand the feasibility of transferring the land out of Council ownership.
- 15. This analysis includes:
 - Confirming the ownership status of the land.
 - Identifying the method by which the property was acquired, the original purpose for the acquisition of the property and the required method of disposal.
 - Identifying any known land restrictions (hazards, limitations, zoning, transfer conditions, reserve conditions, lease conditions, part of an existing Treaty settlement etc).
 - Identifying the tangata whenua groups with interest in the land.
 - Clarifying any obligations Council has under the Public Works Act 1981 or other statutory or treaty mechanisms relevant to any surplus land and other relevant commitments.
- 16. In the interim Council will explore opportunities for lease and/or licenses to occupy to enable and support Ngāti Oneone aspirations for these properties.
- 17. Council acknowledges that this relationship is unique and special to Ngāti Oneone including a key focus on specific parcels of whenua and historical impacts/treatment. The unique relationship focuses on the history and whakapapa of Ngāti Oneone.
- 18. As part of these and broader conversations, Council staff and Ngāti Oneone have been exploring the enactment of a Mana Whakahono ā Rohe (MWaR) under the Resource Management Act 1991 (RMA). A commitment to a Mana Whakahono ā Rohe agreement is now being sought from Council.

- 19. Council will formally invite Ngāti Oneone to enter a Mana Whakahono ā Rohe agreement to meet Council's commitment to ensure the process is well-governed, consistent, and transparent.
- 20. The Mana Whakahono ā Rohe agreement will provide a legislative framework under which the investigative work for the Statement of Intent can be progressed.
- 21. The Mana Whakahono ā Rohe agreement also provides a mechanism to work collaboratively on projects that will be done in partnership with Ngāti Oneone. This will allow for a streamlined approach with clearly defined outcomes and benefits as well as any associated funding milestones.
- 22. Council also acknowledges that other hapu may also express interest in these and other land parcels within this rohe. Council will ensure those relationships are engaged in a fair and equitable manner as per Councils statutory obligations.
- 23. The draft statement of intent that will preside over this work has been provided below:

Te Kaunihera o Te Tairāwhiti (Gisborne District Council) currently holds titles for land spanning throughout the identified Ngāti Oneone rohe (area of interest). These titles were acquired over several years under different pieces of legislation.

Te Kaunihera o Te Tairāwhiti are committed to investigating the future of Council owned and/or vested land in the Ngāti Oneone rohe, including the joint management of the Tītīrangi Reserve.

Te Kaunihera o Te Tairāwhiti (Council) intends to work in mana enhancing partnership with Ngāti Oneone that upholds Te Tiriti o Waitangi to:

- Explore the purchase at value of specified parcels of land, and where there is no longer a genuine public need or where ongoing stewardship and use would be more appropriately held by Ngāti Oneone.
- Achieve the aspirations of Ngāti Oneone whilst aligning to Council's statutory responsibilities and broader community obligations.

The investigation for the purpose of purchase at value are specific to the following parcels of land currently held by Council:

- 8 Titirangi Drive Lot 2 DP 304727 acquired through the FOSAL Category 3 buy-out process.
- 89 Kaiti Beach Road Lot 26 DP 7819 Gisborne Yacht Club.
- Cambridge Terrace properties Lot 29 DP 5094, Lot 30 DP 5094, Lot 31 DP 5094.
- Ranfurly Road properties Lot 2 DP 448152, Lot 3 DP 448152, Lot 4 DP 448152.

This process will require an investigation and analysis of the types of land titles held on the parcels of land, their legal status and original purpose to jointly determine logical next steps, and best use in terms of providing benefit to our community.

This process will include clarifying any obligations Te Kaunihera have under the Public Works Act 1981 or other statutory or treaty mechanisms relevant to any surplus land and other relevant commitments.

License to occupy or lease of the above parcels will be sought in the interim, while council undertakes the due diligence required to ascertain the status and options for disposal of remaining parcels.

Te Kaunihera o Te Tairāwhiti commits to engaging in good faith and the spirit of partnership with Ngāti Oneone, ensuring the process is transparent, timely, and upholds and enhances the dignity, integrity, and mana of those involved.

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: 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: Medium Significance
This Report: Medium Significance

The effects on individuals or specific communities

Overall Process: High Significance
This Report: High Significance

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

Overall Process: Medium Significance
This Report: Medium Significance

TREATY COMPASS ANALYSIS

Kāwanatanga

- 24. Council has attempted to uphold the provision of kāwanatanga by acknowledging Ngāti Oneone's petition through a structured, formal response via a Statement of Intent. This response affirms Council's responsibility to share decision making in a way that is lawful, principled, and transparent.
- 25. Importantly, Council recognises that its role is not to act unilaterally in response to the petition, but to co-develop processes and decisions in good faith and partnership. The Statement of Intent provides a lawful mechanism through which due diligence can be undertaken, guided by existing legislation, policies, and public responsibilities.
- 26. Report 25-148 Petition for Oneone Ki Te Whenua was drafted alongside Ngāti Oneone representatives ensuring their views were represented in a fashion that they were comfortable with. Council will continue to work in this fashion throughout the duration of this kaupapa.

Rangātiratanga

- 27. Rawiri Te Eke Tu o Te Rangi signed Te Tiriti o Waitangi ("Te Tiriti") on 5 May 1840. Unlike many other rangatira of Turanga/Te Tairāwhiti who signed Te Tiriti with their moko insignia, Rawiri signed with the words "Ae Ra".
- 28. Rawiri agreed emphatically that the promises captured in Te Tiriti o Waitangi would be upheld by the Crown including "te tino rangatiratanga o o ratou wenua o ratou kainga me o ratou taonga katoa" or "the full exclusive and undisturbed possession of their Lands and Estates Forests Fisheries and other properties which they may collectively or individually possess so long as it is their wish and desire to retain the same in their possession". "Ae Ra".
- 29. This report directly acknowledges the mana motuhake and tino rangatiratanga of Ngāti Oneone over lands within their rohe. It responds to their call for the return and recognition of ancestral whenua through a proposed partnership process for investigation and decision-making. The Statement of Intent explicitly supports the right of Ngāti Oneone to be involved in determining the future of these lands, and establishes a foundation for potential purchase, vesting, or co-governance arrangements.
- 30. Council will still be required to look for opportunities at all stages of the process to support decision making rights of Ngāti Oneone in this work.

Oritetanga

31. The suggested approach supports a pathway which recognises the alienation of mana whenua from their ancestral lands and proposes a restorative process for redress. The process affirms the right of Ngāti Oneone to not only participate, but to shape solutions that reflect their identity, aspirations, and their unique relationship to the land. Council has acknowledged the need to invest in a fair process that balances Treaty responsibilities with wider community considerations.

32. Council in partnership with Ngāti Oneone have appointed a part time project role that will work as a conduit between parties. This role ensures a dedicated capacity to ensure equity of information and dedicated capacity to ensure Ngāti Oneone views are included at all stages.

Whakapono

- 33. Council's resolution to engage in good faith, transparent partnership, and mana-enhancing processes demonstrates alignment to the provision of whakapono. The Statement of Intent is not a tokenistic gesture; it is a mechanism of trust-building, acknowledging past grievances and affirming future partnership. The process emphasises mutual respect and a commitment to uphold the dignity and integrity of all involved.
- 34. Council acknowledges the spiritual connection and rich history that Ngāti Oneone have with the whenua. Through successive generations the connection to whenua and wai have been developed. Council will need to ensure the process facilitated is guided by the kawa and tikanga of Ngāti Oneone.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

- 35. The only engagement with tangata whenua has been specifically with Ngāti Oneone for the purpose of generating the Statement of Intent for this report.
- 36. Council will identify all tangata whenua groups with an interest in these land blocks and work to ensure obligations to these groups are met in line with our statutory responsibilities.
- 37. Wider engagement may be necessary as Council determine land use, its acquisition and from whom Council acquired it, and the potential process for the purchase and land disposal.

COMMUNITY ENGAGEMENT - TÜTAKITANGA HAPORI

- 38. No community engagement has specifically occurred as part of preparing this report.
- 39. Prior to any purchase, vesting, transfer or returning of land parcels, consideration needs to be given as to whether that land may continue to serve a public purpose, including where the purposes beyond the original reason for acquisition now apply. This means considering matters of future community and public interest and use.
- 40. Dependent on the legal designation of the land parcels in question, public consultation may need to be undertaken as part of any eventual land disposal process.

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

- 41. There are no direct impacts or implications affecting climate change posed in the matters of this report.
- 42. Climate change impacts may need to be considered for any storm affected land within the rohe boundary as part of the assessment and analysis process, and how this may also impact the aspirations of Ngati Oneone.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

- 43. There are no direct financial implications arising from the preparation of a Statement of Intent to investigate the future use of Council lands.
- 44. The immediate 8 land status investigations required, Titirangi Reserve and clarification of Rights of First Refusal will require external property and legal advice.
- 45. The external costs of thorough investigations and its coordination may be substantial, and considerable resources will be required.
- 46. This work is currently unbudgeted and unprogrammed.

Legal

- 47. A Statement of Intent, while signed by both parties, is not a legally binding contract. However, it formally records Council's commitment to engage with the request in good faith.
- 48. By entering the Statement of Intent, Council is not committing to undertake any specific actions such as the transfer of any parcel of land. As outlined earlier in this report, each parcel of land will be subject to an assessment to determine whether it is suitable for transfer. Entering a Statement of Intent does not predetermine any outcome.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

- 49. The matters present in this report have been considered for consistency with Council plans and policies, including the Significance and Engagement Policy, Tairāwhiti Piritahi Policy, Property Strategy 2008 (currently under review) and Tiriti Compass.
- 50. These planning policy documents will, alongside the requirements of relevant legislation, continue to guide future recommendations from staff in respect to a Statement of Intent and subsequent processes and considerations regarding future use of Council lands.

RISKS - NGĀ TŪRARU

- 51. There is a risk that Council will not have a clear implementation plan for the work required to progress the Statement of Intent as approved unanimously by Council in June 2025, resulting in reputational and relationship damage with Ngāti Oneone. The mitigation is to ensure that the implementation work is resourced to prevent progress stalling.
 - There is a risk that the legal due diligence required will not be adequately resourced, resulting in Council's overcommitment to unfeasible outcomes, and breaking Council's partnership commitment to Ngāti Oneone. The mitigation strategy is to ensure ongoing legal support and review are resourced in-house where there is capacity, and externally as needed.
- 52. There is a risk that the expectations and limitations of the Statement of Intent will be inadequately managed (Ngāti Oneone, other hapu/iwi or public). The mitigation strategy is to have a robust governance group with a co-designed Terms of Reference setting expectations for the work, as well as the method of transparent communication regarding any limitations that may arise.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
August 2025	Provision of Statement of Intent to Ngāti Oneone.	
September 2025	Commence work on Te Mana Whakahono ā Rohe agreement in partnership with Ngāti Oneone.	
October 2025	Hold first governance meeting for Statement of Intent work.	

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Ngati Oneone Vesting Areas [25-185.1 - 1 page]





Ngati Oneone Vesting Areas | Scale: 1:8,000

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Name: A3 Landscape Date: 11/08/2025 User: Jcl Path: X-\user\Orlo\ArcPro\Titirangi_Maps.aprx Eagle Technology, LINZ © Copyright under Creative Commons Attribution 4.0 International license







Title: 25-166 Water Services Delivery Plan Adoption

Section: Water Manager

Prepared by: Leo Kelso - 3 Waters Manager

Meeting Date: Thursday 21 August 2025

Legal: Yes Financial: Yes Significance: **High**

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

This report seeks Council's decision to adopt the 2025 Water Services Delivery Plan (WSDP), as required under the Local Government (Water Services Preliminary Arrangements) Act 2024. The WSDP confirms Council's preferred delivery model for three waters services and enables submission of the certified Plan to the Secretary for Local Government by deadline of 3 September 2025.

SUMMARY - HE WHAKARĀPOPOTOTANGA

The Water Services Delivery Plan (WSDP) (see Attachment 1) outlines how Gisborne District Council will deliver drinking water, wastewater, and stormwater services up until 30 June 2034. It confirms the adoption of a modified in-house delivery model, to be implemented through a ring-fenced internal business unit with dedicated financial, operational and governance systems.

The WSDP is a point in time document that has been developed to implement the Government's Local Water Done Well Policy. It will be superseded by a Water Services Strategy and the 2027-2037 Long Term Plan.

Council is actively monitoring this risk and has signalled its intent to review implementation settings within the first few years of delivery. The model has been deliberately designed to preserve flexibility for future transitions, including potential non-contiguous collaboration with other councils.

The Plan was developed following a comprehensive business case assessment and formal public consultation. It aligns with Council's strategic direction, including the 2024–2027 Three-Year Plan, Infrastructure Strategy, Future Development Strategy and associated asset management plans.

It outlines a \$214 million capital investment programme over ten years, supporting compliance, resilience, growth, and renewal of critical infrastructure. The accompanying financial model confirms that the WSDP meets all three statutory sustainability tests: revenue sufficiency, investment sufficiency, and financing sufficiency.

Key implementation milestones include the establishment of the internal business unit by 1 July 2027, achievement of financial sustainability by 30 June 2028, and publication of a new Water Services Annual Report beginning in 2027/28.

Council remains open to future collaboration through a joint Council-Controlled Organisation (CCO), particularly in regions such as Taupō, Hawke's Bay, and the Bay of Plenty. These arrangements could deliver operational scale, shared expertise, and financial efficiencies, while preserving community ownership and governance. Active engagement is underway with neighbouring councils to explore such models.

The WSDP also reflects the outcomes of mana whenua engagement and upholds Te Tiriti o Waitangi commitments, ensuring local priorities and aspirations are embedded in the future of water services in Tairāwhiti.

The plan is required to be submitted to the Secretary for Local Government for approval by the 3 September 2025. Department of Internal Affairs will review our plan and may result in further changes in order to satisfy the Secretary.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

- Adopts the Water Services Delivery Plan as detailed in Attachment 1, subject to any minor changes including formatting, corrections, and to minor changes that may arise from Department of Internal Affair's review.
- 2. Notes the key implementation milestones, including:
 - The certified Water Services Delivery Plan will be submitted to the Secretary for Local Government by 3 September 2025.
 - Establishment of a ring-fenced water services business unit by 1 July 2027.
 - Achievement of financial sustainability targets by 30 June 2028.
 - Note the oversight and review processes that will be undertaken following adoption of the Water Services Delivery Plan.

Authorised by:

Nedine Thatcher Swann - Chief Executive

Keywords: LWDW, Local Water Done Well, Water Services Delivery Plan, WSDP

BACKGROUND - HE WHAKAMĀRAMA

- The Local Government (Water Services Preliminary Arrangements) Act 2024 requires all councils to prepare and submit a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The WSDP must demonstrate how Council will deliver three waters services in a way that is financially sustainable, compliant with regulatory standards, and supportive of housing growth and urban development over a ten-year period.
- 2. As part of this statutory process, Council must adopt the WSDP by resolution. Once adopted, the Chief Executive must certify that the WSDP complies with the Act and that the information it contains is true and accurate.
- 3. The WSDP builds on a series of decisions and reports considered by Council throughout 2024 and 2025. In December 2024, Council reviewed the Water Services Delivery: Delivery Model Business Case (report 24-348), which assessed five delivery model options. Two models were shortlisted for public consultation:
 - Option 1: 'Our Water, Our Way' modified in-house model (Council business unit).
 - Option 2: Single-Council water services Council-Controlled Organisation (CCO).
- 4. Council approved the Local Water Done Well Engagement Plan and Consultation Document on 27 March 2025 (report 25-045). Formal consultation was conducted from 1 April to 1 May 2025, supported by early engagement with mana whenua and key stakeholders. A total of 204 submissions were received. The consultation process and feedback were summarised in the Local Water Done Well Hearings Report Overview (report 25-106), with outcomes further detailed in the Deliberations Overview Report (25-107).
- 5. Hearings and deliberations were held on 21 May 2025, and based on strong community support for local delivery, Council resolved to:
 - Acknowledge the outcomes of public consultation.
 - Approve Our Water, Our Way-modified in-house delivery model as the preferred option.
 - Instruct the Chief Executive to prepare the Water Services Delivery Plan for submission by the statutory deadline.
- 6. The modified in-house model reflects a commitment to local accountability, long-term affordability and the ability to partner with mana whenua and other councils in future.
- 7. The WSDP formalises this approach and sets out how Council will implement it over the next decade, supported by a ring-fenced internal business unit, phased investment and strengthened financial and governance systems.
- 8. The plan is required to be submitted to the Secretary for Local Government for approval by 3 September 2025. Following approval, Council is required to publish and give effect to the plan. Department of Internal Affairs will review our Plan and may result in further changes in order to satisfy the Secretary. The recommendations if approved within this paper, allow for minor changes to be made. However, anything significant will come back to Council.

- 9. Key information within the plan includes:
 - Outlining the three waters service delivery
 - Key performance and financial measures
 - i. Revenue sufficiency
 - ii. Investment sufficiency
 - iii. Financing sufficiency
 - Technical detail outlining our investment response to Growth, Levels of Service, Renewals and Compliance.
- 10. Attached is the Water Services Delivery Plan: 'Our water, our way' in Attachment 1.

DISCUSSION and OPTIONS - WHAKAWHITINGA KÖRERO me ngā KŌWHIRINGA

11. Council is being asked to adopt the Water Services Delivery Plan (WSDP) and confirm its decision to proceed with Option 1 – Our Water, Our Way- the modified in-house delivery model. This section outlines the rationale for that decision, how it compares to the alternative and the implications of proceeding.

Purpose and Structure of the WSDP:

- 12. The WSDP has been developed in close alignment with the Department of Internal Affairs (DIA) guidance and template, ensuring that all required content and statutory sustainability tests are addressed. It is a point-in-time document intended to give effect to the Government's Local Water Done Well Policy and to support the transition to financially sustainable, locally managed water services by 1 July 2027.
- 13. While the Council is required by law to give effect to the WSDP, it will be superseded by a Water Services Strategy from 2027/28. However, the Strategy must remain consistent with the WSDP, particularly in terms of achieving financial sustainability and maintaining the selected delivery model.
- 14. The WSDP is structured in five parts:
 - Part A: Summary of the selected delivery model, implementation timeline and consultation process.
 - Part B: Overview of network condition, asset performance and service levels.
 - Part C: Revenue and financing mechanisms, including affordability considerations.
 - Part D: Financial sustainability assessment, confirming sufficiency of revenue, investment and financing.
 - Appendices: Supporting financial statements, assumptions and risk assessments.

Financial and Implementation Summary

- 15. Council's financial model demonstrates the viability of the modified in-house model across the three statutory tests:
 - **Revenue Sufficiency:** Operating revenue increases from \$22.6 million to \$40.4 million (excluding development contributions) by 2033/34, with annual surpluses of up to \$5 million.
 - **Investment Sufficiency:** \$214 million capital investment over 10 years, including renewal of 23.6km of water mains and 22.9km of wastewater mains.
 - **Financing Sufficiency:** Water-related debt peaks at 359% of revenue, well below the LGFA 500% limit; whole-of-Council debt remains below 280%.
- 16. Average residential water charges are projected to increase from \$1,410 to \$2,307 over the WSDP period remaining below 1.5% of median household income and within national affordability benchmarks.

Implementation

- 17. The modified in-house model will be implemented through a structured transition programme led by a dedicated Project Team, with the Chief Executive acting as Project Sponsor. Key milestones include:
 - Establishment of the internal business unit by 1 July 2027.
 - Achievement of financial sustainability targets by 30 June 2028.
 - Publication of the first Water Services Annual Report in 2027/28.
- 18. Governance oversight will occur through regular reporting to the Infrastructure Operations Committee. Council will establish a dedicated Water Services Committee to reflect the significance of ongoing partnerships with mana whenua groups. The detailed governance structure will be confirmed through further engagement.

Strategic Alignment and Future Considerations

- 19. The WSDP aligns with Council's 2024–2027 Three Year Plan, Infrastructure Strategy, Asset Management Plans and will guide development of the 2027–2037 Long Term Plan.
- 20. It also supports Council's Te Tiriti o Waitangi commitments and reflects the principles of Te Mana o te Wai by embedding mana whenua perspectives in water services design and governance.
- 21. Council remains open to future regional collaboration with neighbouring councils (e.g.: Taupō, Hawke's Bay, Bay of Plenty), subject to feasibility and further consultation.

Legislative Compliance and Review

- 22. Following adoption, the WSDP will be certified by the Chief Executive and submitted to the Secretary for Local Government by 3 September 2025. The Department of Internal Affairs will convene a Plan Review Panel, including senior officials and an external observer, to assess the WSDP.
- 23. Council will be notified of the outcome by mid-December 2025, providing certainty ahead of 2026 implementation activities.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

Overall Process: High Significance
This Report: High Significance

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

Overall Process: High Significance
This Report: High Significance

Inconsistency with Council's current strategy and policy

Overall Process: Medium Significance
This Report: Medium Significance

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

Overall Process: High Significance
This Report: High Significance

The effects on individuals or specific communities

Overall Process: Medium Significance
This Report: Medium Significance

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

Overall Process: High Significance This Report: Medium Significance

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

TREATY COMPASS ANALYSIS

Kāwanatanga

25. The Water Services Delivery Plan (WSDP) upholds kāwanatanga by ensuring transparent and accountable governance of three waters services under the direct authority of Council. The in-house delivery model preserves Council's responsibility to govern in a manner that is responsive to local needs and tangata whenua perspectives. The engagement process provided early and ongoing access for tangata whenua to inform decision-making, and future arrangements include dedicated governance oversight and reporting mechanisms that support sustained partnership. The model aligns with the role of Council as a Treaty partner with obligations to share information, enable participation, and maintain trust.

Rangatiratanga

26. The WSDP supports tino rangatiratanga by retaining service control within a structure that allows for meaningful engagement and future partnership development. Early input from iwi and hapū helped shape the preferred model, and their support for the in-house approach reflected a desire for local control and the potential for ongoing co-design. Future governance and reporting mechanisms allow space for Māori input into water strategy and implementation, supporting aspirations for self-determination and recognising mana whenua authority and knowledge, including opportunities to integrate mātauranga Māori and tikanga.

Oritetanga

27. The WSDP addresses oritetanga through its explicit focus on affordability, accessibility, and equity of service. Key concerns from Māori communities such as the potential for hardship under user-pays charging, rural service access disparities, and differing impacts of infrastructure costs were actively considered during consultation. The chosen model helps mitigate disproportionate impacts by retaining local oversight and enabling more tailored, context-specific responses to community needs. This contributes to improved outcomes for Māori and reflects Council's commitment to reducing barriers to participation in service access and decision-making

Whakapono

28. The WSDP recognises the importance of protecting waterways and infrastructure from discharges that may breach tikanga and ensures that future planning considers local customs such as rāhui and other cultural protocols. The model allows Council to continue working with tangata whenua on solutions that reflect shared values and worldviews, particularly through enhanced governance, infrastructure design, and environmental protection measures.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

- 29. Early engagement with iwi and hapū governance entities took place in February and March 2025. These engagements provided early insight into the shortlisted options and enabled Māori representatives to offer strategic feedback ahead of public consultation.
- 30. Support was expressed for the modified in-house model, particularly given its capacity to retain local accountability and support future partnership arrangements. Several groups noted the opportunity for stronger ongoing engagement and clearer alignment with Te Mana o te Wai in future service planning.
- 31. Council is committed to continuing this partnership approach, including exploring opportunities for co-design of aspects of the Water Services Strategy and ensuring Māori voices are integrated into future governance and reporting structures.

COMMUNITY ENGAGEMENT - TÜTAKITANGA HAPORI

- 32. Formal consultation on the proposed Water Services Delivery Plan was undertaken from 1 April to 1 May 2025, following early engagement with mana whenua and key stakeholders throughout February and March. This process provided an opportunity for the wider community to consider and respond to the two shortlisted delivery model options.
- 33. A detailed summary of the consultation approach, submissions received, and themes raised is provided in the Water Services Delivery Plan: Consultation Summary (report 25-106). Key findings included:
 - Strong public support (90%) for Option 1 Our Water, Our Way, the modified in-house model.
 - Concerns regarding the affordability and governance complexity of a CCO model.
 - A clear preference for local control, transparency, and elected member accountability.
- 34. Submitters emphasised the need to maintain affordable and equitable access, protect the environment, and uphold mana whenua involvement. Mixed views were received on topics such as water metering and fluoridation, reflecting the diverse perspectives across Tairāwhiti.
- 35. While some support for a CCO was noted, it was often linked to perceived performance challenges or a desire for greater investment though even these submitters raised concerns about the risks of reducing local accountability.
- 36. The feedback received reflected the unique social and economic context of the region, including cost pressures, rural-urban service variability, and limited community appetite for complex structural changes. These insights were integral to Council's deliberations on 21 May 2025 and are reflected in the final WSDP.

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

- 37. The WSDP directly addresses climate adaptation and resilience through targeted investment in renewals and upgrades that reduce network vulnerability. Projects include:
 - Replacing ageing water supply and wastewater infrastructure with more resilient materials.
 - Upgrades to pump stations and drainage infrastructure to improve network capacity.
 - Investment in stormwater systems to reduce surface flooding risk in urban areas.
- 38. These projects are prioritised in areas with known climate vulnerabilities and are supported by risk and condition assessments. The WSDP also integrates resilience considerations into the financial and asset management framework, ensuring future climate-related costs are planned for.
- 39. This approach supports Council's broader climate objectives and ensures the region is better prepared for the increasing frequency and intensity of severe weather events, as evidenced by the impacts of Cyclone Gabrielle.

CONSIDERATIONS - HEI WHAKAARO

Financial / Budget

- 40. The Water Services Delivery Plan (WSDP) confirms that Council can deliver financially sustainable three waters services within its existing financial strategy settings. The WSDP outlines \$213 million in planned capital investment over the 10-year period (2024/25 to 2033/34), targeting compliance, resilience, renewal, and growth needs.
- 41. Operating revenue is projected to increase from \$22.6 million in 2023/24 to \$40.2 million by 2033/34. Net surpluses are forecast to grow to \$5 million, which will support continued infrastructure investment and debt servicing while maintaining affordability for households.
- 42. Average residential charges for water services are expected to rise from \$1,410 in 2024/25 to \$2,307 in 2033/34, an average annual increase of 4.4%. Charges will remain below 1.5% of median household income throughout the period, within both national and international affordability thresholds. Remissions under Council's Rates Remission Policy will remain available to support vulnerable households.
- 43. The WSDP meets all three statutory tests for financial sustainability:
 - Revenue sufficiency projected operating surpluses with full depreciation funding achieved from 2027/28.
 - Investment sufficiency capital investment exceeds DIA benchmark thresholds, with an Asset Sustainability Ratio of 142% and Asset Investment Ratio of 219% by 2028.
 - Financing sufficiency debt remains within LGFA and DIA borrowing thresholds, with projected borrowing headroom of \$60 million for water services and \$249 million for the whole of Council by 2033/34.
- 44. Debt will be managed under Council's centralised treasury function, with internal borrowing arrangements applied to ring-fenced water services operations. The WSDP will inform the development of the 2027–2037 Long Term Plan.

Legal

- 45. The Water Services Delivery Plan has been prepared in accordance with the Local Government (Water Services Preliminary Arrangements) Act 2024. It meets all relevant content and process requirements set out in sections 12–13 and 17 and complies with the alternative consultation and decision-making provisions under sections 61–64.
- 46. The WSDP confirms a single-council delivery model, and as such, section 12 (joint arrangements) does not apply.
- 47. Council's consultation process met the requirements for clarity, transparency, and public access as required under section 62. A formal amendment to the current 2024–2027 Three-Year Plan is not required under section 63; however, the WSDP will directly inform the development of the 2027–2037 Long Term Plan.

- 48. Following Council adoption, the Chief Executive will certify the WSDP under section 17(2), confirming that it complies with the Act and that the information it contains is true and accurate.
- 49. Failure to submit a compliant WSDP by 3 September 2025 may result in Ministerial intervention, including the appointment of a Crown Reviewer under section 115ZC of the Local Government Act 2002. Timely adoption of the WSDP ensures Council retains local control and avoids the risk of external oversight, as outlined by DIA.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

- 50. The WSDP aligns with Council's 2024–2027 Three-Year Plan, Infrastructure Strategy, and current Activity Management Plans (AMPs). It draws on the 2021–2031 Long Term Plan and sets the foundation for the 2027–2037 Long Term Plan and the statutory Water Services Strategy, which is required from 2027/28.
- 51. The WSDP is also closely linked to Council's Future Development Strategy (FDS), ensuring that investment in water infrastructure supports identified areas for housing and urban growth. This alignment enables coordinated planning and sequencing of infrastructure delivery in arowth areas.
- 52. Council remains open to future regional collaboration opportunities, including with Taupō, Hawke's Bay and Bay of Plenty. Flexibility is preserved to support non-contiguous alignments, subject to future feasibility, consultation or central Government direction.
- 53. Implementation of the WSDP will require updates to several key policies and frameworks, including:
 - A review of the Development Contributions Policy to reflect planned investment in growth-related infrastructure and ensure equitable cost recovery from new developments.
 - Updates to financial policies, including those governing internal debt, reserve management, and ring-fencing of water services revenue and expenditure.
 - Development of a Water Services Annual Report framework to meet new legislative reporting requirements from 2027/28.
 - Amendments to charging and pricing policies, including the introduction of volumetric charging and the harmonisation of water-related targeted rates.
 - Integration of WSDP principles into future asset management and strategic planning processes.
- 54. These policy changes will be progressed as part of the WSDP transition programme and coordinated with Council's broader policy review schedule leading into the 2027 Long Term Plan.

RISKS - NGĀ TŪRARU

55. Future government direction: There is a risk that Government may direct Council to change its delivery model or join a regional water services entity, particularly as part of ongoing central oversight of Water Services Delivery Plans. This could occur within a specified timeframe, following Ministerial review or further policy reform.

Mitigation: Council has signalled its intent to review WSDP implementation within the first few years of operation and will maintain ongoing engagement with the Department of Internal Affairs. The in-house model has been deliberately designed to accommodate future transition pathways, including potential non-contiguous regional alignment where this would deliver efficiency, capability, or partnership benefits. Council remains open to future collaboration through a joint Council-Controlled Organisation (CCO), particularly in regions such as Taupō, Hawke's Bay, and the Bay of Plenty. These arrangements could provide access to shared expertise, financial efficiencies and operational scale while preserving local ownership of assets and governance. Active engagement is underway with neighbouring councils to explore such opportunities, and Council will continue to assess any emerging models on their merits, with a focus on outcomes for Tairāwhiti.

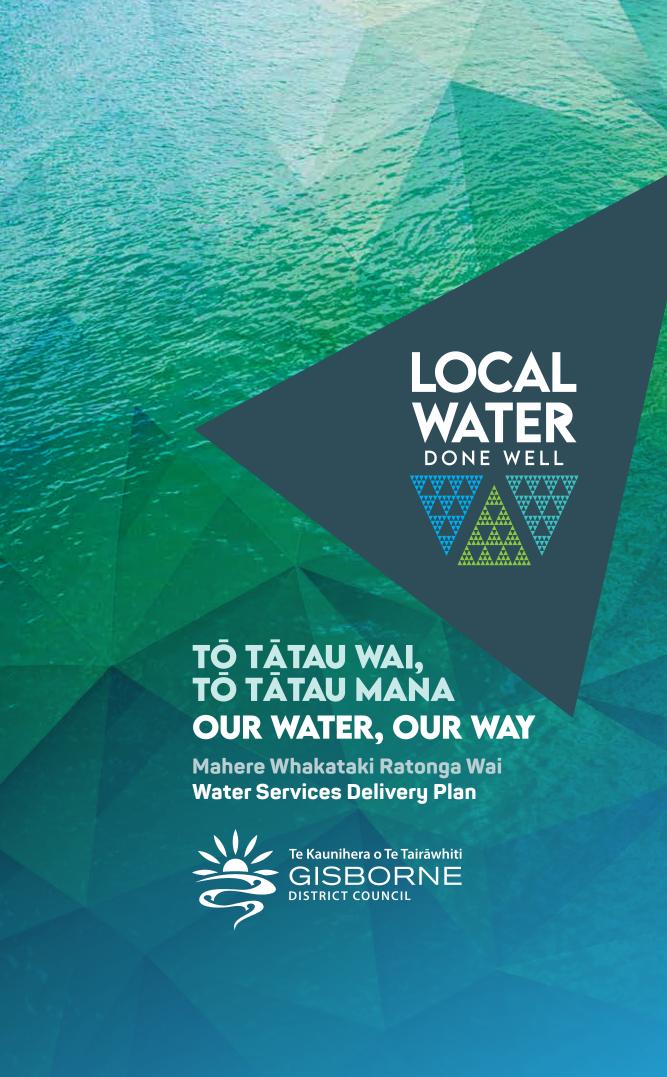
- 56. Capital delivery capability: Limited contractor availability, supply chain constraints, or workforce shortages may impact Council's ability to deliver planned infrastructure.
 - **Mitigation**: Phased investment rollout, strengthened programme management, improved renewals planning and alignment of projects to market capacity.
- 57. Regulatory uncertainty: Evolving water quality and discharge regulations from Taumata Arowai may increase compliance costs or affect timelines.
 - **Mitigation**: Ongoing regulator engagement, flexible financial and delivery planning and active participation in national guidance development.
- 58. Affordability pressures: Increased water charges may disproportionately affect low-income and rural communities.
 - **Mitigation**: Phased pricing changes, impact modelling, continuation of the Rates Remissions Policy and affordability monitoring.
- 59. Organisational transition: Transition to a ring-fenced internal business unit could disrupt operations or delay implementation.
 - **Mitigation**: Dedicated project team, structured change management programme, internal reporting and early system preparation.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
June 2025	Council adopts the Water Services Delivery Plan.	Adoption by resolution confirms the preferred model and enables formal submission.
By 3 September 2025	Submit certified WSDP to DIA.	Certified by the Chief Executive.
Mid-December 2025	Receive DIA decision on WSDP acceptance.	DIA will notify Council following review by a multi-agency Plan Review Panel.
By June 2027	Develop Water Services Strategy	Plan to be developed and approved by Council.
By July 2027	Established stand-alone internal business unit.	Operational and governance structures for water services to be fully in place.
By June 2028	Achieve financial sustainability under the new model.	Must meet revenue, investment, and financing tests required by legislation.

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - LWDW - Water Service Delivery Plan FINAL [25-166.1 - 84 pages]







TŌ TĀTAU WAI, TŌ TĀTAU MANA **OUR WATER, OUR WAY**

Mahere Whakataki Ratonga Wai Water Services Delivery Plan



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KAUWHITI A: Tauākī tōnuitanga pūtea, tauira tuku ratonga, mahere whakatinana me te whakamana

PART A: Statement of financial sustainability, delivery model, implementation plan and assurance

This Water Services Delivery Plan (WSDP) sets out how Gisborne District Council will deliver safe, sustainable, and locally governed three waters services - drinking water, wastewater, and stormwater. These responsibilities will be managed through a dedicated internal business unit, supported by ring-fenced funding, strengthened oversight and targeted assurance processes.

While adoption of the WSDP enables Council to meet its current obligations under the Local Government (Water Services Preliminary Arrangements) Act 2024, the broader reform landscape is subject to change. The Government has indicated it may require councils to join regional water service entities within a specified timeframe, particularly if standalone models are not assessed as financially sustainable.

Council is actively monitoring this risk and has signalled its intent to review implementation settings and delivery progress within the first few years. The selected model has been designed to preserve flexibility should policy direction shift. This includes the ability to join a regional entity or enter joint service arrangements with other councils where shared benefits can be achieved. Council is particularly considering potential collaboration with councils in Taupō, Wairoa, Hawke's Bay and the Bay of Plenty, where non-contiguous alignments and shared service models could offer operational or financial advantages.

Following a detailed assessment of delivery options and public consultation in April 2025, Council confirmed the modified in-house model as the preferred approach. Ninety percent of submissions supported this direction, citing trust in Council leadership, a preference for local decision-making, and concern about the cost and complexity of regional structures.

Tō Tātau Wai, Tō Tātau Mana – Our Water, Our Way reflects Council's commitment to mana whakahaere, community voice and kaitiakitanga. The selected model enables local responsiveness, integration with land use and infrastructure planning, stronger resilience, and deeper partnership with mana whenua under Te Tiriti o Waitangi.

The in-house model also supports long-term viability and enables Council to:

- Target investment to areas of local growth and risk.
- Retain public trust and financial transparency.
- Build resilience using existing systems and capabilities.
- Adapt to future direction, including possible regional or multi-council service models.

This Plan has been developed in response to the Government's Local Water Done Well policy, which requires councils to confirm how water services will be managed and funded from 2027.

It is based on Council's current investment programme and baseline assumptions and will be superseded in time by the Water Services Strategy and the 2027–2037 Long Term Plan.



Gisborne's urban (reticulated) population is forecast to grow from 36,232 in 2025 to 40,483 by 2053 - approximately 2,000 more than projected in the 2021–2031 Long Term Plan. This growth, concentrated within the serviced area, will require a step change in infrastructure capacity, renewal of ageing assets, and compliance with increasingly stringent environmental and drinking water standards.

Although the network is generally in sound condition, renewal backlogs - particularly in water and wastewater - must be addressed. Cyclone Gabrielle exposed critical vulnerabilities across the district, with several areas requiring urgent investment to restore previous service levels. Water storage capacity also remains a key risk during emergency events.

- The 2024–2027 Three-Year Plan, focused on recovery and resilience.
- The 2021–2031 Long Term Plan, which defines baseline service expectations.
- The Local Water Done Well business case and financial modelling, which informed the preferred delivery approach.

Future updates will fully replace this Plan with the Water Services Strategy, ensuring it is no longer in effect, and will reflect any changes introduced through the 2027–2037 Long Term Plan or national policy shifts.

This Plan sets out a clear, financially sustainable approach to water management in Tairāwhiti. It is structured as follows:

PART A:

An overview, including the selected delivery model, implementation plan, consultation, engagement, assurance and adoption processes.

PART B:

A performance assessment of the current network and service levels.

PART C:

Revenue, charging and funding arrangements to support financially sustainable service delivery.

PART D:

An assessment of financial sustainability, including revenue, investment and financing sufficiency.

PART APPENDICES

Financial statements, significant capital projects, and key assumptions and risks.

A.1 Statement that water services delivery is financially sustainableA1.1 Financially sustainable water services provision

This Plan confirms Gisborne District Council's water, wastewater and stormwater responsibilities will be managed sustainably through a ring-fenced internal business unit, achieving financial sustainability by 30 June 2028.

Water services will remain within Council's operations, with dedicated funding arrangements to ensure financial transparency and accountability.

The following sections outline how an in-house unit, 'Our Water, Our Way,' will ensure sufficient revenue, investment and financing to:

Respond to growth and renewal needs.

Manage water quality in line with legislative standards.

Deliver resilient services for the community.

Financial modelling in the Plan is based on:

- Planned investment over at least 10 consecutive years.
- Maintaining current Level of Service (LoS) commitments as set out in baseline planning documents and agreed with communities.
- Expectation that our in-house services will transition customers charged based on capital value to a combination of volumetric and/or fixed charges within a five-year period commencing 1 July 2027.
- A review of all pricing, including a price harmonisation pathway, will begin from the same date. Changes will be introduced through a phased approach.

The Plan satisfies financial sustainability across all financial factors. These are:

Revenue sufficiency

By 30 June 2028, and in every subsequent year covered by this Plan, projected revenue is sufficient to fully meet all costs.

Revenue is expected to increase from \$22.6 million to \$40.4 million (excluding development contributions), with annual net surpluses rising to \$3 million. These surpluses contribute to funding of depreciation and the capital works programme.

While the Plan meets overall revenue sufficiency thresholds, it acknowledges pricing may be phased over the first three years of the Water Services Strategy. This is mostly in relation to the how fast we recover depreciation costs, where prior to 2024/25 not all depreciation had been funded.

This reflects the significant cost of recent capital investment, including \$40 million spent on the Stage 2 construction of a new Wastewater Treatment Plant. Council's 2021–2031 Long Term Plan and the 2024–2027 Three Year Plan both adopted a staged approach to depreciation funding over a five to six-year period.

Affordability remains a key consideration. Average charges per connection are forecast to increase from \$1,410 in 2023/24 to \$2,307 by 2033/34.

Water service charges as a share of median household income are expected to remain below 1.5% - well within international benchmarks (ranging from 2% to 5%) and the Department of Internal Affairs (DIA) national benchmark of 3.5%.

For full details, refer to Financial Sustainability Assessment Tables.

Investment response

Gisborne District Council faces a range of compliance, growth, renewal and resilience challenges that require sustained and significant investment in three waters infrastructure, over the next 10 years and beyond.

The strategic issues addressed in this Plan include:

- Renewals looking after what we have: Much of the district's three waters infrastructure is
 ageing and in varied condition. Investment in renewals is essential to maintain levels of service
 and reduce long-term costs. However, inconsistent historic capital investment and delivery
 has created renewal peaks that must now be addressed in a more structured and sustained
 manner.
- Compliance meeting regulatory requirements: Continued investment is required to maintain compliance with drinking water safety standards and to meet emerging environmental performance requirements for wastewater and stormwater. This supports Council's long-term strategic objectives and commitment to environmental sustainability.
- Resilience building a more robust network: Cyclone Gabrielle highlighted the vulnerability of our network, particularly reliance on single points of supply. The event exposed weaknesses in both water and wastewater systems, as well as limited financial headroom to respond to emergencies. The Plan prioritises investment in system redundancy and integrated catchment management to improve overall resilience.
- Growth enabling urban development: Council expects population growth of approximately 7.1% in the next 10 years, with most of this occurring within Gisborne city. This will place increasing demand on water services infrastructure. Strategic investment is required to support this growth, manage future demand and enable development in identified areas. Upcoming changes to the National Policy Statement on Urban Development (2025), along with potential implications from the Fast-Track Approvals Act, will require Council to plan for at least 30 years of development capacity. These central government reforms may necessitate updates to existing growth strategies and planning frameworks.

Investment sufficiency

Investment is required to address strategic issues, including new and renewed infrastructure to meet levels of service, achieve compliance, manage demand, support resource consenting and enable growth. These investment needs are outlined in further detail in the Network Performance section.

Council is planning to invest \$213 million over 10 years to deliver on these objectives. The planned investment has been assessed against key asset performance indicators to confirm sufficiency:

Asset Sustainability Ratio: Measures renewal capital expenditure against depreciation. This ratio is projected to reach 142% by 30 June 2028, with values ranging from 104% to 147% over the Plan period. This indicates a strong commitment to maintaining the condition of existing assets.

Asset Investment Ratio: Compares total capital expenditure (renewals and growth) to depreciation. It is forecast to reach 219% by 30 June 2028, with values ranging from 166% to 298% over 10-years. This reflects sustained investment to support both asset condition and capacity expansion.

Asset Consumption Ratio: Indicates the proportion of asset life consumed by comparing the book value of infrastructure assets to their total replacement value. This ratio is projected to remain steady between 0.54 and 0.55 across the 10-year period. This means the burden of future customers to replace the network assets remains consistent over the life of the Plan. Council will continue to monitor this ratio and its underlying assumptions to ensure long-term asset sustainability and intergenerational equity.

Financing sufficiency

The delivery of planned water services investment is financially sustainable in terms of both the Free Funds from Operations (FFO) and Council's overall debt capacity. Over the life of the Plan, the FFO ratio is projected to range between 9% and 11%, stabilising at 10% from 2028/29.

Council's debt-to-revenue ratio is expected to remain within 280% throughout the 10-year period, assuming access to Local Government Funding Agency (LGFA) financing and achieving a credit rating by 1 July 2027.

By 2033/34, Council is projected to retain \$254 million borrowing headroom for Whole of Council operations. Aggregated water services debt is forecast to be \$153 million by 2033/24, with a projected \$60 million borrowing headroom capacity.

Key indicators of financing sufficiency include:

- **Borrowing limits and headroom:** Council's consolidated debt-to-revenue ratio remains comfortably within the LGFA's 280% threshold. Forecasts indicate sufficient headroom to accommodate planned investment and respond to unforeseen events if necessary.
- Free Funds from Operations (FFO): The FFO ratio is projected to remain at or above 10% from 2027/28 onward.

Further analysis of financing sufficiency is provided in the Funding and Financing Arrangements and the Financial Sustainability Assessment - Financing Sufficiency sections of this Plan.

A.2 Proposed delivery model

A2.1 Selecting a water services delivery model

In August 2024 the Department of Internal Affairs (DIA) provided advice and guidance to councils on the options available to them for the delivery of water services in their districts.

The guidance outlined five possible delivery models:

- Internal business unit or division.
- Single council-owned water organisation.
- Multi-council-owned water organisation.
- Mixed council/consumer trust-owned water organisation.
- Consumer trust-owned water organisation.

In December 2025, Council considered a business case that evaluated each delivery model using multi-criteria analysis against a set of weighted investment objectives and critical success factors. The assessment aimed to determine which model, or models best meet Tairāwhiti's water service needs. The criteria were:

Investment objectives:

- **Financial sustainability:** ensuring sufficient revenue and investment to meet regulatory standards by 2028.
- Compliant water services: meeting water quality, economic and environmental regulations.
- Improved service delivery: achieving economies of scale, efficiency savings and supporting strategic goals.
- **Meeting Treaty partner expectations:** supporting meaningful involvement of mana whenua and tangata whenua in decision-making and delivery.
- **Community accountability:** ensuring information is available to communities across the region to make informed decisions.

Critical success factors:

- **Independence:** Independent governance and decision making on a water services strategy, investment, financing, revenue, service delivery and operations.
- **Affordability:** assessing whether the establishment and implementation costs are affordable.
- **Complexity:** evaluating the complexity, difficulty and time required for establishment, including staff and asset transfers.
- **Timeliness:** determining if the option can be implemented to meet statutory deadlines for financial sustainability.
- **Flexibility:** ensuring the option can evolve to meet changing circumstances over time and support future transitions into alternate delivery models.

A2.2 Business case

Council's business case ruled out both consumer trust options, as their inability to access funding from the Local Government Funding Agency (LGFA) would lead to higher borrowing costs and unaffordable charges for consumers.

Although a multi-council-owned organisation offered potential scale benefits, no viable regional option existed for Council to join. Establishing one within the required timeframe was also unrealistic.

The internal business unit and single council-owned organisation emerged as the only feasible options. Economic and financial analysis showed that the internal unit would deliver a more affordable pathway for consumers while meeting financial sustainability and compliance requirements.

On 12 December 2024, Council resolved to consult the community on both options, expressing a preference for the internal business unit.

A2.3 The selected model

Following engagement with Tiriti partners and public consultation, Council confirmed it would continue to manage and operate water services in-house.

This approach retains Council's current structure but introduces new requirements, including ring-fenced funding, strengthened financial sustainability and economic regulation. These changes enhance how Council manages, monitors and reports on water functions.

Council will continue to fund services through a mix of general and targeted rates, financial contributions and development contributions. It will deliver services in alignment with broader planning and infrastructure priorities.

To meet new legislative obligations, a Water Services Strategy will be prepared to guide long-term service planning and ensure alignment with regulatory and sustainability goals.

Under this model:

- Council retains full ownership and control of water assets and delivery functions.
- Elected members continue to provide governance and oversight.
- Council advances Treaty commitments in partnership with mana whenua.
- Regular internal reporting, a new Water Annual Report and dedicated financial statements will reinforce transparency and accountability.

Council will manage all water-related borrowing, while the internal business unit covers its share of financing costs. This includes both internal loans and external funding arrangements, supporting sustainable delivery into the future.

This enhanced model enables safe, efficient and financially transparent water services while meeting the expectations of new national legislation.

A2.4 Future opportunities

Council remains open to future collaboration through multi-council Water Services Council-Controlled Organisations (CCOs), particularly in regions such as Taupō, Wairoa, Hawke's Bay and the Bay of Plenty. These entities could offer operational scale, shared expertise and financial efficiencies.

Council is actively engaging with neighbouring councils to explore such models, including non-contiguous alignments where mutual benefits can be achieved.

While adoption of the WSDP enables Council to meet its current legislative obligations and retain local control of water service delivery, it is important to note that Government may direct changes in future - such as requiring Council to join a regional entity within a specified timeframe. Council is actively monitoring this risk and has signalled its intent to review implementation settings and delivery progress within the first few years.

The selected model deliberately preserves this flexibility—allowing Council to adapt if necessary, while remaining committed to delivering sustainable, locally governed water services for Tairāwhiti.

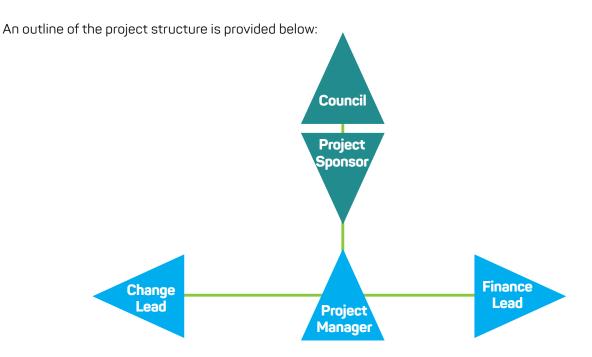
A.3 Implementation plan

Council will implement a dedicated internal water services business unit once this Plan is approved by the Secretary of Internal Affairs.

To support this, a project team will be established to design and deliver the necessary changes, including meeting all regulatory and financial ring-fencing requirements by 1 July 2027 and achieving financial sustainability by 30 June 2028.

Governance oversight will occur through regular reporting to the Infrastructure Operations Committee. Council will establish a dedicated Water Services Committee to reflect the significance of ongoing partnerships with mana whenua groups. The detailed governance structure will be confirmed through further engagement.

The Chief Executive will act as Project Sponsor; Project Manager will be either the Water Team Manager or an external contractor, subject to confirmation.



Project roles and responsibilities

The project will be delivered by a cross-functional team with clearly defined roles:

Project Manager

Leads the overall delivery- including project design, risk management, communications, stakeholder engagement and progress reporting to the Project Sponsor and Council. Manages day-to-day decisions within the agreed scope and budget.

Financial Lead

Oversees all aspects of planning and implementing the financial ring-fencing of water services revenue, expenditure and reporting. Reports directly to the Chief Financial Officer on technical financial matters related to the business unit.

Change Lead

Manages all organisational change processes needed to establish the internal business unit. While structural and workforce changes are expected to be minimal, the Change Lead will ensure they are effectively planned and executed.

The project team will be supported by subject matter experts from within Council, such as communications staff - as well as external specialists as required.

Project schedule and milestones

The Project Manager will be responsible for developing a detailed project plan to guide implementation. It is anticipated the project will be delivered in three phases over a six-month period, commencing November 2026 and concluding by mid-2027.

Nov 2026 - Jan 2027

Feb – April 2027

May - June 2027

Phase 1: Preparation and planing

- Establishment of the Water Services Committee and confirmation of governance arrangements.
- Initial project planning and confirmation of key milestones.
- Financial planning for ringfencing and separate reporting, including assessment of impacts on the rest of Council.
- Organisational design and change management planning.
- Development of a detailed implementation timeline and risk register.
- Ongoing communication and stakeholder engagement, both internal to Council and external (including mana whenua and key community stakeholders).

Phase 2: Establishment

- Formal establishment of the separate Water Services Business Unit.
- Execution of any organisational structure and staffing changes required.
- Implementation of governance and reporting structures and frameworks.
- Delivery of water services by the new unit as business-asusual.

Phase 3: Strategy implementation

- Adoption and implementation of the first Water Services Strategy.
- Embedding performance monitoring and reporting systems.
- Handover to ongoing operational governance and management structures.

A.4 Consultation and engagement

Council engaged with mana whenua in February and March 2025 to signal the upcoming consultation and share early information on shortlisted delivery options.

Community consultation followed from 1 April to 1 May 2025, supported by a comprehensive engagement strategy including direct mail to 17,000 households, digital and print advertising, hui, static displays and radio outreach.

A total of 204 submissions were received. Of these, 90% supported the modified in-house delivery model (Option 1 - Our Water, Our Way), while 10% favoured a Council-Controlled Organisation (Option 2 - Single Council CCO).

Ninety-three percent of respondents identified as residents, most of whom were connected to all three Council-managed services - drinking water (76%), wastewater (72%) and stormwater (65%).

Submitters expressed a strong preference for retaining water services within Council. Common themes included:

- Trust in Council governance and accountability (44 mentions).
- Concern about affordability and cost equity (62 mentions).
- Support for local control and decision-making (60 mentions).
- Avoidance of additional bureaucracy and executive overheads.
- Opposition to water metering and user-pays models, especially among low-income households.
- Confidence in the visibility and responsiveness of elected councillors.

Affordability emerged as a consistent concern, particularly among those on fixed or low incomes. Many were wary that a CCO could introduce metering or volumetric charges that would disproportionately impact vulnerable communities.

Those who supported the CCO model were primarily motivated by dissatisfaction with Council's past performance or a belief that a dedicated entity could deliver better investment and environmental outcomes. Concerns about governance complexity and transparency remained common, even within this group.

Other themes included:

- A strong desire for affordable, equitable service charges.
- Continued preference for local governance and community accountability.
- Concern about environmental impacts, particularly from wastewater and stormwater.
- Mixed views on water metering and fluoridation.
- Varied understanding and support for Te Tiriti-based governance.

Submissions reflected the distinct context of Tairāwhiti - marked by affordability pressures, service access differences between rural/ urban communities and low tolerance for added governance complexity.

Rural residents raised concerns about paying for services they do not receive. Many voiced opposition to user-pays models, noting the impacts on whānau living in multigenerational households.

Overall, consultation confirmed strong community backing for retaining water services within Council through an in-house model.

A.5 Assurance and adoption of the Plan

Assurance

Council carried out internal assurance to provide the Chief Executive with confidence that this Plan:

- Complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, including alternative consultation and decision-making requirements under Part 3 of the Act.
- Contains information that is true and accurate.

In addition to internal quality assurance processes, the following independent assurance has been undertaken:

- · Independent legal review against the requirements in the Act.
- · Independent analysis of financial sustainability.
- External peer review of the financial aspects of the Plan.
- Independent experts and industry experts, reviewing and/or consulting with, for the developing Water Services Network renewal strategies, investment requirements and asset management plans.
- External review of population growth, supported by specialist capacity computer modelling.

Below is our current assessment of the level of confidence in the information included within the Plan:

Regulatory compliance

There is a high level of confidence that the Plan complies with legislative requirements, supported by internal documentation and existing compliance frameworks.

Asset management

There is a high level of confidence that the asset data and approach set out in the Plan are consistent with Council's asset management practices and systems.

Investment requirements and asset condition

There is a high level of confidence that investment requirements and asset condition information align with Council's asset management maturity and condition assessment methodologies. However, there are some limitations in the quality and extent of condition assessment data.

Financial projections

There is a high level of confidence that the financial forecasts reflect Council's underlying planning documents and assumptions. Council acknowledges the evolving nature of the water reform landscape and will continue to monitor Government policy direction to ensure the model remains fit for purpose.

A5.1 Council resolution to adopt the Plan

Gisborne District Council resolved to adopt this Water Services Delivery Plan at an ordinary meeting of Council held on [insert date post-adoption].

The resolution of the Council was that:

• [Insert formal resolution wording post adoption]

The resolution was passed unanimously/by majority vote (to be finalised post vote). A copy of the resolution is attached.

A5.2 Certification of the Chief Executive of Gisborne District Council

I certify that this Water Services Delivery Plan:

- Complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and
- The information contained in the Plan is true and accurate.

Signed:

Name: Nedine Thatcher Swann

Designation: Chief Executive

Council: Gisborne District Council

Date: xx August 2025



KAUWHITI B: Mahi a te whatunga **PART B:** Network performance

B.1 Investment to meet levels of service, regulatory standards and growth needs

B1.1 Serviced population

In the 2023 census, Gisborne District had a population of 51,135, an increase of 3,618 people (7.6%) since the 2018 census and up 7,482 people (17.1%) on the 2013 census. Over the next 30 years, the population is forecast to grow by a further 17.5% to 60,100 people.

With a population of 38,800, Gisborne is the only urban area in the district with more than 1,000 residents and is home to 72.8% of the district's population.

Approximately 72% of the population, or 36,232 people, are currently serviced by the water network through 12,728 residential and 1,815 non-residential connections.

B1.2 Growth forecasts

Growth forecasts for the Gisborne District have been revised following analysis of the 2023 Census data and updated building consent trends. These revised projections are reflected in Table 1 and will inform future infrastructure planning and water services delivery across the district.

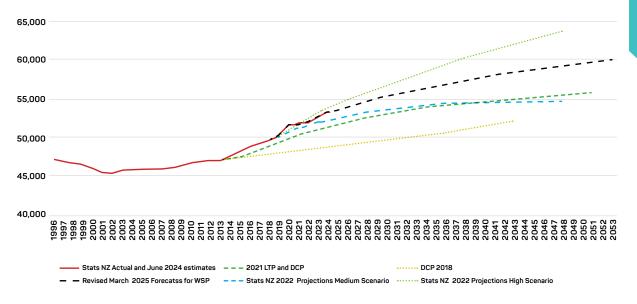
Since the COVID-19 pandemic, population growth has been stronger than anticipated. Annual estimates from Statistics New Zealand have exceeded assumptions used in Council's 2024–2027 Three-Year Plan. Building consents have remained high and are consistent with projections from the 2021 and 2023 growth models. The 2023 Census confirmed a higher starting population - more than 2,000 above earlier estimates in the 2021-31 Long Term Plan.

This higher growth is attributed to post-pandemic migration, increased immigration and underestimation of recent trends by national forecasts. Notably, average household occupancy increased from 2.9 people per dwelling in 2018 to 3.0 in 2023, an unusual reversal of the trend toward smaller households. These changes have driven a significant uplift in residential development across the district.

While recent growth has been strong, several of the factors contributing to it - such as return migration and immigration spikes, are not expected to continue. With changing immigration patterns, high construction costs and declining house prices, growth in residential building activity may moderate in the medium term.

Past projections assumed that 90% of new housing would be within Gisborne city. However, only around 55% of consents in the last five years have occurred in the urban area. There has been a marked increase in rural lifestyle developments and steady population growth in coastal and rural settlements, though these areas have not seen corresponding increases in new housing. Given on-going uncertainty in growth projections, especially beyond the short term, future Water Services

Strategies will incorporate updated forecasts. The next update is scheduled for 2027/28. For the purposes of this Plan, higher growth assumptions have been retained to support prudent forward investment in infrastructure and service capacity.



(Source: Thomas Consulting, 2025)

B1.3 Serviced areas

Water supply

The Council provides reticulated drinking water to residents and businesses within the Gisborne urban boundary.

It also supplies smaller-scale supplementary water to Te Karaka and Whatatutu townships to top up other household sources, such as rainwater tanks and small-bore systems. Community drinking water stations are available for self-service in Muriwai and Patutahi.

Raw water for Gisborne city is sourced from surface water catchments to the west - approximately 70% from the three Mangapoike dams and 30% from Te Arai Bush catchment. Water is piped to the Waingake Water Treatment Plant for processing, then flows by gravity to the city, topping up reservoirs before being distributed through the water mains to property boundaries.



Waingake Water Treatment Plant (above) and the HC Williams Dam (below)

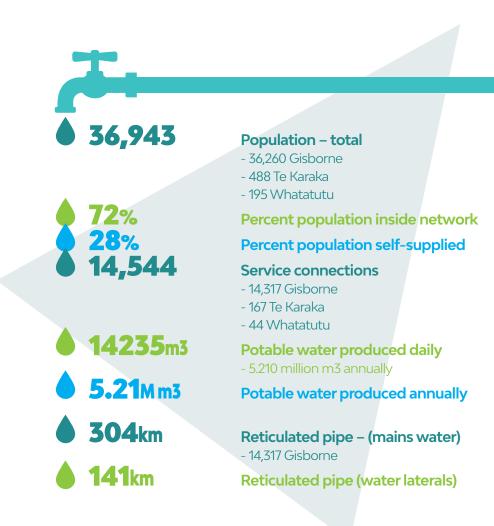


This supply is supplemented by water from the Waipaoa River, treated at the Waipaoa Treatment Plant. The secondary source provides support during peak periods when consumer demand is high or supply from main sources is reduced due to weather or technical issues with treatment systems. Additional capacity is provided by city reservoirs which are kept filled as part of the public reticulation network.

Water for Te Karaka is drawn from bores near the Waipaoa River, while Whatatutu is supplied from the Mangatu River. In both locations, raw water is treated before being delivered to household tanks.

Properties not connected to the piped system – including rural households and smaller settlements – rely on private supplies such as rainwater collection, bores, springs or surface water. These are independently owned and managed. Approximately 12,000 people (about 23% of the district's population), including nearly 70 marae, are served by private supplies rather than the public system.

Key information about drinking water services



Wastewater

Council provides reticulated wastewater services to residents and businesses within the Gisborne urban area, along with a smaller scheme in Te Karaka. It also operates three septage disposal facilities in Te Araroa, Ruatoria and Te Puia Springs, with a fourth proposed for Tolaga Bay currently in consultation and design stages.

Te Karaka has a basic wastewater system where sewage is pumped from homes to an oxidation pond for treatment before being discharged into the Waipaoa River.

Properties outside these serviced areas rely on private on-site systems, such as septic tanks. While these systems are not Council-managed, regional disposal facilities support safe and compliant waste removal. An estimated 16,000 people, about 31% of the population, are not connected to a reticulated service. This includes marae, along with many rural schools and businesses.

Key information about wastewater services



Urban stormwater

Council owns and operates a public stormwater system serving Gisborne city, including the Makaraka and Wainui/Okitu areas, as well as urban areas in 12 rural communities spanning from Wharekahika to Matawai.

Details of areas serviced by the reticulated water networks are provided in Table 2.

Levels of service

Council regularly meets its key performance indicators (KPIs) across water supply, wastewater and stormwater. However, levels of service were impacted in 2023 due to Cyclones Hale and Gabrielle. The key areas affected were:

Water supply

- Increased water loss due to reduced metered volumes and lack of data from damaged meters.
- Higher levels of customer complaints regarding supply continuity e.g: pipeline breaks and water discolouration from alternative source use.
- Reduced customer satisfaction linked to concerns over network fragility, erosion and debris risks.

Wastewater

- Prolonged attendance and resolution times due to sustained contractor pressure during the extended response and recovery period.
- A decline in customer satisfaction as a result of continued service disruptions caused by major weather events.

Stormwater

- Severe weather in 2023 led to a rise in localised flooding across the district.
- Major storms placed significant pressure on the stormwater network, resulting in increased complaints and a decline in satisfaction during quarters three and four.
- The volume and severity of stormwater-related issues during weather events negatively affected community perceptions of reliability.

Full details of regulatory compliance and levels of service are shown in Tables 3, 4,5,6 and 7.

Future Development Strategy

The Future Development Strategy (FDS), adopted by Council in March 2024, identifies broad spatial areas to support projected population and housing growth over the next 30 years. It also outlines key infrastructure required to enable that growth. An Implementation Plan and series of Master Plans are currently in development. The FDS will inform future updates to the Tairāwhiti Resource Management Plan, Water Services Strategy and Regional Land Transport Plan.

It's estimated the FDS will provide capacity for new houses through a mix of housing choices:

- Intensification areas (4,050 homes)
- Greenfield development (780 homes)
- Rural residential/lifestyle (570 homes)

Further details of specific growth areas and growth-related water infrastructure included in the capital programme over the next 10 years is outlined in Table 2.

Note: several of these projects are provisional pending further investigations and modelling work to validate growth assumptions, explore options and confirm business cases/costings.

B1.4 Water services network condition assessment

Above ground network assets

Water supply

Major above-ground assets in the water supply network include three water storage lakes at Mangapoike, two water treatment plants (Waingake and Waipaoa) and two smaller scale supplementary water supplies at Te Karaka and Whatatutu. The network includes 12 major pumpstations.

Although aging, both the Waingake Water Treatment Plant (rebuilt in 1992) and the Waipaoa Water Treatment Plant (built in 1993) remain in reasonable condition. Equipment and components are being progressively renewed, with a medium-term focus on electrical systems. A new risk has been identified relating to land stability above the Waingake site, which will require remediation.

Wastewater

For wastewater, there is one primary treatment plant in Gisborne, with a smaller oxidation pond treatment site at Te Karaka. There are few assets at this site.

The main wastewater treatment plant is relatively new and in good condition, though ongoing plant and equipment renewals will need to be refined through a more detailed breakdown of plant and equipment.

Stormwater

The stormwater network has no treatment or pumping assets.

Below ground network assets

The underground pipe network comprises approximately 445km of drinking water pipes, 330km of wastewater pipes and 176km of stormwater pipes. Average pipe ages range from 42-years for stormwater to 49.7-years for wastewater. While useful life varies depending on material type, most pipes are designed to last about 100 years. Based on average age, the district's pipe networks can generally be considered middle-aged.

Further details on water services asset condition are provided in Table 3.

Assessing pipe network condition

Evaluating the condition of buried water service networks presents inherent challenges due to inaccessibility. While closed-circuit television (CCTV) inspections provide a reliable method for evaluating the condition of wastewater and stormwater pipes, they are costly and typically prioritised for critical network components.

Council has completed CCTV inspections on all high criticality wastewater mains, which has led to targeted repairs and replacements where required. A smaller CCTV programme has also been carried out for stormwater infrastructure, focusing on at-risk areas such as high traffic intersections.

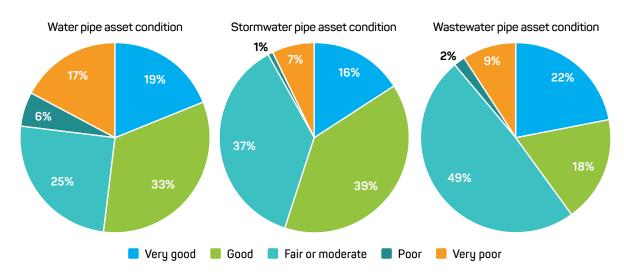
To provide a general indication of overall network condition, inferred condition ratings are used.

These are based on asset age and Remaining Useful Life (RUL), consistent with the Institute of Infrastructure Asset Management (IIMM) and the Institute of Public Works Engineering Australasia (IPWEA) Condition Assessment and Asset Performance Guidelines (see table below):

Condition rating	Lower RUL	Upper RUL	
Very Good	80%	100%	
Good	50%	79%	
Fair	20%	49%	
Poor	5%	19%	
Very Poor	0%	5%	

When the ratings are applied across our networks, the following charts provide an estimate of pipeline condition.

Below ground water services asset condition ratings



The charts suggest that a relatively small proportion of network pipeline assets are in poor or very poor condition. These assets would form the bulk of the short to medium term renewal priorities. Note that pipeline age and RUL is just one factor used to build renewal programmes. This is further described in the Asset Management Approach - Asset Renewals section.

Water network pipelines are generally in good to fair condition, with the exception of older, smaller-diameter asbestos cement (AC) and cast iron pipes, which account for 21% - some dating back to 1909. Most failures occur in AC mains, which are a key focus of the renewals programme. Cast iron pipes, among the oldest in the network, have experienced intermittent asset and connection failures, along with occasional discolouration issues. Internal corrosion (tuberculation) also reduces performance. These issues are being addressed as part of the medium-term renewals programme.

The Waingake bulk supply treatment water pipeline and raw water pipeline are in variable condition with corrosion mainly observed at gibault joints. Renewal of pipeline coatings and replacing gibault joints with welded connections will help to meet projected remaining life of these pipelines.

Of the 235km of wastewater mains, earthenware and asbestos cement are the oldest and in the poorest condition. Earthenware pipes are likely to contribute to groundwater infiltration. Recent renewals have focused on large-diameter interceptors, with future work shifting toward lateral connections, which are assumed to be in similarly poor condition.

The majority of the stormwater network was constructed between 40 and 70-years-ago. Based on estimated remaining life, most of the stormwater pipes are considered to be in good condition. Much of this network comprises reinforced concrete, which does not degrade in the same way as similar materials used in wastewater systems.

Further detail on water services asset condition is provided in Table 3.

B1.5 Asset criticality

Critical assets are those whose failure would have the most significant impact on service delivery, public health and safety, the environment or replacement and repair costs.

At a high level, critical water assets include the Mangapoike dams, water treatment plants (Waingake and Waipaoa), city pump stations and key water reservoirs. For wastewater, critical assets comprise the Gisborne Wastewater Treatment Plant, major pump stations, the ocean outfall pipe and Te Karaka oxidation pond.

On a more detailed level, all water services pipelines are assigned a criticality rating using a five-point scale, based on guidance from the International Infrastructure Management Manual (IIMM). This rating considers factors such as pipe diameter, proximity to buildings and, for wastewater, whether the pipe functions as a pressure main.

Criticality data is used in renewals planning (see Asset Management Approach - Asset Renewals section) and is further described in Table 3.



B1.6 Renewals backlog

Renewals have been deferred on parts of the network in recent years due to funding constraints. This has created a backlog of assets that have exceeded their expected useful life, increasing the risk of reduced performance or failure. Council is progressively addressing these backlogs through targeted investment across water, wastewater and stormwater networks.

Water supply

A total of 23.6km of water mains and service lines, valued at \$9.9 million, have exceeded their expected useful life. Council intends to replace these assets over the next 10-years, along with a further 30.4km (valued at \$12.1 million) that are forecast to require renewal during the same period. While the Waingake and Waipaoa water treatment plants are relatively modern, they require componentisation to optimise operations, maintenance and support future renewal planning. Renewal needs will be reassessed once this process is complete.

Wastewater

As at September 2023, 22.9km of wastewater mains and 22.3km of service lines have exceeded their expected life. These create a renewal backlog valued at \$17.0 million (\$10.1 million for mains and \$6.9 million for service lines). Council aims to address this backlog within the next five-years through the DrainWise programme, which is focused on reducing stormwater inflow and infiltration into the wastewater system.

Over the next decade about 1,138 metres of wastewater mains and service lines (costing approximately \$446,000) are scheduled for renewal.

Although Banks Street Wastewater Treatment Plant is relatively new, a more detailed component breakdown is needed to accurately estimate future renewal requirements. Initial assessments indicate a higher renewals budget is required this has now been incorporated into renewal plans.

Stormwater

Currently, 2km of stormwater mains have exceeded their expected life, creating a renewal backlog valued at \$1.6 million. These mains are scheduled for renewal within the 10-years, alongside a further 10km of stormwater pipes nearing the end of their life, with an estimated cost of \$7.8 million. Stormwater service lines connected to private properties are not owned or maintained by Council and are therefore excluded from these figures.

B1.7 Asset management approach

This section outlines the Council's approach to managing water services assets.

Service delivery mechanisms

Water services are delivered through a Water Team within the Community Lifelines Hub, led by the Director Community Lifelines.

The Water Team reports to a Water Services Manager and comprises about 30 staff across five functional teams covering capital planning, project management and three waters - water, wastewater and stormwater.

Operations and maintenance activities are carried out by a contracted service provider currently in year six of a seven-year maintenance agreement.

Under 'Our Water, Our Way', Council will continue to deliver water services through an in-house business unit that meets legislative and regulatory requirements, as outlined in Part A of this plan.

Asset management systems

Council uses a suite of integrated systems and tools to manage water assets across their lifecycle, from maintenance planning and execution to long-term investment decision-making.

Key systems include:

- The core asset management system is Infor Public Sector (IPS) v11.2, including asset valuation and work order management.
- Spatial mapping of asset location is undertaken using ESRI ArcGIS Pro, linked to IPS.
- Document and records management is managed by Objective 11.4.
- Unstructured data (photos, CCTV etc) is stored on Gisborne District Council file servers.
- Mobile data captured in the field by contractors uses customised ArcGIS FieldMaps which integrates with IPS and GIS.
- Renewal planning is undertaken by export from IPS and analysis in Excel.

Asset management framework

Council's overarching strategic asset management document is currently the 30-Year Infrastructure Strategy, developed every three-years as part of the Long Term Plan (LTP). This strategy provides the policy direction and framework for managing critical infrastructure assets. It is informed by Activity Management Plans (AMPs), which are developed for water supply, wastewater and stormwater services. These AMPs are 10-year plans, with detailed focus on the first three years. The last full LTP was 2021-31. This approach will transition to a dedicated Water Services Strategy once the Local Government (Water Services) Bill is passed into law.

Following severe weather events in early 2023, the Severe Weather Emergency Recovery Legislation Act was enacted. Under a special Order in Council, the 2024–27 LTP and Infrastructure Strategy were limited to three years, enabling greater focus on recovery in the most affected regions.

The medium to long-term outlook for this Plan draws on the 2021–31 LTP and has been updated to reflect new asset management drivers including growth, resilience, renewals and regulatory compliance. From 2027/28, Council will be required to provide a separate Water Services Strategy in accordance with the Local Government (Water Services) Act 2025.

Asset management is one of Council's 12 strategic risks. It is actively managed by the Risk and Performance Team and focuses on causes, consequences and controls associated with the risk of failing to provide sustainable, fit-for-purpose infrastructure services.

Asset renewals

Pipeline renewal priorities are determined using a risk-based approach that evaluates the Likelihood of Failure (LOF) against the Consequence of Failure (or criticality), as outlined in the table below:

RISK RATING		CRITICALLY				
		1	2	3	4	5
LIKELIHOOD	1	LOW	LOW	LOW	MEDIUM	HIGH
	2	LOW	LOW	MEDIUM	MEDIUM	HIGH
	3	LOW	LOW	MEDIUM		HIGH
	4	LOW	MEDIUM		VERY HIGH	VERY HIGH
	5	LOW	MEDIUM		VERY HIGH	VERY HIGH

This helps prioritise investment toward the highest-risk assets, those in the red and orange zones, considered both highly critical and most likely to fail - are targeted first for renewal.

- **Likelihood of Failure** is estimated based on asset age, using a simple categorisation tied to 20% increments of expected asset life. Older assets are assumed to be in poorer condition and therefore more prone to failure.
- **Criticality ratings** are based on factors such as pipe diameter (impact on numbers of customers), proximity to buildings and waterways. Low criticality pipes are individual service lines -usually the same age and material as the parent main. They are renewed at the same time as the main.
- **Pipeline performance** is also assessed. CCTV inspections are carried out on selected mains typically older pipes or those with higher criticality. Inflow and infiltration performance is evaluated for mains with brittle materials (e.g. earthenware), vulnerable joints or deep burial. Assets identified through this process are advanced in the renewal programme.
- **Repair and maintenance records** are also reviewed, identifying recurring issues tied to material type, age or specific locations that may indicate systemic problems.

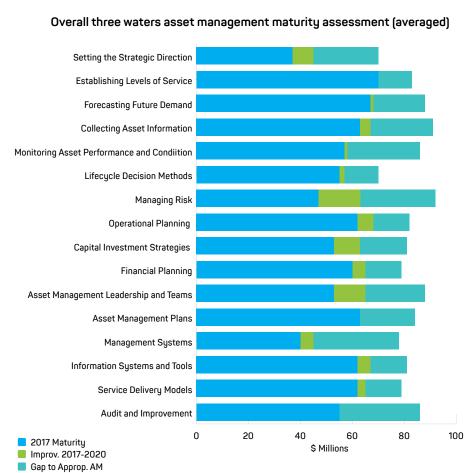
This methodology results a prioritised list of renewals to be built into annual, three-year and 10-year programmes of work. Planning includes geographic grouping of renewals to maximise economic and delivery efficiency, plus smoothing of project timing, scale and cost. This supports consistent resource allocation for both Council and contractors.

Note: despite this structured approach, year-to-year variability in renewal budgets may still occur,often due to significant capacity upgrade projects (particularly in stormwater), where costs are classed as part renewals and part service level improvements and/or growth.

The Water Services Strategy will adopt a longer-term perspective- looking out at least 30 years to provide a more comprehensive view of future asset renewals and long-range investment needs.

Asset management maturity assessment

Council applies the International Infrastructure Management Manual (IIMM) framework to assess asset management maturity. Maturity across each of the 16 IIMM processes is self-assessed through internal workshops with senior waters staff. This process also includes defining appropriate target maturity levels for each water service area.



The last assessment was completed in 2020, with overall maturity rated at an average of approximately 75% of appropriate targets. The graph (left) illustrates comparative maturity levels for each of the assessment categories in 2017 and 2020.

A follow-up assessment was scheduled for 2023 but was deferred due to Council's focus on response and recovery efforts following Cyclone Gabrielle. Council will undertake an external asset management maturity assessment in the 2025/26 financial year.



This section outlines Council's compliance with regulatory requirements for water services.

B2.1 Resource consents

Council currently holds four water take consents, five water discharge consents, five wastewater discharge consents and two wastewater network consents for Gisborne. All water take consents are due to expire within the next 10 years, while wastewater discharge consents remain valid until 2042.

We are currently non-complaint with the Gisborne Wastewater Treatment Plan discharge consent until an effective tertiary filter is obtained and installed which is expected to be within the next 12 months.

Minor non-compliance risks exist across a small number of consents, including:

- Waingake and Te Karaka water discharge consents.
- Dry weather overflows from the wastewater network.
- Te Karaka Oxidation Pond discharge consent.

There are currently no active resource consent applications. However, renewal of the Te Arai water take consent is planned and must be completed by 2026. In addition, a stormwater discharge consent will be sought.

Overall compliance with consents is good, as there are no current abatement notices and only three infringement notices have been issued in the past three years.

Council is committed to meeting evolving regulatory requirements, including anticipated changes to wastewater standards and other environmental consents under the Water Services Act 2021 and the Resource Management Act 1991.

Table 4 contains detailed information on the Council's resource consents, including expiry dates.

B2.2 Water services regulations

As a registered drinking water supplier, Council must comply with the Drinking Water Quality Assurance Rules 2022 (DWQAR) and the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (DWS).

Quarterly independent assessments and annual audits are conducted by Wai Comply Limited, applying the bacterial and protozoal modules of the DWQAR (or equivalent). These assessments ensure Council meets national requirements for drinking water treatment and disinfection.

Since 2021, Council's water supplies have consistently complied with bacterial and protozoal treatment standards.

Temporary exceptions occurred during:

Cyclone Gabrielle (February 2023): The Waipaoa water source was unavailable, and a boil water notice was issued for Gisborne.

2021/22: The Te Karaka Water Treatment Plant did not fully meet compliance for a short period due to an incomplete treatment process.

Gisborne's primary water supply is fluoridated through the Waingake and Waipaoa Water Treatment Plants. The smaller supplementary supplies at Te Karaka and Whatatutu are not yet fluoridated.

Further regulatory compliance details and information on fault response times and customer satisfaction for water supply, wastewater and stormwater networks are shown in Tables 5, 6 and 7 respectively.

B.3 Capital expenditure required

Gisborne is the main population centre, with smaller rural and coastal townships spread throughout the wider district. Most of these communities do not have any reticulated water services. As a result, Gisborne's water service networks remain localised and relatively simple.

The city's primary water supply is sourced from dams located approximately 40km away. Due to their elevation, these dams provide sufficient pressure to deliver water to city reservoirs and the reticulation system under gravity. Booster pumping is only required in specific areas, during seasonal peak demand or to preserve dam water levels in spring. A second water treatment plant, recently constructed near the city, provides additional treatment capacity from a river source, offering system resilience.

A modern wastewater treatment plant serves most of the district's population, with the exception of a small rural community serviced by an oxidation pond. All treated wastewater is discharged to the ocean via a 1.8km marine outfall pipe. Significant investment has already been made to ensure the quality of treated wastewater.

Gisborne's stormwater network is a passive, gravity-based system that requires no need for pumping.

However, a step change in infrastructure capacity is needed to allow growth at the levels described above, and to allow for greater intensification as indicated in the Council's Future Development Strategy (FDS).

Although the network is generally in good condition, Council currently has a backlog of renewals. Addressing this backlog is included in our planned renewals investment. Wastewater is projected to be up to date within five-years, while stormwater and water infrastructure will be addressed over a 10-year period.

New regulatory requirements are being developed as part of the Resource Management and Local Water Done Well reform programmes, including revised national standards for drinking water and wastewater. Council will need to increase the current levels of service for some of its water services infrastructure to meet the new standards. Mana whenua and the wider community have also clearly stated expectations regarding improved management of wastewater and stormwater discharges.

While water services have been restored following Cyclone Gabrielle, the water network is less resilient than it was before, and it would take a smaller event to disrupt supply. In many cases, planned expenditure is therefore not to increase resilience but rather restore it to pre-cyclone levels. Some assets will need upgrading to cope with future extreme weather events and require repairs or replacement following more intense storms. Gisborne also has limited water storage, and if this is impacted by an adverse event there may be significant consequences. New investment to improve water security is therefore included in this Plan.

Taking these matters into account, Council's 10-year capital investment plan (starting in 2024/25) aims to:

- Maintain current and planned levels of service.
- Ensure ongoing operation, maintenance and renewal of network assets.
- Meet regulatory requirements.
- Support housing growth and urban development.

Council has committed to significant investment in water infrastructure, with \$213 million planned over the 10-years to 2033/34 to achieve the outcomes outlined above. This is detailed in Table 8.

There is currently no Long-Term Plan in place. In June 2024, Council adopted a Three-Year Plan (2024–2027) to support recovery from Cyclone Gabrielle. This includes both Council-funded projects and capital works supported through the government's cyclone recovery package.

The capital investment outlined in the first three years of this Plan aligns with the Three-Year Plan and represents a significant increase on past expenditure. Further detail is provided in the section below.

Compared to the 2021–2031 Long Term Plan, this Plan reflects a major uplift in capital investment. This is essential to meet the objectives outlined earlier and to ensure water services are financially sustainable by 30 June 2028.

Capital investment levels for the water network between 2028 and 2031

Capital expenditure (\$000)		2028	2029	2030	2031
Drinking Water	LTP	2,958	3,142	2,133	1,897
	WSDP	7,900	9,838	11,438	9,432
	Increase	167%	213%	436%	397%
Wastewater	LTP	7,493	7,402	4,720	5,418
	WSDP	7,913	9,559	9,760	9,579
	Increase	6%	29%	107%	80%
Stormwater	LTP	1,355	1,801	1,863	687
	WSDP	2,127	3,943	4,093	4,404
	Increase	57%	119%	120%	541%
	LTP	11,806	12,346	8,715	8,002
	WSDP	17,939	23,340	25,290	23,415
	Increase	52%	89%	190%	195%

Note: Amounts are uninflated.

These substantial increases present delivery challenges. To manage this, a phased roll-out of projects has been planned, with activity ramping up over time to support the development of both internal and contractor delivery capability. Since Cyclone Gabrielle, Council has significantly strengthened its project management capacity and capability through targeted recovery initiatives.

This has included the recruitment of experienced project managers, the development of robust delivery frameworks, and the move to establish a Project Management Office (PMO), which will play a central role in coordinating, sequencing, and assuring delivery planning for water services investments.

The sharp rise in drinking water investment is driven by the need to address a backlog of pipeline renewals, strengthen resilience and critical asset performance following Cyclone Gabrielle, and meet growth-related demand.

Details of required capital expenditure to deliver compliant water services are shown in Table 8, with planned major projects listed in Tables 23, 24 and 25.



The under-delivery shown for 2024/25 reflects progress to date, with full delivery expected by year end.

KAUWHITI C: Ngā whakaritenga moni me ngā tahua **PART C:** Revenue and financing arrangements

C.1 Charging and billing arrangements

C1.1 Current residential vs non-residential users

Residential

Drinking water

Rated based on a combination of:

- A fixed amount per separately used or inhabited part of a rating unit.
- An availability charge for properties not connected but within 100 metres of a public water supply and able to be connected (charged per rating unit).
- An amount per cubic meter of water consumed for some identified extraordinary domestic or residential users. Domestic extraordinary users are those connected and within defined rural areas¹. They are charged when water supplied is above 300 cubic metres.
- Residual amount collected through the general rate based on capital value.

Fees and charges (connection and disconnection fees, final water readings where applicable for defined extraordinary domestic users).

Financial contributions to fund capital works, projects and the interest costs for growth related projects.

Wastewater

Rates are based on:

- A fixed charge per toilet (pan) for properties connected to the wastewater system for Gisborne City.
- A fixed charge for properties connected to the wastewater system for Te Karaka.
- A residual amount collected through general rates, based on capital value.

Fees and charges for wastewater connection and disconnections.

Financial contributions to fund capital works and projects, the interest costs for growth related projects.

¹Defined within the Water Supply Bylaw 2015

Stormwater

Rates are based on:

- A fixed amount per separately used or inhabited part of a rating unit in certain rural towns (Defined as DRA3, DRA4 and DRA5²) Manutuke and Patuahi townships.
- A fixed amount per residential rating unit in Gisborne City and nearby areas (DRA1A) including Sponge Bay, Wainui and Okitu.
- A residual amount collected through the general rate based on capital value.

Fees under the DrainWise programme, where Council carries out work on private property (e.g. removing downpipes from gully traps).

Financial contributions to support capital projects and interest costs for growth-related infrastructure

Rates remissions

Various remissions provided under Council's Rates Remissions Policy will continue to be available to customers. This includes remissions for exceptional circumstances, financial hardship and excess water charges resulting from leaks or breaks beyond the customer's control. Any remission granted will be offset against Water Services revenue, but only to the extent that the remission relates to Water Services.

Non - Residential

Drinking water

Charged as per residential users, plus:

- Rated based on a combination of residential rates as outlined above and an amount per cubic meter of water consumed.
- Fees for water drawn from Waipaoa tanker filling station.

Wastewater

Same as residential plus rates are based on:

- A fixed charge per toilet (pan) for Gisborne City.
- A fixed charge per toilet (pan) for Te Karaka.
- A residual amount collected through the general rate based on capital value.

A trade waste fee is paid by industries whose trade waste flows through the city wastewater system.

² These areas are defined within the 2024-2027 Three Year Plan Rates Funding Impact Statement.

Stormwater

Charged on:

- A targeted rate for commercial and industrial land in Gisborne City and surrounds (defined as DRA1 and DRA1A), based on capital value.
- A fixed amount per separately used or inhabited part of a residential rating unit, within Gisborne City and neighbouring areas (DRA1A) including Sponge Bay, Wainui and Okitu.
- A residual amount collected through the general rate based on capital value.

Fees and charges (connection to the stormwater network) based on a per connection basis.

Financial contributions for capital works, projects and the interest costs for growth related projects.

C1.2 Proposed charging mechanism

Council proposes introducing targeted rates for water, wastewater and stormwater services with the following changes:

- Remove the current 10% residual general rate for water services.
- Replace it with targeted rates based on capital value, closely matching current general rates per property.
- Begin a price harmonisation pathway where required.
- Pilot volumetric charging models from 1 July 2027, aligned with the rollout of residential water metering. Adjustments will be informed by demand trends and customer impact analysis over the 2027-2034 period.

All other charges will remain consistent with current mechanisms.

C1.3 Reporting separation of revenue and expenditure

Water services will be delivered through an in-house business unit, with revenue and expenditure ring-fenced from other activities. Financial and operational systems will be structured to track water-related revenue and costs. Separate balance sheets and rates will be maintained, ensuring clear attribution of revenue and expenditure across drinking water, wastewater and stormwater activities

We already have the majority of water services statements separated, which is fully automated within our accounting system. This includes separate Statements of Performance for each activity, separation of major balance sheet components (reserves, loans, assets), and Funding Impact Statements. Minor system changes will be developed to enable a fully separated Statement of Financial Position.



C1.4 Internal borrowing arrangements

Council uses an internal borrowing framework to allocate debt across its departments. A centralised treasury function manages this process, distributing debt based on departmental transactions, existing balances and capital borrowing needs.

Water services will operate under this framework, with debt managed on a net basis-offsetting reserves against borrowings to minimise the need for external funding.

The Treasury Policy outlines borrowing mechanisms and sets the following purposes for borrowing:

- To fund general debt for water services balance sheet.
- To support 'special one-off' projects and capital works.
- To finance intergenerational assets.

Water activity groups are responsible for repaying their share of financing costs (internal and external). Reserves and external borrowings are used to fund capital and working capital requirements. The finance team manages Council's internal loan portfolio for water services.

Key operating parameters

Internal loans may be structured as:

- Interest-only.
- Reducing balance (non-table) loan.
- Table loans (equal payments across the term).
- Internal loans are established for all new capital works and any renewals not covered by depreciation. Loans are directly attributed to the relevant water services activity.
- Interest on internal loans is set at least quarterly using Council's weighted average cost of borrowing (inclusive of credit margins and fees). Monthly adjustments may apply for accuracy.
- Interest on reserve (investment) balances is set at the 90-day Bank Bill rate at minimum quarterly. Monthly rates may be applied if more accurate. Council may choose to apply lower or no interest for certain non-cash reserves (e.q. vested assets, revaluations).
- Interest is calculated on month-end balances.
- Operational cash flow surpluses or deficits for water services attract interest from the start of the financial year:
 - Deficit balances are charged interest at the weighted average borrowing cost.
 - Surplus balances earn interest at the 90-day Bank Bill rate.

For further detail, refer to the Funding and Financing Arrangements section of this Plan.

C1.5 Financial policies - overhead and cost allocation methodologies

Council applies a structured approach to allocating overhead and shared service costs to water services, ensuring transparency and consistency with cost recovery principles.

Direct Costs

Where costs can be directly attributed to water services, they are recovered through a Memorandum of Understanding (MoU) or based on usage.

Examples include:

- **Laboratory testing** by the Environmental Health team, which is charged under a MoU detailing services, pricing and testing frequency.
- **Vehicle and plant use** from Council's fleet, charged based on mileage or specific plant usage, using standard recovery rates.

Indirect costs

Costs not directly linked to water services (e.g. governance, finance, legal, HR, IT) are allocated across Council activities using established cost allocation methodologies.

These methodologies are based on appropriate cost drivers, such as:

- Employee numbers.
- · Equipment usage.
- Accounts payable volumes.
- Service reports or contracts managed.
- Departmental turnover.

All cost allocations follow standard cost recovery principles, with appropriate cost drivers identified for the use of overhead resources and services. Resource allocation and activity-based costing will be recorded and reported through Council's key accountability documents.

Internal charges

Internal charges for water services during the Plan period are outlined in the funding impact statement, Table 19.

In 2026/27:

- Net internal charges are forecast at \$2.5million, representing 2% of all Council payments to suppliers and staff.
- Water services' total payment to suppliers and staff is forecast at \$13.5million, or 10.6% of total Council costs.



This allocation is proportionate to the scale of the water services delivery programme. In the first year of the internal business unit (2027/28), internal charges are forecast at \$2.6million, increasing mostly in line with inflation across the Plan period.

C1.6 Water services revenue requirements and sources

Revenue requirements under the Plan

From 2027/28 onwards, Council expects water services (wastewater, water and stormwater) to generate sufficient revenue to cover operational costs, including depreciation and debt servicing.

Council's financial projections confirm that by 30 June 2028, this Plan will meet the required standards for financial sustainability. The phased funding approach is particularly important for wastewater, where depreciation costs are highest.

To maintain affordability, rates increases and full depreciation funding have been staged, resulting in operating deficits between 2025 and 2027. This approach is consistent with the 2021–2031 Long Term Plan and reflects a significant Three Waters capital investment "hump" in 2022/23 and 2023/24.

A review of depreciation funding and pricing structures will begin in 2027/28. This includes the transition from a 10% general rate contribution to fully targeted rates based on capital value. The phased transition allows time to model impacts, adjust charges and manage affordability for households and communities.

This Plan will be superseded by the yet to be developed Water Services Strategy and the 2027–2037 Long Term Plan, which confirms long-term debt, financial settings and investment sustainability, while fine-tuning timing and customer impacts.

Sources of revenue

Water services revenue will be generated from the following sources:

Targeted Rates (capital value-based)

- Fixed charges per unit (e.g. per toilet (pan) or per separately used or inhabited part of a rating unit).
- Volumetric charges for most commercial and extraordinary domestic users, based on actual
 water use. This promotes efficiency and aligns charges with consumption. Council will review
 the application of volumetric pricing for ordinary residential users within five years from
 2027/28.

Fines and infringements

Revenue from penalties, such as infringement fees under the DrainWise programme, for illegal stormwater discharges into the wastewater system.

Fees and charges

- New connection application fees for all three waters.
- Trade waste customers and septage income.
- Commercial and industrial water supply fees and charges relating to income from bulk filling stations.
- High water user agreements.

Subsidies and grants for capital expenditure

These are funds provided by government bodies or organisations to support water infrastructure projects.

Financial and development contribution

These are financial contributions required from developers to recover the cost of growth related capital expenditures from participants in the development process.

Loan funding

Required to fund capital expenditure.

Rates remissions

Rate credits will remain available in accordance with Council's Rates Remission Policy. These cover exceptional circumstances, financial hardship and excess water use due to leaks beyond a customer's control.

Planned revenue and sources of revenue over the plan, is forecast in the Projected funding impact statement, Table 19.

The total revenue required over the duration of the Plan to achieve financial sustainability is summarised below:

Operating funding:

- Targeted rates based on capital value \$11.6 million.
- Targeted rates \$298 million.
- Subsidies and grants for operating purposes \$2.3 million.
- Fees and charges \$9 million.



Capital funding

- Development and financial contributions \$9.4 million.
- Debt \$103 million.
- Other dedicated capital funding \$101 million.

C1.7 Charging and collection methodology

Council will continue to invoice rateable properties through its existing rating and payment system.

Council is exploring the introduction of residential water meters, with installation proposed between 2029 and 2032. This will support a mixed charging model combining fixed and volumetric components. Volumetric charging may begin from 2034, following resolution of property leak issues.

Under this proposed approach:

- A standard targeted rate would apply per household, covering a defined volume of water.
- Consumption beyond this volume would be billed separately, based on actual usage.

Commercial and extraordinary domestic users will continue to be charged based on volumetric use, consistent with current arrangements.

C1.8 Projected charges

Over the 10-year period of this Plan, average residential charges for three waters services is projected to rise from \$1,410 in 2024/25 to \$2,307 by 2033/34. Refer to Table 10 for the annual average residential charge breakdown by service- water, wastewater and stormwater.

A current 10% public good component, collected through the general rate based on capital value, will be removed. This shift to fully targeted rates means approximately 9,500 unconnected rural properties will see a decrease in rates - typically from around \$0 to \$200.

C1.9 The affordability of projected waster services charges for communities

Affordability remains a critical consideration in planning water services for Gisborne district, given the region's lower-than-average household incomes and higher levels of socioeconomic deprivation. While average household incomes in the district have increased, the deprivation index remains unchanged at 7.3 -about 35% higher than the national median of 5.5. Several communities are recorded at a level of 9, which is 64% above the national median.

These conditions have informed Council's approach to phasing investment and setting charges. The existing Rates Remissions Policy will continue to apply to water services, offering relief where affordability issues are most acute. Any remissions granted will be reflected as reductions in water services revenue, either fully offset or proportionally adjusted against the rates charged.

Projected water services charges are forecast to be below 1.5% of median household income throughout the life of this Plan. This compares with international affordability benchmarks, which typically range from 2% to 5% of household income. Further detail, including average charges and affordability ratios, is provided in Table 10.

C.2 Water services and financing arrangementsC2.1 Financing requirements and sources

Projected borrowing requirement over the 10-year period

The total borrowing requirement for the combined delivery of water, wastewater and stormwater services over the 10-year period of this Plan is projected at \$152 million. The opening debt balance at 1 July 2025 is \$58 million. These projections reflect planned investment in renewals, resilience upgrades and growth-related infrastructure. Refer to Table 14 for detailed figures.

Minimum cash and working capital requirements for sustainable delivery

Financial forecasts indicate that a minimum aggregated water services cash balance of \$8.2 million is required to ensure the sustainable delivery of three waters services. This baseline supports operational liquidity and resilience. Forecasts show cash and financial assets increasing over time, reaching a projected peak of \$10 million by 2033/34.

Council will continue to maintain adequate credit lines to meet its liquidity covenants, in addition to the net debt to revenue covenant, as required for prudent financial management.

Borrowing limits for water services and all Council business

Gisborne District Council currently operates within a debt-to-revenue limit of 175%. The Local Water Done Well framework, aligned with LGFA guidance, allows borrowing of up to 280% of revenue. To access this higher threshold, Council plans to complete the credit rating process by 2027/28.

Projected borrowings are within borrowing limits

Water services, when ring-fenced, are subject to a maximum indicative borrowing limit of 500% of revenue, consistent with DIA guidance. Projections confirm this threshold will not be exceeded in any year of the Plan.

- The combined net debt to revenue ratio for water services is forecast to increase from 257% in 2024/25 to 359% by 2033/34.
- For the Council as a whole, total net debt to revenue is expected to remain within the 280% borrowing limit, peaking at 174% in 2029/30.

These projections demonstrate that all planned borrowing for water services remains within both Council-wide and water-specific financial limits, supporting a financially sustainable approach to

C2.2 Financial Strategy for financing water services investment and operating expenditure

The Financial Strategy underpinning this Plan ensures that water services investment and operational costs are sustainably funded through a combination of operating revenue and debt. The key principles guiding this strategy are as follows:

Operating revenue will cover all operational costs, including depreciation and interest. While depreciation is a non-cash expense, it acts as a proxy for the long-term cost of renewing infrastructure. The resulting operating cash surplus helps fund asset renewals and repay historical debt

Capital expenditure will be funded through a combination of:

- Operating cash surpluses, primarily from funded depreciation.
- Capital revenue, such as development contributions.
- Debt, to cover any remaining shortfall.

service delivery.

From 2027/28, water services are forecast to generate an operating surplus, enabling full funding of depreciation and reducing reliance on debt for renewals.

Operating deficits forecast between 2024/25 and 2026/27 are primarily the result of:

- Transitional phasing of depreciation funding associated with Phase 2 of the Wastewater Treatment Plant upgrade.
- Timing mismatches from carryover capital projects, where revenue was collected in prior years, but expenditure is now scheduled.
- Escalating costs higher than the rates revenue.

While the Plan is based on an assumed level of expenditure and expected inflation, we have also modelled the potential impacts of expected costs (including interest) which are higher than what we had forecast.

Under the various scenarios, Council has a range of options to balance affordability for end users with the need to maintain investment sufficiency. These levers include:

- Phasing certain capital projects over a longer period, particularly growth or increased level-ofservice projects, where this can be done without adversely affecting investment sufficiency.
- Extending the timeframe for repaying "deficit" depreciation, enabling more funds to be allocated towards increased interest costs.

 Increasing user fees, while ensuring total charges remain below 2% of median household income (with modelling indicating a potential impact of up to 1.8%).

This strategy supports the long-term financial sustainability of water services, aligns with sector good practice and ensures that both current and future users contribute fairly to the cost of services.

C2.3 Debt management and risk

Council's approach to debt management for water services is based on principles of financial prudence, intergenerational equity and long-term sustainability. The structure and duration of new borrowings will be determined through commercial funding arrangements with the Local Government Funding Agency (LGFA) and will generally align with the useful life of the infrastructure being funded. This ensures:

- The cost of infrastructure is shared over the period during which benefits are received.
- Future generations who use the assets also contribute to their funding.

It is assumed that Council will obtain a credit rating by 2027/28, enabling access to increased borrowing capacity of up to 280% of net debt to revenue, in line with DIA and LGFA guidance. Borrowing terms will reflect Council's credit status and market conditions at the time, with debt levels managed to support and maintain that rating.

Debt servicing costs will be attributed to water services proportionally:

- Where debt relates specifically to water, wastewater or stormwater assets it will be directly allocated.
- For historical or mixed-purpose debt, costs will be allocated based on the average weighted cost of borrowing across Council.

Most historical debt relates to three waters infrastructure and is therefore included within the water services financial ring-fence.

As at 30 June 2024, external borrowings totalled \$177.8 million (up from \$124.8 million in 2023), comprising debentures and floating rate notes maturing between 15 July 2024 and 8 May 2034.

Interest rate and refinancing risks are managed through Council's Treasury Policy, with ongoing oversight from external treasury experts. This ensures risk is controlled, compliance is maintained and debt remains affordable over time.



Liquidity risk

Council manages liquidity risk by maintaining sufficient financial capacity to meet operational and capital requirements as they fall due. **This includes**:

- Aligning revenue and expenditure timing with committed bank facilities used to manage short-term cash flow timing differences.
- Maintaining unutilised committed debt facilities and, where applicable, holding liquid and negotiable investments to ensure flexibility and responsiveness.
- Staggering debt maturities to avoid concentration of repayments, in accordance with Council's Treasury Policy.

Working capital requirements will be managed in accordance with Council's Treasury Policy. Liquidity (including external debt, committed debt facilities and cash or cash equivalents), will be maintained at a minimum of 110% over external debt.

Interest rate risk

Council adopts a corridor approach to interest rate risk management, with defined upper and lower bounds that ensure interest rate exposure remains within approved policy limits.

This approach is more flexible and fits better with an increasing debt profile over longer than 10-year horizon. It strategically aligns the interest rate interest management framework within the Plan and the associated debt path.

This policy framework supports affordability and certainty by smoothing the impact of interest rate fluctuations over time.

Refinancing risk

Refinancing risk is managed by distributing debt maturities across multiple maturity bands, in line with Treasury Policy. This ensures no single maturity date poses an undue refinancing burden.

Council sources debt from:

- Strongly rated New Zealand-registered banks, through a Debenture Trust Deed (allowing borrowing of up to \$55 million).
- The Local Government Funding Agency (LGFA), of which Council is a shareholder.

This diversified approach reduces exposure to individual funding sources and provides resilience in changing financial markets.

C2.4 Internal borrowing and treasury management

Debt repayment strategy

Council's debt repayment strategy is guided by principles of efficiency, intergenerational equity and financial prudence. Where appropriate, debt raised to fund water services will be aligned with the useful life of the asset it supports. This is primarily managed through internal borrowing arrangements, which ensure funding and repayment terms match the lifespan of the infrastructure.

No assumptions have been made for early repayment of debt beyond standard maturity schedules, unless driven by specific operational or financial triggers.

Net borrowing approach

Council applies a net borrowing strategy, whereby it funds the balance sheet holistically offsetting available reserves against gross borrowings. This approach:

- Reduces overall debt exposure.
- Minimises interest costs.
- Enhances flexibility in managing liquidity and funding requirements.

Internal borrowing arrangements

Internal borrowings for water services will be ring-fenced and reported separately on the respective balance sheets for water, wastewater and stormwater. This supports transparency, accountability and compliance with requirements of the Local Water Done Well framework.

Debt will be allocated into tranches, aligned with the specific capital investment each tranche supports. As each tranche is repaid in line with agreed terms, Council will progressively raise new external borrowings directly from the Local Government Funding Agency (LGFA) or other approved lenders.

Water services will be managed under a centralised treasury function within Council. This model is preferred as it delivers the following benefits:

- Improved liquidity management, reducing the cost of borrowing and enhancing cash flow forecasting.
- Cost efficiency and risk reduction, achieved through consolidated borrowing and hedging strategies that improve negotiating leverage and reduce exposure to interest rate and currency fluctuations.
- Streamlined operations, with fewer transactions and reduced administrative burden through centralised treasury processes.

Internal borrowing arrangements are governed by Council's Treasury Policy and supported by clear procedures for interest charging, repayment schedules and financial reporting.



For further detail, refer to the Revenue and Financing Arrangements section, under Internal Borrowings Arrangements, which outlines how ring-fencing will be applied in practice.

Determination of debt attributed to water services

Debt is attributed to water services based on internal borrowings and reserve balances, for each of the water services as at 30 June 2024. The debt balance is also based on cash-backed transactions such as rates, development contributions and depreciation reserves.

Debt will be managed under the existing internal borrowings framework.

C2.5 Insurance and risk mitigation

Insurance arrangements

Council maintains comprehensive insurance arrangements to manage financial risk associated with its infrastructure assets, including those for water, wastewater and stormwater services.

Water services assets are currently insured through participation in a collective insurance group, which enables cost efficiencies and access to broader market coverage. These arrangements are reviewed regularly to ensure alignment with asset values and risk exposure.

Council's overarching approach to insurance is guided by its Insurance Strategy, adopted in 2021/22 and scheduled for review in 2026. The strategy outlines key areas of focus and action, including:

- Regular asset revaluation to ensure insurance values remain current.
- Ongoing assessment of earthquake maximum probable loss (MPL) for critical infrastructure.
- Differentiated approaches to asset coverage through the Property Development Process, particularly for low-risk, low-value assets.
- Strategic review of risk retention levels and Council's residual financial exposure.
- Integration with the Council's Enterprise Risk Management (ERM) framework.

These arrangements ensure that water services are supported by a resilient risk management approach and that Council can respond effectively to asset losses or damage arising from major events.

Annual insurance risk assessments

Council undertakes annual insurance renewals for the policy period 1 November to 31 October. To ensure asset values remain current, external valuations are completed on a three-year cycle, aligning insurance values with financial valuations. These assessments include:

- Reinstatement cost cost to restore assets to 'as new' condition.
- Depreciated replacement cost indemnity value of assets.

- Demolition and debris removal costs.
- Optimised replacement cost (ORC).
- Escalation costs adjustments for inflation over the reinstatement period.

Projected capital works expected to be completed within the policy period are proactively added to the asset schedule. New material assets are incorporated into the policy once commissioned.

Risk evaluation and assessment

As part of the Insurance Strategy, a review of high-level probable maximum loss (PML) was undertaken in late 2022 for below-ground infrastructure. The study, which updated earlier modelling, estimated a median 1-in-500-year PML at \$293million, with an insured loss limit of \$350million for these assets.

A new PML review is currently underway to incorporate Hikurangi Subduction Zone modelling, released after the 2022 assessment. This will ensure updated seismic risk data informs Council's future insurance coverage and risk planning.

Disaster policy and insurance loss mitigation

Council secures insurance through Bay of Plenty Local Authority Shared Services (BOPLASS), a consortium of nine councils. Cover includes both group-wide and individual council limits, based on the latest insured valuations.

- Above-ground assets (e.g. treatment plants, pump stations) are insured for full replacement value against a broad range of perils, subject to group policy limits.
- Below-ground assets are insured for up to 40% of replacement value for natural disaster events, with the remaining 60% expected to be co-funded by central government through the Civil Defence Emergency Management (CDEM) cost-sharing policy.

Council also maintains business interruption insurance for underground infrastructure where losses arise from natural catastrophes.

Governance and oversight

Insurance responsibilities fall under the Chief Executive's delegations, with operational oversight by the Chief Financial Officer and legal team. Strategy, coverage and associated risks are regularly reported to the Audit and Risk Committee to ensure transparency and accountability.



KAUWHITI D: Arotakenga tahua toitū PART D: Financial sustainability assessment

D.1 Confirmation of financially sustainable water services

The purpose of this section is to demonstrate that the Plan achieves financially sustainable delivery of water services by 30 June 2028, by confirming it has:

Revenue sufficiency: sufficient revenue to cover the costs (including the servicing of debt) of water services delivery.

Investment sufficiency: projected investment is sufficient to meet levels of service, regulatory requirements and provide for growth.

Financing sufficiency: funding and financing arrangements are sufficient to meet investment requirements.

All financial information is based upon individual baseline planning documents and will in time, be superseded by the Water Services Strategy and subsequent Long Term Plans.

D.2 Financial sustainability assessment - revenue sufficiencyD2.1 Sufficiency of projected water services revenue

Council is forecast to generate sufficient water services revenues to cover operating expenses (including depreciation and interest) by 2027/28. As shown in the chart to the right on page 53, water services revenue is expected to increase across the period of the Plan from \$22.6million to \$42.5million in 2023/34.

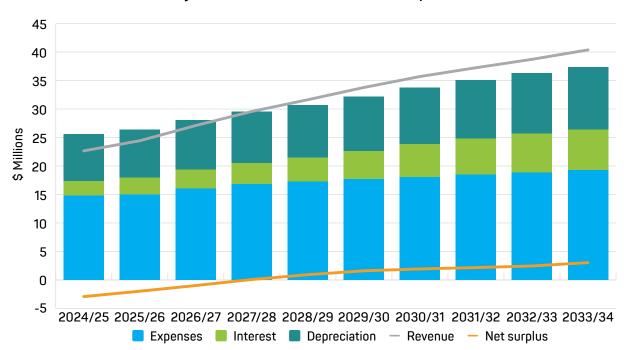
Net operating surpluses are projected from 2027/28 onwards, ranging from \$500,000 to \$5.2 million in 2033/34. Operating deficits are forecast for the first three years of the Plan (2024/25 to 2026/27). These deficits mostly relate to the phasing of funding depreciation arising the Wastewater Treatment Plant (Phase 2), costs increasing at a faster rate than was able to be recovered from users and carryover of projects (that had been previously rated for).

D2.2 Projected operating cash surpluses for water services

Operating cash surplus (defined as the operating surplus plus interest costs, minus non-cash revenues) is a key indicator of whether water services are generating enough cash to meet interest obligations, fund capital investment and repay debt.

The projected water services revenue and expenses chart (below) shows, water services revenue is expected to increase across the period of the plan, from \$22.6million to \$40.4million. This is sufficient to cover the costs (including servicing debt and repaying deficits 2024/25 to 2026/27), with minor surplus arising from development contributions. Development contributions will go toward growth capital expenditure, reducing Councils debt requirements.





D2.3 Projected charges and affordability

Average charge

The average charge per residential connection over the 10-year period of the Plan is projected to increase from \$1,410 in 2024/25 to \$2,307 by 2033/34. This represents an average annual increase of approximately 6.4% across the duration of the Plan.

Water services charges as a proportion of median household income are forecast to rise from 1.1% to 1.5% by 2033/34. The Department of Internal Affairs (DIA) has provided a national indicative affordability benchmark of 3.5% of median household income. International water affordability metrics typically range from 2% to 5% of household income.

For further detail, refer to Table 10 - Average projected charges for water services 2024/25 to 2033/34.

Note: These figures reflect residential users only. Non-residential consumption is significantly higher and can distort average charge calculations when combined with residential data.

D2.4 Projected operating surpluses and deficits

The operating surplus ratio (excluding capital revenues) is an indicator of whether revenue is sufficient to cover operating expenses. Under current forecasting assumptions, the Water Services Unit is expected to reach breakeven in 2027/28, increasing to an operating surplus of approximately \$3million by 2033/34. These surpluses enable recovery of earlier deficits incurred in 2025–2027. This demonstrates that projected revenue is sufficient to meet operating expenses, including depreciation and finance costs. Refer to Table 11 for detailed figures.

The operating cash ratio is an indicator of whether sufficient cash surpluses are generated from operations to pay interest, fund capital investment and repay debt. Based on current forecasts, the Water Services Unit is expected to maintain a positive operating cash ratio throughout the Plan period, increasing from 35% in 2024/25 to 52% by 2033/34. Refer to Table 12 – projected operating surpluses/deficits for further detail.

D2.5 Risks and constraints

The key risks to this plan are:

- Financing arrangements are more costly than what was forecast.
- Further changes in government policy significantly affect water services Planning and delivery, slowing implementation and delivery.
- Economic, pandemic or other global/national influences significantly affect growth resulting in under/over investment in infrastructure.
- National water quality standards, community and Tangata Whenua aspirations do not align resulting in loss of local voice and dissatisfaction with oversight.
- Climate change and natural hazard events overwhelms the ability of ratepayers (and government) to fund repair.
- Economic and quality regulation and reporting require significant resourcing resulting in higher water services charges.
- Infrastructure insurance becomes unaffordable or no longer available.
- Contractors and staff unable to effectively scale up to address work programmes and renewal backlogs.

Further risks are outlined in Table 27.

D.3 Financial sustainability assessment - investment sufficiencyD3.1 Sufficiency of projected water services investment

The proposed level of capital investment is sufficient to meet projected growth, regulatory requirements and desired levels of service.

Over the life of the Plan, Council will invest approximately \$213million in water services infrastructure to:

- Support population and housing growth.
- Comply with national regulatory standards.
- Renew ageing infrastructure.
- Improve resilience and service reliability.

This investment is allocated across the three key categories of capital expenditure, as outlined in the following section.

Council's investment approach balances the need for system improvements with financial constraints. This ensures essential maintenance and resilience activities can be delivered within current funding limits, while enabling new infrastructure projects to proceed as funding becomes available.

Council will continue to invest to maintain compliance with the Water Services Act 2021 and other relevant legislation. Robust and comprehensive planning processes remain in place to guide investment decisions across the duration of the Plan.

Growth (to meet additional demand) Capital expenditure to meet growth-related demand has been projected to align with anticipated development across the district. As the city grows, new investment will be prioritised to meet infrastructure requirements in a timely and cost-effective manner.

Investment in level of service improvements includes upgrading existing systems and increasing infrastructure resilience. This supports compliance with regulatory requirements, including resource consents and the updated drinking water standards.

Renewals capital expenditure to replace existing assets has been forecast to ensure service reliability and continuity. Renewal planning aligns with Council's asset replacement methodologies, considering asset age, condition, service performance, criticality, lifecycle cost efficiency and future growth.

Refer to Part B of the Plan for detailed analysis of projected water services investment, and to Table 23 for a summary of the significant and material capital projects included in this Plan.

D3.2 Confirmation of investment funding sources

The level of investment proposed in this Plan is fully funded through a combination of projected revenues and access to financing. The adequacy of funding is addressed in:

Section D2 Financial sustainability assessment: revenue sufficiency.

Section D4 Financial sustainability assessment: financing sufficiency.

These sections demonstrate that Council has the financial capacity to support the planned investment in water services infrastructure over the life of the Plan.

D3.3 Investment sufficiency test

The level of investment is assessed as meeting the investment sufficiency test if:

- Appropriate systems, processes and capability are in place to identify and quantify infrastructure investment needs.
- The combination of projected revenues and access to financing within Council's borrowing limits demonstrates planned investment is adequately funded.

This Plan sets out and evidences both components of the investment sufficiency test are met. Supporting detail is provided in Part B (Network Performance and Asset Management) and Part D (Financial sustainability assessment) of the Plan.

D.4 Renewals requirements for water services

The Plan involves maintaining water infrastructure by replacing and renewing pipes across the network, with priority on assets at the end of their useful life, the condition and criticality of the assets concerned.

D4.1 Major renewals

Wastewater

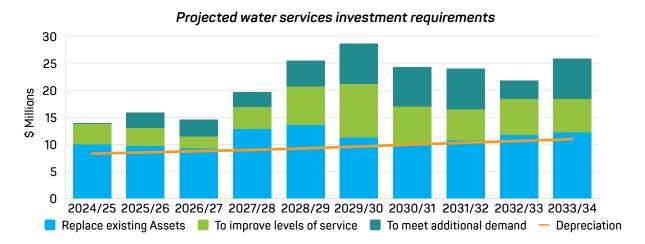
- Wastewater pipeline renewals: renewal of pipes at the end of their useful life or are in poor condition.
- Wastewater pump station renewals.
- Wastewater Treatment Plant: including upgrades and renewals of plant equipment at the end
 of its useful life.
- Wastewater ancillary equipment renewals.

Water supply

- Water supply pipe renewals: renewal of pipelines beyond their useful life, at risk or in very poor condition.
- Whatatutu reticulation: renewal of residential backflow manifolds.
- Waingake Water Treatment Plant: renewals of plant equipment at the end of its useful life.
- Waipaoa Water Treatment Plant: renewals of plant equipment at the end of its useful life.

Stormater

- Drain structures: renewal of non-pipe structures at the end their useful life or are in poor condition.
- Pipelines: renewals of pipes at end of useful life or in a poor condition.
- DrainWise Programme: a targeted programme including a mix of renewal and upgrade works focused on reducing inflow and infiltration of stormwater into the wastewater network.



D4.2 Asset Sustainability Ratio

The Asset Sustainability Ratio calculates whether the projected renewal investment is more or less than projected deprecation. It is an indicator as to whether the renewals programme is replacing the network assets in line with the rate of deterioration.

This Plan forecasts an Asset Sustainability Ratio ranging from 100% to 147% over the course of the Plan. In all years the ratio is at least 100%. This equates to an average of 117%, therefore demonstrating investment sufficiency.

The renewals profile is based on when long-life assets are expected to be replaced. This means there may be some peak renewal periods where they will be more than 100%, and at other times below. Offsetting some of the lower asset ratios will be the growth and increased level of service capital programme. By the very nature of these programmes, some elements will include renewals or replacements when work is completed.

Refer to Network Performance Table 13 for the Asset Sustainability Ratio forecast over the Plan period.

D.5 Total water services investment required

Council is planning to invest \$213 million over the next 10-years to maintain and enhance the resilience, reliability and performance of the district's water services infrastructure. This planned investment builds on the commitments set out in the 2021–2031 Long Term Plan and the 2024–2027 Three-Year Plan.

The level of investment required has been informed by updated Asset Management Plans developed in mid-2024 for each of the three waters networks: water supply, wastewater and stormwater. The investment plan also reflects forecast growth (as outlined in Part B of this Plan) and includes provision for improvements to meet future levels of service.

To ensure affordability and deliverability, the programme of work has been scaled and phased where appropriate, while still addressing key resilience, regulatory and service delivery outcomes.

Asset Investment Ratio

To support national benchmarking and demonstrate improvement in asset condition, councils have been requested to calculate the Asset Investment Ratio, which compares total planned capital investment with projected depreciation over the same period:

- A ratio above 100% indicates investment exceeds asset consumption and supports asset improvement.
- A ratio below 100% would suggest investment is insufficient to maintain the network over time.

This Plan achieves an Asset Investment Ratio of 219% by 30 June 2028, with values ranging from 168% to 298% over the duration of the Plan; demonstrating that planned investment is more than adequate to sustain and improve the condition of Council's water infrastructure.

Further detail is provided in Table 14.

D.6 Average remaining useful life of network assets

To demonstrate asset consumption, the Asset Consumption Ratio is used as a proxy for the rate at which network assets are being used up. This ratio reflects the average remaining useful life of the asset base. A material decline in the ratio over time would indicate assets are deteriorating faster than they are being renewed, increasing the financial burden on future customers to fund replacements.

Over the 10-year period of this Plan, modelling shows a decrease of 0.01 in the Asset Consumption Ratio. This change is not considered material and indicates that depreciation is being recognised in line with the rate of asset consumption. It also reflects that the financial burden of asset replacement is stable and consistently spread across customers over the life of the Plan.

Modelling of depreciation rates is based on average depreciation rates at an activity level and is applied evenly across the asset base. Depreciation is calculated by reference to the asset base's estimated gross replacement cost at the end of the relevant financial year and includes any capital expenditure incurred during the relevant year. This approach assumes that the general composition of the asset base (particularly the proportion of pipe versus point assets) remains broadly consistent over the modelling period.

The gross replacement cost of assets has been determined by applying an annual 2% revaluation and includes the full value of assets that have been constructed for the primary purpose of improving levels of service or meeting increased demand. Renewals are assumed to be on a like for like basis, and to occur only when fully depreciated. Renewals of assets therefore impact the net book value of the asset base but do not increase the gross replacement cost of the asset base.

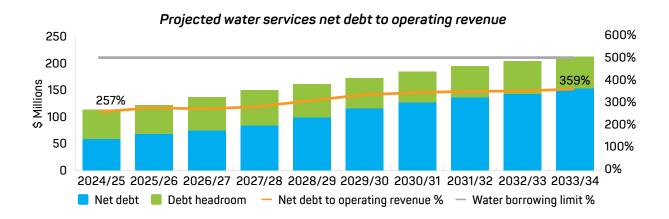
Further detail on the Asset Consumption Ratio is provided in Table 15.

D.7 Financial sustainability assessment - financing sufficiencyD7.1 Projected water services borrowings against borrowing limits

The following charts summarise the expected funding and financing activities for Water Services over the period to 2033/34.

Council's current overall borrowing limit is 175% of net debt to revenue. This is expected to increase to 280% upon obtaining a credit rating. For the purposes of this Plan, a higher borrowing threshold of 500% has been assumed specifically for water services, in line with sector guidance and to reflect the ring-fenced nature of water-related debt.

The chart titled 'Projected water services net debt to operating revenue' shows that by 2033/34, Water services debt is forecast to reach \$153 million, equating to 359% of net debt to operating revenue. This remains within the assumed 500% borrowing limit and indicates that the planned investment programme is financially sustainable under the projected revenue and financing assumptions.

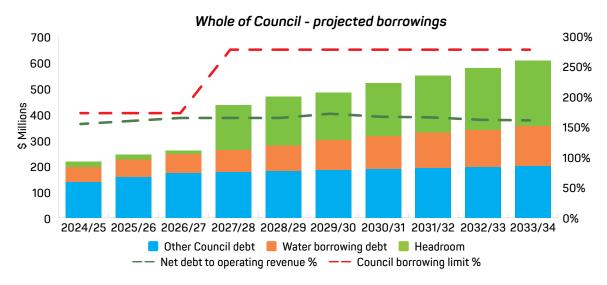


D7.2 Whole of Council borrowings and headroom

All Council debt is shown in the chart titled 'Whole of Council - projected borrowings'. Total borrowings are projected to reach \$353 million by 2033/34, which equates to 163% of net debt to operating revenue.

It should be noted that the revenue required to service water-related debt will be sourced solely from water services revenues. There will be no cross-subsidisation of water services debt from other Council revenue streams.

Further details on borrowings, borrowing limits and available borrowing headroom are provided in Table 17.





D7.3 Sourcing of funds

As noted in Part C, Council currently operates under a debt-to-revenue limit of 175% when borrowing from the Local Government Funding Agency (LGFA). Council will begin the process of obtaining a credit rating, which- once secured - will increase the allowable borrowing threshold to 280% of operating revenue.

This Plan has been prepared on the assumption that a credit rating will be secured, and accordingly, a debt-to-revenue limit of 280% has been applied for financial modelling purposes.

The 'Whole of Council - projected borrowings' chart (left) shows Council's total debt over the life of the Plan, highlighting the proportion attributable to water services compared with other activities. Council's peak net debt-to-revenue ratio is forecast at 174% in 2029/30, remaining within both current and anticipated credit-rated borrowing limits. For this Plan, we assume a credit rating will be in place from 1 July 2027; however, Council will remain within its current 175% borrowing threshold until 1 July 2029, providing additional time to complete the credit rating process.

D7.4 Free Funds from Operations Ratio

The Free Funds from Operations (FFO) Ratio measures the percentage of debt that is covered by free cash flow generated each year. It is a key leverage indicator used by financiers to assess an organisation's ability to service its debt from operating activities.

Over the life of the Plan, the FFO Ratio is projected to range between 9% and 11%, stabilising at 10% from 2028/29. This trend reflects increased revenue in line with the growing asset base and indicates improving financial capacity to meet debt obligations.

While not part of the formal benchmarks under the Local Government (Financial Reporting and Prudence) Regulations 2014, the FFO Ratio provides an additional indicator of financial sustainability. Under the Regulations, Council meets the debt servicing benchmark when borrowing costs are equal to or less than 10% of total revenue. For the duration of this Plan, all of Council's borrowing costs are forecast to remain below 8.4%, indicating prudent financial management.

Further information on the Free Funds from Operations Ratio is provided in Table 18.

KAUWHITI E: Ngā tēpu tautoko **PART E:** Supporting tables

E.1 Network performance tables

Table 1: Projected service population

Projected serviced population	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Serviced population	36,232	36,532	36,796	37,063	37,293	37,524	37,756	37,951	38,148	38,306
Total residential connections	12,566	12,656	12,746	12,836	12,936	13,036	13,136	13,236	13,336	13,406
Total non-residential connections	1,432	1,438	1,443	1,448	1,453	1,457	1,462	1,466	1,469	1,472

Table 2: Serviced areas (by reticulated network)

Serviced areas (by reticulated network)	Total properties	Water supply # connections	Wastewater #connections	Stormwater # connections
Residential areas (If more than one, identify separately)	Gisborne – 12,781 Te Karaka – 539 Whatatutu – 215	Gisborne – 15,518 Te Karaka – 167 Whatatutu – 44	Gisborne – 12,145 Te Karaka – 163	Gisborne – 13,210 Rural Towns – 1,687
Non-residential areas (If more than one, identify separately)	n/a	Gisborne – 1,798 Te Karaka – 15 Whatatutu – 1	Gisborne – 1,555 Te Karaka – 14	Gisborne – 914 Rural Towns – 183
Mixed-use rural drinking water schemes (where these schemes are not part of the council's water services network)	n/a	Gisborne – 1,798 Te Karaka – 15 Whatatutu – 1	Gisborne – 1,555 Te Karaka – 14	Gisborne – 914 Rural Towns – 183
Areas that do not receive water services (If more than one, identify separately)	Rural Towns – 8,183 Other Rural – 2,406	Rural Towns – 7,740 Other Rural – 2,241	Rural Towns – 8,398 Other Rural – 2,406	Rural Towns – 6,313 Other Rural – 2,405
Proposed growth areas Planned (as identified in district Plan) Infrastructure enabled (as identified and funded in LTP)	Intensification Areas (4,050 homes) City Centre and surrounds (1,200 homes) Elgin (660 homes) Te Hapara and Barry Park (870 homes) Lytton West (50 homes) Whataupoko and Mangapapa (670 homes), Kaiti (600 homes) Greenfield Development (780 homes) Cameron Rd East Expansion Area Cameron Rd West Future Urban Zone Hansen Rd North Future Urban Zone Back Ormond Rd South Future Urban Zone Taruheru Undeveloped Residential Area Hospital Blk Undeveloped Residential Area Rural Residential/Lifestyle (570 homes) Back Ormond Rd North Intensified Rural Lifestyle Area	Intensification capital projects Local Urban Upgrades, all growth areas (funded). Knob Hill Booster Pumpstation, Kaiti growth area (unfunded) Demand Management Initiatives, all growth areas (unfunded) City Alternative water supply study, all growth areas (unfunded) Water Network Pressure Zoning, all growth areas (unfunded) Waingake Treatment Plant sixth filter, all growth areas (unfunded) Greenfield capital projects Taruheru Bulk Water Extension, Taruheru area (funded)	Intensification capital projects Local Urban Upgrades, all growth areas (funded). Network Capacity Upgrades, all growth areas (unfunded) Grey St Pumpstation, City Centre growth area (part funded) Stafford St Pumpstation, Whataupoko growth area (unfunded) Kaiti Area Pumpstation, Kaiti growth area (part funded) Customhouse St Pumpstation, City Centre growth area (unfunded) Wastewater Sensor Network (funded) Greenfield capital projects Campion Rd Pumpstation and Rising Main, all greenfield areas (funded)	Intensification capital projects Local Urban Upgrades, all growth areas (funded) Kaiti Bulk Main - Crawford, Kaiti catchment (unfunded) Hinaki/Waimata, Kaiti catchment (unfunded) Outer Kaiti Bulk Mains stage 2, Kaiti catchment (unfunded) Draft Anzac/Kahutia, South catchment (unfunded) Awapuni Blk Industrial, South catchment (unfunded) Blackpool Reserve Flood Storage, South catchment (unfunded) City Centre Derby St, South catchment (unfunded) Kaiti Bulk Main – De Lautour, Kaiti catchment (unfunded) Greenfield capital projects Taruheru/Waru/Haisman catchment (part funded)



Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets	Water Mains 49.0 yrs Water Laterals 76.8 yrs	Wastewater Mains 49.7 yrs Wastewater Laterals 61.7 yrs	Stormwater Mains 42.0 yrs
Critical Assets	Mangapoike water storage lakes Waingake WTP Waipaoa WTP Any main greater than or equal to 50mm diameter Any main greater than or equal to 300mm diameter, under or within 2m of a residential or commercial zoned building	Gisborne City WWTP Te Karaka community oxidation pond Any main, greater than or equal to 450mm diameter Any main, greater than or equal 300mm diameter, under or within 2m of a residential or commercial zone building Any pressure main	Any main greater than or equal to 625mm diameter Any main greater than or equal to 300mm diameter, under or within 2 m of a residential or commercial zoned building
Above ground assets			
Treatment Plants	Waingake (full treatment) Waipaoa (augmentation/ emergency) Whatatutu (small community Plant) Te Karaka (small community Plant)	Gisborne City WWTP Te Karaka community oxidation pond	Nil
Percentage or number of above ground assets with a condition rating	100% (visual inspection but mainly age based inferred condition rating)	100% (visual inspection but mainly age based inferred condition rating)	100% (mainly age based inferred condition rating)
Percentage of above – ground assets in poor or very poor condition	38.7% of water facilities and Plant/ equipment	31.8% of wastewater facilities and Plant/equipment	N/A. Stormwater assets are all passive – no pumping
Below ground assets			
Total Km of reticulation	304 Km (Mains) 141 Km (Service Lines to property boundary) 445 Km Total	235 Km (Mains) 95 km (Service Lines to property boundary) 330 km Total	176 Km (Mains only, Service Lines are private assets)
Percentage of network with condition grading	<1 % - direct condition rating through sampling. 99% using age and maintenance based inferred condition rating	39% mains direct CCTV condition rating (mainly older higher criticality mains) 61% inferred condition rating based on CCTV or age	<1% - direct condition rating through CCTV inspection. 99% using age and maintenance based inferred condition rating)
Percentage of network in poor or very poor condition	23.0% (service lines valued and renewed with main and assumed to be same age and material)	11.0% (service lines valued and renewed with main and assumed to be same age and material)	8.8% Mains

Table 4: Regulatory compliance – resource consents

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater schemes
Resource Management			
Significant consents (note if consent is expired and operating on S124)	SIGNIFICANT CONSENTS Water supply take - 4 consents WS-2021-110327-00 (Waipaoa River Take) - exp 30/07/2034 WG-2019-108877-00 (Te Karaka Take) - exp 30/06/2029 WG-2019-108878-00 (Whatatutu Water Take A Block) - exp 30/06/2029 WG-2019-109634-00 (Whatatutu Water Take B Block) - exp 30/06/2029 Water discharge - 5 consents DW-2019-108834-00 (Waingake WTP Supernatant Discharge) - exp 2034 DL-2024-2024-11-2338-00 (Waingake WTP Sludge Discharge) - exp 2044 DW-2024-11239-00 (Waipaoa Treatment Plant Discharge) - exp 11/10/2034 DW-2014-106232-00 (Te Karaka Treatment Plant Discharge) - exp 31/03/2029 DL-2016-107219-00 (Whatatutu Treatment Plant Discharge) - 30/09/2031	Wastewater Discharge [water/land/air] GISBORNE CD-2015-1202-1210-02 (Wastewater Outfall Discharge) - exp 2042 DA-2020-103680-01 (WWTP Discharge to Air) - exp 2042 TE KARAKA DA-2001-1326-00 (Te Karaka Oxidation Pond Discharge to Air) DW-2001-1760-00 (Te Karaka Oxidation Pond Discharge to Water) DL-2001-1493-00 (Te Karaka Oxidation Pond Discharge to Land) Wastewater Network GISBORNE DW-2020-109732-00 (Dry Weather Overflows) - exp 21/10/2031 WD-2020-109733-00 (Wet Weather Overflows) - exp 21/10/2036	Stormwater discharge [number] We are not aware currently of any Stormwater discharge or network consents.
Expire in the next 10 years	9 Consents All of the above.	DW-2020-109732-00 (Dry Weather Overflows) – exp 21/10/2031	NON-COMPLIANCE RISK: None
Non-compliance: Significant risk non-compliance Moderate risk non-compliance Low risk non-compliance	NON-COMPLIANCE RISK: Significant – none Moderate – Waingake Discharge Low – Te Karaka Discharge	NON-COMPLIANCE RISK: • Significant – WWTP Discharge – have not built upgrade in time so are non-compliant, reported to compliance since 2020 • Moderate – Dry Weather Overflows • Low – Te Karaka Oxidation Pond	NON-COMPLIANCE RISK: None
Active resource consent applications	None currently, but we are planning for the Te Arai Water Take Consent which needs to be in place in 2026	None	No active consent applications, but we are in the process of applying for a SW Network Discharge Consent
Compliance actions (last 24 months): Warning Abatement notice Infringement notice Enforcement order Convictions	Warnings - 0 Abatement Notices - 0 Infringement Notices - 0 Enforcement Orders - 0 Convictions - 0	Warnings – Abatement Notices – 1 (in 2023-24) (27 July 2023 has been removed) Infringement Notices – 3 (2 in 2023-24, one in 2024-25) Enforcement Orders – 0 Convictions – 0	Warnings - 0 Abatement Notices - 0 Infringement Notices - 0 Enforcement Orders - 0 Convictions - 0

Measure Type	KPI Description	Results 2021/22	Results 2022/23	Results 2023/24	Target Yrs 1-3	Target Yrs 4-10	Comment
We provide water supp manner.	ply infrastructure that meets the needs	of our com	munity now	and into the	future by (delivering s	afe, clean water in a sustainable
Safety of Drinking Water	The extent to which the drinking water assurance rules for bacterial and prot			the drinking	ı water qual	ity	Compliance requirements changed in 2022 from the
	Bacteria compliance						Health Act and NZ Drinking Water Standards to the Water
	Gisborne City (treatment Plants and distribution zone)	100%	100%	Met	100%	100%	Services Act 2021 and Water Quality Assurance Rules.
	Gisborne Rural (distribution zone)	100%	100%	Met	100%	100%	2022/23 compliance covers
	Te Karaka (treatment Plant and distribution zone)	100%	100%	Met	100%	100%	two compliance systems.
	Whatatutu (treatment Plant and distribution zone)	100%	100%	Met	100%	100%	- 2023/24 reports against the new compliance rules.
	Protozoal compliance		ı				-
	Gisborne City (treatment plants)	100%	100%	Met	100%	100%	-
	Te Karaka (treatment plant)	Not met*	100%	Met	100%	100%	Increase in modelled water loss
	Whatatutu (treatment plant)	100%	100%	Met	100%	100%	attributed to cyclone recovery period when metered water
Maintenance of the Reticulation Network	The percentage of real water loss from Council's networked reticulation system.	14.50%	14.70%	19.40%	<15%	<15%	reduced and loss of data from damaged meters.
Fault Response	Median response time for callouts for	faults:	1				-
Times	Urgent: on-site attendance	0.57 hrs	0.58 hrs	0.27 hrs	< 2 hrs	< 2 hrs	_
	Urgent callouts: resolution	1.82 hrs	2.33 hrs	0.95 hrs	< 8 hrs	< 8 hrs	-
	Non-urgent callouts: on-site attendance	3.94 hrs	4.01 hrs	1.96 hrs	< 4 hrs	< 4 hrs	
	Non-urgent callouts: resolution	19.12 hrs	20.49 hrs	14.91 hrs	< 48 hrs	< 48 hrs	
Customer Satisfaction	Customer satisfaction - The total number of complaints received about any of the following: • drinking water clarity • drinking water taste • drinking water odour • drinking water pressure or flow • continuity of supply • Council's response to any of these issues (expressed per 1000 connections to the local authority's networked reticulation system)	4.34	11.97	5.74	< 10	< 10	February – June 2023 under the Cyclone Gabrielle Emergency Response and recovery period complaints relating to damages affecting continuity of supply and discolouration from the Waipaoa source water were common.
Customer Satisfaction	The percentage of residents satisfied with the water supply system as found in the Resident Satisfaction Survey.	87%	60%	65%	>=75%	>=75%	Survey responses indicate that community members are concerned about the fragility of the water supply network and the risks posed by erosion and debris. These concerns have resulted in results similar to last year and significantly lower than those seen before Cyclone Gabrielle.
Demand Management	Drinking water consumption per resident per day. Calculated on Gisborne population of 35,500.	204 L	182 L	176 L	<308 L	<308 L	

Gisborne population of 35,500.

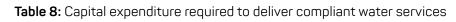
* Not met because a treatment process was not fully operational for the 12-month period.

Table 6: Regulatory compliance and customer satisfaction – wastewater

Measure Type	KPI Description	Results 2019/20	Results 2020/21	Results 2021/22	Results 2022/23	Target Yrs 1-3	Target Yrs 4-10
System and Adequacy	Dry weather sewage overflows (per 1000 connections)	0.07	0	0.83	0	1	0.6
Management of Environmental Impacts	Compliance with resource consents for wastewater discharges measured by the number of abatement notices, infringement notices, enforcement orders and convictions	0	0	0	0	0	0
Response to	Response – attendance at overflows from blockage or	fault:					
Wastewater Faults	a) median attendance time: on-site	0.43 hrs	0.55	3.13	3.43	≤1 hrs	≤1 hrs
	b) median resolution time	2.17 hrs	2.41	15.46	24.29	≤24 hrs	≤24 hrs
Customer Satisfaction	Complaints received about odour, system faults blockages and Councils response. (per 1000 water connections)	6.92	14.6	21.48	33.94	<15	<15
	Percentage of residents satisfied with wastewater system as found in Resident's Satisfaction Survey	57%	47%	43%	41%	50%	60%

Table 7: Regulatory compliance and customer satisfaction – stormwater

Measure Type	KPI Description	Results 2021/22	Results 2022/23	Results 2023/24	Target Yrs 1-3	Target Yrs 4-10	Comment
System and Adequacy	a) number of flooding events in district	0	89	1	≤2	≤2	Major weather events of 2023 resulted in widespread flooding events
	b) for each flooding event, no of habitable floors affected (per 1000 connections)	0	6.12	0.07	<0.2	<0.2	
Management of	Compliance with resource consents f	or discharg	e from storn	nwater syste	em, measur	ed by:	
Environmental Impacts	a) Abatement notices	0	0	0	0	0	Targets met.
	b) Infringement notices	0	0	0	0	0	
	c) Enforcement orders	0	0	0	0	0	
	d) Successful prosecutions	0	0	0	0	0	
Response to Stormwater System Issues	Complaints (per 1000 water connections) received about system performance	12.75	19.2	15.22	<15	<15	Major weather events of 2023 had considerable effects on the stormwater reticulation system A drop in satisfaction was seen in quarters three and four following Cyclone Gabrielle.
	Percentage of residents satisfied with the district's urban stormwater services	47%	28%	28%	50%	50%	The significant weather events during 2023, notably Cyclone Gabrielle, resulted in an increas in both volume and severity of issues.



Projected investment in water services (\$000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Drinking water										
Capital expenditure - to meet additional demand	37	784	467	215	962	1,871	2,715	1,467	47	171
Capital expenditure - to improve levels of services	1,503	1,185	976	2,274	3,859	6,102	4,195	2,536	3,358	3,273
Capital expenditure - to replace existing assets	4,383	3,866	3,987	6,044	6,070	4,980	4,737	4,942	6,331	7,534
Total projected investment for drinking water	5,923	5,835	5,430	8,533	10,891	12,953	11,647	8,945	9,736	10,977
Wastewater										
Capital expenditure - to meet additional demand	74	1,797	2,409	2,389	3,417	4,498	1,494	2,743	1,006	5,137
Capital expenditure - to improve levels of services	893	751	79	783	1,854	2,237	1,056	2,072	2,478	2,376
Capital expenditure - to replace existing assets	3,469	4,230	4,313	5,374	5,310	4,021	3,957	4,473	4,022	3,302
Total projected investment for wastewater	4,435	6,777	6,801	8,546	10,582	10,756	6,508	9,289	7,506	10,816
Stormwater										
Capital expenditure - to meet additional demand	98	196	182	197	397	1,041	3,163	3,303	2,299	2,212
Capital expenditure - to improve levels of services	1,420	1,439	1,211	999	1,400	1,591	1,715	1,119	874	541
Capital expenditure - to replace existing assets	2,039	1,566	875	1,371	2,180	2,230	1,267	1,295	1,322	1,313
Total projected investment for stormwater	3,558	3,201	2,268	2,567	3,977	4,862	6,145	5,718	4,496	4,066
Total projected investment in water services (\$000)	13,915	15,813	14,499	19,645	25,450	28,571	24,300	23,951	21,738	25,859

Table 9: Historical delivery against planned investment

Delivery against planned	Renev	vals investmer	nt for water ser	vices	Total investment in water services				
investment (\$000)	FY 2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY 2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	
Total Planned investment (set in the relevant LTP)	12,413	20,657	13,914	46,984	16,640	60,207	19,033	95,880	
Total actual investment	7,463	22,926	12,903	42,640	15,422	70,990	25,325	111,737	
Delivery against planned investment (%)	60%	111%	93%	91%	93%	118%	133%	117%	



KAUWHITI E: Ngā tēpu tautoko **PART E:** Supporting tables

E.2 Financial sustainability assessment tables

Table 10: Average projected charges for water services 2024/25 to 2033/34

Projected average charge per connection / rating unit (including GST)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Drinking water	402	456	517	575	608	647	695	731	758	789
Wastewater	702	773	842	902	963	1,018	1,045	1,058	1,077	1,105
Stormwater	306	271	288	304	315	331	351	375	396	413
Average charge per connection / rating unit	1,410	1,499	1,647	1,780	1,866	1,996	2,091	2,164	2,231	2,307
Increase in average charge	0%	6%	10%	8%	6%	6%	5%	3%	3%	3%
Water services charges as % of median household income	1.1%	1.1%	1.2%	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.5%

Table 11: Projected operating surpluses/(deficits) for water services

Operating surplus ratio (\$000) (whether revenues cover costs)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Operating surplus/(deficit) excluding capital revenues – combined water services	(2,925)	(1,977)	(978)	76	923	1,604	1,929	2,172	2,450	3,039
Operating revenue – combined water services	22,659	24,439	27,105	29,579	31,634	33,786	35,704	37,248	38,726	40,377
Operating surplus ratio	-13%	-8%	-4%	0%	3%	5%	5%	6%	6%	8%

Table 12: Projected cash operating surpluses/(deficits) for water services

Operating cash ratio (\$000) (whether revenues cover costs)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Operating surplus/(deficit) plus depreciation, interest less capital revenues – combined water services	7,843	9,438	11,128	12,745	14,379	16,135	17,647	18,793	19,884	21,138
Operating revenue – combined water services	22,659	24,439	27,105	29,579	31,634	33,786	35,704	37,248	38,726	40,377
Operating cash ratio	35%	39%	41%	43%	45%	48%	49%	50%	51%	52%

Table 13: Renewals requirements for water services

Asset sustainability ratio (\$000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Capital expenditure on renewals – all water services assets	9,891	9,662	9,174	12,789	13,560	11,231	9,962	10,711	11,675	12,149
Depreciation – all water services assets	8,287	8,505	8,736	8,975	9,253	9,593	9,952	10,295	10,622	10,960
Asset sustainability ratio	119%	114%	105%	142%	147%	117%	100%	104%	110%	111%

Table 14: Total water services investment required over 10 years

Asset investment ratio (\$000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Total capital expenditure – all water services assets	13,915	15,813	14,499	19,645	25,450	28,571	24,300	23,951	21,738	25,859
Depreciation – all water services assets	8,287	8,505	8,736	8,975	9,253	9,593	9,952	10,295	10,622	10,960

Asset investment ratio (\$000)	FY 2024/25	FY 2025/26	FY 2026/27			FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	
Asset investment ratio	168%	186%	166%	219%	275%	298%	244%	233%	205%	236%

Table 15: Average remaining useful life of network assets

Asset consumption ratio (\$000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Book value of water infrastructure assets	397,190	404,112	409,150	418,114	432,200	447,896	461,331	470,861	478,290	489,324
Replacement value of water infrastructure assets	725,895	741,322	755,096	773,035	796,375	821,665	845,079	864,958	883,065	905,115
Asset consumption ratio	55%	55%	54%	54%	54%	55%	55%	54%	54%	54%

Table 16: Net debt to operating revenue

Net Debt to operating Revenue (\$000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Net Debt attributed to water services (gross debt less cash)	58,177	67,403	73,878	84,050	98,757	115,327	126,519	136,227	142,806	152,522
Operating revenue - combined water services	22,659	24,497	27,371	30,001	32,201	34,590	36,932	39,024	40,813	42,521
Net debt to operating revenue %	257%	275%	270%	280%	307%	333%	343%	349%	350%	359%

Table 17: Borrowing headroom/(shortfall) for water services

Borrowing headroom/(shortfall) against limit (\$000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Operating revenue	22,659	24,497	27,371	30,001	32,201	34,590	36,932	39,024	40,813	42,521
Debt to revenue limit for water services (%)	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt at borrowing limit	113,294	122,484	136,853	150,006	161,006	172,952	184,662	195,118	204,064	212,606
Projected net debt attributed to water services	58,177	67,403	73,878	84,050	98,757	115,327	126,519	136,227	142,806	152,522
Borrowing headroom/(shortfall) against limit	55,117	55,081	62,975	65,956	62,249	57,625	58,143	58,891	61,258	60,084
Total Council Borrowing headroom/ (shortfall) against limit	21,963	18,389	11,980	174,862	188,230	183,416	206,232	220,040	237,986	254,535

Table 18: Free funds from operations (\$million)

Free funds from operations (\$000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Projected net debt attributed to water services	58,177	67,403	73,878	84,050	98,757	115,327	126,519	136,227	142,806	152,522
Projected free funds from operations – water services	5,362	6,558	7,891	9,262	10,460	11,599	12,494	13,355	14,116	15,070
Free funds from operations to net debt ratio	9%	10%	11%	11%	11%	10%	10%	10%	10%	10%

KAUWHITI E: Ngā tēpu tautoko **PART E:** Supporting tables

E.3 Projected financial statements for water services

Table 19: Projected funding impact statement

Projected funding impact statement	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
(\$000) - water services	2024/25	2025/26	2026/2/	202//28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Sources of operating funding	450	700	1 200	1 221	1,202	1 201	1 2 2 1	1.050	1 2 7 0	1.407
General rates		700	1,200	1,231	1,262	1,291	1,321	1,350	1,378	1,407
Targeted rates	21,183	22,688	24,826	27,241	29,237	31,335	33,196	34,684	36,109	37,704
Subsidies and grants for operating purposes	210	215	220	226	231	237	242	247	253	258
Local authorities fuel tax, fines, infringement fees and other	-	-	-	-	-	-	-	-	-	-
Fees and charges	808	828	851	873	895	916	937	957	977	998
Total sources of operating funding	22,651	24,431	27,097	29,571	31,625	33,778	35,696	37,239	38,717	40,367
Applications of operating funding										
Payments to staff and suppliers	12,800	12,815	13,482	14,274	14,631	14,968	15,312	15,649	15,977	16,313
Finance costs	2,481	2,909	3,370	3,694	4,203	4,938	5,766	6,326	6,811	7,140
Internal charges and overheads applied	2,016	2,186	2,495	2,560	2,624	2,684	2,746	2,806	2,865	2,925
Other operating funding applications	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	17,297	17,910	19,347	20,528	21,457	22,590	23,824	24,781	25,654	26,379
Surplus/(deficit) of operating funding	5,354	6,521	7,750	9,043	10,168	11,188	11,871	12,458	13,063	13,989
Source of capital funding						,				
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	58	265	422	567	804	1,228	1,776	2,087	2,145
Increase/(decrease) in debt	8,554	9,226	6,475	10,172	14,707	16,570	11,192	9,708	6,579	9,716
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	8	8	8	8	8	9	9	9	9	9
Total sources of capital funding	8,562	9,292	6,749	10,603	15,282	17,382	12,428	11,493	8,674	11,870
Applications of capital funding									l .	
Capital expenditure - to meet additional demand	209	2,776	3,058	2,801	4,777	7,410	7,372	7,514	3,352	7,520
Capital expenditure - to improve levels of services	3,815	3,375	2,266	4,056	7,114	9,930	6,966	5,727	6,710	6,189
Capital expenditure - to replace existing assets	9,891	9,662	9,174	12,789	13,560	11,231	9,962	10,711	11,675	12,149
Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	13,915	15,813	14,499	19,645	25,450	28,571	24,300	23,951	21,738	25,859
Surplus/(deficit) of capital funding	(5,354)	(6,521)	(7,750)	(9,043)	(10,168)	(11,188)	(11,871)	(12,458)	(13,063)	(13,989)

Projected funding impact statement (\$000) - water services	FY									
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Funding balance	-	-	-	-	-	-	-	-	-	-

Table 20: Projected statement of comprehensive revenue and expense

Projected statement of profit and loss (\$000) - water services	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Revenue										
Operating revenue	22,659	24,439	27,105	29,579	31,634	33,786	35,704	37,248	38,726	40,377
Other revenue	-	58	265	422	567	804	1,228	1,776	2,087	2,145
Total revenue	22,659	24,497	27,371	30,001	32,201	34,590	36,932	39,024	40,813	42,521
Expenses										
Operating expenses	12,800	12,815	13,482	14,274	14,631	14,968	15,312	15,649	15,977	16,313
Finance costs	2,481	2,909	3,370	3,694	4,203	4,938	5,766	6,326	6,811	7,140
Overheads and support costs	2,016	2,186	2,495	2,560	2,624	2,684	2,746	2,806	2,865	2,925
Depreciation & amortisation	8,287	8,505	8,736	8,975	9,253	9,593	9,952	10,295	10,622	10,960
Total expenses	25,584	26,415	28,083	29,503	30,711	32,183	33,776	35,076	36,276	37,338
Net surplus/(deficit)	(2,925)	(1,918)	(712)	499	1,490	2,407	3,157	3,948	4,537	5,183
Revaluation of infrastructure assets	8,783	9,071	9,399	9,702	10,109	10,636	11,228	11,739	12,247	12,715
Total comprehensive income	5,858	7,153	8,686	10,201	11,600	13,043	14,384	15,688	16,784	17,898
Cash surplus/(deficit) from operations (ex non-cash items)	5,362	6,587	8,023	9,473	10,744	12,001	13,108	14,243	15,159	16,143

 Table 21: Projected statement of cashflows

Projected statement of cashflows (\$000) - water services	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	5,362	6,587	8,023	9,473	10,744	12,001	13,108	14,243	15,159	16,143
[Other items]										
Net cashflows from operating activities	5,362	6,587	8,023	9,473	10,744	12,001	13,108	14,243	15,159	16,143
Cashflows from investing activities										
Capital expenditure – infrastructure assets										
[Other items]	(13,915)	(15,813)	(14,499)	(19,645)	(25,450)	(28,571)	(24,300)	(23,951)	(21,738)	(25,859)
Net cashflows from investing activities	(13,915)	(15,813)	(14,499)	(19,645)	(25,450)	(28,571)	(24,300)	(23,951)	(21,738)	(25,859)
Cashflows from financing activities										
New borrowings	8,554	9,226	6,475	10,172	14,707	16,570	11,192	9,708	6,579	9,716
Repayment of borrowings										
Net cashflows from financing activities	8,554	9,226	6,475	10,172	14,707	16,570	11,192	9,708	6,579	9,716
Net increase/(decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-

Projected statement of cashflows (\$000) - water services FY 2024/25 FY 2027/28 FY FY 2028/29 2029/30 FY 2030/31 FY 2031/32 FY 2025/26 FY 2026/27 FY 2032/33 Cash and cash equivalents at beginning of year 6,409 6,409 6,409 6,409 6,409 6,409 6,409 6,409 6,409 Cash and cash equivalents at end of year 6,409 6,409 6,409 6,409 6,409 6,409 6,409 6,409 6,409 6,409

Table 22: Projected statement of financial position

Projected statement of financial	FY									
position (\$000)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Current Assets										
Cash and cash equivalents	6,409	6,409	6,409	6,409	6,409	6,409	6,409	6,409	6,409	6,409
Trade and other receivables	1,887	2,039	2,277	2,495	2,608	2,754	2,932	3,113	3,251	3,354
Total current assets	8,296	8,448	8,686	8,904	9,017	9,163	9,341	9,521	9,660	9,763
Current Liabilities										
Trade and other payables	2,132	2,201	2,340	2,459	2,560	2,687	2,829	2,964	3,076	3,175
Total Current liabilities	2,132	2,201	2,340	2,459	2,560	2,687	2,829	2,964	3,076	3,175
Total Net Working Capital	6,164	6,246	6,345	6,445	6,457	6,477	6,512	6,558	6,583	6,588
Non Current Assets										
Infrastructure assets	453,559	469,938	485,099	505,472	531,778	561,391	586,967	612,363	635,726	663,339
Other non current assets	178,279	178,197	178,097	177,998	177,986	177,966	177,931	177,885	177,859	177,855
Total Non Current Assets	631,838	648,135	663,196	683,470	709,765	739,357	764,898	790,248	813,585	841,194
Non Current Liabilities										
Borrowings – non-current portion	58,177	67,403	73,878	84,050	98,757	115,327	126,519	136,227	142,806	152,522
Total Non Current liabilities	58,177	67,403	73,878	84,050	98,757	115,327	126,519	136,227	142,806	152,522
Net assets	579,825	586,978	595,663	605,864	617,464	630,507	644,892	660,579	677,363	695,261
Equity										
Revaluation reserves	40,510	49,581	58,980	68,682	78,791	89,427	100,655	112,394	124,641	137,356
Other reserves	539,315	537,396	536,684	537,182	538,673	541,080	544,237	548,185	552,722	557,905
Total equity	579,825	586,978	595,664	605,864	617,464	630,507	644,892	660,579	677,363	695,261



NGĀ PĀRONGO TAPIRI ADDITIONAL INFORMATION

Projected financial statements for water services

Table 23: Significant capital projects – drinking water

Significant capital projects (\$000) - drinking water	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Projects to meet additional demand										
Water Network Pressure Zoning	-	707	372	-	-	-	-	-	-	-
Demand Management Initiatives	-	20	33	60	380	458	-	-	-	-
Taruheru Block Water Extension	-	-	-	25	275	550	275	-	-	-
Lytton Road bulk main renewal/ upgrade	-	-	-	-	-	75	1,000	-	-	-
Ormond Road to Hospital Hill reservoir second supply main	-	-	-	-	-	50	450	500	-	-
Water Network Pressure Zoning	-	-	-	-	100	450	450	450	-	-
Total investment to meet additional demand	-	727	405	85	755	1,583	2,175	950	-	-
Projects to improve levels of services	i									
Knob Hill Booster Pumpstn and Reservoir Supply Main	-	80	131	240	1,520	1,833	-	-	-	-
Demand Management Initiatives	-	-	-	25	275	550	275	-	-	-
Residential Backflow Prevention	339	348	357	360	360	440	-	-	-	-
Raw Water Pipeline and Treatment Resilience	300	300	300	-	-	-	-	-	-	-
Dams Resilience	100	160	-	60	60	-	-	-	-	-
Lytton Road bulk main renewal/ upgrade	-	-	-	-	-	75	1,000	-	-	-
Ormond Road to Hospital Hill reservoir second supply main	-	-	-	-	-	50	450	500	-	-
Waingake Line Community Water Supply Resilience	-	-	-	-	-	50	786	67	628	326
Waingake Water Treatment Plant	-	-	-	500	500	500	-	-	-	-
Waipaoa Treatment Plant Improvements	-	-	-	-	85	-	-	625	2,150	2,225
Water Network Pressure Zoning	-	-	-	-	100	450	450	450	-	-
Total investment to meet improve levels of services	739	888	787	1,185	2,900	3,948	2,961	1,642	2,778	2,551
Projects to replace existing assets										
Residential Backflow Prevention	85	87	89	90	90	110	-	-	-	-
Raw Water Pipeline and Treatment Resilience	700	700	700	-	-	-	-	-	-	-
Dams Resilience	400	640	-	240	240	-	-	-	-	-
Waingake Water Treatment Plant	-	-	-	500	500	500		-	-	-
Waipaoa Treatment Plant Improvements	-	-	-	-	85	-	-	625	2,150	2,225
Water Asset Renewals	2,165	1,872	2,434	4,580	4,403	3,433	3,433	3,903	3,083	3,874
Total investment to replace existing assets	3,350	3,299	3,223	5,410	5,318	4,043	3,433	4,528	5,233	6,099
Total investment in drinking water assets	4,089	4,913	4,415	6,680	8,973	9,575	8,569	7,120	8,011	8,650

Table 24: Significant capital projects – wastewater

Significant capital projects (\$000)	FY									
- wastewater	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Projects to meet additional demand	1	ı			1					
Aerodrome Road additional pump station and reticulation	-	-	-	-	-	-	297	2,670	-	-
Customhouse St Pumpstation Upgrade & Emergency Storage	-	-	-	-	-	-	-	30	570	-
Grey St pump + emerg storage	-	-	100	-	-	150	1,250	1,500	-	-
Kaiti Area Pumpstation & Rising Main	-	-	75	2,175	3,000	3,750	-	-	-	-
Stafford St Pump Stn & Rising Main	-	-	-	-	-	-	-	-	225	4,125
Upgrade Campion Road Pump Station and Rising Main	-	1,454	1,015	-	-	-	-	-	-	-
Wastewater Network Capacity Upgrades	-	-	-	250	250	250	250	250	250	250
Total investment to meet additional demand	-	1,454	1,190	2,425	3,250	4,150	1,797	4,450	1,045	4,375
Projects to improve levels of services										
Customhouse St Pumpstation Upgrade & Emergency Storage	-	-	-	-	-	-	-	75	1,425	-
Grey St pump + emerg storage	-	-	50	-	-	75	625	750	-	-
Kaiti Area Pumpstation & Rising Main	-	-	25	725	1,000	1,250	-	-	-	-
Stafford St Pump Stn & Rising Main	-	-	-	-	-	-	-	-	75	1,375
Pump Station Emergency Storage	-	-	-	-	550	550	550	550	550	550
Wastewater Network Capacity Upgrades	-	-	-	125	125	125	125	125	125	125
Total investment to meet improve levels of services	-	-	75	850	1,675	2,000	1,300	1,500	2,175	2,050
Projects to replace existing assets										
Customhouse St Pumpstation Upgrade & Emergency Storage	-	-	-	-	-	-	-	45	855	-
Grey St pump + emerg storage	-	-	50	-	-	75	625	750	-	-
Upgrade Campion Road Pump Station and Rising Main	-	485	338	-	-	-	-	-	-	-
Wastewater Network Capacity Upgrades	-	-	-	125	125	125	125	125	125	125
Wastewater Asset Renewals	3,469	3,567	3,355	4,976	4,772	3,476	2,472	2,176	2,722	2,926
Total investment to replace existing assets	3,469	4,052	3,743	5,101	4,897	3,676	3,222	3,096	3,702	3,051
Total investment in wastewater assets	3,469	5,506	5,008	8,376	9,822	9,826	6,319	9,046	6,922	9,476

Table 25: Significant capital projects – stormwater

Significant capital projects (\$000) - stormwater	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Projects to meet additional demand										
Stormwater Localised Urban Upgrades	82	168	173	83	99	99	110	110	110	110
Integrated Catchment Plan	16	22	-	100	100	100	100	100	100	20
Kaiti Bulk Mains - De Latour/Wainui	-	-	-	-	-	-	-	780	732	792
Anzac and Kahutia Bulk Mains (site 6)	-	-	-	-	-	-	-	-	160	720
Awapuni Block Industrial Upgrades (site 7)	-	-	-	-	-	160	600	-	-	-
Kaiti Bulk Main - Crawford Road (site 10)	-	-	-	40	40	400	1,600	1,120	-	-
Total investment to meet additional demand	98	191	173	223	239	759	2,410	2,110	1,102	1,642
Projects to improve levels of services										
Graham/De Lautour Road	510	-	-	-	-	-	-	-	-	-
Whataupoko	131	337	-	-	-	-	-	-	-	-
S/W Elgin/CBD/Te Hapara Upgrades (site 3)	-	-	-	75	375	375	-	-	-	-
Stormwater resilience	180	450	600	-	-	-	-	-	-	-
Public drains on private property	550	550	550	550	550	550	550	-	-	-
Integrated Catchment Plan	49	67	-	300	300	300	300	300	300	60
Kaiti Bulk Mains - De Lautour/ Wainui	-	-	-	-	-	-	-	195	183	198
Anzac and Kahutia Bulk Mains (site 6)	-	-	-	-	-	-	-	-	40	180
Awapuni Block Industrial Upgrades (site 7)	-	-	-	-	-	40	150	-	-	-
Kaiti Bulk Main - Crawford Road (site 10)	-	-	-	10	10	100	400	280	-	-
Total investment to meet improve levels of services	1,420	1,404	1,150	935	1,235	1,365	1,400	775	523	438
Projects to replace existing assets										
Graham/De Lautour Road	1,190	-	-	-	-	-	-	-	-	-
Whataupoko	305	786	-	-	-	-	-	-	-	-
S/W Elgin/CBD/Te Hapara Upgrades (site 3)	-	-	-	175	875	875	-	-	-	-
Stormwater resilience	120	300	400	-	-	-	-	-	-	-
Integrated Catchment Plan	16	22	-	100	100	100	100	100	100	20
Stormwater Asset Renewals	407	419	431	994	994	994	994	994	994	994
Total investment to replace existing assets	2,039	1,528	831	1,269	1,969	1,969	1,094	1,094	1,094	1,014
Total investment in stormwater assets	3,558	3,123	2,154	2,427	3,443	4,093	4,904	3,979	2,719	3,094

Table 26: Assumptions

Strategic issues	Descriptor	Assumption	Level of uncertainty	Risk of assumption is incorrect			
Business and industry growth	Economic impacts	Growth within the reticulated network is aligned with the projected growth under the 2022 Housing and Business Capacity Assessment and the updated 2025 Thomas Consulting projections.	Low	MEDIUM Higher business growth than planned for in the reticulated services area may have a greater impact on the network services than is accommodated. This would require a change in timing for some planned upgrades or new works not accounted for in this period to be required.			
Treaty Partnership	Strategic partnerships	Council's Treaty commitments are upheld under this model and further discussions are held with relevant mana whenua groups. It is assumed for this WSDP that this is an ongoing conversation that evolves and the impacts are considered at that point. The WSDP doesn't factor in any particular costs associated with possible future arrangements.	Low	MEDIUM Given the model proposed under the WSDP is similar to status quo, there is time for more discussions and good planning around implications to be included in the WSS.			
Demographic Change	Population	Growth forecasts are relatively aligned with the projections in Table 1 in Appendix B. There are no large swings in growth that occur in the short to medium term.	Low	MEDIUM Economic, pandemic or other global/national influences significantly affect growth resulting in under/over investment in infrastructure. If population growth exceeds predictions, additional unbudgeted services and infrastructure may be required. Increase in small settlements' populations would put pressure on the provision of infrastructure and services to those areas.			
	Housing	The number of households is likely to increase at a slightly faster rate than population, as household size declines.	Low	MEDIUM Council may need to adjust services and infrastructure provision.			
	Ethnicity	The Gisborne District will continue to primarily be a bicultural society, with over 50% of the population identifying as Māori.	Low	MEDIUM Council may need to adjust service provision to reflect the ethnic and cultural identity of the District's communities.			
Funding Sources	Development contributions	Revenue from development contributions will be at or above the levels predicted in the Development Contributions Policy.	Low	LOW Council's income is reduced. Either rates/loans increase or levels of service decrease as a result. Planned projects to increase network capacity to support growth may not be needed and would not occur.			
	Investments	Interest rates on financial investments is assumed to be at or above Y%. Include forecast returns on investment assumptions.					
	New government funding streams	New funding streams may become available to assist with climate change adaptation measures and to recognise increased responsibilities placed on local authorities by central government. This plan only accounts for known sources.	High	VERY HIGH New funding streams are not available or are complex to access and require additional resourcing to manage. Increased funding could enable some planned resilience projects to be brought forward or the scope expanded beyond what is planned in this WSDP.			
Financial	Borrowing	It is assumed that Council will obtain a credit rating by 1 July 2027. The modelling also assumes interest rates are consistent with Council's overall interest rate assumptions and reflect the current non-credit-rated position, with interest set at 5%.	Low to medium	MEDIUM Interest rates maybe higher than what we expected. Either fees charged to the end user may increase, or we phase over a slightly longer period for some of increase level of service and growth projects.			
	Inflation	The budget estimates are based on current funding requirements, adjusted for known cost increases and levels of service. Inflation is then assumed at the 30-year average rate of 2%. If inflation is higher in the early years of the Plan, the budget estimates may not be sufficient.	Medium	HIGH Increased costs to Council, requiring an increase in rates, loans or a reduction in levels of service.			
	Significant contracts	Cost of significant contracts and planned major capital works will not vary significantly from current budget estimates.	Medium	HIGH Increased cost to Council. Either rates/loans increase or levels of service decrease as a result.			

Strategic issues	Descriptor	Assumption	Level of uncertainty	Risk of assumption is incorrect
Levels of Service	Levels of service generally	Levels of service will generally be maintained or restored following the impact of severe weather events under the recovery programme, with any required changes updated through the WSS or annual planning processes. An increase to levels of service may result from a new capital project that is designed to lift the level of service. This will be costed into the project.	Low	MEDIUM Costs may increase requiring an increase in rates or a reduction in levels of service in other areas. Rates affordability may require a reduction in levels of service.
	Legislative or policy changes	There are no unforeseen major legislative changes or changes in government policy which significantly impact on levels of services. The Local Government (Water Services) Bill is enacted in substantially its current form. There is a period of relative stability follows introduction of current legislation and regulation.	Medium	HIGH Increased cost to Council requiring an increase in rates/loans or a reduction in levels of service in other areas.
Assets/ Infrastructure	Significant assets	All new assets or significant changes to existing assets are accurately identified in the WSDP.	Low	MEDIUM Additional assets or significant changes to assets are required, resulting in unplanned expenditure.
	Asset renewal	The useful life of all significant assets is accurately recorded and reflected in the renewals programme included. Renewals investment includes addressing the backlog of renewals. Wastewater is projected to be up to date within five years, while stormwater and water infrastructure will be addressed over a ten-year period. All significant assets are replaced at the end of their useful life unless otherwise identified in the WSDP.	Medium	HIGH Assets require replacement sooner than planned.
	Network capacity	In the past, Gisborne (GDC) has experienced slow growth, with existing network spare capacity sufficient to accommodate demand. A step change in infrastructure capacity is needed to allow growth at levels indicated in the Future Development Strategy (FDS). Early estimates of this work are incorporated into the capital works programme. Changes in the TRMP to allow greater intensification will also affect capacity upgrades depending on where they occur.	Medium	MEDIUM If the capacity demand for the network occurs earlier than works are planned or exceeds what is planned then additional work or acceleration of projects would need to be considered and progressed to support housing and business growth.
	Depreciation	Depreciation is funded in accordance with current Council policy.	Medium	HIGH There is insufficient funding available to replace assets at the end of their useful life.
	Climate change planning	A national position on climate change science, impact, responsibility and mitigation allows alignment of national/local government policy and standards	Medium	
	Asset revaluation	All asset revaluations are a best estimate based on historical assets values, forecast capital expenditure, and the BERL inflation indices. All revaluations result in an appropriate change to revaluation reserves and the depreciation expense.	Medium	HIGH If value changes significantly, depreciation funding may be insufficient to fund asset replacement.
	Minimum standards	Legislative and regulatory waters reform (water, wastewater and stormwater) will require Council to undertake significant operational and regulatory changes to meet new mandatory standards.	Medium	VERY HIGH Budget and resourcing allocations are insufficient to meet work needed to meet new standards.

Strategic issues	Descriptor	Assumption	Level of uncertainty	Risk of assumption is incorrect
Natural Environment	Policy changes	Changing environmental policies and standards (including the review of the Resource Management Act) require Council to make significant regulatory and operational changes, which require additional resourcing.	Medium	HIGH Level of resourcing and cost implications may be higher than anticipated.
	Climate change	The region will be 0.7 to 1.1°C warmer and annual rainfall will decrease by 1.1%. There will be a slight decrease in annual rainfall and droughts are likely to increase in intensity and duration. This is likely to lead to water shortages, increased demand for irrigation, and greater fire risk. Extropical cyclones will get stronger and cause more damage as a result of heavy rain and winds. Increased storm events with high intensity rain could lead to problems with erosion and flooding. There will be increased risk to coastal roads and infrastructure from coastal erosion and inundation, increased storms, and sea level rise. The changing climate could bring biosecurity threats as a result of changes in pests and pests and diseases in the region. Warmer temperatures, a longer growing season, and fewer frosts could provide opportunities for new crops[viii].	Medium	VERY HIGH It is difficult to accurately predict the full extent of climate change, the impacts for the region, and level of central government support. Government policy framework is still under development and any Governement assistance is still uncertain and may be insufficient to meet the costs associated with full climate change adaptation measures.
	Regional planning environment	A full review of Tairāwhiti Resource Management Plan is undertaken to provide for the integrated management of natural and physical resources. The new TRMP requires some improved operational standards when consents are renewed or new consents obtained.	Low	MEDIUM The costs and resources required are greater than planned.
Significant Unplanned Events	Changing circumstances	Council has sufficient resourcing and organisational capability to respond to significant unplanned events and changing circumstances.	High	HIGH There is insufficient resourcing or financial reserves available.
	Current state of the network	Our current networks are less resilient than they were pre-Gabrielle and a lesser event could cause similar significant damage. The programme assumes no such event takes place until after resilience has been restored to pre-Gabrielle levels. Part of the capital works programme addresses network and critical asset risk and restoring and building resilience.	High	HIGH If a smaller event occurs prior to resilience being restored then extensive damage will result in significant costs and remedial works.
	Political change	Political change during the life of the WSDP could result in significant change in planned works and direction.	Medium	HIGH Reprioritisation of Council activities may be required.
	Natural hazards and disasters	Natural hazards, such as floods, will cause damage to waters infrastructure. There will be sufficient borrowing capacity to fund any damage to infrastructure. No natural hazard or disaster causes widespread or catastrophic damage to Gisborne District's infrastructure.	Medium	HIGH Extreme weather events have the potential to cause significant damage to the District's infrastructure.
Organisation	Technology	Council is able to use technological advancements to more efficiently deliver services.	Low	LOW Service quality may be affected.
	Resourcing	The Council has sufficient resourcing to maintain levels of service and deliver its programme of works.	Medium	HIGH Levels of service and project delivery may be affected. The need to engage consultants to meet resourcing gaps may result in additional cost.

Table 27: Risks

Parameters	Drinking supply	Wastewater	Stormwater
(ey risks	Sufficient source water – A combination of regulatory changes, a warming climate, extreme weather events silting sources, prolonged dry periods between source-replenishing rain and population growth present challenges for meeting demand from current water supply sources. Changes in levels of service and more frequent water restrictions are likely, which has implications for industry and our economy. Within this 10 year LTP, validating potential of source supply options for Gisborne City, historical and new, is important for long term Planning and future resilience. Peak demand – Peak demand water use exceeds the maximum supply from the water treatment Plants resulting in the drawing down of reservoirs. Water restrictions are implemented to manage demand in line with treated supply volumes and to avoid depleting the source waters to critically low levels. Restrictions have implications for residents and industry, particularly the processing of primary products, and the economy. Impounding reservoirs are also used to provide emergency water storage, during periods of high demand there is reduced resilience to cope with a disruption in supply. Water loss – Focus on reducing water loss through production, bulk supply, network distribution and water use is necessary for demand management, financial control and supply availability.	Strategic risks/issues Government, through Käinga Ora, are actively looking to refurbish and increase their housing stock. This may impact on infrastructure capacity to deliver the required level of service or stay within the reticulated services boundary footprint. Growth projections may not reflect changing social and economic conditions promoting significant infrastructure investment. Climate change may cause poor infrastructure investment without clear direction and resourcing of adaption Planning to mitigate affects. Ongoing cost increases and resource scarcity may impact on affordability and deliverability of the forward work programme. Operational Deferment of capital renewals work may cause an increase in reactive maintenance costs. The DrainWise programme may be difficult to implement due to affordability of private investment needed for lateral replacement on private property. Assets The cost to undertake network wide condition assessment is prohibitive and undertaking statistical sampling may result in incorrect renewals prioritisation. This can be offset by adopting a risk-based assessment approach.	Strategic risks/issues Cyclone Recovery and Network Resilience - Over the next three years there are a number of network repairs and improvements related to the 2023 Cyclone Recovery. Over the longer term opportunity exists to incorporate climate change initiatives with natural hazard events, such as Tsunami inundation, to build greater resilience. Stormwater inflow and infiltration into the Gisborne City wastewater network - while the Council Plans for renewal and upgrade of public infrastructure, the majority of inflow and infiltration comes from private property assets, which is the responsibility of homeowners. The DrainWise Implementation Programme will be supported by a compliance and enforcement process. Impact of Climate Change - climate change is likely to reduce the level of service (the effectiveness) of stormwater infrastructure due to the possibility of higher intensity storms, reduced hydrauli grades because of sea levels rise, and impacts on groundwater levels. The rate of climate change may be faster than the rate at which the network can be upgraded or adapted, and we are likely to have a greater reliance on overland flow-paths. Reducing the impacts of stormwater discharges on waterways - the Tairāwhiti Resource Management Plan (TRMP) requires Council to better understand how stormwater discharges affect water quality and how to manage these impacts Because of the complexity involved, the TRMP has taken a holistic Planning approach, requiring Council to develop integrated catchment management Plans that the public stormwater system needs





TŌ TĀTAU WAI, TŌ TĀTAU MANA OUR WATER, OUR WAY

Mahere Whakataki Ratonga Wai Water Services Delivery Plan



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Title: 25-196 Strategic Roading Network Resilience Programme Business

Case Final Approval

Section: Journeys Infrastructure

Strategic Planning

Prepared by: Tina Middlemiss - Senior Transport Planner

Meeting Date: Thursday 21 August 2025

Legal: No Financial: Yes Significance: **High**

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

The purpose of this report is to:

- Set out conclusions of the independent peer review of the **Strategic Roading Network Resilience Programme Business Case (PBC)**.
- Request Council approval of the final PBC document, which will then be submitted to New Zealand Transport Agency (NZTA).
- Outline the necessary next steps and receive Council direction to proceed to programme implementation.

SUMMARY - HE WHAKARĀPOPOTOTANGA

The Strategic Roading Network Resilience Programme Business Case (PBC) provides a 30-year review of prioritised interventions - including maintenance, operation and renewal (MOR) - which will improve resilience of the region's local roading network (i.e. excluding State Highways). The recommended "Balanced Reach" programme is not a bid for funding, but rather a prioritisation and decision-making framework which will make best use of available resources. The main problem addressed by the programme is a lack of roading infrastructure resilience, with large sums of money spent on emergency works to repair the network after significant damage.

The final draft PBC document and the recommended programme was endorsed for submission to peer review by Council on 26 June 2025. The peer review has been undertaken by consultants Stantec, and they made several recommendations including:

- Greater clarity on the purpose and scope of the PBC.
- Clearer up-front description of the economic case methodology.
- Outline of the approach to potential phasing of investment.
- More detail around use of preferred programme sensitivity tests.

Appropriate changes have been made to the PBC document, which is now coming forward for Council approval and submission to NZTA.

Next steps are:

- Setting up and resourcing programme management, reporting, stakeholder engagement and governance functions.
- Undertaking a review of key policies which support implementation of the programme.
- Commencing supporting technical work specifically a new Activity Management Plan (AMP).
- Commencing further community engagement as the policy review and prioritised roading resilience programme is developed.
- Preparing the next Regional Land Transport Plan (RLTP) and including specific maintenance and improvement investments to give effect to the strategic roading network resilience review programme.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

- 1. Approves proposed changes to the Programme Business Case document based on the peer review and minor corrections made by staff.
- Approves submission of the final Programme Business Case document to New Zealand Transport Agency.
- 3. Directs staff to commence programme implementation based on the outlined next steps in this report.

Authorised by:

Jocelyne Allen - Director Sustainable Futures

Tim Barry - Director Lifelines

Keywords:strategic roading network, resilience programme business case, new zealand transport agency, nzta, waka kotahi,

BACKGROUND - HE WHAKAMĀRAMA

- 1. Following the North Island severe weather events in 2023, Council, working closely with New Zealand Transport Agency (NZTA), has produced a Strategic Roading Network Resilience Programme Business Case (PBC). The scope of the PBC includes all local roads maintained by Council. State Highways 2 and 35 are excluded as they are directly managed by NZTA.
- 2. The PBC reflects the fact that network resilience and asset management is a priority for the 2024-2027 Regional Land Transport Plan (RLTP). The lack of current network resilience is demonstrated by the devastating impact of severe weather events over the last three to four years, coupled with continuing pressure which comes from heavy goods traffic such as logging trucks. Increasing risks posed by more gradual climate change impacts such as predicted sea level rise and coastal erosion also need to be reflected in future roading maintenance investment planning and programme development.
- 3. Overall resilience of roading assets continues to deteriorate in the face of significant funding challenges, with more money going into emergency works rather than longer-term proactive asset management approaches. This is a challenge that the PBC has addressed by assuming there is no additional funding beyond what can be afforded through the NZTA National Land Transport Programme (NLTP), Council rates and user-pays contributions.
- 4. The PBC sets out a technically-sound prioritisation approach to roading network maintenance, operations and renewal (MOR) that enables making difficult, but objective, choices on where to invest, and where not to.
- 5. Council endorsed the final draft PBC document for submission to peer review under report 25-168 at 26 June 2025 Council meeting, with final approval at this 21 August Council meeting.

DISCUSSION and OPTIONS - WHAKAWHITINGA KÖRERO me ngā KŌWHIRINGA

Introduction

- 6. NZTA require a peer review of business cases where improvement activities, or combination of activities have an estimated whole-of-life cost over \$15 million or where a significant level of risk is involved¹. "Improvements" means any activities that propose a change to the current customer levels of service (LoS) or improvements to the efficiency in delivering an existing LoS. This accurately describes the focus of the PBC.
- 7. The purpose of the peer review is to reduce risks that programmes / projects either do not deliver on the outcomes forecast, or they fail to deliver the outcomes at the level of efficiency and effectiveness.

Peer Review Process and Conclusions

8. The peer review has been undertaken by consultants Stantec who have had no prior involvement in the PBC. Table 1 below summarises the main observations from the peer review, and Council response.

-

¹ Peer review of proposals | NZ Transport Agency Waka Kotahi

Table 1: Summary of PBC Peer Review Comments and Council Response

PBC Section	Summary of Peer Review Feedback	Council Response
Whole document	Make the investment story more concise.	It is proposed to include separate Executive Summary and also A3 Infographic as part of the final suite of PBC documents.
Economic Case	Present an overview of the approach at the start of the section.	A summary overview outlining stages of the process has been added in.
Whole document	Make it clearer at the start of the document that the PBC is not a traditional bid for improvement funding which has named projects and a Benefit to Cost ratio.	The introduction section includes a clear statement to this effect.
Financial Case	There is some inconsistency around whether resilience projects will be delivered through maintenance or improvement contracts.	The financial and commercial cases have been reviewed for consistency, and minor changes made to the latter as improvement contracts are likely to be separate from maintenance, operations and renewal.
Economic Case	Not convinced that the preferred programme aligns with the economic productivity objective.	Local Road Importance methodology includes lifelines, cultural, social and economic factors to establish importance. The preferred option "Balanced Reach" seeks to balance investment in social and economic outcomes. Wording has been changed to emphasise this point.
Economic Case	No Investment Prioritisation Method (IPM) has been undertaken.	An IPM can only be concluded if there is a Benefit to Cost Ratio (BCR), which is not appropriate for this PBC. An IPM may be conducted on the future RLTP programme for inclusion in the NLTP. Wording has been included to make this clear.
Strategic Case	Would be good to have more road closure data on numbers of people / businesses affected, locations and economic impact	This would be a detailed piece of work which can support further work as part of the AMP and RLTP. The impacts of the severe weather events are adequately described in the PBC document.

PBC Section	Summary of Peer Review Feedback	Council Response
Economic Case	Unclear if abandoning areas at high risk of sea level inundation / erosion / flooding was considered, and then retreat the roads as well.	Sea Level rise has been considered in the climate risk assessment and interventions were included that limit this risk. Wording has been included to make this clear.
Economic Case	The PBC does not include any form of economic analysis - either a Benefit Cost Ratio (BCR) or a Net Present Value (NPV) assessment.	While essential if the PBC is an immediate a funding application it is not necessary for a purpose of prioritising programme. Unless there is information on funding availability throughout the next 30 years any NPV analysis would be based on general assumptions around both proactive and reactive investment. Producing an NPV assessment is unlikely to impact the preferred option outcome. Wording has been included to make this clear.
Economic Case	The timing of interventions has not been considered.	As noted in the comment immediately above funding availability over the 30-year programme has not been established. However, it is likely that front-loading of investment in the first ten years, as well as significant policy changes, will be needed. Wording has been included to make this clear.
Economic Case	Costs have been developed for a 30- year period. The NZTA the Monetised Benefits and Costs Manual (MBCM) typically has a 40-year analysis period.	30 years aligns with Council requirements for LTP / Infrastructure Strategy timeframes. Wording has been included to make this clear.
Economic Case	Inconsistency between text and tables when discussing costs of the preferred "Balanced Reach" option.	Text has been amended to be consistent with the tables.
Economic Case	The preferred "Balanced Reach" programme has been costed to fit within an assumption that MOR funding will remain broadly at current levels. It is a risk to assume the current maintenance budget is appropriate. A more cautious approach would have been to develop a range of programmes, including lower cost programmes.	Costs have been built up from the bottom-up based on application of the intervention toolkit. Wording has been included to make this clear.

PBC Section	Summary of Peer Review Feedback	Council Response
Economic Case	Average Annual Daily Traffic (rather than economic value) seems to have a highly influential effect on the preferred framework. While this is an appropriate starting point, this assumes current land use / settlement areas will continue to be maintained, which might not be the case.	Future scenarios consider land use change and have been in the PBC used to assess the change to Local Road Importance. Council is working on ways of improving current and future travel demand forecasts, including different journey patterns as a result of land use changes.
Economic Case	Roads classified as "lifelines" have a high priority, but it may be less costly to relocate the communities served by these roads rather than maintain the road, especially if the communities are at risk of flooding / storm damage / sea level rise.	The PBC has focussed on transport and supporting land use interventions, but managed retreat is outside of the scope and clearly a highly sensitive issue.
Economic Case	While alternate climate scenarios has been considered, there appears to be no sensitivity testing to different assumptions around costs or programme effectiveness. The economic case technical assessment also notes that the estimated costs are for comparison purposes only.	The WSP technical assessment for the economic case includes sensitivity tests associated with investment objectives and critical success factors weightings. The PBC did not include these for reasons of brevity, they will be present in the final document.
Economic Case	Status Quo is the Do Minimum. No assumptions are provided as to how this scenario was costed or the assumptions about the future state. The Economic Case technical assessment notes that reactive costs have been estimated based on the length of network with a residual risk of medium or higher. This information should be in the main PBC document.	For Status Quo a full review of 2024-2034 RLTP and AMP financial information has been undertaken. For the Status Quo option options reactive costs have been extrapolated to 30 years based on the resilience interventions to be completed. More detail can be added into the document.
Economic Case	While detailed GIS-based resilience risk assessments have been undertaken to support the PBC, it is not clear how these were used to inform the programmes – i.e. how intervention effectiveness translates to the risk outcomes.	Each intervention has an application definition for strong, intermediate or some level of application. Each level has a description of the areas of application and risk impact. For each intervention an assumed residual exposure and vulnerability rating. Wording has been included to make this clear.

PBC Section	Summary of Peer Review Feedback	Council Response
Economic Case	Not clear if District Plan land use zone changes been incorporated in the programmes, especially for land uses which generate heavy vehicle movements.	Work on the TRMP has been ongoing, and so information unlikely not yet available for the PBC. The government's moratorium on short-term plan changes pending new legislation adds further uncertainty to this matter.
Economic Case	Unclear how the decision was made as to which roads would get which LoS. Was there consideration of how roads might transition down to lower LoS over time, due to future events? Was there consideration of more than 10% of the roading network being abandoned?	LoS is a dimension of choice, and the baseline is based on current vulnerability. Target and minimum LoS have been workshopped with Council SMEs (Subject Matter Experts) who have the best network and asset knowledge. A 10% reduction in network length is based on the least trafficked length of lowest importance roads. Additional route network adjustments made could be through certain interventions such Asset Retirement Plans and user pay funding.
Strategic Case	The PBC does not appear to have considered which communities may need to relocate in future due to increasing climate risks / erosion. This means there is a risk of investing in roads which may not be needed in the future. The Spatial Plan identifies where the most resilient places to live and do business are versus least resilient, but it is not clear whether this information has been considered in the framework.	As noted above it is not the remit of the PBC to make policy decisions around community managed retreat, and the document cannot risk distress and upset caused by speculation around future community viability. The resilience maps which support the PBC may provide an important input into future community managed retreat policies and actions. In turn this will influence decisions on future road maintenance and LoS.
Strategic Case	Not clear how the target LoS established by Council. What information was used to support this? No testing of alternative targets or other trade-offs which may be lower cost / better value for money / better future proofed.	LoS has been established based on input from Council SMEs, and will be further tested and refined within the new Activity Management Plan (AMP). There is also a minimum LoS which represent an alternative.
Economic Case	Concern that not all programmes include system change interventions. Only including these interventions in Balanced Reach could give this programme an unfair advantage.	System change interventions are included in all programmes and actually considered most in Resilient Communities option.
Economic Case	The preferred programme has been costed to fit within existing MOR funding. This approach could have been taken for the other programmes too.	All programmes have been costed based on a build-up from interventions selected and unit rates or assumed costs per intervention.

9. As is normally the case, the majority of peer review comments focus on the Economic Case which is where value for money of the preferred option is established. This PBC deliberately does not undertake a full economic appraisal because it is focussed on developing a robust data-driven prioritisation approach and a high-level programme which will be subject to more detailed work over the next 18 months.

Other PBC Document Changes

- 10. In addition to the peer review, Council officers have reviewed the PBC document and made minor changes to improve readability, clarity, formatting and general tidiness. There have been no material changes to any of the draft PBC problems, objectives, evidence base, programme assessments, conclusions or recommendations endorsed by Council on 26 June as a result of these document updates. Attachment 1 details specific sections and pages of the document where changes have been made so there is a complete audit trail. Attachment 2 includes the final document as a "marked up" version.
- 11. At the 26 June meeting, there was some discussion that the use of the word "importance" when discussing future LoS and maintenance investment can appear somewhat confrontational to people who see their road being placed in a low category. Whilst various alternative words such as "value" and "traffic" have been discussed, officers continue to believe that "importance" best captures the need for tough decisions about where to prioritise investment.

Next Steps

- 12. Further development of the PBC preferred programme must start immediately to ensure benefits are realised and cannot be deferred until sometime in the future. Whilst the existing Council MOR programme will continue until the end of the current RLTP period in June 2027, and recovery work will also be ongoing, implementation of the Balanced Reach approach needs to commence in less than two years.
- 13. Following Council approval, the PBC document will be submitted to NZTA and be used as part of future investment planning for the next and subsequent Regional Land Transport Plans and National Land Transport Plans. The MOR prioritisation framework may well be updated and refined as better evidence becomes available for example in relation to travel demand and levels of road usage. However, the principles of Balanced Reach programme will be used to guide the work.
- 14. The PBC is not a traditional business case being submitted to NZTA for increased levels of funding right now. Instead, it is a framework for further activity to identify and prioritise policy interventions, MOR business-as-usual investment and future capital works broadly within existing forecast budgets. This activity will take place through:
 - Review and update to key roading network policies (including any associated technical standards).
 - A new Activity Management Plan (and supporting asset management strategy) which will set out the projects and proposed investment profile.

- The next Regional Land Transport Plan (due for completion in April 2027) which will make a bid for funding through the National Land Transport Programme (NLTP).
- The next Long-Term Plan (starting from 01 July 2027) which will secure the local share of funding.
- 15. A key task will be to better understand the required phasing of proactive MOR work, much of which is likely to be needed in the first 10 years of the 30-year programme. The next AMP will be the key vehicle for this phasing work.
- 16. Perhaps the most important activity is to continue with public and stakeholder engagement as the policy review and programme is further developed. Implementation of the roading review will require difficult choices around where to invest limited resources, and work will be undertaken in partnership with communities.
- 17. The Management Case of the PBC clearly outlines the need for a dedicated roading resilience programme, including key artefacts that provide both strategic direction and operational guidance, including:
 - Programme Management Plan.
 - Benefits Management Plan.
 - Risk Management Plan.
 - Issues Register.
 - Stakeholder Management Plan.
 - Communications and Engagement Plan.
 - Programme Dependency Plan.
 - Quality Assurance Plan.
 - Tolerances and Change Control.
- 18. The Commercial Case emphasises the importance of retendering MOR and improvement contracts based on a shift in mind set and technical approach to investment from reactive & emergency to proactive & resilient.
- 19. The Roading Network Resilience Programme will be governed in accordance with the Council Project Governance Framework. At the political level, investment prioritisation will be considered by Regional Transport Committee (RTC) as part of the RLTP and Council and its various committees as part of the LTP.
- 20. The Operations Committee (or equivilent depending on confirmed committee structures post triennial elections) will have governance oversight of the resilience programme. The other three main committees Sustainable Tairāwhiti, Finance & Performance and Operations (Environment and Communities) will all have a strong interest and interface with the programme as it develops.
- 21. Following approval of the PBC, the document will be submitted to NZTA for its approval and use as the basis for the next RLTP and National Land Transport Programme (NLTP).

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

Overall Process: High Significance
This Report: High Significance

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

Overall Process: High Significance
This Report: High Significance

Inconsistency with Council's current strategy and policy

Overall Process: Medium Significance

This Report: Low Significance

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

Overall Process: High Significance
This Report: High Significance

The effects on individuals or specific communities

Overall Process: High Significance
This Report: High Significance

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

Overall Process: High Significance
This Report: High Significance

- 22. The decisions or matters in this report are considered to be of **High** significance in accordance with Council's Significance and Engagement Policy.
- 23. The overall resilience planning process, and production of the PBC, will have a material impact on future RLTP and council Long Term Plan investment priorities, as well as the health and well-being of our communities.
- 24. Partners and stakeholders will have significant interest in the work and its outcomes, especially in terms of addressing current and future concerns about transport system and wider community resilience. This isn't just a theoretical interest; it is bound up in practical experience of how damage to the transport system has impacted people's lives.
- 25. Public interest in this work will be high, and expectations will need to be both understood and managed.

TREATY COMPASS ANALYSIS

Kāwanatanga

26. The roading resilience programme will continue to engage with mana whenua to establish appropriate levels of involvement in establishment of levels of service and priority for future roading resilience projects.

Rangatiratanga

27. The roading resilience programme will enable the setting of prioritisation and decision-making strategies within future roading resilience projects for opportunities to partner, cogovern, co-design and collaborate.

Oritetanga

28. The roading resilience programme will seek to establish location and extent of inequities and to address them in the levels of service and priorities for future roading resilience and strategies.

Whakapono

29. The roading resilience programme will take appropriate guidance on how it acknowledges or empowers any application of tikanga and kawa.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

- 30. Tangata whenua / Māori engagement is critical to the success of the programme, as there will be significant interest in terms of:
 - a. Direct impacts on Māori land and other environmental assets of potential resilience interventions.
 - b. Improvement of social and cultural access, which has been compromised by the severe weather events.
 - c. Co-design of potential solutions which add value to Māori economic, social and cultural development.
 - d. The legal status of iwi as Treaty Partners in the region.
- 31. The programme team will continue to work closely with Council Māori Partnerships staff to ensure that appropriate engagement is undertaken, as this is critical to the success of the PBC.

COMMUNITY ENGAGEMENT - TÜTAKITANGA HAPORI

- 32. Community engagement will be an essential part of ensuring that the resilience programme delivers priority investments and manages inevitable concerns around reductions in roading Levels of Service (LoS).
- 33. For all communication and engagement processes, the preferred approach is to use existing channels and opportunities, rather than inventing new ones. The Long Term Plan (LTP) will be the next major engagement opportunity. There are multiple projects across the Lifelines Directorate and a risk of "engagement overload" amongst both stakeholders and the public. However, additional opportunities will be investigated if they add significant value to what is already taking place.

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

34. The PBC will focus on impacts of climate change including both severe weather events - such as heavy rain, high winds, extreme heat etc. – and the gradual progression of sea level rise and coastal erosion.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

- 35. The PBC has been being funded by NZTA as part of the North Island Weather Event Response, with a Council contribution.
- 36. Recommendations from the PBC will have implications for future council budgets within Long Term Plans (LTPs). Further investment is outside the scope of the current Three-Year Plan (2024-27).

Legal

37. The PBC is consistent with council responsibilities and powers under both the Resource Management Act (RMA) 1991 and the Land Transport Management Act (LTMA) 2003.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

- 38. The PBC is being developed to:
 - Be strongly consistent with, and give effect to, policies and priorities within the adopted Regional Land Transport Plan (RLTP) 2024-34.
 - Support the Three-Year Plan recovery investment but does not replace it.
 - Provide direction to the next LTP, including the local share for maintenance budgets.
 - Be consistent with and support future Council planning policy and implementation.

RISKS - NGĀ TŪRARU

39. The programme risks as outlined in Table 12 of the previous report <u>25-168</u> to 26 June Council committee are:

Element	Issue
Risk management and mitigation	Key risks to delivery of the programme include: 1. Council resources to deliver the programme.
	Public and stakeholder concern around reduced LoS, especially where all maintenance activity on a section of road is abandoned.
	3. Further severe weather events increase requirement for emergency works and reduces spend on proactive asset management.
	4. Health and safety challenges resulting from roads reverting from sealed to unsealed.
	5. Lower than anticipated funding from the National Land Transport Fund (NLTF) and / or rates

Element	Issue	
	Key mitigations include:	
	Robust programme and project management resourcing.	
	2. Proactive and regular communication and engagement.	
	3. Establishing a reserve fund for emergency works.	
	4. High quality works to unsealed roads.	
	5. Increasing road user funding contributions.	

NEXT STEPS - NGĀ MAHI E WHAI AKE

40. The following table summarises the next steps.

Date	Action / Milestone	Comments
21 August 2025	Council approval	Approval for adoption as Council policy
September 2025 to July 2026	Establish programme team and capacity / capability	As detailed in the Management Case
2026	Activity Management Plan (AMP)	Refresh of current document, based on maturity assessment and improvement actions
April 2027	Regional Land Transport Plan (RLTP) 2027-37	Programmes will detail MOR and improvement programmes
July 2027	New roading contracts	As detailed in the Commercial Case
July 2027	Long Term Plan (LTP)	Sets out local share of resilience investment
July 2027	Start of next National Land Transport Programme (NLTP)	Sets out National Land Transport Fund (NLTF) resilience investment

ATTACHMENTS - NGĀ TĀPIRITANGA

- Attachment 1 Gisborne District Council Strategic Roading Network Resilience -Change Register [25-196.1 - 4 pages]
- 2. Attachment 2 GDC Strategic Roading Network Resilience Programme Business Case [Track Changes [25-196.2 253 pages]

The following table summarises changes made the final PBC document following both external peer review and internal Council assessment. The final PBC document showing track changes is also attached to the Council report. The page numbers and summary of changes in the table below refer to that document. Once approved by Council, the final PBC document will have track changes removed and be reformatted to tidy up any loose ends.

PBC Final Document Page Number(s)	Summary of Change(s)
6-7	Additions to Glossary of Terms.
8-10	Additional emphasis that the PBC is about realising benefits through prioritising future asset management investment, and not producing a detailed programme and Benefit to Cost (BCR).
	Additional of investment objectives to the problems and benefits table.
11	Minor wording changes to improve clarity.
13-14	Includes reference to the recent draft National Infrastructure Plan (June 2025) which strongly supports a policy of prioritising roading asset maintenance. This demonstrates that the PBC is very much in line with the latest thinking around long-term infrastructure planning and investment.
15	Further clarification of the purpose of the PBC, emphasising that it is not a traditional additional funding bid approach which identifies specific projects, a Benefit to Cost Ratio (BCR) and an Investment Prioritisation Method (IPM) rating.
18	Minor wording changes to improve clarity.
24	Minor wording changes to improve clarity.
22-23	Minor wording changes to improve clarity.
26	Minor wording changes to improve clarity.
29	Additional emphasis that the PBC is about realising benefits through prioritising future asset management investment, and not producing a detailed programme and Benefit to Cost (BCR).
32-34	Minor wording changes to improve clarity.
36	Minor wording changes to improve clarity.
39	Minor wording changes to improve clarity.
41-42	Minor wording changes to improve clarity.
47	Minor wording changes to improve clarity.

PBC Final Document Page Number(s)	Summary of Change(s)			
48	A note that the government is introducing a new regional spatial planning system.			
53	Minor wording changes to improve clarity.			
57-58	Minor wording changes to improve clarity.			
59-68	Major restructure of the Economic Case front end to make the structure clearer and more readable, which has required moving text from later in the chapter up to the start. New section headings feature three policy responses before then setting out the detailed baseline, with subheadings for Local Road Importance and Levels of Service.			
	Other than additional section headings there are two areas of new text. The section on local road importance has been changed to provide greater clarity of purpose and make the point that "low importance" at a strategic decision-making level does not mean "unimportant". An additional sentence at the end of local road importance makes a clearer link to the next section on Levels of Service. Additional text at the start of the Levels of Service section better explains the concept before getting into the detail.			
	Change to Table 18 based on an updated technical report from WSP. Additional commentary on Table 18 which explains the local road importance assessment. Change to Table 19 based on an updated technical report from WSP. Change to Table 20 based on an updated technical report from WSP. Change to Table 20 based on an updated technical report from WSP.			
	A new section which summarises the Economic Case methodology (including a summary diagram).			
69-72	Minor wording changes to improve clarity.			
73-75	Addition of a better explanation of Table 25. Additional text in Table 26 to improve the summary description of the interventions in the toolkit.			
76	Minor wording changes to improve clarity.			
77	Additional explanation of the how the short list options have been developed, especially strategic decisions around what is an acceptable minimum and target Level of Service.			
78-79	Minor wording changes to improve clarity.			
80	Additional text to describe the value for money assessment approach which is different from that of a standard PBC. Addition of key interventions into Table 32.			
81-85	Minor wording changes to improve clarity.			
86	Addition of six sensitivity tests to Table 36.			

PBC Final Document Page Number(s)	Summary of Change(s)			
87-88	Addition of a more comprehensive summary of conclusions of Table 37.			
89-90	Correction to the estimated cost of the Balanced Reach programme in the text (to match Figure 17). Additional explanation of the costing approach and conclusions, including upper and lower bounds for emergency works.			
90	Minor wording changes to improve clarity.			
91	Additional text to note that local roads may become less important if people are forced to retreat away from highly vulnerable areas of the region.			
92-102	Minor wording changes to improve clarity.			
103 Changes to wording to strengthen emphasis on community engagement before the preferred detailed investment programme implemented. Conclusions section deleted as it repeats the section immediately above almost word for word.				
104-105	Minor wording changes to improve clarity.			
106	More detailed explanation as to how the high-level option costs have been estimated. Minor corrections to Table 46.			
108-109	New table added in to outline the assumptions and limitations of the approach to option costing.			
110	Changes to Table 48 to clarify the impact of lower and upper bounds for emergency works.			
111	Additional text in Table 49 which notes the government moratorium on plan changes. More detailed explanation of the need for front-loaded proactive asset management investment in the first ten years.			
Additional sentence in Table 52 noting the change to NZTA emergy works policy.				
112-117	Minor wording changes to improve clarity.			
119-120	Minor wording changes to improve clarity.			
123	Additional text to state that improvement projects outside of maintenance contracts will generally be procured on using open tendering.			
131-136	Minor wording changes to improve clarity.			
139-140	Minor wording changes to improve clarity.			

PBC Final Document Page Number(s)	Summary of Change(s)				
141	Changes to the dates in Table 62 to reflect that the document is now the Final PBC.				
142-144	Ninor wording changes to improve clarity.				
153-157	Minor wording changes to improve clarity.				
199	Change to Figures 45 and 46 based on an updated technical report from WSP.				
202	Minor wording changes to improve clarity.				
231-243	Two columns added to Table 89 to include assessment of residual exposure and vulnerability resulting from each intervention.				

Te Tairāwhiti Strategic Roading Network Resilience

Programme Business Case August 2025





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Version Control

Version Number	Description	Date
1	First draft Strategic Case for Council review	28 February
2	Second draft Strategic Case for NZTA review	28 March
3	Third draft Strategic Case addressing NZTA comments	



Version Number	Description	Date	
4	Draft Programme Business Case for <u>Council</u> endorsement and peer review	11 June	Deleted: final review
5	Final Business Case for <u>Council</u> <u>approval and</u> <u>submission to NZTA</u>	21 August	Deleted: Approval

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Glossary

Abbreviation	Full Description			
AMP	Activity Management Plan			
ВСА	Business Case Approach			
CDEM,	Civil Defence Emergency Management,			
Council	Gisborne District Council			
DAP	Dynamic Adaptive Pathways			
<u>DP</u>	<u>District Plan</u>			
<u>FDS</u>	<u>Future Development Strategy</u>			
GDP	Gross Domestic Product			
GIS	Geographic Information System			
GPS	Government Policy Statement on Land Transport			
HPMV	High Productivity Motor Vehicle			
ILM	Investment Logic Map			
<u>IPM</u>	Investment Prioritisation Method			

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Abbreviation	Full Description			
<u>JMA</u>	Joint Management Agreement			
KPI	Key Performance Indicator			
LGA	Local Government Act 2002			
<u>LINZ</u>	Land Information New Zealand			
LTMA	Land Transport Management Act 2003			
LoS	Level of Service			
LTP	Long Term Plan			
<u>MCA</u>	Multi Criteria Analysis			
MOR	Maintenance, Operations & Renewal			
MfE	Ministry for Environment			
Maj	Ministry of Transport			
NIWA	National Institute of Water and Atmospheric Research			
NLTF	National Land Transport Fund			
NLTP	National Land Transport Programme			
NZTA	New Zealand Transport Agency			
PBC	Programme Business Case			
<u>PGF</u>	Provincial Growth Fund			
RCP	Regional Coastal Plan			
REG	Roading Efficiency Group			
<u>RP</u>	Regional Plan			
RPS	Regional Policy Statement			
RLTP	Regional Land Transport Plan			
<u>TEAP</u>	<u>Tairāwhiti Economic Action Plan</u>			
<u>TEP</u>	Tairāwhiti Economic Plan			
TTERP	Trust Tairāwhiti Economic Recovery Plan			

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Abbreviation	Full Description
TRMP	Tairāwhiti Resource Management Plan
<u>3</u> YP	Three Year Plan

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Executive Summary

Background

Severe weather events – most notably Cyclone Gabrielle – have severely damaged the local roading network which has cost hundreds of millions to repair, and resulted in significant disruption to people's lives and businesses.



Council has a small and economically deprived ratepayer base who simply cannot afford the scale of investment required to maintain the 1,899 kilometres of local road to a decent standard. As a result Council is spending more and more money on fixing roads after they have failed, often in locations which have very little traffic. In 2023 alone, we spent \$65 million on emergency road fixes.

Nearly 50% of the region's roads carry just 6% of the traffic. Physical condition of the roads is deteriorating, and patching them up diverts money away from making the more important economic lifeline routes more resilient to severe weather and climate change. Budgets at national level are finite, and it is simply unaffordable to keep pouring tens of millions into roading recovery.

There are six natural hazards that impact our roading network:

- Temperature increase (extreme hot days).
- Increased precipitation and flooding events.
- Increased extreme rainfall and storm events.



- Sea level rise and storm surge.
- Earthquake.
- Tsunami

The primary purpose of this Programme Business Case (PBC) is to deliver a change to how investment for roading maintenance, operations and renewal (MOR) is prioritised across the region. The PBC provides an evidence-based maintenance and asset management decision-making framework, for Council and NZTA (as our co-investment partner), that is based on appropriate, and often lower, Levels of Service (LoS).

	Resilience LOS Factors					
				FORM & FUNCTION		
LOS Grade	Indicative Views	Availability (Service disruption)	Safety & Accessibility	Road Surface & Drainage		Asset Management Approach
A		Minimal disruption expected from unplanned events. Aim to open at least one lane within 24 hours of unplanned event. Notify public of estimated road closure timeframe within 2 hours.	Mostly forgiving roads and roadsides, accessible for all travel modes and vehicle types, with no significant safety hazards.	Two lane, full width sealed road surface, with generally straight alignment and well drained.	Bridges are two lane; accessible to HPMV and overweight / over dimension HCVs (up to 62 tonnes).	Proactive maintenance and renewal undertaken to ensure maximum asset life and resilience.
В		Minor disruption expected from urptanned events. Aim to open at least one lane within 1 to 3 days of unplanned event. Notify public of estimated road closure timeframe within 4 hours.	Road suitable for most drivers and all vehicle types, although may be more challenging for learner drivers. Road user safety guidance provided at high risk locations.	Two lane sealed road surface, with some lower standard sections that are narrower and winding. Generally well drained with limited risk of surface water.	Bridges may be one lane; accessible to all standard HCVs (up to 44 tonnes) and may be accessible to HPMVs (up to 52 tonnes).	Proactive maintenance and renewal to maintain safety and manage asset condition. Some non-trazerdous road surface defects.
С	THE DATE OF	Moderate disruption expected from unplanned events. Aim to open at least one lane within 3 days to 2 weeks of unplanned event. Notify public of estimated road closure time/rame within 24 hours.	Road suitable for most moderately experienced drivers and most vehicle types. Lower speeds and greater driver vigilance required on some sections. Road user safety guidance provided at high risk locations.	Sealed or unsealed road surface, generally two way (with some narrower sections) or wide one lane road (> 6m). Adequate drainage in place, but surface water is possible during severe rainfall events.	Bridges may be one lane; standard HCV access (up to 44 tonnes).	More reactive maintenance where there are future planned renewals. Dust mitigation in place for unsealed roads. Non-hazardous road surface defects may be present for limited periods of time.
D		High disruption expected from unplanned events. Aim to open at least one lane within 2 weeks to 1 month of unplanned event. Notify public of estimated road closure timeframe within 3 days.	Road may be challenging for inexperienced drivers and inaccessible for some vehicle types (e.g. small 2WD or low riding vehicles), with variable conditions following disruptions and safety hazards present. Users require focus and waveness to travel safety. Route may be closed to HCVs during winter.	Typically unsealed road surface with winding geometry, generally one tane or narrow width (< Em). Adequate drantage in place, but surface water is likely during heavy rainfall events.	Bridges are one lane; HCV weight	Maintenance and renewal undertaken to achieve minimum standard at least cost. Dust management limited to times of very day conditions. Temporary repairs may be used to reduce significant hazards. Non- hazardous racis surface defects may be present for extended periods of time.
E		Very high disruption expected from unplanned events. Unplanned events may result in prolonged closure (e.g. months). Notify public of estimated road closure simeframe within 1 week.	Road conditions vary considerably following disruptions with significant safety hazards. Only suitable for experienced drivers and 4x4 vehicle types. Route unsuitable for Class 1 HCVs.	Unsealed road surface with winding geometry, one lane roads with narrow width (< 4m). Fit-for-purpose drainage in place, but low lying areas are likely to flood easily during heavy rainfall events.	One lane bridges with weight restrictions (max weight 4 tonnee) or low level ford crossings.	Predominantly reactive maintenance and renewal to achieve minimum standard at least cost. Dust management only in extreme cases. Temporary repairs used to reduce significant hazards. Non- hazardous road surface defects likely to be present for extended periods of time.
F		Severe disruption expected from urptanned events. Unplanned events may result it permanent closure. Notify public of estimated road closure timeframe within 1 week.	Not for general access, as noted by appropriate signage. Suitable for 4x4, ATV and horses only, No HCV access.	One lane farm track or paper road with winding geometry, narrow width (< 3m). Minimal proactive drainage.	Wet river ford crossings only.	No scheduled maintenance or renewal.

Most higher traffic urban roads will be LoS B and C, whilst most lower traffic rural roads will be D and E. Up to 10% of the 1,899 km network could become Level F, and not maintained by

The PBC is not a bid for additional funding beyond current levels in the National Land

Iransport Programme (NLTP). The PBC does not outline specific projects, produce a Benefit
to Cost Ratio (BCR) or an Investment Prioritisation Method (IPM) rating, Instead the PBC
proposes how to make more efficient and effective use of existing levels of investment. A
prioritised programme of affordable investments will be developed for the next Council Long
Term Plan (LTP) and Regional Land Transport Plan (RLTP) — commencing in July 2027.

Problem <u>/</u> Benefit Statements <u>and Investment Objectives</u>

The problem _______benefit statements <u>and investment objectives</u> for this PBC are:

Problem Statement (and weighting)	Benefit Statements	Investment Objectives
Risks to the transport network from severe weather events and climate change will	Targeted transport asset investment will:	By [date] implement a risk-based prioritised programme of investment to achieve

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Problem Statement (and	Benefit Statements	Investment Objectives	Formatted Table
weighting) reduce reliable access for communities and businesses, undermining Tairawhiti's economic performance and social cohesion. Weighting: 40%	a) Reduce vulnerability of the roading network to disruption. b) Enhance resilience of priority critical assets and roading routes. c) Enable social and economic lifeline transport routes to remain open.	an agreed Level of Service which provides appropriate resilience for roads and bridges to impacts including land slips, flooding, extreme heat / wind and sea level rise. 2. By [date] reduce the number and total duration of restricted access and road closures on designated lifeline transport routes from a baseline of [x hours] to [y hours].	Formatted: Indent: Left: 0 cm, Hanging: 0.63 cm, Outline numbered + Level: 1 + Numbering Style: 1, 2, + Start at: 1 + Alignment: Left + Aligned at: 0.63 cn + Tab after: 1.27 cm + Indent at: 1.27 cm
2. Continued asset resilience under-investment results in transport routes which are unable to withstand traffic demand, leading to higher future maintenance costs. Weighting: 25%	2. Delivery of affordable resilient transport routes across the region through: a) Determining Levels of Service which are both good value for money and affordable. b) Improved long-term serviceability of essential transport routes and lifeline nodes for social and economic purposes. c) Investing more in proactive asset management rather than emergency afterevent work.	1. By [date] [x kilometres] of lifeline routes will have an established Level of Service (LoS) and be resilient to the impact of land slips, flooding, coastal erosion and sea level rise, from a baseline of [y kilometres]. 2. By [date] ensure availability of essential transport routes to lifeline nodes from a baseline of [x number] to [y number]. 3. By [date] we [x kilometres] of rural routes will have an established Level of Service and be resilient to the impact of land slips, flooding, coastal erosion and sea level rise, from a baseline of [y kilometres]. 4. By [date], the level of funding invested in emergency works will have declined from a baseline of [\$xm] to [\$ym]: and for proactive asset management will	Formatted: List Paragraph,Paragraph, Indent: Left: 0 cm, Hanging: 0.63 cm, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, + Start at: 1 + Alignment: Left + Aligned at: 1.9 cm + Indent at: 2.54 cm



	enefit Statements	Investment Objectives
veighting)		have been seed for
		have increased from [\$xm] to [\$ym].
3. Insufficient clarity of future land use changes and understanding of Level of Service (LoS) affordability to maintain road serviceability will hinder robust, prioritized transport resilience investment decision making. Weighting: 35%	investment decision making which is based on: A robust understanding of social and economic value of transport routes. Ability to maximize positive impact of investment by enhancing resilience of the highest value lifeline routes, appropriate to the LoS, at the right time.	1. By [date] establish and quantify a baseline social and economic value of [\$xm] for the region's local transport routes. 2. By [date] invested [\$xm] in designated alternative options for high value transport routes from a baseline of [\$ym]. 3. By [date] increased the social and economic value of the region's local transport routes from [\$xm] to [\$ym]. 4. By [date] increased preparedness by enabling [x number] communities and businesses to have roading resilience plans in place to maintain functionality to an agreed Level of Service (which may be different to what is current) following a severe weather or other climate-related event.

Investment Programme Options

To address the problems, realise benefits and enable future definition of investment objectives four programme options have been assessed:

Name	Option Description	
Status Quo	Focuses on current maintenance strategies to reduce vulnerability to flooding and slope instability.	
	Reactionary to weather events, with limited funds for new or improved infrastructure after recovery and emergency works.	

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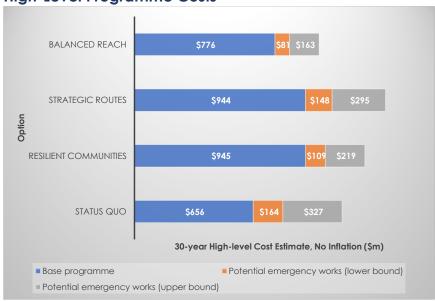
Name	Option Description
	 Aim is to keep the full network operational at a minimum level of service. Does not seek to retreat, however it acknowledges that
	unplanned retreat will be necessary on roads with high costs.
Resilient Communities	 Works to reduce exposure to all climate and seismic hazards. Prioritises roads with social or cultural importance, focusing investment in the central areas of the region (where the majority of the population live).
	Highest Importance roads elsewhere will be invested in, but other roads in these areas may not.
	Maximises the use of policy-led responses so that habitation and development is enabled in areas where hazards can be managed.
	Roads providing high importance access for communities will achieve target level of service.
	Where this cannot be achieved economically, retreat will be managed and supported.
Strategic Routes	Reduces network length by excluding the least important and lowest used 10%.
	With the remaining network, prioritises reducing vulnerability from flooding and slope instability of roads with economic importance.
	People will be able to rely on certain routes (those with economic importance) to be resilient and achieve target LoS.
	These routes are protected through engineered solutions and policy settings.
	Roads with lower importance and high vulnerability will be retreated from, with alternative access solutions considered.
Balanced Reach	Seeks to balance social and economic importance in the region.
	Emphasises user-pays principles and strategic trade-offs to achieve a sustainable network.
	Investment reduces risk to all climate and seismic hazards by reducing exposure and vulnerability.
	Network length is reduced by 10% and investment is focused in achieving target level of service only in central areas of the region.
	Elsewhere, the network may be able to accommodate minor disruptions only.

The preferred option is **Balanced Reach**, because it provides the best balance between Levels of Service and resilience at an affordable cost. <u>The majority of the proposed investment is on a base programme of proactive asset management investments.</u>



Emergency works (shown as lower and upper bounds) should be a smaller proportion of the total programme investment.

High-Level Programme Costs



Programme Delivery

The preferred resilience programme will be delivered through new maintenance contracts in 2027. Council will ensure that there is robust programme management, oversight and governance.

Next Steps

There will be further public and community engagement on details of the preferred programme as part of the next Long Term Plan (LTP). There will be an opportunity for people to have their say on maintenance investment priorities, and where the roading network needs to be scaled back.

Deleted: Balanced Reach reduces emergency works spending and concentrates investment on proactive asset resilience ("base programme").¶



Introduction

Backaround

On 14 February 2023, Cyclone Gabrielle hit the east coast of New Zealand. Having been first identified on 05 February in the Coral Sea, Gabrielle moved southeast and passed along the northern coast of Aotearoa New Zealand as an ex-tropical cyclone.

Gabrielle stalled and re-energised off the coast of New Zealand gathering in intensity, so that by the time it reached Te Tairāwhiti, and neighbouring Hawke's Bay, rainfall and wind surpassed levels seen during Cyclone Bola in 1988.

During the event, rainfall totals reached nearly 450 mm - roughly a quarter of the usual amount for an entire year. Rainfall intensity peaked at nearly 40 mm per hour in some places. Gabrielle was one of the worst natural disasters in Aotegroa New Zealand's history. claiming the lives of eleven people and causing damage to infrastructure and property estimated at \$14.5 billion¹. This level of damage is second only to the Kaikoura earthquake.

A September 2024 National Institute of Water and Atmospheric Research (NIWA) study², compared the weather forecast of Gabrielle against scenarios in which past anthropogenic warming is removed and in which future warming is added. NIWA concluded that Gabrielle would have dumped about 10% less total rainfall and 20% less peak hourly rainfall in the absence of anthropogenic impacts. NIWA also estimate that a similar future amount of global warming could result in another 10% total increase in storm rainfall with around a 30% increase in the peak hourly rate. In other words, in future severe weather events things could get even more intense.

Following a relatively stable period of weather up to 2016, the last eight years to 2024 have witnessed a significant increase in severe weather events, of which Cyclone Gabrielle was the most extreme. The physical and human devastation of Gabrielle was therefore the most noticeable impact of severe weather but is by no means the only one. The impact on the region's roading network has been profound, and is summarised in Figure 1 below.

Hundreds of millions of dollars are being injected into the recovery effort both on State Highways and local roads. However, whilst this investment will continue for several years, it won't necessarily increase resilience across the network as a whole. Natural hazards posed by climate change are forecast to become both more frequent and higher impact, which means that previous assumptions around infrastructure risks and resilience may well be out of date. Some parts of the network were relatively unaffected by Gabrielle, but may not be

And there will be a next time. Risks of both further severe weather events - as well as more gradual impacts such as sea level rise, coastal erosion, heatwaves and stronger winds – are likely to increase. Resilience is both about being prepared for such eventualities and working to mitigate their adverse impacts when they happen.

¹ Cyclone Gabrielle by the numbers – A review at six months | PHCC ² Cyclone Gabrielle was intensified by human-induced global warming | NIWA



The draft National Infrastructure Plan³ identifies a need to fund maintenance and renewals first, otherwise access to services will be lost or Level of Service (LoS) will decline. The Plan states that deferred maintenance should not be allowed to turn into future infrastructure deficits and that the cost of responding to natural hazards is rising. The starting point is to understand current assets and what will needed. This is a major focus of this document and Council's future work programme.

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Figure 1 Damage to the Region's Roading Network

Tairāwhiti Local Road Network
Severe weather events in 2023 have caused significant damage

Roads
3,000 faults registered
250 major drop outs
650,000m3 of silt in drains, slips and roads

Bridges
8 bridges destroyed beyond use
10 with major structural issues
43 with major scouring

Slash
77 bridges with slash

Prince Additional Road Network
Severe weather events in 2023 have caused significant damage

9 significant storms since June 2021

June 2023 - State of Emergency
Feb 2023 - Cyclone Gabrielle SoE
Jan 2023 - Cyclone Hale SoE
Nov 2022 - Heavy rain event
April 2022 - Cyclone File
March 2022 - State of Emergency
Jan 2022 - Cyclone Cody
Nov 2021 - State of Emergency
June 2021 - Heavy rain event
June 2021 - Heavy rain event

Source: Gisborne District Council

Purpose of the Programme Business Case

The primary purpose of this Programme Business Case (PBC) is to improve how investment for roading maintenance, operations and renewal (MOR) is prioritised across the region. The PBC provides an evidence-based maintenance and asset management decision-making framework, for Council and NZTA (as our co-investment partner), that is based on appropriate LoS for various levels of local road functionality and importance. The PBC does not constitute a bid for additional funding beyond what is assumed for continuous programmes, but instead proposes how to make more efficient and effective use of existing investment

This means that this <u>PBC</u> does not include named projects, <u>a Benefit to Cost Ratio (BCR) or Investment Prioritisation Method (IPM) rating</u> that is usually standard <u>practice</u>. However the PBC prioritisation framework enables Council to develop its next Activity Management Plan (AMP) and Regional Land Transport Plan (RLTP) that will enable prioritised projects and programmes to be implemented.

Moved up [1]: he draft ational nfrastructure lan identifies a need to fund maintenance and renewals first, otherwise access to services will be lost or evel of ervice (o) will decline. he lan states that deferred maintenance should not be allowed to turn into future infrastructure deficits and that the cost of responding to natural hazards is rising. he starting point is to understand current assets and what will needed. his is a major focus of this document and ouncil's future work programme.¶

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3 Draft National Infrastructure Plan | Te Waihanga



Definition of Resilience

As described in the RLTP, there are many definitions of resilience, and more emerge all the time. The resilience outcomes sought by a future roading resilience programme include:

- Ability to absorb effects of a disruptive event, minimise adverse impacts, respond
 effectively post-event, maintain, or recover functionality, and adapt in a way that
 allows for learning and thriving, while mitigating adverse impacts of future events.
- Capacity of public, private, and civic sectors to withstand disruption, absorb disturbance, act effectively in a crisis, adapt to changing conditions, including climate change, and grow over time.
- Ability of assets, networks, and systems to anticipate, absorb, adapt to and / or rapidly recover from a disruptive event.

Resilience is often thought of as purely an "asset management" exercise – or infrastructure resilience. While the need to maintain and manage assets to minimise disruption is critical, roads and bridges exist:

- To provide diverse services to meet a range of community needs.
- As part of a wider system which does not include just transport.

Whilst this PBC is focussed on direct investment in the roading asset, the "system" concept encompassing a complex interrelationship between natural resources, infrastructure, governments, businesses, and communities – will not be ignored. There are many complementary initiatives and investments which this PBC will support, including long-term policy changes around land use.

Resilience is a crucial factor in how communities plan for and cope with weather extremes, economic disruption, and resource depletion. Ultimately, it is about a community's ability to come together and continue to function in the aftermath of an extreme event, which benefits everyone.

Other Key Terms

This PBC uses various other terms which are summarized in Table 1.

Table 1 Terms Used in this PBC

Term	Summary Definition
Risk	The potential effect of future uncertainty on achievement of objectives, usually in an adverse way.
Level of Service (LoS)	Broad statements that describe, from the customer and operator perspective, performance of the region's roading network. LoS determines an appropriate level of maintenance, operations and renewal (MOR) activity for the function and importance of a road in the overall network.



Term	Summary Definition
Asset management	Critical decisions on MOR investment in roading infrastructure within constrained funding limits, based on assessment of whole of life performance and costs.
Value for Money	An investment where whole of life benefits exceed costs by a pre-determined margin.
Financial value	A numerical quantity that is assigned or is determined by calculation or measurement.
Importance	Relative worth or utility of something to people or organisations.
Lifeline	A physical facility or capability which enables continuous operation of critical government and business functions and is therefore essential to human health and safety or economic security.
Affordability	Ability to allocate investment within clearly defined financial limits which are dictated by available Council rating capacity, NZTA co-funding and other funding sources.
Problem	Something that causes difficulty or that is hard to deal with.
Opportunity	An occasion or situation that makes it possible to do something that is desirable or necessary.
Benefit	Any gain to one or more stakeholders from achieving the change in state.
Investment objective	Describes what the investment is intended to achieve.

Where necessary, more detail on these key terms is provided at the point they are first discussed in this document.

Structure of the Programme Business Case

In line with NZTA Business Case Approach (BCA)⁵ and Treasury Better Business Case (BBC)⁶ guidance this PBC is structured into five main parts:

- 1. Strategic Case.
- 2. Economic Case.
- 3. Financial Case.

⁵ Business Case Approach guidance | NZ Transport Agency Waka Kotahi ⁶ Better Business Cases | The Treasury New Zealand



- 4. Commercial Case.
- 5. Management Case.



Strategic Case

Introduction

The Strategic Case summarises the case for change, which is focussed on the problems this PBC needs to address and the benefits of doing so. The focus of this PBC is on understanding future resilience risks to roading assets based on appropriate route importance and Level of Service (LoS) requirements for road users and communities; and how all this is reflected in policy changes, asset management planning, funding levels, programmes and projects.

The problems are not simply about the visible damage to the region's roading network and the resulting economic, social and environmental consequences. They are also about understanding how physical roading assets have now come under so much pressure that they are struggling to provide any kind of reliable LoS.

Strategic Context

Physical Environment

Te Tairāwhiti region has a unique and challenging physical environment which makes maintenance of a resilient local roading network very resource intensive. Provision of resilient roading LoS is strongly influenced by:

- Steep topography: roads are often located near to areas prone to landslides both above and below the carriageway.
- River catchments: roads frequently run close to and over watercourses which makes the network vulnerable to flooding, washouts and disruption through damage to bridges
- Coastline: access to the shore is a very important cultural and leisure function of the roading network, but erosion and rising sea levels represent a growing risk.
- Land use: forestry, farming, horticulture and viticulture are major contributors to the region's economy which generate significant travel demand from heavy vehicles and therefore roading maintenance requirements.
- Geology: ground underneath the roading network is often highly unstable rock which has the consistency of soft porridge and therefore makes maintenance technically challenging.

Natural Hazards

Throughout this PBC there is reference to various natural hazards which represent resilience risks to the region's roading network (and much else besides). There are six hazard types and risk statements assessed in this PBC, which are summarized in the following table:

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Table 2 Summary of Natural Hazards Assessed in this PBC

Hazard	Risk Statement	Data Set Used	Rationale and Assumptions
Temperate increase (extreme hot days)	High temperatures cause deformation of bitumen based surfacing and increased dust for unsealed roads	NIWA New Zealand Climate Projections Dataset (2024)	Based on the number of days annually where the average daily temperature is greater than 30 degrees Celsius, over and above the current average number of extreme hot days (higher than 30 degrees Celsius).
Increased precipitation and flooding events	Fluvial (river) and pluvial (surface) and groundwater flooding inundate roads and bridges resulting in washouts	NIWA River Environment Classification (REC2) layer Council GIS database Flood Areas NIWA New Zealand Climate Projections Dataset (2024)	Areas close to freshwater stream beds or located within mapped flood areas will be impacted by increasing heavy rainy days.
Increased extreme rain fall and storm events	Ground saturation affects slope stability causing landslide damage to roads and bridges	Landcare Research (LRIS) Slope layer for New Zealand NIWA New Zealand Climate Projections Dataset (2024)	Higher degree slopes (greater than 15%) are more susceptible to extreme rainfall events. This is based on slope category being "strongly rolling" (16 to 20 degrees).
Sea level rise and storm surge	Coastal flooding, storm surge, tidal shifts, and coastal erosion of roads and bridges	Council GIS database - Coastal Erosion and Coastal Hazard Risk layers NZ Sea Rise data LINZ 1 metre Digital Elevation Model	Intersection of inundation extent with the road layer. Roads that are intersected within 50 metres of the inundation extent are tagged as being exposed.
Tsunami	Tsunami / rogue wave along coastal areas damaging roads and bridges	Council GIS database	Based on Council's documented tsunami evacuation zones.



Hazard	Risk Statement	Data Set Used	Rationale and Assumptions
Earthquake	Amplification and liquefaction damage to roads and bridges	Council GIS database	Data collated for land susceptibility to both amplification and liquefaction. The hazard exposure was rated for amplification only as this presented the worst-case exposure scenario for earthquakes.

Appendix B presents maps which show the extent of the roading network exposed to each individual hazard, based on the data and assumptions in Tables 8 and $9 \frac{\text{below}}{\text{below}}$.

Organisational Environment

Gisborne District Council (Council) is responsible for the maintenance and improvement of Te Tairawhiti's local roading network, which (at 1,899 kilometres in length) makes up approximately 85% of the region's total⁷:

- 12% of local roads are urban and 88% rural.
- 47% of local roads are sealed and 53% unsealed.

Many local roads carry very low volumes of traffic – less than 100 vehicles per day on average – and significant maintenance investment is required to deliver LoS to a small number of beneficiaries. More detail on the Council roading network is included in Appendix A.

Council asset management activity includes both maintenance, operation and renewal (MOR) and improvements to sealed roads, unsealed roads, bridges, retaining walls, drainage assets, traffic services assets (e.g. signs, markings, rails), streetlights, footpaths, cycle paths and carparks.

The current Council Land Transport Activity Management Plan (AMP) sets out the Council's roading maintenance, operation and renewal (MOR) investment proposals which are further reflected in both the Three Year Plan (3YP) and Regional Land Transport Plan (RLTP) 2024-34. This PBC will be used to significantly update the next AMP, RLTP and Long Term Plan by 2027.

Table 3 summarises the contribution of roading network resilience to Council strategic priorities and community outcomes:

-

 $^{^{7}\,\}mbox{State}$ Highways, managed by NZTA, make up the remaining 15%.



Table 3 Contribution of Roading Network Resilience to Council Priorities and Community Outcomes

Council Priorities	Community Outcomes	Roading Network Resilience Contribution
We will build resilient transport	 A driven and enabled community Vibrant city and townships Resilient communities Connected and safe communities A diverse economy We take sustainability seriously 	The fundamental purpose of this PBC is to make a strong case for roading resilience investment as part of a wider strategy for developing the region's economy and social cohesion A very wide range of community outcomes are delivered by roading resilience, because of the fundamental importance of the network for getting about Resilience priorities are: Considering how to build back to make sure the infrastructure network and environment are the best they can be Considering future need and start to put solutions in place that enable communities to continue to function and grow into the future Our environment is a taonga and ensuring that the way we do business doesn't have adverse effects where that can be prevented. Thinking about how we deliver infrastructure and using more natural solutions is also important Underpinning all of our infrastructure projects and activities is making sure what we do is the best "bang for buck" and is affordable for our community now and into the future
We will enable effective regulatory functions	We celebrate our heritageA diverse economy	Roading network resilience investment prioritisation supports important Council regulatory functions around land use and



Council Priorities	Community Outcomes	Roading Network Resilience Contribution
	We take sustainability seriously A driven enabled community	protection of critical natural assets Revised Levels of Service (LoS) should reflect changes in land use, for example away from logging towards planting of native forestry
We will prioritise resilient waters	 We take sustainability seriously Delivery for and with Māori A diverse economy 	Roading network resilience projects seek to manage flow and impact of water through provision of appropriate drainage asset infrastructure Whilst this is primarily to protect the roading assets, there are potential spin off benefits for watercourses adjacent to the network

Source: Gisborne District Council Three Year Plan

Partners and Key Stakeholders

Several partners and key stakeholders have significant roles in contributing to the local roading resilience investment programme proposed by this PBC, as summarised in Table 4.

Table 4 Partner and Key Stakeholder Roles for Local Roading Resilience

Organisation	Summary of Role	
Gisborne District Council (Council)	Road Controlling Authority (local roads) and investor through rates (Long Term Plan).	
	Spatial planning authority for land use, resource management and travel demand.	
	 Regulator of resource management activity which interacts with the roading network and is required for roading projects. 	
	Responsibilities for Civil Defence Emergency Management (CDEM).	
New Zealand Transport Agency (NZTA)	Road Controlling Authority (State Highways) and direct investor (National Land Transport Fund).	
	Co-investor in local roads through road user charges (National Land Transport Fund).	
Māori	Spiritual and cultural connection to the land area adjacent to the local roading network.	
	Statutory partners for planning, co-design and investment.	



Oversiesties	Summary of Polo	
Organisation	Summary of Role	
	Advice on supporting land management solutions.	
	Advice on environmental risks and impacts in relation to roading projects.	
	Key user of roading network for cultural, economic and social purposes.	
The Crown	Co-investor through general taxation (Treasury).	
	Implementation of National Adaptation Strategy (Ministry for the Environment).	
	Provision of school transport bus services and therefore a key local road user (Ministry of Education).	
	Te Whatu Ora, reliant of roading to provide access to healthcare facilities.	
	Research and advice on climate resilience issues.	
Roading contractors	Design and delivery of physical resilience works.	
	Local employer and contributor to economy.	
Trust Tairāwhiti /	Production and implementation of economic plan.	
economic and business interests	Current and future investors in the region.	
111010313	Generators of freight travel demand.	
Transport infrastructure and service operators	Operation of key lifeline nodes (e.g. Eastland Port and Gisborne Airport).	
	Provision of freight movement services for key industries such as forestry and agriculture.	
	Provision of Council funded public passenger transport services in Gisborne City and on behalf of Ministry of Education across the region.	
Lifeline infrastructure providers	Utility organisations – in particular power and communications – as they have statutory access rights to road corridors.	
	Council – responsible for three waters infrastructure, catchment management and flood protection.	
Community groups	Reliant on local roading infrastructure for access to jobs, essential services and whanau connections.	
	Long term resilience planning and priorities.	
	Preparation for potential future disruption.	
	Local leadership during future disruption events.	
<u> </u>	Local leadership during ruture disruption events.	



Specific investment proposals in this PBC may be delivered through multi-party funding agreements, potentially involving any of the organisations in Table 4.

Treaty Partners

Tangata whenua have a historical settlement and connection to Te Tairāwhiti, and an equally long-term role in the future planning and decision-making for the region. The powers and functions exercised by Council in its rates collection, regulatory and local public service functions have a significant impact on Māori and how they collectively express their values, priorities and lives.

Te Tairāwhiti region has the highest proportion of Māori anywhere in the country and, as such, the obligations of Council under the Treaty of Waitangi are taken very seriously. This means that this PBC, and any projects which form part of the subsequent RLTP investment programme, must recognise several legislative and wider partnership responsibilities to Māori.

A Statutory Acknowledgement by the Crown recognises the mana of tangata whenua over a specified area, and the cultural, spiritual, historical and traditional association of an iwi with any site identified as a statutory area.

Statements of statutory acknowledgements are set out in Treaty of Waitangi claim settlement legislation. The text for each statutory acknowledgement includes:

- Identification and description of the statutory area.
- A statement of association detailing the relationship between the relevant iwi.
- Details of the statutory area.

Resource consent applications for roading resilience projects must have regard to a statutory acknowledgement when determining whether relevant iwi may be adversely affected by activities within, adjacent to or impacting directly on the statutory area. Consent authorities are required to forward summaries of resource consent applications to the relevant iwi for activities within, adjacent to or impacting directly on any statutory area.

There are four iwi authorities recognised under the Resource Management Act, (RMA) 1991 iwi in the region: Ngāti Porou, Te Aitanga-a-Māhaki, Rongowhakaata and Ngai Tāmanuhiri. Two other iwi, Te Whānau a Kai and Ngā Ariki Kai Pūtahi, are presently in the process of settlement with the Crown.

The Joint Management Agreement (JMA) over the Waiapu Catchment, enables Council and Te Runanganui o Ngati Porou to jointly carry out the functions and duties under \$36B of the RMA, and other legislation relating to all land and water resources within or affecting the Waiapu Catchment.

The JMA builds on the work of the existing Waiapu Kōkā Hūhua partnership between the Council, Te Runanganui o Ngati Porou and the Ministry of Primary Industries to restore the Waiapu Catchment.

Council and Te Runanganui will make the following decisions jointly in accordance with the JMA:

 Decisions on notified resource consent applications under section 104 of the RMA within the Waiapu catchment. Deleted:

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- Decisions on RMA planning documents under clause 10(1) of Schedule 1 of the RMA that affect the Waiapu catchment, including the Waiapu Catchment Plan.
- Decisions on private plan changes within or affecting the Waiapu Catchment.

More details on the cultural context – including maps of rohe boundaries - are outlined in Appendix B.

Alignment with Government Policy Statement on Land Transport

The GPS is the Government's strategy for investing in the land transport system - and outlines what Ministers want to achieve, and therefore how they expect funding to be allocated from the National Land Transport Fund (NLTF). The GPS was issued in June 2024, and reflects four strategic investment priorities:

- Economic growth and productivity.
- Increased maintenance and resilience.
- Safety.
- Value for money.

Table 5 summarises alignment of this PBC with the four strategic investment priorities:

Table 5 Alignment Between GPS Strategic Priorities and Local Roading Resilience PBC

GPS Strategic Priority	Summary of Local Roading Resilience PBC Alignment with GPS
Economic growth and productivity: The Government's top priority for investment through this GPS is to support economic growth and productivity. Efficient investment in our land transport system connects people and freight quickly and safely, supporting economic growth and creating social and economic opportunities including access to land for housing growth.	Investment in local roading resilience aims to keep routes serviceable for local businesses, especially primary producers who are the backbone of the local economy. Roading network resilience needs to provide confidence to current and future investors – large and small – that Tairawhiti will continue to be open for business even in the event of future severe weather events and longer-term climate change. Likewise local people and incoming migrants need confidence that their homes and communities will not be cut off for significant periods of time.
Increased maintenance and resilience: Increasing maintenance levels and improving resilience on our state highways, local and rural roads is critically important in achieving the Government's overall objective of supporting economic growth and productivity.	This PBC is strongly focussed on enhancing proactive maintenance of critical local roading assets so that they are more resilient to the pressures placed upon them. As a deep rural area, a more resilient network in Te Tairāwhiti can make a



GPS Strategic Priority	Summary of Local Roading Resilience PBC Alignment with GPS
	significant contribution to addressing long-standing economic productivity challenges in the region.
Safety: Safety on our transport networks is critically important. Road deaths and serious injuries place a substantial burden on families, society, the economy, and the health	Safety is a key consideration when assessing the most appropriate local roading Level of Service (LoS) that maintains resilience within affordable financial limits.
sector each year.	Downgrading local road LoS may have implications for safety issues such as speed limits and driving styles (which need to be different on unsealed roads for example).
Value for money: GPS 2024 will invest over \$20 billion into the transport network, which is a significant amount of road user and taxpayer money. This investment must deliver better outcomes for present and future generations of New Zealanders	This PBC makes a strong case the value for money is best achieved through more investment in longer-term asset resilience as opposed to short-term emergency works to clear up the damage from severe weather / climate change events.
gonoralists of New Zouldingols	Roading asset resilience delivers against a wide range of benefits to communities as, if a road cannot be used, there are significant impacts on economic, social and cultural outcomes.

Council and local partners have produced several planning documents which directly reference roading network resilience:

Table 6 Role of Local Roading Resilience in Planning Documents

Planning Document	Role of Local Roading Resilience	
Regional Land Transport Plan 2024 (resilience strategic objective)	Resilience and Security: A land transport network that is resilient to changes in climate, land use and demand.	
Regional Land Transport Plan 2024 (resilience policies)	Key economic growth and productivity areas (such as the Gisborne city centre, Eastland Port, airports, and regional centres), together with primary and manufacturing industries, will be well connected across the region to support efficient access for people and freight.	
	Levels of service for the key economic growth and productivity areas will be defined for transport	



Name to a December of	Pale of Local Panding Parillance		
Planning Document	Role of Local Roading Resilience		
	infrastructure assets, to enable ability to withstand the impact of future weather and climate change events.		
	A risk-based approach to identification and prioritisation of future asset maintenance and resilience activities, will focus on where impacts will be most severe for communities and business in the event of future weather-related and climate change disruption.		
	Future location, design, construction, and maintenance of transport assets will ensure that new and existing transport infrastructure is resilient to natural hazards and adapts to climate change.		
	The regional transport network aims to provide a choice of both routes and / or modes of travel, which will enable people and freight to keep moving in the event of future weather-related and climate change disruption.		
	Close joint working with neighbouring regions will develop a consistent level of service for the roading network and promote resilience through development of multi-modal links to reduce reliance on a single asset.		
Regional Land Transport Plan 2024 (transport priority 1)	Investment in long term multi-modal asset renewal and improvement will enable the region's transport network to meet demand for freight, provide greater travel choice, promote equitable access, withstand future severe weather (and other unexpected) events, and provide safe and accessible travel choices to all members of the community and businesses.		
Three Year Plan	By 2027, progress will have been made toward rebuilding the roading network; however, work will not have been completed.		
	Unrepaired cyclone damage will leave the network vulnerable to worsening conditions with every future adverse weather event.		
	Council budgets do not allow for addressing all the potholes on our roads; to do so, rates would need to increase by another 16%, and that is unaffordable.		
	Completion a strategic review of our extensive 1,899km roading network (this PBC) will determine where Council needs to build resilience, what levels of service are affordable to deliver and maintain, and the time it will take to build resilience into our roading infrastructure.		
	The roading network serves as a lifeline for both communities and economic development as without it, the region is completely isolated. Effective partnership with NZTA is crucial, as the costs for enhancing resilience and		



Planning Document	Role of Local Roading Resilience
	reinstating the roading network far surpass what the community can afford to bear.
Infrastructure Strategy	Much of the roading network future resilience and reinstatement far exceeds the amount our community could pay.
	Total damage to the roading network has been assessed as requiring between \$465 million to \$725 million to address. The Support Package from Central Government is \$125 million, with an additional \$85 million for initial emergency response costs. This leaves a significant shortfall, which requires working in partnership with Central Government to address the damaged roading network.
	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 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
	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 as it will result in a decline in condition of our assets and the level of service provided; and increases 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 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.
He Huarahi Whai Oranga Tairāwhiti Economic Plan (strategic enabler)	Invigorate our transport and logistics lifelines by elevating the resilience and quality of our road networks.

The table above demonstrates very strong alignment between the RLTP, Three Year Plan and Tairāwhiti Economic Plan (TEP) and the resilience outcomes being promoted by this PBC.



Problems and Benefits

Introduction

A sound investment case for local roading network resilience requires a problem to be solved, and therefore benefits to be realised. NZTA business case guidance⁸ states that:

"...every Business Case must clearly identify the problems that the investment is required to address, and the benefits it needs to achieve, in order to be considered a success."

And that:

"Collaborating with stakeholders to agree on the problem (or opportunity) and the benefits of addressing it is at the heart of the Strategic Case."

Therefore a **problem** can be expressed as a statement which enables inquiry, consideration, and (ultimately) solution. Problems can also be expressed as **opportunities**, which is a more positive way of viewing a situation. Consideration of opportunities enables wider benefits to be understood and form an integral part of the investment case. Therefore the initial problem – for example lack of roading asset resilience – can also be viewed as an opportunity to encourage inward economic investment and social cohesion through providing confidence that transport routes will provide a reliable level of service to support business and individual productivity.

Benefits are critical to the success of any business case. There are four attributes of a benefit:

- There is a beneficiary (e.g. society, a group or an individual).
- There is a gain.
- The gain is attributable to the investment.
- The gain is discernible (measurable).

Undertaking a programme and investing in change, should result in benefits of some kind - otherwise there is little point in doing anything. Benefits can be considered as a statement of return from investment in undertaking the proposed programme, whilst noting that this particular PBC focusses on a prioritisation framework rather than a Benefit to Cost Ratio (BCR) and Investment Prioritisation Method (IPM) rating.

Identification of Problem and Benefit Statements

The traditional way to identify **problem and benefit statements** is through an Investment Logic Map (ILM) process. There have been several business cases, and most recently the RLTP, where an ILM has been undertaken and problem statements identified. Based on a thorough analysis of these - documents outlined in Appendix C - the following problem and benefit statements have been produced:



Table 7 Problem and Benefit Statements for this Programme Business Case

Problem Statement (and weighting)	Benefit Statements
Risks to the transport network from severe weather events and climate change will reduce reliable access for communities and businesses, undermining Tairawhiti's economic performance and social cohesion. Weighting: 40% 2. Continued asset resilience underinvestment results in transport routes which are unable to withstand traffic demand, leading to higher future maintenance costs. Weighting: 25%	 Targeted transport asset investment will: Reduce vulnerability of the roading network to disruption. Enhance resilience of priority critical assets and roading routes. Enable social and economic lifeline transport routes to remain open. Delivery of affordable resilient transport routes across the region through: Determining Levels of Service which are both good value for money and affordable. Improved long-term serviceability of essential transport routes and lifeline nodes for social and economic purposes. Investing more in proactive asset management rather than emergency after-event work.
Insufficient clarity of future land use changes and understanding of Level of Service (LoS) affordability to maintain road serviceability will hinder robust, prioritized transport resilience investment decision making. Weighting: 35%	 3. Better value for money investment decision making which is based on: a) A robust understanding of social and economic value of transport routes. b) Ability to maximize positive impact of investment by enhancing resilience of the highest value lifeline routes, appropriate to the LoS, at the right time. c) Maintaining appropriate LoS access through targeted resilience maintenance and renewals to minimise risk of road closure.

Evidence in Support of Problem 1

Problem 1 is defined as follows:

Risks to the transport network from severe weather events and climate change will reduce reliable access for communities and businesses, undermining Tairawhiti's economic performance and social cohesion.

Introduction

There are three aspects of this problem:



- 1. Risks to the transport network from severe weather events and climate change.
- 2. Consequential reduction in reliable access for communities and business.
- 3. Consequential adverse impacts on the region's economic performance and social cohesion.

Risks to the Transport Network

Understanding Te Tairāwhiti's resilience risk demonstrates how the local roading network could be impacted by stresses and shocks of future natural hazards – both severe weather events and longer-term climate change.

Asset types at risk are **road lengths** (surfaces and pavements) and **structures** (such as drainage systems and bridges) which represent the most fundamental parts of the roading network from a Level of Service (LoS) perspective. Resilience risk is a combination of asset hazard **exposure** and **vulnerability**.

Exposure

Exposure refers to the presence of people, livelihoods, species or ecosystems, environmental functions, services, and resources, infrastructure, or economic, social, or cultural assets in places and settings that could be adversely affected by a **climate hazard**. For the roading assets this PBC has considered the following hazards:

Table 8 Hazards and Likely Impacts Assessed for the PBC

Hazard	Likely Impacts
Temperature increase (extreme hot days)	High temperatures causing deformation of bitumen based surfacing and increased dust for unsealed roads
Increased precipitation and flooding events	Fluvial (river) and pluvial (surface) and groundwater flooding inundating roads and bridges
Increased extreme rainfall and storm events	Ground saturation affecting slope stability causing landslide damage to roads and bridges
Sea level rise and storm surge	Coastal flooding, storm surge, tidal shifts, and coastal erosion of roads and bridges
Earthquake	Amplification and liquefaction damage to roads and bridges
Tsunami	Tsunami / rogue wave along coastal areas damaging roads and bridges

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Figure 2 shows that there is a wide variation in the percentage of the roading network exposed to each hazard:

The majority of the network (over three quarters) has no exposure to tsunami, sea level rise / storm surge and increased extreme rainfall / storm events. However, this still leaves a significant percentage and total length has at least some level of hazard exposure. For

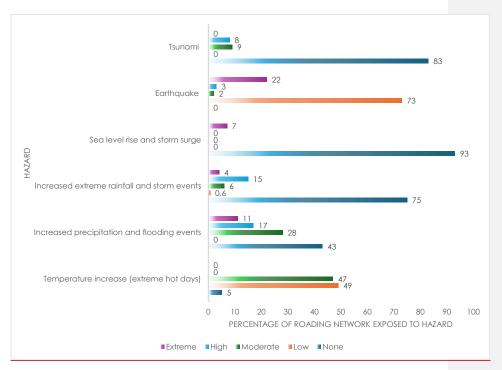
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increased extreme rainfall / storm events (similar to Cyclone Gabrielle) 19% of the network – 360 kilometres in length – has high or extreme hazard exposure.

There are three hazards where exposure is even more serious. Well over half of the network is exposed to increased precipitation and flooding events, with 28% at a high or extreme level. Both earthquakes and extreme heat can affect pretty much anywhere. An extreme exposure of 22% for earthquakes – 417 kilometres of the network – is particularly concerning – and reflects the underlying geology / seismic activity of the east coast of Aotearoa New Zealand.

Figure 2 Percentage of Roading Network Currently Exposed to Each Hazard



 $Source: Tair\bar{a}whiti\ Strategic\ Network\ Resilience\ Programme\ Business\ Case\ -\ Technical\ Inputs\ for\ Strategic\ Case,\ WSP$

A fuller picture of exposure can be gained by identifying the different levels on maps which are shown in Appendix C.

Reduction in Reliable Access

Accessibility impacts of a future event – i.e. where roads may be closed - cannot easily be predicted with any certainty. Given that for most local roads there is no viable alternative in the event of closure at a certain location, the whole route for many kilometres could be affected. Two accessibility metrics are:

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- 1. How many roading network closures take place.
- 2. How long each closure lasts before full two-way vehicle access is restored.

An indication of what could happen is available from the severe weather events between 2021 and 2023. The Council Land Transport Activity Management Plan (AMP) notes that there were 793 reported unplanned road closures in the Te Tairāwhiti region between November 2021 and July 2023. The customer demographic is predominantly rural farmers and logging crews; both have an attitude of, if they can fix it, they will; hence there is a known under-reporting in call-outs, particularly around fallen trees. During this period, the total hours of road closures was 67,815 hours with an average of 153 hours per closure.

Consequential Impacts on the Economy

In the immediate aftermath of Cyclone Gabrielle, there was much focus on economic costs of the damage to property, livelihoods and infrastructure. Just under six months after the Cyclone in July 2023, the ASB Regional Economic Scoreboard saw Te Tairāwhiti at the bottom of the pile in terms of the country's economic growth. Fast forward a year to quarter two in 2024 and the same report saw the region topping the whole of the country for economic growth, boosted by strong activity in the construction sector (in part thanks to the recovery investment).

There is a distinction between short term direct economic impacts, referred to above and longer-term structural effects associated with a lack of roading network resilience. Key structural issues are:

- Lack of investor confidence in the region which results from uncertainty around how the roading network will cope with future severe weather events.
- Future GDP impacts of roading network disruption as a result of increased costs to businesses, workers and communities.

Investor confidence is critical. Published in 2020, the NZTA National Resilience Programme Business Case (PBC) states:

"Investor confidence is important if regions are to grow and prosper. Investors need reasonable assurance that the level of risk posed by natural hazards to critical business linkages is minimised or managed appropriately to avoid and minimise reasonably foreseeable disruptions on critical routes."

The flip side is that insufficient assurance around management of risk to critical business linkages, could have serious impacts on Te Tairāwhiti region economic development as people and businesses simply won't have confidence to invest.

Leaderbrand, an agricultural processor and major employer in the region, is one of many reliant on the local roading network. At the Te Tairāwhiti Tomorrow Together Summit in February 2024, Chief Executive Officer Richard Burke stated:

"The reality is that we need to build confidence into our business sector. But as a region, therefore, it's our responsibility to be clear what infrastructure is required to do that, and then lean on our partners - to lean on central government, to lean on local government. They're all here, they're here for short periods of time. We're here forever."

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Expecting industry to innovate and create economic opportunity, without the security of knowing they will be able to get their goods out of the region during future severe weather events, is therefore unrealistic.

For Te Tairāwhiti, an isolated region with a large roading network, <u>future disruption will have a</u> disproportionate impact on transport costs. A 2018 Cabinet Paper in support of Provincial Growth Fund (PGF) roading investment states:

"...historical under-investment in Tairāwhiti has had an impact on the ability of Tairāwhiti to grow its economy. This coupled with the natural conditions and recurring extreme weather events in the region have resulted in a sub-optimal roading network, which acts as a barrier to economic development in Tairāwhiti. In addition, the sub-optimal roading network also reduces private investors' confidence in making their own investments in the region. The region has consistently ranked investment in its roading network among its highest priorities for economic development."

The 2017 Tairāwhiti Economic Action Plan (TEAP) identified roading network economic benefits as being:

- Reducing costs to business.
- Increasing business efficiency.
- Improving the ability to attract talent.
- Improving access to networks and ideas.
- Leveraging under-utilised Māori land.

Because of the severe weather events since 2020, the ability to achieve these important outcomes has been seriously compromised. A 2023 market intelligence report from New Zealand Foreign Affairs & Trade⁹ highlights damage to key infrastructure, in particular water, electricity and transport infrastructure. The loss of multiple bridges in the Hawke's Bay and Tairāwhiti regions has disrupted, and in some cases cut, the movement of people and goods. Disruption also extends to some exports. Added to the damage on the State Highways, the impact on many smaller roads is making the movement of stock, and cut timber off farms and plantations, challenging. A significant share of the damage caused by Cyclone Gabrielle, was to roading and stop banks. As a result, an outsized share of the cost to rebuild infrastructure will fall on central and local government to cover rather than private insurers.

Conclusions

Evidence produced for this PBC strongly indicates that resilience risk to the roading network is challenging now and is highly likely to increase in future. The risk scenario outlined in this Strategic Case is only one possible future, and there may be others.

Problem 1 has been concerned with resilience risk as a function of asset exposure and vulnerability. The second problem explores one of the underlying issues around asset vulnerability – a lack of investment in resilience.

9 Cyclone Gabrielle's impact on the New Zealand economy and exports - March 2023 | New Zealand Ministry of Foreign Affairs and Trade Deleted: it is likely that

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Evidence in Support of Problem 2

Problem 2 is defined as follows:

Continued asset resilience under-investment results in transport routes which are unable to withstand traffic demand, leading to higher future maintenance costs.

Introduction

There are three aspects to this problem:

- 1. Continued asset resilience under-investment.
- 2. Transport routes are unable to withstand traffic demand.
- 3. Higher future asset maintenance costs.

Evidence for the under-investment problem is primarily based on the Council Land Transport Activity Management Plan (AMP) 2024-34, and the Local Roads Route Security Single Stage Business Case (SSBC) from March 2020.

Under-investment in Asset Resilience

The AMP states that Council roading budgets have been based historically on affordability to a small ratepayer base, rather than asset condition and hence its need. Previous National Land Transport Fund (NLTF) and Council budget increases have not resulted in an increased or maintained Level of Service (LoS). Not only has road maintenance been under-funded, the focus of the investment programme has been geared towards reactive rather than preventative work.

This situation has resulted in a backlog of maintenance / renewal obligations and created gaps in LoS – such as poor community access and economic outcomes, ageing life-expired assets, poor road / bridge physical condition, reduced ability to service storm damage, inability to meet the lifecycle requirements of assets, and reduction overall network condition.

Severe weather events have accelerated deterioration of the roading network leaving assets even more vulnerable to future climate events, which are now so regular that they could be considered as normal. The increase in regularity highlights importance of investment in renewal / improvement items that proactively increase asset resilience.

Table 9 summarises two asset classes of particular relevance to resilience in this business case:

Table 9 Asset Types (Elements) at Risk

Asset Type	Description	Quantity (and metric)	2023 Replacement Cost (\$m)
Road length (surface and pavement)	Urban roads	217 (km)	Land: 880
and pavement)	Rural roads	1,621 (km)	Formation: 497
		, ,	Pavements: 272
Structures	Bridges	324 (number)	155



Asset Type	Description	Quantity (and metric)	2023 Replacement Cost (\$m)
	Large culverts (greater than 3.4 m²)	73 (number)	

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

The AMP notes that geological, geographical and topographical factors have created a transport system already at risk of poor road condition and route closures, even without the additional impact of severe weather and climate change identified by problem 1 above.

An estimated 26% of the land in the region is susceptible severe soil erosion compared to only 8% of terrain nationally. Around 13,000 landslides occurred because of Cyclone Hale and Gabrielle. Dr Murry Cave, Council Principal Scientist describes the soil as "soft porridge" that, coupled with the poor drainage in some areas, results in extensive landslides. Unstable soil is therefore a critical roading resilience issue that results in increased landslide hazard exposure and increases the cost of maintenance works 10.

The extensive number of watercourses in the region, which flow from the hills down to the sea, require many bridge crossings (424 in total) – which are significant points of failure on a network when they are damaged or destroyed. As a result of Cyclone Gabrielle, eight bridges were destroyed, 96 needed significant repairs and 35 needed resilience work. A total of 32 others were damaged in storm events prior to or post Cyclone Gabrielle.

The AMP sets out challenges associated with a deteriorating and less resilient asset base, before identifying a preferred option to address them.

Road Surfaces and Pavements

For sealed road surfaces, "roughness" is an indication of its quality, measured in National Association of Australia State Road Authorities (NAASRA). The higher the NAASRA score, the rougher the road. As sealed roads deteriorate over time, the roughness NAASRA value increases and is therefore a good indicator of asset condition assessment.

Figure 3 below shows that compared with both the national average and peer group percentiles the region has a significantly higher NASRAA.

Condition rating surveys check for road faults not picked up by the Roughness survey. Potholes on sealed roads are an indicator of pavement faults, which can have a negative impact on road resilience as the pavement layer is exposed to ingress of water and consequent damage. RAMM uses condition rating data to calculate the Condition Index (CI) - a "weighted sum", of the surface faults in sealed road surfaces (combines alligator cracking, scabbing, potholes, pothole patches and flushing). CI ensures that the higher the number, the better the condition.

Figure 4 below shows that pavement condition in the region is at the lower end of the national scale, but above the 25th percentile. There has been a deterioration since 2022,

¹⁰ The Soil In Gisborne Is Now Resembling Porridge - According To Gisborne District Council's Principal Scientist Dr Murry Cave It's More Like Melted Ice Cream · Country TV



before which there has been some improvement as a result of additional investment through the NLTF and Provincial Growth Fund (PGF).

Figure 5 <u>below</u> shows that <u>surface condition is generally better and above that of peer group councils. But again there has been a deterioration in the last two years, which reflects the post-Cyclone situation.</u>

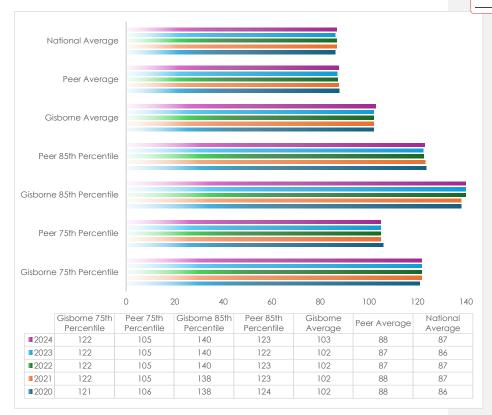
Figure 3 Comparison of NAASRA Scores for Gisborne District Council Compared with Target

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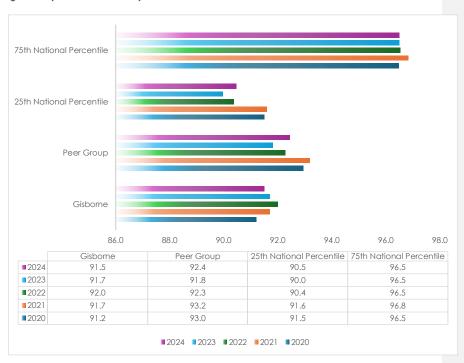
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Source: Te Ringa Maimoa



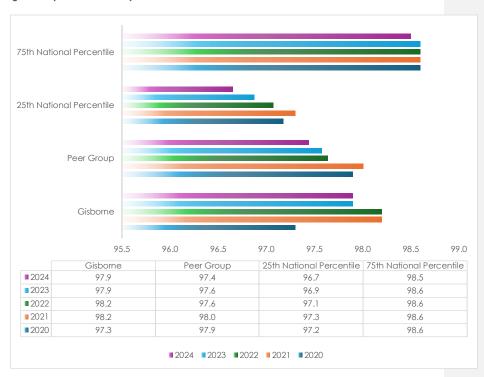
Figure 4 CI (Pavement Condition)



Source: Te Ringa Maimoa



Figure 5 CI (Surface Condition)



Source: Te Ringa Maimoa

The result is both a sealed and unsealed roading network which continues to deteriorate and therefore provide lower levels of resilience.

Structures (Bridges and Culverts)

The challenge of asset condition deterioration for structures – bridges and culverts – is no different. The 2021 AMP indicated that budgets for these assets needed to increase by 192% for maintenance and 65% for renewals over the 2021 – 2031 period to meet needs of the asset condition and resilience. Post the various severe weather events the figure now is likely to be much higher.

The most recent AMP estimates the cost to maintain the serviceability of Council bridge assets (\$42.4 million) is one third of that required to replace all of them. There are financial savings and resilience benefits from investing in long-term maintenance of bridge assets, including extending life expectancy and avoiding subsequent higher costs of replacement.

Underfunded drainage (culvert) maintenance has an adverse impact on road pavement performance and rate of deterioration, and while it may seem a significant investment increase, benefits of renewal and improvement are long-lasting. Discussions with Council

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maintenance contractors highlight that many culverts have reached the end of their 25-year design life, and need replacement with higher capacity assets which accommodate increases in rainfall and surface run off.

The AMP highlights that poor drainage has several pavement and system user risks and contributes to undesirable deformation problems on roads:

- Water ingression is the leading cause of undesirable pavement rutting, heaves, shoves and potholing.
- Standing water accumulated on roads creates a risk of aquaplaning. A wet surface reduces friction which leads to longer braking distances.
- Surface water can freeze and thaw again when temperatures rise during the day.
 Where this happens, roads may become very slippery, and the change in friction can cause additional driving hazards.
- Small diameter, blocked culverts, and uncontrolled water flows in the road reserve area can cause erosion reducing pavement width and shoulder support particularly with the soil types found in the region.

Severe weather events may have caused significant damage to the drainage network. Almost all the rural roading network was closed post Cyclones Hale and Gabrielle and further impacted by heavy rain in June 2023. An estimated 650,000 cubic metres of silt has required removal from drains, slips and roads. Furthermore, whilst it is assumed that flood, silt, and slash has damaged the road drainage system there was no estimate on the scale available at the time of writing the AMP in March 2024.

The AMP sets out three options to address challenges identified. Table 10 shows three investment options, with the proposed level of maintenance, operations and renewal (MOR) funding shown in brackets in column two $_{\tau}$

Table 10 AMP Investment Options

Option	2024-27 Investment (\$m)	Description	Strategy Response
1	123 (83 for MOR)	Status quo. Continue with current investment level and maintenance practices. Equivalent to last 3-year LTP investment. Continue to work on strategies and plans to implement in next 3-year cycle.	Maintain LoS on footpath & primary collector roads Decrease LoS on secondary collector roads Decrease LoS on access roads Investment focus is on road surfaces and drainage
2	135 (96 for MOR)	Continue with current maintenance practices adjusted for 2024 dollars to maintain current LoS, and make headway with data collection and proactive	Maintain LoS on footpath & primary collector roads Decrease LoS on secondary collector roads

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Option	2024-27 Investment (\$m)	Description	Strategy Response
		planning for more evidence- based decision making. A 16% increase in maintenance, operations and renewal programmes to allow for inflation. Minor improvements in Public Transport, Road Safety and Walking and cycling in line with current plans and strategy work.	Decrease LoS on access roads Improve transport planning Implement highest priority safety improvements Implement minor improvements for mode shift objectives
3	285 (96 for MOR)	Recover and rapidly improve safety and resilience of road asset. Increased investment to address safety and resilience deficiencies in the network. Additional focus on unsealed roads and bridges.	Improve LoS on footpath Maintain LoS on primary collector roads Increase LoS on secondary collector roads Maintain LoS on sealed access roads, Increased LoS on unsealed roads Improve urban and rural road safety Strengthen / replace bridges for HPMV Improve transport planning Implement highest priority safety improvements Implement major improvements for mode shift objectives

Source: Council Land Transport Activity Management Plan

The AMP preferred option is based on a level of MOR investment for the local road network which aims to maintain current LoS, with targeted renewals to increase resilience and connectedness across the community, responding to observed increases in freight demand.

The preferred option was not affordable within the 2024-27 NLTF MOR allocation, which is \$82.67 million (including \$11.82 million for emergency funding). This level of funding can only, at the very least, support option 1 (status quo).

The target asset management LoS for the preferred option and the (affordable) status quo is outlined in Table 11. It is very apparent that the under the two options LoS are heading in opposite directions. Even maintaining existing LoS is not affordable in the current funding environment.

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Table 11 Asset Management Customer LoS for Preferred Option and Affordable Option

Outcome	Customer LoS (Option 3: Preferred)	Customer LoS (Option 1: Status Quo)
Resilient network	Lifeline routes, and catchment roads remain open during 1:100-year weather events	Less resilient network, faster network deterioration, lifeline routes impacted during severe weather events
Route availability	Increase network accessibility, access available during events and more quickly afterwards	Lower level of accessibility, more journeys impacted by weather events
Heavy vehicle access	Increase in accessibility for Heavy Commercial Vehicles (HCVs), extending access for 50 max vehicles	Reduction in available routes for HCVs
Unsealed road metalling	Road condition is improved, asset consumption is minimised, and effective asset stewardship is applied	Roads deteriorate, asset consumption accelerates, roading network more heavily impacted by severe weather, asset stewardship is poor
Sealed network condition	Road condition is improved, asset consumption is minimised, and effective asset stewardship is applied	Roads deteriorate, asset consumption accelerates, asset stewardship is poor
Smooth travel exposure	Smooth travel exposure and user travel experience is improved	Smooth travel exposure and user travel experience declines
Structures replacement	Structures condition is improved, asset consumption is minimised, and effective asset stewardship is applied	Structures deteriorate, asset consumption accelerates, asset stewardship is poor
Drainage renewals	Pavement condition is improved, asset consumption is minimised, and effective asset stewardship is applied	Pavement condition deteriorates, asset consumption accelerates, asset stewardship is poor
Road surface condition	Road surface condition is improved, asset consumption is minimised, and effective asset stewardship is applied	Road surface condition deteriorates, asset consumption accelerates, asset stewardship is poor

Source: Council Land Transport Activity Management Plan

Transport Routes and Traffic Demand

With an asset base and LoS which will continue to deteriorate, an additional challenge is that demand for usage of the roading network – especially heavy vehicles - continues to



increase. The result is a vicious cycle further asset and LoS deterioration, leading to yet more demands for funding which isn't there.

The AMP identifies several key drivers of future travel demand:

- General population increase and distribution: projections for the region vary but even
 a small increase will result in higher demand for travel. The AMP states it can be
 assumed that population growth will continue to be concentrated within and to the
 Gisborne urban area.
- Ageing population: an increase in the number of people 65 years old and over is likely to result in higher demand for motor vehicle travel as people become more dependent on access to essential services, especially healthcare.
- Future economic growth: Whilst the region has generally underperformed compared
 to Aotearoa New Zealand as a whole, if growth ambitions are to be realised then this
 will generate additional travel demand.
- Structure of the region's economy: the very heavy reliance on primary production in the region especially farming and forestry. Approximately 54.6 million cubic metres of logs are estimated to be transported from forestry areas, sawmilling centres, and Eastland Port in the next ten years. The total agricultural harvest will average about 3.50 3.90 million cubic metres per year between 2019 and 2028. The AMP states that harvest routes have seen significant increase in Annual Average Daily Traffic (AADT) that continues to accelerate surface deterioration and pavement decay. As a result of budget restraints, forestry routes see a trade-off between customer service and economic efficiency.
- Tourism: the region is a hidden gem which is being discovered by more people as a
 unique and stunning place to visit. Initiatives such as Te Ara Tipuna long distance trail
 could turbo charge the tourist economy and generate additional travel demand. As
 there are no regular regional public transport services outside of Gisborne city, this
 demand will be by car.
- Climate change: whilst highlighted elsewhere in this business case (especially
 problem 1), the roading network is at greater risk of impact from climate change,
 which compounds the pressure of travel demand.

The 2020 Local Roads Route Security SSBC concluded that many local roads in the region were not resilient or capable of servicing current / projected traffic volumes. The projected freight tonnage numbers reinforced the future strategic importance of local roads used to access forestry areas.

The SSBC went on to state that the relatively small number of high productivity motor vehicle (HPMV) capable bridges in the local network was further evidence that many Taira whiti Region local roads are not capable of adequately servicing current freight demands. Discussion with freight operators as part of the Integrated Transport Priority Plan indicated interest from industry in investing in High Productivity Motor Vehicles (HPMVs) for logging activities as demand increases. However the SSBC concluded that many bridges in parts of the local road network were not capable of supporting full HPMVs (up to 62 tonnes). There has been investment in HPMV routes since 2020, and the challenge is now that rural roads are often not able to withstand the volume and weight of trucks that greater access has enabled.



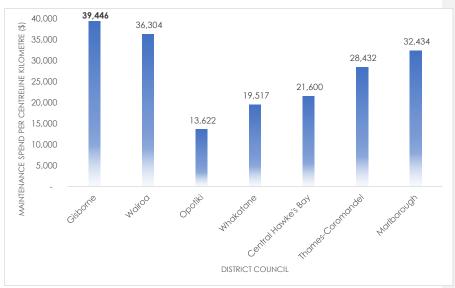
Higher Maintenance Costs

In Te Tairāwhiti region it is very expensive to invest in road maintenance and asset resilience, and money goes a lot less far than most other parts of the country outside the main urban areas. Added to the fact that the region has one of the smallest rating bases in the country, the result is a significant roading maintenance affordability challenge.

Figure 6 shows Gisborne has a higher maintenance spend per centreline kilometre compared with neighbouring districts and even others (such as Marlborough) which are known to have similar resilience challenges.

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Figure 6 Maintenance Spend Per Centreline Kilometre 2023-24 (Selected District Councils)



Source: Te Ringa Maimoa, Transport Insights

Previous NLTF budget increases have not resulted in an increased or maintained customer LoS, especially with the several major climate events that severely deteriorated the network and high inflation rate that has reduced delivery of programmed activities. But even if NLTF budgets were higher, Council ratepayers could not have afforded the local share required to match the NZTA investment; and this is a long-term structural issue which remains.

Back in 2020, the Local Roads Route Security Single Stage Business Case (SSBC) noted that regular hazard events also resulted in faster depletion of regional local roading maintenance budgets - because significant proportions were being allocated to reactive emergency maintenance activities (clean-ups) responding to the effects of closures. Reactive emergency maintenance spending, although necessary to address immediate accessibility issues, was considered sub-optimal as similar road closures would continue to occur as the root causes – a lack of resilience - are not generally addressed through such works. The severe weather events of 2023 demonstrated exactly the problem that the SSBC was concerned about.



The SSBC went on to state that in Te Tairāwhiti region a yearly cycle transpired where large proportions of maintenance funds were allocated to emergency works, and therefore investment to target the resilience root causes of road closures was constrained. The additional funding sought via the SSBC focussed on addressing the cause of issues which affected route security and resilience. However the SSBC stated that the scale of the problem outweighed available funding even with the injection of additional proactive funding – and this was before the severe weather events of 2023. This situation was, according to the SSBC, due to the sparse population and associated low traffic volumes, low socio-economic status of the region, and historically low levels of preventative and resilience

The resilience project investment recommendations in the SSBC were therefore scaled to fit available funding; even additional high and medium priority issues could not be funded in the near future under arrangements at the time.

Matters have got worse since 2020. Figure 7 shows that the percentage of MOR budget spent on emergency works had been increasing significantly even before the severe weather events of the last few years. This longer-term trend is indicative of a wider problem with poor physical condition of the roading asset which necessitates emergency repair works.

74%
66%

888

23% 23%
28%

15%
11%
18% 16%
12%
8%

Year

Figure 7 Council Emergency Works Spending as a Percentage of MOR Budget (2009-10 to 2023-24)

Source: Council Land Transport Activity Management Plan (2024-34)

It is impossible to determine how the Council roading asset base would have performed had \$81 million been allocated to proactive maintenance prior to the severe weather events of 2023. However it is reasonable to speculate that the subsequent repair bill – and resulting economic disruption - would not have been as high as it is now. And despite additional funding of \$125 million recovery allocated by the government in 2023-24, the AMP identifies a further funding gap of \$250 million. The warnings of the Local Road Route Security SSBC back in 2020 were prophetic.



Conclusions

With the benefit of hindsight, it is easy to conclude that greater levels of asset resilience funding should have been found four or five years ago. The period before 2020 had been relatively benign in terms of severe weather events hitting the East Coast. The challenge of making any investment case to address a risk that something might happen in the future is always harder than addressing problems – like traffic congestion in larger cities – that are already apparent.

Nevertheless from problems 1 and 2 this PBC has presented convincing evidence that there is a robust understanding of future roading resilience risk, and that condition of the current roading asset base is leading to higher levels of emergency investment than should otherwise be the case.

Continuing to allocate large amounts of money to repairing the next asset which fails, rather than addressing hazard-based risks through proactive resilience investment on the most important routes, will not make best use is of finite funding.

As noted in the conclusions to problem 1 there are various future scenarios that could happen which would change locations and levels of resilience risk. To date, a willingness and ability to look too far into an uncertain future has perhaps understandably been constrained by present challenges. But not for much longer.

Evidence in Support of Problem 3

Problem 3 is defined as follows:

Insufficient clarity of future land use changes and understanding of Level of Service (LoS) affordability to maintain road serviceability will hinder robust, prioritized transport resilience investment decision making.

Introduction

There are two aspects of this problem:

- Insufficient clarity of future land use changes and understanding of Level of Service (LoS) affordability to maintain road serviceability.
- 2. Hindering robust, prioritised transport resilience decision making.

Transport is a derived demand of land use because the need to travel arises from the spatial distribution of activities. People and goods need to move between different locations to fulfil various journey purposes:

- Economic Activities: As examples, demand for transport is directly linked to commuting to work, transporting goods to markets, and delivering online purchases to homes.
- Spatial Separation: Different land uses, such as residential, commercial, and industrial
 areas, are separated (sometimes by long distances) which creates the need for
 transportation to connect them.
- Accessibility and Mobility: Effectiveness of transport systems influences how easily
 people can access different land uses. Good transport infrastructure and services
 can reduce travel time and costs, making it easier for people to reach their
 destinations.



Urban Planning: Integrating land use and transport planning can help create more
efficient and sustainable urban areas. By designing towns and cities where essential
services and amenities are within easy reach, reliance on longer-distance travel can
be reduced.

How land is used in future could either be as a result of choice or, if climate change makes existing uses unviable, there may be no option but to retreat from areas of the region on which human activity is no longer viable. Either way, future land use changes in Te Tairāwhiti will impact on road function, route importance, traffic demand and the most appropriate customer LoS that can be provided. Some roading routes may experience higher demand as a result of land use changes, and others lower.

Resilience risk analysis for problem 1 is based on one possible climate change scenario – where the average global temperature stabilises at 1.5 degrees Celsius above pre-industrial levels. There are increasing concerns that the rate of Greenhouse Gas (GHG) growth may make this level unachievable and, if exceeded, resilience risks could be higher than outlined in problem 1. A different climate change scenario could result in higher and more widespread risks across the roading network, which will increase the challenge of investing in resilience solutions.

Therefore problem 3 relates to processes for identifying and obtaining better information, and how this can then be used to guide more robust roading resilience investment decisions that are prioritised against available funding.

Future Land Use Changes and Roading Resilience

One of the most important questions is the extent to which future land use changes and demand for travel will enable Council to maintain a resilient roading network with limited available funding.

As a result of historical land use changes over the last few decades – including increasing forestry and declining processing and manufacturing industry - Council is maintaining a roading network that, in some areas, bears very little relation to levels of current demand. Scare resources are maintaining roads to a LoS which may not be appropriate to importance to the community or based on usage.

Existing land use strategies – in particular the *Tairāwhiti 2050* Spatial Plan – assume that transport will be provided irrespective of cost or practicality. Under the "resilient communities" outcome the following aspiration states:

"Infrastructure and other significant resources vulnerable to natural hazards and climate change have been moved, protected or there is a plan for the future."

The question of whether land use and travel demand is part of this "plan for the future" is not addressed. Nor is the possibility surfaced that in some places it may become either impossible or undesirable to provide resilient roading assets.

Tairāwhiti 2050 recognises that Council needs to decide on the level of risk that is tolerable, and what isn't. The challenge is to define a robust policy process where this kind of decision can be made based on the best available evidence. This PBC provides the tools for this policy process to be implemented.

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An appropriate opportunity to define such a process would be through the Tairāwhiti Resource Management Plan (TRMP) which includes the Regional Policy Statement (RPS), Regional Coastal Plan (RCP), Regional Plan (RP) and District Plan (DP).

In the section on transport infrastructure the RPS states:

"The cost of providing networks and services needs to be taken into account. This is especially important for remote areas which may require relatively expensive transport facilities for few users."

The phrase "taken into account" is not elucidated further and the RPS concentrates primarily on potential adverse impacts of roading infrastructure on the natural environment. The potential for land use changes to influence travel demand and infrastructure provision is not directly addressed.

The TRMP and RPS are currently under review, and a new regional spatial planning process is being introduced. There is potential for further change to land use and an opportunity to consider implications for travel demand and provision of appropriate LoS on the roading network. Proposed plan changes – for example in relation to log harvesting rules and use of Overlay 3B land – could have significant impacts on travel demand.

Travel Demand Management and LoS

The AMP includes a basic demand management plan which is summarised in Table 12:

Table 12 Demand Management Plan

Demand Drivers	Present Position	Projection	Impact on services	Demand Management Plan
Forestry industry	Forest production is increased from 1 million tonnes in 2010 to 3 million tonnes in 2019	Approximately 54.6 million m³ of logs are estimated to be transported from forestry areas, sawmilling centres, and the Port in the next 10 years (until 2035)	An increase in the number of heavy vehicles travelling to and from forestry areas, sawmilling centres and the port increasing maintenance burden on local roads and the HPMV capability of existing bridges	Identify suitable routes for heavy vehicles to ensure safe and timely transport of logs from forestry areas, sawmilling centres to ports Prioritise HPMV upgrade of bridges based on the urgency of the need Review rates and logging differential
				logging differential costs on forestry blocks
Primary agricultural, dairy, pastoral farms	largest broad industry in Te Tairāwhiti in 2021,	The total harvest will average about 3.50 – 3.90 million cubic metres per	Continued movement of produce from farms to distribution centres	Identify suitable transport routes for farms and encourage use

Deleted: The TRMP and RPS are currently under review, and a new regional spatial planning process is being introduced.



Demand Drivers	Present Position	Projection	Impact on services	Demand Management Plan
	accounting for 18.3% of total GDP (\$449 million)	year between 2019 and 2028		
Tourism	Steady growth over the past 10 years. 5% of total economic activity	Incremental growth in the next ten years	The impact on roading may be negligible in the next five years	Maintain current status
Population growth in the urban area	Moderate to high growth of key urban routes	Population Growth is expected to be concentrated within the city and to the West, including the Taruheru and Makaraka suburbs; population growth is expected to increase traffic volumes	Potential capacity constraints and increased delays at peak times on vital urban routes over the medium- term if current growth trends continue	Network optimisation investigation Enhanced monitoring of urban traffic volumes trends on critical routes Public Transport Plan Improved walking and cycling infrastructure
Climate Change	Increasing number and severity of weather event / Increasing levels of structural damage due to storms / Increasing temperature changes / increasing number and severity of weather event	Coastal erosion will increase 8 – 51 extra days where the temperature will exceed 25 degrees Celsius 10% increase in drought conditions compared to 1990	96 Km of roads and three bridges on the coast exposed to sea level rise Could increase the sealing season if temperature changes extend into autumn or spring. May affect pavement designs	Coastal erosion stabilisation programme Climate Change Risk Assessment on roading assets and targeted improvement on high-risk assets

Source: Council Land Transport Activity Management Plan



The plan talks about identification of suitable routes for forestry and farming but does not explicitly consider how LoS could be varied in response to demand resulting from changes in land use. Feedback from Council roading SMEs is that LoS and resulting maintenance intervention strategies require more explicit definition in ways that decision makers and stakeholders are able to understand.

The AMP focusses on LoS in relation to issues such as safety, smoothness of the road, unplanned road closures and maintenance costs. It does not explicitly raise the possibility that Council may need to reduce LoS to reflect value for money, road importance and levels of demand – both now and in future. Where, for example, the AMP states that Council has higher maintenance costs compared to its peers there is no solution proposed. Possible options include:

- Reverting roads from sealed to unsealed, or from asphalt to chip seal.
- Reducing levels of regular maintenance, or eliminating activity altogether.
- Deferring or cancelling renewals.
- Working with industry to define usable routes during certain seasons and bad weather.
- Closing roads either temporarily (during certain seasons or bad weather).
- Closing roads permanently.

These are options which Council is considering more seriously, and five questions were included in a Participate survey undertaken in March and April 2025, as summarised in Table 13.

Table 13 Participate 2025 Survey Results

Question	Option	Number	Percentage
We don't have the funding to maintain all sealed roads to the historical level of service we would like. Currently 750km of our rural network is sealed. Due to funding limitations, we need to reduce this by around 150km	Over time, revert around 150km of poor-quality, low-traffic-volume rural sealed roads back to unsealed roads to afford maintenance for the more important rural sealed roads?	121	70
(20%) to make the renewals programme sustainable. Should we:	Keep patching all sealed roads for a period, while accepting a lower level of service for all sealed rural roads?	52	30
We have 413 bridges to maintain, with 42 requiring repairs after the cyclones and 7 needing total rebuilds. We're under pressure to repair and	Replace and repair existing bridges destroyed or damaged by future events on low use roads?	65	41
replace bridges in remote areas of the network with low traffic volumes. On average, a new	Invest more money in bridges that are built in the right places and provide a valuable service	93	59



Question	Option	Number	Percentage
bridge cost about \$10m just to install. Should we:	to the community to increase resilience and lower risk of destruction in future events?		
The government is signalling reductions in emergency funding for future weather events. This change will fundamentally affect our decision-making around these events, as well as our maintenance practices and	Continue to maintain the current road network as it is, and address failure as it occurs as reactive emergency works on the basis that NZTA may continue to contribute towards the repair bill?	53	35
prioritisation. In some situations, the viability of roads could be questioned. With a 10-15% annual funding reduction to address, we need to prioritise maintenance and investment in areas that reduce the impacts of weather events. This means focusing on proactive asset improvements, such as culverts, rather than waiting for roads to fail as a result of severe weather events, which would then have to be repaired at a greater cost. Should we:	Invest more money in proactive asset management which may increase Council rates but reduce the risk of road and bridge failure?	99	65
For many years, some rural roads were temporarily closed when there was a risk of significant damage during bad weather. More recently, we have instead attempted to	Continue to keep all roads open to all traffic and accept there will be damage (mainly from heavy vehicles) which will cost significant money to maintain and repair?	17	11
keep all roads open at all times, even if this results in damage from heavy vehicles. Should we:	Work with relevant industries that use heavy vehicles, to plan activities around the potential for temporary road closures during bad weather?	141	89
Some roads are not well aligned for current or future use	Do nothing and wait for failure and eventually abandon road.	8	5
and or are being exposed to more and more hazards from climate change. Should we:	Relocate road with a bypass if there's enough money?	111	68
	Stay and build in protection if there's enough money and continue to live with risk?	44	27

Source: Gisborne District Council Participate Survey



Whilst these responses provide a snapshot in time, they indicate that people understand the need for Council to make difficult investment priority decisions.

Travel Demand Assessment Tools

The NZTA Monetised Benefits and Costs Manual (MBCM)¹¹ identifies several potential approaches to estimate demand:

- First principle estimates: includes factoring, daily traffic volume estimates and broad simple estimates of predicted facility use based on comparable examples in other locations.
- Simple mathematical models: such as growth trend equations / calculations, trip generation rate calculations, mathematical relationship models and elasticity techniques.
- Project transport models: which do not have the capability to provide travel demand estimates from land use and are instead fed by relatively simple trip generation (and potentially distribution) calculations (or similar) to approximate future-year demand.
- Regional transport models: with the capability to provide travel-demand estimates, notably for future years, from land use inputs. May or may not have mode share estimation capabilities.

A key challenge is the scarcity of tools that Council can use to assess land use implications for current and future travel demand impact (and hence LoS) in more detail.

Under the heading "Improvement Item" the AMP states that the region has only sporadic traffic data and land transport demand forecasts. Nor is there a transport model which could be used to test impact of changes to travel demand from and to key origins and destinations (zones). The AMP recommends review of:

- Gisborne specific 30-year land transport demand forecast model.
- Predicted transport demand against existing transport capacity to determine when transport capacity upgrades are required and what demand management practices can be adopted.

The RLTP identifies building of a transport model as a way to better understand the movement of heavy vehicles through Gisborne city to the port, and hence the preferred routings in the city. But equally important is an understanding of vehicle movements across the whole region and how they get to Gisborne city, the port, smaller townships and places even outside of Te Tairāwhiti region.

Development of a transport model is a "probable" activity for the 2024-27 NLTP, and would help to address the problem of understanding travel demand as a result of future land use changes.

Investment Prioritisation

Having the right modelling tools means they can be applied to support a robust and evidence-based investment prioritisation framework for resilience projects.

¹¹ Monetised benefits and costs manual v1.7.2 November 2024

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A Council asset management maturity assessment – described in more detail in the Commercial Case – states that there is no formal investment decision-making framework, so prioritisation criteria and methods are unknown. This means that whilst capital expenditure categorisation happens through NZTA Work Categories (WCs) costs are being captured, and supply options procurement processes exist, there is no evidence that financial impact factors are considered - e.g. Net Present Value (NPV) analysis for renewals or Benefit Cost Ratio (BCR) for improvements.

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Conclusions

Problem 3 is not about the what and why of asset resilience investment – it is about the how. Through the AMP, and based on discussions with Council <u>subject matter experts and</u> contractors, it is clear that Council is having to adapt to a financial reality which is far more challenging than had been previously assumed. The recent severe weather events have exposed the vulnerability of the region's roading network in a way that could not have been predicted in any model, although previous business cases had already identified potential risks

Spatial plans – both strategic and operational – should reflect the reality that roading networks and LoS need to evolve and probably shrink as a result of both historical and future changes in land use. This is not an easy message to give, but as part of this PBC Council has been proactive in attending community hui and explaining the challenges that are being faced with a small population and limited rating base. The Economic Case below is based on a prioritisation approach which can be further developed as part of the next RLTP, AMP and LTP

Investment Objectives

Investment objectives have two purposes:

- Communicate intended outcomes from the proposed resilience investment
 programme in terms that can easily be quantified and evaluated; thereby telling
 stakeholders, decision-makers and ultimately project teams tasked with delivery what
 the investment is expected to achieve.
- Informs selection of resilience programme options through development of critical success factors for use in multi-criteria analysis (MCA), alongside other criteria (such as costs, benefits, timing, risks and uncertainties, and interdependencies).

Based on the problem and benefit statements, Table 14 sets out problems, benefits and investment objectives for the local roading resilience investment programme:

Table 14 Problems, Benefits and Investment Objectives for Local Roading Resilience Investment Programme

Problem	Benefit	SMART Investment Objectives	
Risks to the transport network from severe weather events and climate change will reduce reliable accessibility for communities and	Targeted transport asset investment will: Better understand and address risks from land instability and erosion.	3. By [date] implement a risk- based prioritised programme of investment to achieve an agreed Level of Service which provides appropriate resilience for roads and bridges to	



Problem	Benefit	SMART Investment Objectives
businesses, undermining the region's economic	b. Identify, prioritise and enhance resilience of critical assets.	impacts including land slips, flooding, extreme heat / wind and sea level rise.
performance and social cohesion.	c. Enable social and economic lifeline transport routes to remain open.	By [date] reduce the number and total duration of restricted access and road closures on designated
	d. Increase community and investor confidence in the region because of having reliable transport links.	lifeline transport routes from a baseline of [x hours] to [y hours].
	e. Create local employment / business opportunities and retain more investment in the local economy.	
2. Continued under- investment in asset resilience results in transport routes which are unable to withstand pressure placed upon them, leading to future higher costs of maintenance.	2. Delivery of affordable resilient levels of service across the region through: a. Enhanced priority to high value transport routes that are vulnerable to disruption. b. Improvement in long-term availability of essential transport routes and lifeline nodes for social and economic purposes. c. Greater financial viability through investment in proactive asset management rather than emergency after-the-event work.	 By [date] [x kilometres] of lifeline routes will have an established Level of Service (LoS) and be resilient to the impact of land slips, flooding, coastal erosion and sea level rise, from a baseline of [y kilometres]. By [date] ensure availability of essential transport routes to lifeline nodes from a baseline of [x number] to [y number]. By [date] we [x kilometres] of rural routes will have an established Level of Service and be resilient to the impact of land slips, flooding, coastal erosion and sea level rise, from a baseline of [y kilometres]. By [date], the level of funding invested in emergency works will have declined from a baseline of [\$xm] to [\$ym]; and for proactive asset management will have



Problem	Benefit	SMART Investment Objectives
		increased from [\$xm] to [\$ym].
3. Lack of understanding regarding future land use changes and Level of Service (LOS) requirements	Better value for money investment decision making which is based on: a. A robust	By [date] establish and quantify a baseline social and economic value of [\$xm] for the region's local transport routes.
to protect serviceability of roads, will not enable robust prioritized decision	understanding of social and economic value of transport routes.	By [date] invested [\$xm] in designated alternative options for high value transport routes from a baseline of [\$ym].
making for investment in transport system resilience.	positive impact of investment by	3. By [date] increased the social and economic value of the region's local transport routes from [\$xm] to [\$ym].
	right time. d. Maintaining access through a resilient well-maintained network to minimise risk of road closure.	4. By [date] increased preparedness by enabling [x number] communities and businesses to have roading resilience plans in place to maintain functionality to an agreed Level of Service (which may be different to what is current) following a severe weather or other climate-related event.

These investment objectives have been used as part of the process for prioritisation of potential interventions within the Economic Case, as explained below. A high priority for work as part of the next RLTP, AMP and LTP will be to fill in the baseline and forecast data based on the LoS, funding and investment priorities of the MOR programme.

Constraints, Assumptions and Dependencies

There are various constraints, assumptions and dependencies which will impact the proposed investment strategy. Tables 15 to 17 are a log of constraints, assumptions and dependencies which is PBC has considered, and these will be regularly reviewed and updated during programme implementation. The Management Case below provides more details.

Constraints are limitations imposed on the investment proposal from the outset, including available resources.



Table 15 Constraints Log

ID	Constraint	Summary Description and Management Strategy	
C1	Funding	The total amount of funding for local roading resilience projects is limited and priorities need to be established. This means that customer Levels of Service (LoS) may not be as high as people might ideally like.	
C2	Locally sensitive areas	The ability to undertake asset resilience physical works is limited in cultural and environmentally sensitive areas. In some areas i may not be possible to implement an engineering-based solution.	
C3	Consents	Resource consents are likely to be an issue for more complex and intrusive works which impact on water resources and ma make works more expensive resulting from the need to manage waste material for example. Target resilience LoS fo some parts of the network may be unachievable or unaffordable.	
C4	Staff resource	Insufficient numbers of locally-based trained staff – across th whole spectrum from planning through to works delivery. Th may limit ability to provide some target LoS, particularly network availability and asset management approaches.	
C5	Plant and equipment	Lack of availability of specialist plant that is tailored to the specific requirements of engineering works in the region. This may make overall project costs more expensive as a result of the need to bring in the necessary equipment.	

Assumptions are things that are accepted as true or as certain to happen, without proof. If they are not certain to happen, they may be a risk.

Table 16 Assumptions Log

ID	Assumption	Summary Description and Management Strategy
A1	Future severe weather events will increase requirement for roading asset resilience.	Climate change will result in either more, or higher intensity, severe weather events which will put increasing pressure on the roading network assets – road surfaces, bridges and culverts. Various scenarios will be used to test response to a range of alternative futures so that the region and its people are fully prepared.
A2	Continuation of primary production will be an integral part of the region's economy.	Even though locations of activity are likely to change, primary production such as forestry, agriculture and horticulture will remain an integral part of the region's economy. This will mean that a significant proportion of traffic will be made up of heavy vehicles and they will have an impact on roading asset maintenance requirements.



ID	Assumption	Summary Description and Management Strategy	
A3	Government policy remains supportive of resilience and climate change adaptation.	The National Adaptation Plan, or a future version of it. Will confinue to be implemented and funded to a certain level. This will mean that Council and partners can have confidence to develop and implement value for money projects as part of the preferred programme in this PBC.	
A4	Funding for roading resilience remains constrained.	There will never be enough money to deliver all possible projects that could be implemented to deliver a maximum level of asset resilience. This means that changes to LoS and prioritisation of investment will continue to be vitally important into programme delivery.	

Dependencies are external influences, where success of the programme is contingent on future actions of others. Other activities, programmes or packages may also depend on the actions of this programme.

Table 17 Dependencies Log

ID	Dependency	Summary Description	
D1	Land use changes	Future changes to how land is used, especially for primary industry activities such as forestry and agriculture, will impact on travel demand. In turn change in travel demand will have implications for target LoS for asset management and resilience.	
D2	State Highway resilience investment	As many local roads intersect with the State Highway network as part of customer journeys, it is essential that routes are resilient along their whole length. This means ensuring that investment programmes, projects and physical works are coordinated.	
D3	Transport Recovery East Coast (TREC) projects	As with D2 above, TREC recovery projects on the State Highway have access implications for connecting local roads Therefore close joint working will be required to ensure that whole route approaches are implemented.	
D4	Future Development Strategy (FDS)	The FDS will be directing housing development to areas of the region – especially Gisborne city – where it is most appropriate from the perspective of access to jobs and services (and using modes other than the private car where possible).	
D5	Tairawhiti Resource Management Plan (TRMP)	The TRMP will set the objectives, policies, rules and regulations for the management of natural resources, and activities such as roading resilience projects which will require consents.	



ID	Dependency	Summary Description
D6	NZTA Intervention Hierarchy	NZTA are seeking investment strategies that prioritise long-term integrated planning over investment in large-scale capital works.

The Case for Change

In the immediate aftermath of a severe weather event like Cyclone Gabrielle, it is understandable for people to say that "something must be done" and "we can't go through this again". And, of course, these people are right. This PBC has clearly set out that change is necessary, in particular:

- Why we need to understand and act on future roading network resilience risks for the sake of future generations and their economic, social and cultural health.
- Why the current approach to funding asset maintenance and management, coupled with the levels of investment, is not leading to good <u>financial or community</u> outcomes.
- Why there could be more than one future scenario which significantly increases levels
 of risk.
- Why better data would help with future investment decision making and partnership working with key stakeholders.
- Why land use changes are fundamentally important to understanding how customer LoS, and stakeholder expectations, need to be scaled to available funding.

The three problem statements, and evidence in support of them, make a strong case for making resilience first among equals when it comes to future investment in the roading network. Whilst affordability can never be ignored, it is not appropriate for it to drive the wrong type of short term "patch and mend" investment which has been all too apparent for the last few years.

However, this does not mean that central and local government have the capacity and financial means to address every conceivable future climate change risk and guarantee that everyone and everywhere will be protected. This PBC does not ask for a blank cheque and wave a magic wand to make all the problems disappear. That is simply unrealistic. Moreover implying that physical engineering solutions can somehow mitigate against each and every natural hazard ignores the need for policy changes which will shape how land is used and demand for travel

This PBC therefore makes a strong case for thinking, planning and acting differently by taking a future focussed risk-based approach to prioritisation of roading asset resilience investment – based on a data-driven approach which targets investment where it makes the biggest impact for the most people.

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Economic Case

Introduction

The Economic Case takes the <u>problems</u>, <u>benefits and investment objectives and formulates</u> various possible responses – in the form of <u>programme</u> options.

Each option represents an alternative way of investing a finite amount of money and makes various trade-offs between priority assigned to different climate change hazards and areas of the region. These options are then assessed and prioritised against investment objectives and critical success factors. The preferred programme option represents the optimal investment approach that will be further developed through the next Activity Management Plan (AMP), Regional Land Transport Plan (RLTP) and Long Term Plan (LTP).

The Economic Case has been developed with three key policy responses in mind:

- National climate change adaptation.
- NZTA Resilience approach.
- Council Emergency Management.

National Climate Change Adaptation

Options considered for Te Tairāwhiti have been informed by the adaptation responses identified in Aotegroa New Zealand's first national adaptation plan¹²:

- Avoid: Staving away from areas where the risk is too high (e.g. restricting or preventing development in highly exposed areas).
- Protect: Staying in place and building defences (e.g. by building protective structures such as sea walls).
- Accommodate: Staying in place and making changes to infrastructure to improve resilience (e.a. strenathenina bridges).
- Retreat: Purposely relocating existing development away from high-risk areas (e.g. red zoning and relocating community assets).

<u>The Strategic Case highlights the resilience risk to the Te Tairāwhiti transport network from climate and seismic hazards, now and in the future. The framework options for the PBC consider various adaptation responses to this risk:</u>

- Reducing the Exposure of the network to hazards through avoiding and retreating; or
- Reducing the Vulnerabilities in the network through Protecting and Accommodating;
 or
- Reducing both Exposure and Vulnerabilities through a combination of all four adaptation responses.

12 Ministry for the Environment, 2022, Aotearoa New Zealand's first national adaptation plan, Wellington, Ministry for the Environment,

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NTZA Resilience Approach

The PBC approach to transport network resilience aligns with the NZTA resilience approach.

The "4 Rs" framework is an integrated approach, which includes risk reduction, readiness, response, and recovery 13. Risk reduction and readiness are proactive actions, while response and recovery are reactive actions to help communities return to normal after a natural hazard event. Currently, Te Tairāwhiti is focused on response and recovery due to Cyclone Gabrielle and other weather events. The prioritisation framework considered as part of this PBC are focussed on risk reduction and readiness over the longer term.

Figure 8 NZTA Resilience Approach



Source: NZTA

Council Emergency Management

The prioritisation framework can, however, give direction to the short-term recovery by indicating the extent to which work is pursued and prioritised. The principles of this PBC, including the proposed Resilience LoS and local road importance categories, can also be incorporated into the work Council is already doing through Te Tairāwhiti Emergency Management Office (TEMO), shown in Figure 9.

 $[\]frac{13}{\text{https://www.nzta.govt.nz/roads-and-rail/highways-information-portal/technical-disciplines/resilience/strategic-context/}$



Figure 9 Te Whakahaere Ohorere Emergency Management GDC14



Source: Gisborne District Council

Baseline Assessment

<u>Local Road Importance</u>

A critical input into this PBC roading maintenance investment prioritisation framework is an assessment of importance of local roads to communities. At a strategic decision-making level, roads vary in importance (and ultimately LoS) depending on the extent of connectivity they provide and travel demand. This isn't to say that roads that are of lower strategic importance are not still highly valued by the people and businesses who rely on them. Therefore lowest or low importance does not mean unimportant.

Road classification systems - including One Network Road Classification (ONRC) and One Network Framework (ONF) - do not provide sufficient differentiation for a low trafficked network like Te Tairāwhiti region. For development of a high-level prioritised programme, this PBC has therefore established a more granular local road hierarchy, based on data-led evidence that can be applied across the whole transport network.

The PBC methodology for determining local road importance is imperfect due to limitations in the available data. Importance scoring is "conspicuously coarse" but nevertheless appropriate when prioritising transport resilience investment programmes across the region. More detail and better evidence may be needed when getting down to project prioritisation.

<u>The importance of links in the Te Tairāwhiti road network is a function of the places (origins and destinations)</u> they connect. The following factors are relevant to importance of places connected by the road network:

- Lifelines: places that are important for essential services and emergency response.
- Cultural: places that are significant for cultural reasons.
- Social: places that are important for community wellbeing and connection.
- Economic: places that support the local and regional economy.

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14 2024-2027 Three Year Plan | Gisborne District Council

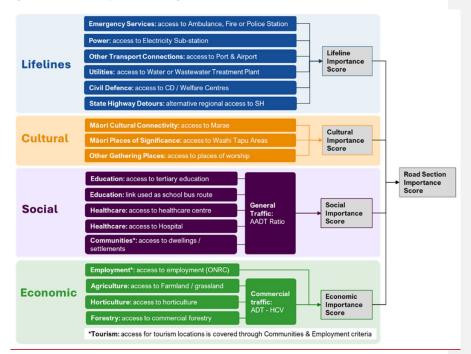


Other considerations are:

- Places can be important for more than one reason.
- Road links can be used to access more than one place.
- There may be more than one route for connecting the same origins and destinations.
- Availability of alternatives should influence the importance of a link.
- Many trips in Te Tairāwhiti will involve travel on a State Highway, at least in part.

Figure 10 shows detailed criteria relating to four factors which reflect place importance. For this PBC each road segment has been scored using criteria on the basis of the importance of the places to which it provides access.

Figure 10 Local Road Importance Scoring Criteria



Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Based on the shortest local road route to the State Highway, for each of the four importance attributes – lifelines, cultural, social and economic - a score (generally between 1 and 3) has been allocated and then combined into an overall importance rating. Links that provide access to and from more than one "place" score higher than links that provide access to only one.



Based on this scoring methodology, Table 18 shows the length of road – in both rural and urban areas – that has been allocated into five importance categories. Nearly half of the rural roading network is in the lowest importance category, with most of the remainder being either high or moderate. This reflects the fact that many rural roads have very low traffic volumes of less than 20 vehicles per day. In urban areas, one third of the roads are in the low category, as these are primarily residential streets. The highest, high and moderate roads are the main arterial and distributor routes which connect residential areas to employment zones, the city centre and each other.

Table 18 Local Road Importance Assessment

Importance Category	Rural		Urban	
	Length (km)	Length (%)	Length (km)	Length (%)
<u>Highest</u>	24	1	<u>35</u>	14
<u>High</u>	282	<u>17</u>	<u>60</u>	<u>24</u>
<u>Moderate</u>	374	23	<u>65</u>	<u>26</u>
Low	<u>177</u>	11	<u>77</u>	<u>31</u>
Lowest	<u>793</u>	<u>48</u>	<u>12</u>	<u>5</u>
All	1,649	100	250	100

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Local road importance scores are normalised so that the four factors (lifelines, cultural, social and economic) are weighted equally. A sensitivity analysis concludes that the social factor is most influential on the overall score, likely due to the inclusion of annual average daily traffic (AADT). Alternative weighting systems make little difference to overall distribution of importance scores, and therefore the normalised (equal) weighting system is retained. Mapping to show the geographic distribution of local road importance scores under future scenarios is included within Appendix F.

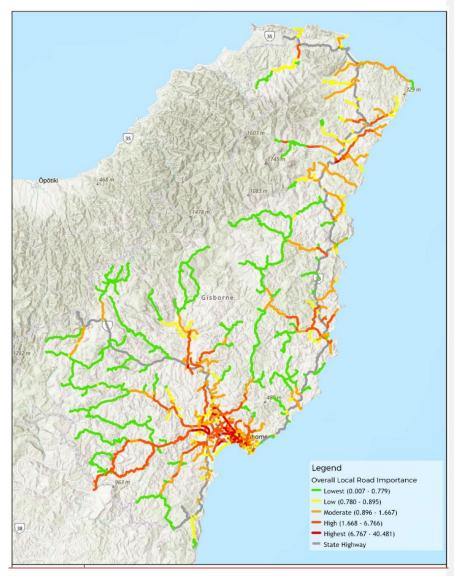
Figures 11 and 12 show local road importance for both the region as a whole and Gisborne city. Scoring for the network has been smoothed so that road importance changes only at logical locations within the network. Importance is a gradation - road sections that are green have the lowest importance and sections coloured red are assessed as highest and high importance. Yellow and orange occupy the middle ground.

In the region as a whole, road importance increases in and around Gisborne city and the smaller East Coast townships. Sections of road which directly intersect with the State Highways also have higher importance. As roads move into the more remote and hilly inland areas, the level of importance generally declines. However where rural routes provide potential alternatives to the State Highway, they increase in the level of importance.

In Gisborne city, all the main arterial routes are in the highest importance category, and distributor roads which connect into them either moderate or low. There are very few roads in the lowest category.



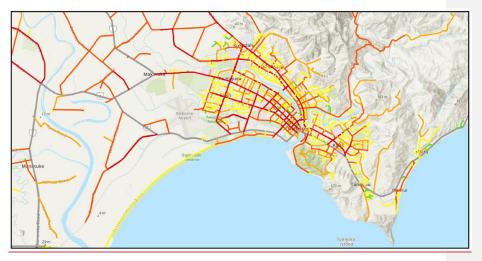
Figure 11 Local Road Importance in Te Tairāwhiti Region



Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP



Figure 12 Local Road Importance in Gisborne City



Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Establishing local road importance is a critical input into Levels of Service (LoS).

Changes to Levels of Service

As discussed in the Strategic Case, LoS describe performance of the roading network from a user perspective and therefore maintenance standards that deliver form and functionality. LoS is a dynamic interplay of both resilience risks and travel demand. Tackling issues of soil erosion, loss of highly productive land and protection from natural hazards will change the way that activities such as forestry, farming and urban development are conducted, and where they take place. In turn this will impact on travel demand and LoS which will be necessary to keep routes appropriate to their level of function.

LoS for roading resilience have therefore been established based on two overall factors and five criteria:

- Customer experience when using the road:
 - Availability of the road for vehicle use.
 - o Safety and accessibility for people travelling on the road.
- Form and function of the road:
 - o Road surface and drainage.
 - Surfaces and structures of the road.
 - Approach to managing the road asset.

Figure 13 provides a summary description for each LoS grade (A to F). LoS A represents the highest standard, and for each lower grade there is a noticeable decline. Sealed surfaces predominate from LoS grades A to C, whereas D and E generally revert to unsealed. Grade

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<u>F is only for access by special types of vehicles that can manage road conditions. In effect grade F roads will not be maintained by Council.</u>

Form and function reflects LoS provided to the customer, and lower grades generally mean assets which perform to a more basic standard and consequently less investment in proactive asset resilience.

Figure 13 Levels of Service Grading from A to F



Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

<u>The baseline Resilience LoS currently being provided across the transport network (i.e. post-Cyclone Gabrielle recovery), has been calculated based on a road's current vulnerability score as shown in Table 19.</u>

Table 19 Baseline Resilience LoS

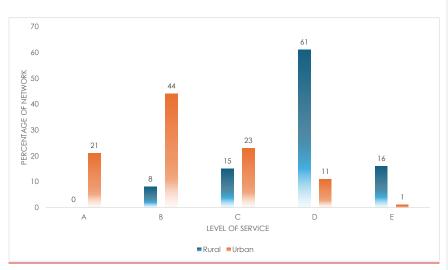
<u>Vulnerability Score</u>	Level of Vulnerability	Baseline Resilience LoS Grade
1	Low	A (urban roads only)
2	Low	<u>B</u>
3	<u>Moderate</u>	<u>C</u>
<u>4 - 5</u>	Moderate / High	D
More than 5	High / Extreme	<u>E</u>

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Figure 14 shows LoS percentages within each grade for the urban and rural network. For rural roads LoS grades D and E are in the majority (77% of total length). For urban roads, two thirds are LoS grade A and B, which reflects the better state of construction / repair of the assets.







Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Council has established target and minimum resilience LoS for each local road importance level ("highest" down to "lowest"). Target LoS would be Council's preference for roads at each importance level, and the minimum is the lowest acceptable.

Table 20 Council Target and Minimum Resilience LoS Grades

Importance Category	Rural		<u>Urban</u>	
	<u>Target</u>	<u>Minimum</u>	<u>Target</u>	<u>Minimum</u>
<u>Highest</u>	A	<u>B</u>	<u>A</u>	<u>B</u>
<u>High</u>	<u>B</u>	<u>C</u>	<u>B</u>	<u>C</u>
<u>Moderate</u>	<u>C</u>	<u>D</u>	<u>C</u>	<u>C</u>
Low	<u>D</u>	<u>E</u>	<u>C</u>	<u>C</u>
<u>Lowest</u>	<u>E</u>	<u>E</u>	<u>C</u>	<u>C</u>

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

For all rural road importance categories other than the lowest each minimum LoS grade is one level below the target. As each importance category reduces from "highest" downwards, both grades also decline by one level.

For urban roads the "highest" and "high" importance categories each minimum LoS grade is also one level below the target. However from moderate importance downwards, grade C



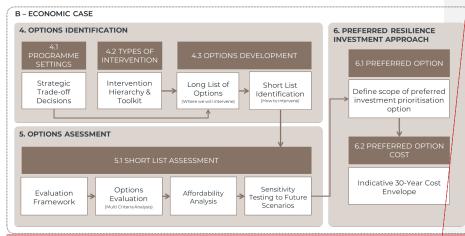
is considered to be both the target and the minimum, which indicates the need for a higher LoS across urban areas where most people live.

Economic Case Methodology Overview

Figure 15 below outlines the approach for identifying a preferred resilience investment option, which includes three key stages:

- Options identification: Develops key parameters for a strategic resilient network programme, identifies a long list of options, which is then refined to a short list of options.
- Options assessment: These options are evaluated to select the most suitable one for Tairāwhiti, supported by sensitivity testing against future scenarios.
- Preferred resilience investment approach: Defines the preferred investment prioritisation option, and provides an indicative 30-year cost envelope.

Figure 15 Economic Case Development Process



Intervention Prioritisation

If <u>funding</u> was unlimited, the need for intervention could be determined simply by <u>spending</u> <u>enough money to achieve the</u> target LoS <u>by addressing</u> sections of the network where resilience risk exceeds the desirable minimum. However <u>as</u> funding is constrained, <u>Council</u> will need to prioritise <u>maintenance</u> interventions to address LoS resilience deficiencies <u>which</u> <u>means that target levels may not always be reached</u>.

Table 21 shows a matrix for prioritising urban and rural road <u>maintenance</u> interventions <u>which</u> relates road importance category to the current resilience risk category. Prioritisation of <u>investment</u> may feed into both the timing of intervention (i.e. red <u>roads</u> should be completed before lilac and yellow) and / or the amount of investment (i.e. red <u>roads</u> ha<u>ve</u>, a larger budget compared to lilac and yellow).

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There are two very strong influences on the investment prioritisation methodology:¶
Local road importance.¶
Levels of Service (LoS).¶

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A critical input to the PBC prioritisation framework is an assessment of importance of local roads to communities. Road classification systems including One Network Road Classification (ONRC) and One Network Framework (ONF) - do not provide enough differentiation for a low trafficked network like Te Tairāwhiti region. This PBC has established a more granular local road hierarchy, based on data evidence that can be applied across the whole transport network.¶ The methodology for determining local road importance is imperfect due to limitations in the available data. The importance scoring is "conspicuously coarse" but nevertheless appropriate when prioritising transport resilience investment across the region.¶ The importance of links in the Te Tairāwhiti road network is a function of the importance of the places (origins and destinations) they connect. The following factors are relevant when importance of places connected by the road network:¶

Lifelines: places that are important for essential services and emergency response.¶
Cultural: places that are significant for cultural reasons.¶

Social: places that are important for community wellbeing and connection. \P

Economic: places that support the local and regional economy.¶

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Table 21 Intervention Prioritisation Matrix

Road Importance Category	Road Resilience Risk Category			
	Minor	Medium	High	Extreme
Highest	3	2		1
High	3	3	2	1
Moderate	-	3	3	2
Low	-	-	3	2
Lowest	-	-	-	3

Priority category descriptions are as follows:

- If a road section is assessed as sitting within one of the green cells within the matrix, no intervention is required.
- Road sections assessed as sitting within cells in the top right-hand half of the matrices (coloured red, lilac or yellow) do not meet the target level of resilience for their importance.
- Road sections sitting within cells furthest to the top right (coloured red) have the largest gap between the assessed and target Resilience LoS.
- Road sections assessed as sitting in cells close to the diagonal (coloured yellow) have the smallest gap between the assessed and target resilience LoS.
- Road sections coloured lilac sit between the red and yellow categories.

Implicit within this prioritisation tool are the assumptions that it is:

- Tolerable that low importance road sections are less resilient.
- Not tolerable for important road sections to be at a high or extreme level of resilience risk.

The prioritisation model has been <u>used</u> to assess alternative intervention options, which may include the following strategic choices:

- Lifting resilience of all deficient road sections to achieve the target for their respective road importance.
- All deficient road sections to achieve target for <u>road</u> importance levels one and two
 only.
- All deficient road sections by one level only (i.e. road sections with extreme risk are treated so that they, have "only" high risk etc).
- Only road sections assessed as having high or extreme risk.

Tables 22 and 23 show the length of local road within each <u>resilience risk</u> priority <u>category</u> for urban and rural roads respectively.

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Table 22 Length of Rural Roads Within Each Intervention Priority

Road Importance	Length of Road in Each Resilience Risk Category (km)			
Category	Minor	Medium	High	Extreme
Highest	1	25		1
High	142	104	46	3
Moderate	173	143	74	24
Low	99	54	32	8
Lowest	480	226	68	17

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP Table 23 Length of Urban Roads Within Each Intervention Priority

Road Importance	Length of Road in Each Resilience Risk Category (km)			
Category	Minor	Medium	High	Extreme
Highest	1	17	1	0
High	8	22	2	0
Moderate	12	18	7	0
Low	23	114	24	1
Lowest	3	3	3	1

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Table 24 shows the length of rural and urban roads within each priority banding, both in absolute terms and as a proportion of the total

Table 24 Total Length of Road Within Each Priority Band

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Priority Category	Rural		Urban	
	Length (km)	Length (%)	Length (km)	Length (%)
1	5	0.3		0.3
2	103	6.0	20	7.5
3	512	29.7	80	30.0
No intervention	1,100	64.0	126	62.2
All	1,720	100.0	267	100.0

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP



For both rural and urban roads around two thirds of the network (total length 1,226 kilometres) requires no intervention. Just under a third of both types of roads (total length 592 kilometres) are in the lowest priority category where an intervention is required. This leaves less than 10% of either rural or urban roads in the two highest intervention priority categories, which equates to 129 kilometres. The very highest priority category has just <u>six kilometres of</u> road length, but without intervention the impact would spread much wider.

The prioritisation tool includes implicit assumptions about community tolerance for resilience risk for roads of different importance, which are made with a <u>strategic prioritisation</u> view of the entire region and local road network. However these assumptions may not align with a community's actual risk tolerance.

The prioritisation tool also considers overall risk associated with multiple natural hazards. In reality, risk tolerance may vary depending on the type of hazard. For example, communities may be more tolerant of risk associated with a major earthquake (which is considered an "act of God") than they would be for the risks associated with flooding which are more regular and hence perceived as "preventable". This view would impact the risk tolerance particularly for rural areas where there the exposure to flooding and extreme storm event hazards is higher.

When developing alternatives for programmes, there has been consideration of types of hazards and hence the risk that needs to be addressed.

A key strategic investment decision is where to invest limited roading resilience investment. Four catchment areas, which reflect locations in the region where proposed investment will occur, have been used to inform programme settings for the options. These catchment areas are outlined in Figure 16.

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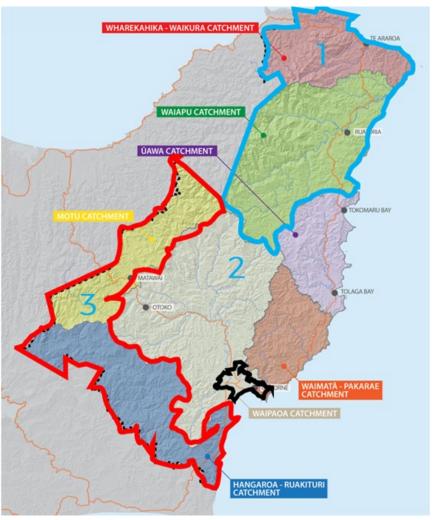
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Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs. WSP

Programme Option Identification

Programme Settings

The Strategic Case acknowledges that "trade-offs" are required because maintaining a comprehensive road network resilient to all hazards is not financially affordable. To demonstrate the strategic trade-off decisions available to the Council, "programme settings" provide the basis for generating the long list of options using a top-down approach.

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The programme settings first focus on where intervention is required to improve resilience, then within those boundaries, look at how to intervene to improve resilience. Table 25 provides a brief description of each of the programme settings. The third column summarises the key trade off decisions (expressed in the form of questions) for each programme setting. The final column then summarises the specific either / or option. Key supporting assumptions are included in Appendix G.

Jable 25 Programme Settings

Intervention Focus	Programme Setting	Trade-off Decision	Programme Setting Options
Where to intervene	Network scope	Should the Council retain the entire existing network, or reduce the network length to exclude roads that get very little use?	Retain existing network OR Reduce network length (to 90% of existing length)
	Risk tolerance	Should the Council prioritise reducing risk for all climate and seismic hazards, or focus on flood and slope stability hazards (based on Council's knowledge of the communities' tolerance to these risks)?	Focus on all climate and seismic hazards OR Focus on flooding and slope stability hazards
	Intervention Priority	Should the Council prioritise intervention district-wide or focus intervention geographically?	District wide Intervention 17 OR Focused Intervention (more priority on central areas) 18
How to intervene	Risk reduction approach	Should the Council focus on reducing risk through reducing exposure to hazards, or through reducing the vulnerability of network infrastructure?	Reduce exposure to hazards OR Reduce vulnerability of network infrastructure OR Reduce both exposure and vulnerability
	Level of	Should the Council	Minimum LoS on more roads OR

¹⁷ Investment is focused on Intervention Priority 1, 2 & 3 across the entire district. Intervention Priorities are an outcome from the Strategic Case and are based on both resilience risk and local road importance as explained in Appendix A.

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Service (LoS)

Investment is focused on Intervention Priority 1 & 2 in all areas of the district, then Priority 3 in central areas of the district Catchment Areas 2 & 4 (covering approximately 60% of the network length and where the majority of the population live)



Intervention Focus	Programme Setting	Trade-off Decision	Programme Setting Options
		roads, or prioritise achieving target level of service but for fewer roads?	Target LoS on fewer roads

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs WSP

It can be seen that even at a strategic level there are some difficult choices to be made, and that is before any specific areas – and the local communities – become aware of what this might mean for them.

Types of Intervention

The next question focusses on the types of intervention that might be applied to whatever option is pursued. Table 26 shows a summary of an "intervention toolkit" created for this PBC, which includes system changes, refined maintenance and renewals strategies, and new infrastructure. The toolkit has been surfaced, tested and refined with GDC Subject Matter Experts (SME) through workshops.

Interventions that were considered not practical within the Te Tairāwhiti context have been removed from the initial brainstormed list. Interventions that were not aligned with the Investment Objectives of the PBC have also been removed.

In developing the <u>intervention toolkit</u>, two key factors were considered:

- Intervention Hierarchy: Strategic prioritisation based on the NZTA Intervention
 Hierarchy, which promotes low-cost investments, integrated planning, demand management, and best use of the existing system before considering new infrastructure.
- Intervention Alternatives: Grouping various interventions into three categories as shown in Table 24.

Table 26 Summary of Intervention Toolkit

Intervention Category	<u>Summary</u> Description	Intervention Alternatives
System Change	These interventions aim to integrate land use with the transport network through planning and development to improve resilience. These interventions focus on both exposure reduction (i.e. retreat) and vulnerability reduction (i.e. new development requirements).	 Policy responses Divestment decisions Financial mechanisms Organisational changes
Business As Usual (BAU) with Refined Intentions	These interventions optimise resilience of the current transport network by reprioritising and targeting existing programmes,	Maintenance strategiesMaintenance programmesProactive renewals

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Intervention Category	<u>Summary</u> Description	Intervention Alternatives	 Deleted: Hierarchy
	particularly operations, maintenance, and renewals.		
	These interventions primarily		Formatted: Font: 10 pt
	focus on reducing network vulnerability (i.e. improving condition and robustness of		Formatted: Default
	existing assets).		 Formatted: Font: 9 pt
Isolated / Targeted Interventions	These interventions concentrate on new infrastructure and are designed to enhance resilience for particular assets or locations. These interventions focus primarily on reducing network vulnerability (i.e., strengthening network assets), but some reduce exposure (i.e. retreat through	New roading Drainage improvement Storm water management Slope protection Temporary & alternative structures Structural improvements Green / blue infrastructure	Formatted: Font: 10 pt Formatted: Default
Source: Tairāwhiti Strategie Not	new road alignment).	se - Economic & Financial Case Technical	 Formatted: Font: 9 pt

Inputs, WSP

Various selections and combinations of these interventions <u>have been</u> assigned to the short-

Various selections and combinations of these interventions have been assigned to the shifted alternative investment programme approaches. More details on the types of intervention and Intervention settings is included in Appendix H.

Option Long List

The programme option long list has been compiled using various combinations of the programme settings <u>— roading network length, risk tolerance and geographic priorities;</u>

Table 27 Long List of Programme Options

Option Number	Programme Settings	e Settings		
Roading Network Length		Risk Tolerance	Geographic Priorities	
1	Retain full network length	Focus on flooding and slope stability hazards	Region wide intervention	
2		Focus on flooding and slope stability hazards	Focused Intervention (more priority on central areas)	
3		Focus on all climate and seismic hazards	Region wide intervention	
4		Focus on all climate and seismic hazards	Focused Intervention	

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<u>Option</u>	Programme Settings				
Number	Roading Network Length	Risk Tolerance	Geographic Priorities		
			(more priority on central areas)		
5	Reduce total network length by around 10%	Focus on flooding and slope stability hazards	Region wide intervention		
6		Focus on flooding and slope stability hazards	Focused Intervention (more priority on central areas)		
7		Focus on all climate and seismic hazards	Region wide intervention		
8		Focus on all climate and seismic hazards	Focused Intervention (more priority on central areas)		

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Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

The long list was refined to retain options that are plausible, representative of $\underline{\text{Te}}$ Tairāwhiti, and sufficiently unique to enable genuine comparison. The rationale for discounting four of the eight options is given in Table 28,

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Table 28: Rationale for Discounting Long List Options

Number	Rationale For Discounting Option
2	Focuses on a hazard specific risk tolerance in a focused geographical area. It is considered to have too narrow of a focus and would not achieve the regionwide step-up in resilience that this PBC seeks to achieve.
3	Excluded due to financial infeasibility. The Strategic Case outlines the challenges of maintaining full network resilience to all climate and seismic hazards without prioritising investments. At least one trade-off or compromise is necessary, which this option fails to achieve.
6	<u>Same</u> rationale <u>as</u> for Option 2.
7	Despite the reduced network length, excluded due to financial infeasibility. The Strategic Case demonstrates that maintaining the entire network's resilience to all climate and seismic hazards without prioritising investment is impractical. At least one trade-off or compromise is necessary, which this option fails to achieve.

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Source: Tairäwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP



The remaining four options have been refined by incorporating programme settings for "how to intervene" to develop the short list. All permutations of the "how" programme settings have been considered for each option <u>based on both the risk reduction approach and Los</u>. The most appropriate resilience responses have been selected based on the risk profile and tolerance established by the "where" settings.

- Reducing exposure reduces likelihood of encountering a hazard by relocating critical infrastructure and people away from high-risk areas. This is appropriate for programme settings that aim to prevent people and assets from being located in areas where adverse conditions are expected.
- Reducing vulnerability enhances resilience and route access through strengthening
 assets to withstand adverse conditions. <u>This is more appropriate for programme</u>
 settings aimed at modifying infrastructure to ensure its resilience and functionality
 during and following disruptive events.
- Los has been agreed with Council subject matter experts to define a minimum and target levels for each local road importance category. An achievable Los is a strategic trade-off decision that impacts affordability - the more roads that achieve target Los, the more expensive the option will be.

The shortlisted options are presented in Table 29.

Table 29: Short List of Programme Options

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Name	Description	Where to Intervene			How to Interve	ne	~	Formatted: Font: 8 pt		
		Roading Network Length	Risk Tolerance	Intervention Priority	Risk Reduction Approach	Level of Service (LoS)		Formatted Table Deleted: Network Scope		
<u>Status Quo</u>	Reacting to keep roads functional on the existing network	Retain existing network	Flooding and slope stability hazards	Regionwide intervention	Reduce vulnerability	Target LoS for urban roads		Formatted: Font: 8 pt		
Resilient Communities	Prioritising resilience for social and cultural communities	Retain existing network	All climate & seismic hazards	Focused intervention	Reduce exposure	Target LoS for roads with social importance		Formatted: Font: 8 pt		
Strategic Routes	Protecting economic access between key areas of land use and port / trade	Reduced network length (90% of existing)	Flooding and slope stability hazards	Regionwide intervention	Reduce vulnerability	Target LoS for roads with economic importance		Formatted: Font: 8 pt		
Balanced Reach	Balanced prioritisation across social and economic consideratio ns	Reduced network length (90% of existing)	All climate & seismic hazards	Focused intervention	Reduce both exposure and vulnerability	Target LoS for central area of region		Formatted: Font: 8 pt		



 $Source: Tair\bar{a} whiti \, Strategic \, Network \, Resilience \, Programme \, Business \, Case \, - \, Economic \, \& \, Financial \, Case \, Technical \, Inputs, \, WSP$

Table 30 provides a more detailed summary of each short-listed option:

Table 30: Description of Programme Option Short List

Name	Option Description	
Status Quo	 Focuses on current maintenance strategies to reduce vulnerability to flooding and slope instability. Reactionary to weather events, with limited funds for new or improved infrastructure after recovery and emergency works. Aim is to keep the full network operational at a minimum LoS. Does not seek to retreat, however it acknowledges that 	Deleted: level of service
Resilient Communities	 unplanned retreat will be necessary on roads with high costs. Works to reduce exposure to all climate and seismic hazards. Prioritises roads with social or cultural importance, focusing investment in the central areas of the region (where the majority of the population live). Highest Importance roads elsewhere will be invested in, but other roads in these areas may not. Maximises the use of policy-led responses so that habitation and development is enabled in areas where hazards can be managed. Roads providing high importance access for communities will achieve target Los. Where this cannot be achieved economically, retreat will be 	Deleted: level of service
Strategic Routes	 managed and supported. Reduces network length by excluding the least important and lowest used 10%. With the remaining network, prioritises reducing vulnerability from flooding and slope instability of roads with economic importance. People will be able to rely on certain routes (those with economic importance) to be resilient and achieve target LoS. These routes are protected through engineered solutions and policy settings. Roads with lower importance and high vulnerability will be retreated from, with alternative access solutions considered. 	
Balanced Reach	 Seeks to balance social and economic importance in the region. Emphasises user-pays principles and strategic trade-offs to achieve a sustainable network. Investment reduces risk to all climate and seismic hazards by reducing exposure and vulnerability. Network length is reduced by 10% and investment is focused in achieving target LoS only in central areas of the region. 	Deleted: level of service Deleted: District



Name	Option Description
	Elsewhere, the network may be able to accommodate minor disruptions only.

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

<u>Programme Short List Option Assessment</u>

Do-minimum

This section sets out an assessment of the four short list options. It is standard practice for a business case to use a "Do-minimum"—defined as the minimum level of expenditure required to maintain a functional LoS - as a benchmark for evaluating the four short list options. For this PBC it is not possible to directly identify a Do-minimum, because the purpose is to identify the option that maximises the resilience benefit from the available funding. Ultimately, the preferred programme option may become the Do-minimum. For the purpose of option comparison and evaluation, the baseline will be the Status Quo as described in Table 30 above, which is closest to current practice.

Assessment Framework

Table 31 presents the <u>programme option assessment</u> framework which has been developed using the NZTA *Multi-criteria analysis: user guidance* v2¹⁹. Additional detail about developing the framework is given in Appendix I.

Table 31: Programme Option Assessment Framework

Criteria Type	Criteria	Key Questions					
Investment Objectives	Resilience	Are we spending on the right part of the network?					
	Level of Service (LoS)	How much are we reducing resilience risk?					
	(LO3)	Are we meeting our target LoS?					
	Feasibility	Are we meeting our minimum LoS?					
		Are there roads where we will not meet minimum LoS?					
Critical Success Factors		Can we feasibly carry out the investment approach within the 30-year timeframe?					
	Achievability	Can the investment approach be delivered within the 30-year timeframe?					
	Certainty	Are we confident we will get the outcomes we want?					

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

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^{19 &}lt;u>Multi-criteria analysis: user guidance</u>

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Affordability is not a scored criteria as part of the MCA, but options costing forms part of the decision-making process. For this PBC, the required investment over the 30-year period has been estimated, based on both proactive and reactive investment. For each option there is a potential upper and lower bound investment estimate, which have then been compared with the Status Quo to assess affordability.

<u>A meaningful assessment using the NZTA Monetised Benefits and Costs Manual (MBCM)</u> would require detail at a granular roading level such as:

- Travel time delay due to full / partial road closures and diversions.
- Additional vehicle operating costs due to full / partial road closures and diversions.
- Crash costs due to full / partial road closures and diversions.

Instead, this PBC uses a quantitative methodology for comparing the option value for money at a systems level. Consideration has been given to the potential implications of cost distribution over time in the Financial Case.

Tables 32 to 35 provide a detailed summary of each <u>short-listed</u> option, including estimated residual resilience risk <u>if the programme is implemented</u> and <u>resulting</u> LoS <u>achieved</u>.

Table 32: Status Quo Option Summary

Status Quo	Reacting to keep roads functional on the existing network		
	<u>Length of Roading Network</u> : Retain <u>full</u> existing network		 Deleted: Network Scope
	Risk Tolerance: Flooding and slope stability hazards		
Programme Settings	Intervention Priority: Region-wide intervention	<u> </u>	 Deleted: District
Joennigs .	Risk Reduction Approach: Reduce vulnerability		
	Los: Target for urban roads		
Description	This option focuses on current maintenance strategies to reduce vulnerability to flooding and slope instability. It is reactionary to weather events, with limited funds for new or improved infrastructure after recovery and emergency works.		
	The aim is to keep the full network operational at a minimum LoS. It does		 Deleted: level of service
	not seek to <u>retreat;</u> however it acknowledges that unplanned retreat will	-	 Deleted: retreat,
	be necessary on <u>lowest importance</u> roads with high costs.		
	For this option a strong focus is put on the interventions outlined below.	<u> </u>	 Formatted: Font: 10 pt
	These interventions are supported by other types, but to a lesser degree. System Change: Some policy responses and regulatory changes		
Key Interventions	Enhanced Maintenance and Renewals: Some focus across maintenance and renewals interventions (particularly drainage and subsidence	•	Formatted: Space Before: 6 pt, After: 6 pt
<u>inicivemions</u>	management), strong reactive approach to bridge repair		
	<u>Jsolated / Targeted Interventions:</u> Targeted interventions focused on stormwater management and structural improvements		 Formatted: Font: Century Gothic, 10 pt
Estimated Residual Risk	The table below shows the residual <u>resilience</u> risk for this option at the end of the 30-year <u>programme</u> period.		 Deleted: resilient



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Status Quo	Reacting to keep roads functional on the existing network											
	Local Road	Residual Resilience Risk by Road Length (km)										
	Importance	MINO	R	R MEDIUM		HIGH		REME				
	1 – Highest	55		4		0		0				
	2 - High	173		168		0		0				
	3 – Moderate	188		244		8		0				
	4 – Low	126		93		35		0				
	5 - Lowest	266		346		193		0				
	The table below shows the residual resilience LaS expected as the end of the 30-year period.											
	Local Road Impor	tance	Residual LoS by Road Length (km									
			A	В	С	D	E	F				
Estimated Residual LoS	1 – Highest		35	24								
residudi 103	2 – High			60	282							
	3 – Moderate				65	374						
	4 – Low				77		177					
	5 - Lowest				13		786	7				

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Table 33: Resilient Communities Option Summary

Resilient Communities	Prioritising resilience for social and cultural communities		
	Length of Roading Network; Retain full existing network	 D	eleted: Network Scope
	Risk Tolerance: All climate and seismic hazards		
Programme Settings	Intervention Priority: Focused intervention		
3emigs	Risk Reduction Approach: Reduce exposure		
	LoS: Target for roads with social importance	 -{D	eleted: Social
Danadaktan	This option works to reduce exposure to all climate and seismic hazards. It prioritises roads with social or cultural importance, focusing investment in the central areas of the region (where the majority of the population live). Highest Importance roads elsewhere will be invested in, but other roads in these areas may not be.	_	eleted: Importance eleted: District
Description	The option maximises the use of policy-led responses so that habitation and development is enabled in areas where hazards can be managed. Roads providing high importance access for communities will achieve target LoS. Where this cannot be achieved economically, retreat will be managed and supported.	 D	eleted: level of service
Key Interventions	For this option a strong focus is put on the interventions outlined below. These are supported by other types of intervention, but to a lesser degree.	 D	eleted: interventions



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Resilient Communities	Prioritising resilienc	e for socio	al and c	ultural c	ommur	ities							
		System Change: Spatial <u>planning</u> , District Plan <u>provisions</u> , Mātauranga Māori knowledge.											
	_	BAU with Refined Intentions: Moderate focus across business as usual (BAU)											
	roading, stopbank control planting, gr	Isolated / Targeted Interventions: To protect communities including new roading, stopbank protection, bridge seismic strengthening, slope erosion control planting, greenways and green corridors, daylighting streams and riparian planting, coastal protection.											
	The table below sh of the 30-year proc			esilien <u>ce</u>	risk for	this opt	ion at th	ne end					
	Local Road	Resi	esidual Resilience Risk by Road Length (km)										
Fallian ada al	Importance	MINO	R	MEDIUM		AINOR	EXTREME						
Estimated Residual Risk	1 – Highest	59		0		0		0					
	2 – High	320		22		0		0					
	3 – Moderate	360		66		14		0					
	4 – Low	119		130		5		0					
	5 – Lowest	439		298		37		31					
	The table below shows the residual resilience LoS expected as the end of the 30-year period.												
	Local Road Impor	tanco	Residual LoS by Road Length (km)										
	Local Road Impor	idiice	A	В	С	D	E	F					
Estimated Residual LoS	1 – Highest		59										
veannai raa	2 – High			331	10								
	3 – Moderate				109	331							
	4 – Low				77		177						
	5 - Lowest				13		699	94					

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Table 34: Strategic Routes Options Summary

Protecting economic access between key areas of land use and port / trade		
Length of Roading Network; Reduced network length		Deleted: Network Scope
Risk Tolerance: Flooding and slope stability hazards		
Intervention Priority: Region-wide intervention		Deleted: District
Risk Reduction Approach: Reduce vulnerability		
LoS: Target for roads with economic importance		
	Length of Roading Network; Reduced network length Risk Tolerance: Flooding and slope stability hazards Intervention Priority: Region-wide intervention Risk Reduction Approach: Reduce vulnerability	Length of Roading Network; Reduced network length Risk Tolerance: Flooding and slope stability hazards Intervention Priority: Region-wide intervention Risk Reduction Approach: Reduce vulnerability



Strategic Routes	Protecting economitrade	ic access	betwe	en key a	reas of	land use	and po	ort /		
	This option reduces and lowest used room network, the option slope instability of ro	ads (arou prioritise	i <mark>nd</mark> 10% s reduc	of <u>netwo</u> ing vulne	<mark>ork</mark> lenç erability	gth <mark>)</mark> . With from flo	the rer	maining		
Description	People will be able				•					
Routes t	importance) to be a protected through lower importance of alternative access s		Deleted: level of service							
	For this option a stro	•								
	These are supported System Change: Re				ention,	but to a	lesser o	legree.		Deleted: interventions Deleted: Changes
•	subsidence management strategies, river management strategies, surface drainage maintenance programme, culvert cleaning and maintenance programme, bridge deck & drainage maintenance programme, bridge scour screening & maintenance programme.									Palatadi tarantod inten
	Isolated / Targeted Interventions: to protect strategic routes including, culvert renewals and capacity improvements, surface drainage improvements, road slope protection systems, retaining walls, bridge replacement, bridge debris flow management systems.								\setminus	Deleted: :
	The table below sho the 30-year period.									
	Local Road	Residual Resilience Risk by Road Length (km)					m)			
Estimated	Importance	MINO	R	MEDIUM	. 1	MINOR	EXT	REME		
Description Key Interventions Estimated Residual Risk	1 – Highest	55		4		0		0		
	2 – High	219		122		0		0		
	3 – Moderate	242		198		0		0		
	4 – Low	154		95		5		1		
	5 - Lowest 247 398 128 33									
	The table below sho the 30-year period.	ows the re				·				
	Local Road Import	ance		Residual	LoS by		<u> </u>	_		
Estimated	·		Α	В	С	D	Е	F		
Residual LoS	1 – Highest		59							
	2 – High			341	1					
	3 – Moderate				174	266				
	4 – Low				77		177			



Strategic Routes	Protecting economic access trade	between key a	reas of	land use	and po	ort /
	5 - Lowest		13		542	251

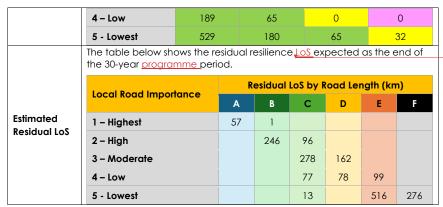
Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Table 35: Balanced Reach Option Summary

Balanced Reach	A balanced prioriti	sation across s					
Programme Settings	Length of Roading Network; Reduced network length						Deleted: Network Scope
	Risk Tolerance: All climate and seismic hazards						
	Intervention Priority: Focused intervention						
	Risk Reduction Approach: Reduce both exposure and vulnerability						
	LoS: Target for central area of <u>region</u>						Deleted: district
	This option seeks to balance social and economic importance in the						
	region. It emphasises user-pays principles and strategic trade-offs to						Deleted: District
	achieve a sustainable network. Investment reduces risk to all climate and seismic hazards by reducing exposure and vulnerability.						
Description	The initial network length is reduced by 10 percent and investment is						
	focused in achieving target level of service only in central areas of the						
	<u>region</u> . Elsewhere,	the network m	ay be able to	accommodo	ate minor		Deleted: District
	disruptions only.						
	For this option a stro						
	These interventions are supported by other types of intervention, but to a						
	lesser degree.						
	System Change: Dynamic Adaptive Pathways (DAP) planning, risk-based property rating and development levies, user pays road maintenance and						Deleted: adaptive
	ownership.						Deleted: pathways
Key Interventions	BAU with Refined In	tentions: seale	`	Deleted: dap			
illierverilloris	sealed road resurfacing and rehabilitation, sealed roads reverted to						Deleted: risk based
	unsealed surfaces, seasonal road use restrictions, unsealed roads						
	maintenance and metalling programme.						D-1-4- A townstand interventions
	Isolated / Targeted Interventions: to protect key infrastructure that is most vulnerable including alternative river crossings, temporary river crossings,						Deleted: targeted interventions Deleted: :
	bridge deck replacement, bridge replacement.						Deleted: .
	The table below shows the residual resilience risk for this option at the end						Deleted: †
	of the 30-year <u>programme</u> period.						
	Local Road	Residual Resilience Risk by Road Length (km)					
Estimated Residual Risk	Importance	MINOR	MEDIUM	MINOR	EXTREME		
	1 – Highest	31	28	0	0		
	2 – High	251	91	0	0		
	3 – Moderate	359	81	0	0		



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Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Table 36 sets out how options have been ranked from first to fourth based on how well they score against each criterion.

Table 36: Option Ranking (Including Sensitivity Tests)

Criterion		Option Ranking					
		Status Quo	Resilient Communities	Strategic Routes	Balanced Reach		
Investment Objectives	Resilience	4	1	3	2		
	LoS	4	2	3	1		
Critical Success	Feasibility	1	4	2	3		
Factors	Achievability	1	2	4	3		
	Certainty	4	3	1	2		
Summary of Ranking Assessment		The least reduction in resilience risk of the four options, and only some of the network reaches target LoS. Scores best for feasibility and achievability, reflective that it is the status quo.	The highest reduction of risk on the most important roads. Only a third of the network achieves target LoS but the majority of the network achieves minimum LoS.	Makes some progress toward reducing resilience risk, but just a third of the network achieves target LoS and ~15% of the network does not reach minimum LoS. Feasibility and certainty score highly due to	Has the highest reduction of risk on the overall network. More than half of the network reaches target LoS, yet ~15% of the network does not reach minimum		



Criterion	Option Ranking						
	Status Quo	Resilient Communities	Strategic Routes	Balanced Reach			
	Certainty scores low because the status quo does not achieve the resilience outcomes needed.	Feasibility and certainty score poorly as option focuses on system change, which may be outside current regulatory settings.	focus on business as usual and targeted interventions. Poor achievability due to geographically dispersed investment.	LoS in order to achieve resilience outcomes for the rest of the network. Scores in the middle for critical success factors, reflective of the balanced approach across intervention tiers.			
Investment Objectives 50%, Critical Success Factors 50%	4	2	3	1			
Investment Objectives 100%, Critical Success Factors 0%	4	1 (equal)	3	1 (equal)			
Investment Objectives 75%, Critical Success Factors 25%	4	2	3	1			
Investment Objectives 50%. Critical Success Factors 50% (Feasibility only)	2 (equal)	2 (equal)	4	1			
Investment Objectives 50%, Critical Success Factors 50% (Achievability only)	3	1	4	2			
Investment Objectives 50%, Critical Success Factors 50% (Certainty only)	4	<u>3</u>	2	1			

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

<u>The sensitivity tests show that Balanced Reach performs very well when different weightings are applied to the investment objectives and critical success factors – in five out of the six tests the preferred option retains its top ranking.</u> The option rankings and summary



commentary are based on the detailed Multi Criteria Analysis (MCA) which is shown in Appendix I. Table 37 sets out a summary of how each option performs against asset resilience and LoS investment objectives <u>using key measures around residual risk and LoS</u>:

Table 37: Option Ranking Against Resilience and LoS Investment Objectives

Criteria	Measures	Option I	Ranking		
		Status Quo	Resilient Communities	Strategic Routes	Balanced Reach
Transport assets with more importance will be more resilient to natural hazards	Length of high and highest importance roads with a residual risk of medium or higher (kilometres)	172	49	126	118
	Length of whole network with residual risk of medium or higher (kilometres)	1,091	729	984	542
	Resilience Ranking	4	1	3	2
Investment achieves an agreed resilience LoS	Proportion of network where target LoS is achieved (%)	13	31	35	54
	Proportion of network where <u>at least</u> the minimum LoS is achieved (%)	100	95	87	86
	Proportion of network where minimum LoS is not achieved (%)	0	5	13	14
	LoS Ranking	4	2	3	1

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Key conclusions from the above table are:

- For both asset resilience and LoS, the Status Quo option is the lowest ranked performer, with Strategic Routes being the second lowest. For the Status Quo option only a very small proportion of the network reaches target LoS, even though all roads achieve the minimum. The length of highest and high importance roads with at least medium residual resilience risk is the highest under Status Quo, and second highest under Strategic Routes.
- For asset resilience, the Resilient Communities is highest ranked as it achieves the highest residual risk reduction on the high and highest important roads. However, Balanced Reach achieves the highest residual risk reduction on all roads.

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For LoS, Balanced Reach is the highest ranked option as it <u>achieves</u> the <u>target on the highest</u> percentage of the network. Resilient Communities achieves the minimum LoS on a higher percentage of the network.

The two highest ranked options (Resilient Communities and Balanced Reach) focus on all climate and seismic hazards. A major difference is that the latter is based on reducing existing roading network length by around 10%. Both options require focussed interventions, but Balanced Reach has a stronger emphasis on economic considerations in the central area of the region (Catchment 2). This means that Balanced Reach addresses both asset exposure and vulnerability, rather than just the former in the case of Resilient Communities.

High-level option costs are presented in the Financial Case. Figure 17 provides summary costs of the four programme options with emergency works being shown as lower and upper bounds (so they are alternatives and not additive). Also shown is the residual risk and LoS for the four options.

Figure 17 Comparative Option Cost Summary (\$m) and Residual Risk



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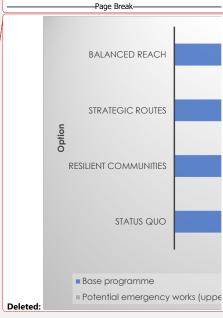
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beneficial impacts are diluted over the 100% of the region (in the former) and 100% of the roading network (in the latter).

Table 38 sets out a summary of how each option performs against critical success factors of feasibility, achievability and certainty:

Table 38: Option Ranking Against Critical Success Factors

Criteria	Measures Option Ranking				
		Status Quo	Resilient Communities	Strategic Routes	Balanced Reach
Feasibility: Current network scope or regulatory system need to change to deliver the	Number of interventions in the System Change Tier with a "Strong" rating, weighted by whether the intervention is in Council's control or not; AND where there is a reduced network	0	7	4	6
programme	Ranking	1	4	2	3
Achievability: Existing systems have the capacity and capability to deliver the programme Achievability: Number of interventions in the Enhanced M&R and Isolated / Targeted Interventions Tiers with a "Strong" rating, weighted by whether the programme has a region-wide Setting or a focused Setting.		2	7	26	9
	LoS Ranking	1	2	4	3
Certainty: Level of confidence that	Number of interventions across all Tiers with a "Strong" rating, weighted by the factor for the Tier.	3	18	34	28
Investment Objectives can be achieved	LoS Ranking	4	3	1	2

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Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Sensitivity Tests

The Strategic Case presents future <u>resilience</u> scenarios that are focused on two key dimensions of change:

• Climate and its influence on natural hazards.



• Land use and its influence on local road importance.

Table 39 shows future <u>resilience</u> scenarios developed as part of the Strategic Case. <u>These</u> <u>scenarios</u> were used to consider how future local road importance could plausibly differ from <u>today</u>. For example, where roads become increasingly exposed to hazards over time, they will plausibly become less important as people move away from exposed areas.

Table 39: Future Resilience Scenarios

		Land Use Scenario				
Future Sc	cenarios	1 Current	2 Moderate	3 Climate Driven		Formatted: Font: 10 pt
	A Current	Al	N/A	N/A	(Formatted: Font: 10 pt
ario	ß Short Detour	Di	P.O.	NI/A		Formatted: Font: 10 pt
Scenario	2050 +1.7°C	B1	B2	N/A		
Climate	C Hot House	Cl	N/A	C3	(Formatted: Font: 10 pt
Clim	2050 +2.1°C	CI	IN/A	CS		

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Scenario A1 represents the base case reflecting current climate conditions with existing landuse patterns and accompanying social and economic activity. <u>Scenario B2 and Scenario</u> C3 have been used to test the sensitivity of the options to future change. Scenario B2 represents a moderate degree of change in land use, which could be associated with the "Short Detour" future climate scenario. Scenario C3 represents a significant degree of change in land use, which could be associated with the "Hot House" climate scenario.

Both scenarios see a progressive move towards population growth being centred on Gisborne City urban area with more of the rural land furthest from Eastland Port being converted to native / carbon forestry. Options that have programme settings most closely aligned to these future scenarios are the least sensitive to future change, as shown in Table 40

Table 40: Short List Options Sensitivity to Future Scenarios

Description		Option Ranking					
		Status Quo	Resilient Communities	Strategic Routes	Balanced Reach		
Scenario B2	Resilience	4	1	3	2		
BZ	LoS	4	2	3	1		
Scenario C3	Resilience	4	1	3	2		
C3	LoS	4	1	3	2		

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cription Option Ro
Status Qu
Amary Most sensitive to future changes, focusing investment across the entire network. Achieving investment objective in the far north and west of the region, where change is most likely will be challenging.

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technico Inputs, WSP

Preferred Option

The options assessment <u>concludes that</u> the emerging preferred option is **Balanced Reach**. The rationale for this option being preferred is outlined in Table 41.

Table 41: Summary of Preferred Option Rationale

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Assessment Factor	Rationale for Preferred Option (Balanced Reach)
MCA	Scores well in the MCA analysis, delivering to the Investment Objectives of resilience and LoS, and responding well to the Critical Success Factors effectively.
MCA Weighting Test	Consistently the highest ranked option when different weightings are applied to the MCA criteria.
Appraisal Summary	Has strong to very strong alignment with the transport outcomes applicable to this PBC.
Affordability	Similar total estimated cost envelope to the Status Quo. However, with more emphasis being placed on proactive investment, there is scope for further reduction in reactive investment (emergency works). Also



Assessment Factor	Rationale for Preferred Option (Balanced Reach)	
	includes system change programme settings that could lead to	Deleted: System
	increased external funding sources, which would further improve affordability.	Deleted: Change
	While unlikely, if there are only very few weather events over the 30-year period, the Status Quo option may be more affordable. However, if large weather events occur, proactive investment in Balanced Reach is expected to reduce overall expenditure, making it a more affordable approach.	n
Future Scenarios Sensitivity Testing	Aligns well with Future Scenarios, as more priority is given to areas that will be less disrupted by climate-driven land use change.	
urce: Tairāwhiti Strategic Ne outs, WSP	work Resilience Programme Business Case - Economic & Financial Case Technical	
ne <u>Balanced Reach inv</u> ne following lifecycle ar	estment programme prioritisation approach has a strong focus on	Deleted: preferred resilience
with the highest r to user-paid mair planning (i.e. retr	enting changes from a systems perspective, particularly for roads isk and lowest overall importance. These roads may be transitioned intenance, phased out through Dynamic Adaptive Pathways eat), or improved with funding from risk-based property ratings.	
	ies <u>and user charges</u> . By altering how Council maintains these parts esources can be better allocated for maintenance and	Deleted: and
	the remining network.	Deleted: the
Maintenance and both sealed and important roads i	d Renewals: Reducing resilience risk by focusing on maintenance of unsealed roads in the central area of the region, as well as the most in the northern and western areas of the region. Investing there the majority of the population live allows Council to achieve.	Deleted: their
	se roads. Unsealed roads of lower importance may have seasonal	Deleted: Intell Deleted: level of service
	avy vehicles to prevent significant damage, Sealed roads of lower	
life, as a cost effic	re considered for reverting to unsealed at the end of their economic ciency measure. Resilience will be further supported by an on proactive drainage and bridge maintenance.	Deleted: deterioration
importance that However, as a tro reinstated with a	nents: Structural improvements to bridges on roads with high cross key rivers and waterways to maintain key access needs. Inde-off, bridges on the lowest importance roads may not be permanent "like-for-like" replacement following damage in an ly, when bridges on lowest importance roads reach the end of their	
economic life, th level crossings suc further supported	ey may not be replaced like-for-like and instead substituted by low ch as floodable fords being likely if appropriate. Resilience will be I through green and blue infrastructure to improve storm water osion and coastal protection.	Deleted: be replaced with
nrough the framework o	development process, key interventions as well as supporting	Formatted: Body Text
terventions have been	identified as shown in Table 42	Deleted: ¶
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Table 42: Preferred Option Interventions

Туре	Interventions	Description
System change	Dynamic Adaptive Pathways (DAP) planning	Lowest Importance roads with high or extreme exposure have DAP plans for managed retreat (50 km).
	Risk based property rating and development levies	Properties accessed via roads with high or extreme risk have charges or levies imposed to fund improvements or maintenance of the road (133 km).
	User pays road maintenance and ownership	Rural low and lowest importance roads with high or extreme risk are transitioned to user pays (11 km).
	Asset retirement plans	Lowest importance roads with extreme vulnerability are planned for retirement when they are due for renewal (21 km).
	District Plan provisions	Provisions for new development reduce use and deterioration of roads with extreme exposure (138 km).
	Mātauranga Māori	Mātauranga Māori in decision making for high and highest importance roads.
	Regulatory changes	Suitable rural land uses are enabled through regulation to reduce impacts that increase network vulnerability (40 km).
	Spatial planning	Rural roads with extreme risk may be downzoned, and therefore not maintained / reinstated following an event (40 km).
Business as usual with refined intentions	Sealed road pothole prevention programme	Sealed roads are treated annually for crack filling, rut filling, scabbing repairs, small patch sealing (726 km).
	Sealed road resurfacing and rehabilitation	10% of sealed roads are resurfaced or rehabilitated annually.
	Sealed roads reverted to unsealed surfaces	Low and lowest importance sealed rural roads are reverted to unsealed at end of economic life (124 km).
	Seasonal road use restrictions	Low and lowest importance unsealed rural roads with resilience risk of medium or higher



Туре	Interventions	Description
		have seasonal restrictions for heavy vehicles (210 km).
	Unsealed roads maintenance and metalling programme	All unsealed roads are graded annually (982 km). All unsealed roads have metal proactively overlaid over the 30-year period.
	Asset criticality assessment and monitoring	Assets on highest importance roads have active condition monitoring (3 km).
	Bridge deck & drainage maintenance programme	Bridges on high and highest Importance roads are cleaned annually (66 bridges), the rest of the network are cleaned every two years (219).
	Culvert cleaning and maintenance programme	Culverts on high and highest importance roads are inspected and cleaned every two years (1,410 culverts), the rest of the network are inspected and cleaned every five years (6,830).
	River management maintenance strategies	Routine maintenance of waterway at bridges on high and highest importance roads every second year (66 bridges), the rest of the network every three years (219).
	Surface drainage maintenance programme	Surface drainage on high and highest importance roads are renewed every 10 years (400 assets), the rest of the network are renewed every 15 years (1,340).
Isolated / targeted interventions	Alternative river crossings	Half of the bridges on lowest importance roads are reinstated with low level crossings (e.g. floodable fords) when they reach end of economic life (22 bridges).
	Temporary river crossings	Half of the bridges on lowest importance roads are reinstated with temporary crossings (e.g. bailey bridges) if they are damaged in an event (22 bridges).
	Bridge deck replacement	Replace bridge decks for all bridges on high and highest importance roads (57 bridges).
	Bridge replacement	Replace bridges at 100 years old on highest importance roads (4 bridges).



Туре	Interventions	Description
	Bridge seismic strengthening	Strengthen bridges on highest importance roads (12 bridges).
	Culvert renewals and capacity improvements	Renewal of culverts at 50 years old on high and highest Importance roads (7,000 culverts).
	Coastal protection using groynes and planting	Protect high and highest importance roads with high or extreme coastal risk (38 km).
	Green corridors for surface water management	Implement on high and highest importance roads with high or extreme flooding risk in urban environments (2 km).
	Retaining walls	Engineered retaining installed for half of high and highest importance roads with high or extreme slope stability risk (7 km).
	Slope protection	Slope protection (rock fences, debris flow barriers) installed for half of high and highest importance roads with high or extreme slope stability risk (7 km).
	Surface drainage improvement	Improvements on high and highest importance roads with high or extreme flooding risk (46 km).
	Stream daylighting and riparian planting	Restore natural waterways adjacent to high and highest importance roads with high or extreme flooding risk in urban environments (2 km).

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

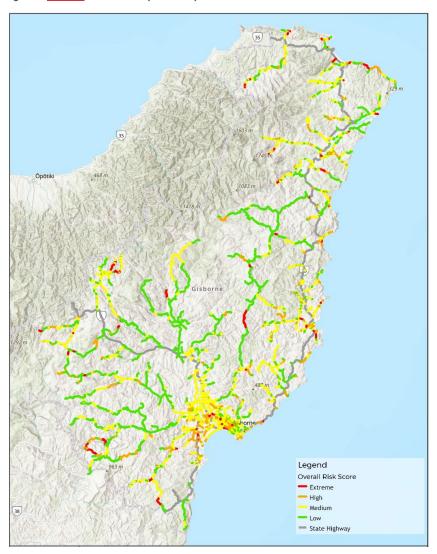
Preferred Option Benefits

Figure <u>19 below</u> shows the estimated change in residual resilience risk across the road network with the preferred option, as compared to the current resilience risk in Figure 18.
Figure <u>20 shows the estimated residual resilience LoS.</u>

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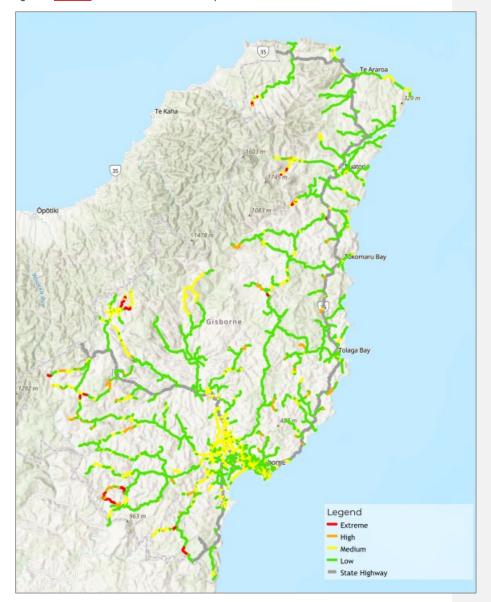
Figure 18 <u>Residual</u> Resilience Risk (Status Quo)



 $Source: Tair\bar{a} whiti \, Strategic \, Network \, Resilience \, Programme \, Business \, Case \, - \, Economic \, \& \, Financial \, Case \, Technical \, Inputs, \, WSP$



Figure 19 <u>Residual</u> Resilience Risk for Preferred Option

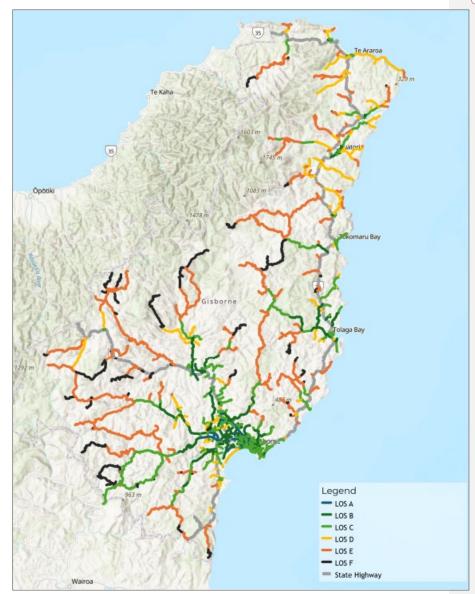


Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP



Figure 20 Residual Level of Service for Preferred Option

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Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP



These results show:

- Estimated residual resilience risk of all roads is medium or low, except for roads of lowest importance.
- There are no roads with extreme estimated residual resilience risk in the central area of the region.
- Roads in the urban area of Gisborne and key communities have higher Los compared to rural.
- Roads with Lifeline Importance have higher LoS.
- Roads with lower importance have lower LoS.

Benefits are estimated over a 30-year programme timeframe and will not be immediately realised.

Table 43 shows length of the network (in kilometres) subject to four levels of residual resilience risk – from minor to extreme. Also shown in the square brackets is change in resilience risk from current.

Table 43: Residual Resilience Risk (Balanced Reach Option)

Level of Road Importance	Length of Road Subject to Residual Resilience Risk [and Change from Existing] (Kilometres)				
	Minor	Medium	High	Extreme	
1: Highest	31 [+26]	28 [-22]	0 [-3]	0 [0]	
2: High	251 [+122]	91 [-82]	0 [-35]	0 [-5]	
3: Moderate	259 [+196]	81 [-128]	0 [-54]	0 [-14]	
4: Low	189 [+98]	65 [-58]	0 [-34]	0 [-6]	
5: Lowest	529 [+106]	180 [-86]	65 [-3]	32 [-16]	

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Table 44 summarises anticipated interventions and outcomes for each catchment shown in Figure 16 above:

Table 44: Interventions and Outcomes for Each Catchment

Catchment (Figure 16)	Summary of Interventions and Outcomes		
1	 Investment is predominantly system change / planning interventions to better align land use with the resilience of the roading network. These roads may be transitioned to user-paid maintenance, phased out through Dynamic Adaptive Pathways planning (i.e. retreat), or improved with funding from risk-based property ratings, development levies and user charges. 		

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Catchment (Figure 16)	Summary of Interventions and Outcomes
(rigule <u>16)</u>	Future Scenarios predict changes in rural land use to activities less reliant on transport (e.g. rural land furthest from Eastland Port being transitioned over time to native / carbon forestry). Therefore, these roads have lower access needs and according will have lower LoS.
	Maintenance strategies and programmes will prioritise the highest importance roads, for example unsealed road metalling, sealed road pothole prevention, and culvert clearing.
	Capital investment will be prioritised to the Waiapu River catchment. Bridges in other catchments are unlikely to replaced "like-for-like".
	Highest and high importance roads will achieve target LoS, meaning roads that provide access to communities (Wharekahika, Te Araroa, Tikitiki, Ruatoria and Te Puia Springs) have resilience level of service of C or above.
	Following a severe weather event there may be potentially up to three days without access for these communities. This enables communities to be resilient and connected to the State Highway network, however, will require some preparedness planning for moderate disruption.
	Other roads in the catchment should expect high to severe disruption from unplanned events.
2	Main focus of the programme due to being where the majority of the population reside (outside of the urban centre of Gisborne), and will benefit from the majority of the proactive investment.
	Investment in system change interventions will reduce use and deterioration of roads with high or extreme risk, whilst maintenance strategies will reduce the vulnerability of both sealed and unsealed roads with a focus on proactive drainage and renewals, metalling, and pothole prevention.
	Supporting maintenance will include active monitoring of critical assets and river management strategies, with the Mangaheia River catchment prioritised.
	Resilience will be further supported through capital investment in bridge infrastructure, green and blue infrastructure to improve storm water management, erosion and coastal protection.
	Highest and High Importance Roads will achieve target level of service, meaning roads that provide access to communities (Patutahi, Waipaoa, Te Karaka, Makauri, Waituhi, Waimata, Tolaga Bay, Whatatutu) have resilience level of service of C or above. For some communities this may mean new access roads are constructed that are more resilient than currently.
	Following an event there may be potentially up to three days without access for these communities. This enables communities to be resilient and connected to the state highway network, however, will require some preparedness planning for moderate disruption.
	Roads in the catchment which are lowest importance should still expect high to severe disruption from unplanned events.



Catchment (Figure <u>16)</u>	Summary of Interventions and Outcomes	Deleted: 17
3	Investment in this catchment is predominantly system change / planning interventions to better match land use with the resilience of the roading network. These roads may be transitioned to user-paid maintenance, phased out through Dynamic Adaptive Pathways planning (i.e. retreat), or improved with funding from risk-based property ratings and development levies.	
	Maintenance strategies and programmes will prioritise the highest importance roads (i.e. Tiniroto Road), for example unsealed road metalling, sealed road pothole prevention, and culvert clearing.	
	Capital investment will be prioritised to the Waikura and Hangaroa Rivers catchments. Bridges in other catchments are unlikely to replaced "like-for-like".	
	High Importance Roads will achieve target level of service, meaning roads that provide access to communities (Matawai) have resilience LoS arade, C or above.	Deleted: level of service
	Following an event there may be potentially up to three days without access for these communities. This enables communities to be resilient and connected to the State-Highway network, however , will require	Deleted: of Deleted: state
	some preparedness planning for moderate disruption.	Deleted: highway
	Similarly, Tiniroto Road and Parikanapa Road which are identified as a lifeline route by providing an alternative route to State Highway 2 will also have resilience LoS grade, C or above.	Deleted: however
	Other roads in the catchment should expect high to severe disruption from unplanned events. Specifically, approximately 75% of the roads (by km length) in this catchment will be LoS grade E or F.	Deleted: level of service Deleted: of Deleted: level of service
4	Represents the urban centre of Gisborne and therefore is a focus for investment of this programme due to the population density. As a result, all roads have residual risk of medium risk or low, and all roads have a residual resilience LoS grade C or better.	Deleted: level of service of
	Investment in system change interventions such as District Plan provisions and participatory planning will mean development has a positive impact on the resilience of the network.	
	Maintenance strategies will reduce the vulnerability of roads with a focus on proactive drainage and renewals, and pothole prevention to achieve maximum asset life and resilience. Supporting maintenance will include active monitoring of critical assets and river management strategies	
	Capital investment will include green and blue infrastructure in the urban centre for stormwater improvements and coastal protection. There will also be a prioritisation of culvert capacity improvements and structural improvements to bridges.	
	With all roads having a residual resilience LoS grade, C or better, disruption from unplanned events should be resolved within 1 to 3 days.	Deleted: LoS of
	It is noted that although the programme has an "all hazards" setting, there is limited investment to reduce seismic risk other than bridge	



Catchment (Figure 16)	Summary of Interventions and Outcomes
	seismic strengthening and slope protection systems. The network is therefore still vulnerable to seismic events, with Catchment 4 having higher exposure due to the high amplification susceptibility of the urban centre.

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Conclusions

The success of the Balanced Reach option will be in rationalising the length of the network as soon as possible, and prior to the 2027-37 LTP. The benefits of the Balanced Reach approach are only affordable if the network length is reduced i.e. more roads with LoS grade F which have been identified through desk top analysis of available region wide data sets. Council will further review and validate the actual roads which could be reverted to LoS grade F as part of future maintenance programmes. Further to the network reduction, other application considerations are outlined below.

The preferred resilience investment prioritisation approach can be used to help manage expectations about LoS across the network by:

- Documenting clear and consistent investment decision making requirements for future planning.
- Demonstrating where <u>Council</u> anticipate needing to apply Avoid-Protect-Accommodate-Retreat responses, and provide visibility to iwi, communities, road users and other infrastructure providers.
- Creating a basis for long-term, proactive conversations about future network states and access provisions.
- Informing funding decisions including through the business case approach.
- Better connecting recovery and resilience planning.

The guiding principles are:

- Operationalising enhanced maintenance, operations and renewals (MOR) interventions as soon as possible within the first ten Years.
- Prioritising <u>system change</u> interventions that will increase potential funding as soon as
 possible to offset increases to <u>costs</u>.
- Prioritising interventions that require <u>fewer</u> resources or specialist capabilities to
 achieve quick wins and allow time for capability enhancements necessary for more
 complex interventions.

It is acknowledged changing the LoS of parts of the network will be disruptive to people that use the roads and potentially rely on them.for-access., the investment prioritisation approach will be applied only after appropriate engagement with affected local communities.

<u>Furthermore</u> the Balanced Reach approach outlined in this PBC <u>will be</u> subject to public consultation within the statutory processes necessary before the 2027-37 LTP and RLTP are approved by Council.

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The preferred Balanced Reach resilience programme performs best against the PBC investment objectives and critical success factors.¶ The PBC prioritisation framework can be used to help manage expectations about LoS across the network by:¶

Documenting clear and consistent investment decision making requirements for future planning.¶ Demonstrating where Council anticipate needing to apply Avoid-Protect-Accommodate-Retreat responses, and provide visibility to iwi, communities, road users and other infrastructure providers.¶



Financial Case

Introduction

Following on from the Economic Case, the Financial Case provides a high-level cost assessment of the preferred option Balanced Reach resilience programme, over a 30-year period. The programme concentrates on changes to Levels of Service (LoS) across the local roading network rather than specific projects. Furthermore this PBC does not represent a bid for additional funding, and work of this nature will come through the next (and subsequent) Regional Land Transport Plan (RLTP) and Long Term Plan (LTP).

Funding and Affordability

With a total population of just over 50,000 there is only a small ratepayer base in Te Tairāwhiti, and many competing priorities for roading investment across Aotearoa New Zealand. As a result there is never likely to be sufficient funding for upgrading resilience of roading routes to a level that delivers an ideal future state – where the risk of disruption from severe weather events and climate change is eliminated. Te Tairāwhiti region has a small share of total travel demand in Aotearoa New Zealand – just 0.4% of journeys based on a local roading network length of 1.9%. Therefore the region does not rank highly in terms of national transport investment priorities.

Ratepayers who live in the region are not generally wealthy. In 2024 the mean household income in Te Tairāwhiti was \$120,402 – which is 10% below the Aotearoa New Zealand figure of \$132,873. This means that many residents are simply unable to afford high rate rises to pay for increases in roading maintenance. In 2024, the Three Year Plan consulted on two investment options:

- 3.7% rates increase to sustain the existing three-year MOR budget of \$84 million (reflecting inflation increases only, with no additional investment).
- 19.7% rates increase to secure a higher three-year MOR budget of \$125 million and increase LoS.

In the subsequent public consultation, 75% of respondents expressed a preference for the lower rates rise. A lack of ability (or sometimes willingness) to pay more means that available investment needs to work as hard as possible to deliver both individual and collective value to the region and Aotearoa New Zealand.

In comparison to previous years, the 2024-27 National Land Transport Programme (NLTP) allocated Te Tairāwhiti region a relatively high total investment for the Maintenance, Operation and Renewal (MOR) activity classes. Figure 21 shows that Te Tairāwhiti received the third highest per capita allocation for the Local Road Operations and Local Pothole Prevention activity classes after Marlborough and West Coast – two regions also badly affected by severe weather events. Around 15% of this MOR investment is for emergency work in relation to Cyclone Gabrielle (and the Crown has provided much more).

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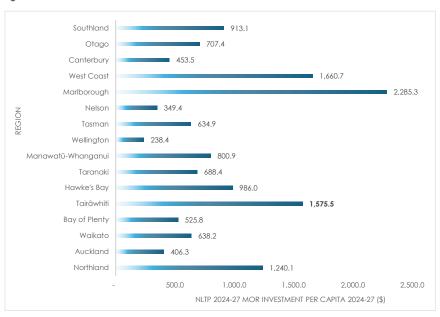
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Source: National Land Transport Programme, Waka Kotahi NZ Transport Agency

The challenge is that even increased investment in the current NLTP has to be placed in context. Table 45 shows that Te Tairāwhiti region has one of the lowest number of people per road kilometre in Aotearoa New Zealand, more than double the national average. This means that resilience investment, which requires both NZTA investment in State Highways local share through the region's ratepayers, continues to be spread very thinly over a very long roading network.

Table 45 Population Per Road Kilometre Across Aotearoa New Zealand Regions

Region	Road Length (Kilometres)	Population	Number of People Per Road Kilometre
Northland	6,671.9	203,900	30.6
Auckland	8,387.0	1,739,300	207.4
Waikato	9,850.6	522,600	53.1
Bay of Plenty	4,795.4	354,100	73.8
Te Tairāwhiti	2,224.3 *	52,600	23.7
Hawke's Bay	4,697.7	184,800	39.3

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Region	Road Length (Kilometres)	Population	Number of People Per Road Kilometre
Taranaki	3,999.4	128,700	32.2
Manawatū-Whanganui	8,785.1	260,900	29.7
Wellington	4,081.1	550,500	134.9
Tasman	2,045.9	59,400	29.0
Nelson	346.3	55,600	160.6
Marlborough	1,820.8	52,200	28.7
West Coast	2,780.9	32,900	11.8
Canterbury	14,800.9	666,300	45.0
Otago	9,345.8	254,600	27.2
Southland	6,510.80	103,900	16.0
All	91,143.9	5,222,300	57.3

^{*} Includes both State Highways and local roads, figure for local roads only is 1,899 kilometres.

Source: Te Ringa Maimoa and Stats NZ Census

Given the potential increase in frequency of severe weather events, added to the longerterm impacts of climate change, it is highly likely that funding requirements for resilience investment will outpace any increase in population growth and prosperity of the region's residents.

Option Cost Comparison

<u>High-level estimated costs for each option have been built up from individual interventions using unit rates or parametric costs assigned to each intervention, assumed from the following data references:</u>

- NZTA Annual Achievement Reporting and Transport Investment Online (TIO).
- Cost libraries from recent projects in the region (including the Cyclone Gabrielle recovery).
- WSP cost estimation of indicative unit rates for isolated and targeted interventions.
- 2024-27 National Land Transport Plan (NLTP) and 2024-34 Regional Land Transport Plan (RLTP).
- Historical expenditure by National Land Transport Fund (NLTF) Work Category in Gisborne District.

High-level programme costs have been produced <u>for option comparison purposes</u> and are expressed in 2025 prices. These figures represent a 30-year estimated cost including the base programme and unplanned emergency works (which are clearly subject to significant uncertainty and hence expressed as bounded ranges). As shown in Table 46, Balanced

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Reach is similar in cost to Status Quo when a lower bound of emergency works cost is included. Balanced Reach is lower cost than Status Quo with an upper bound emergency works estimate, demonstrating impact of increased proactive resilience investment.

Table 46 High-Level Programme Options 30-Year Comparative Cost Estimates

Description		Comparative 30-year Estimate in 2025 Prices (\$m)			
		Status Quo	Resilient Communities	Strategic Routes	Balanced Reach (Preferred Option)
Proactive Investment	Base programme	656	945	944	77 <u>8</u> ,
Reactive Investment	Potential emergency works (lower bound)	164	109	148	81
	Potential emergency works (upper bound)	327	219	295	163
Total Investment	Lower Bound	820	1,054	1,092	85 <u>9</u> ,
	Upper Bound	983	1,164	1,239	9 <u>41</u> ,
Summary	iti Strategic Netwo	Lowest proactive investment, but significantly higher potential for reactive investment, reducing the level of certainty of the estimated cost.	Higher cost interventions result in significantly larger proactive investment. Reduced potential reactive investment does not offset the higher proactive investment.	Higher cost interventions result in significantly higher proactive investment. Reduced potential reactive investment does not offset the higher proactive investment.	Second lowest proactive investment but includes system change interventions that are uncosted but will potentially increase external funding to offset some of increased proactive resilience investment.

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technico Inputs, WSP



<u>Table 47 indicates the key assumptions and limitations of estimated costs to feed into understanding of the options' affordability.</u>

<u>Table 47 Preferred Programme 30-Year Comparative Cost Estimates</u>

Assumption /	Description	Impact
<u>Limitation</u>	<u>bescription</u>	<u>impaci</u>
Resilience Based Costs	Costs are for resilience-based interventions i.e. other network management costs are excluded (e.g. network operations; environmental maintenance such as vegetation control; specific road improvements such as safety improvements etc)	Estimated costs do not represent the total network expenditure over the 30-year period
Intervention Unit Rates	Intervention unit rates have been developed based on a combination of GDC's historic expenditure and standardised unit cost information	Intervention unit rates are standardised and have not been adjusted by location of the intervention within Te Tairāwhiti
Inflation / Escalations	Inflation / escalations have been excluded from the cost estimates	Estimated costs do not represent the total network expenditure over the 30-year period
Intervention Timing	Intervention timing has not been considered in the cost estimation process. Costs provided do not represent a Net Present Value	Timing of expenditure can impact on comparability of options costs
<u>Efficiencies</u>	Potential contract efficiencies and mechanisms have not been included. This will be considered in the Management and Commercial Cases	Contract agreements may impact total cost
Funding Assistance Rate (FAR)	Costs have not been split into local and national shares, so changes to FAR are not considered.	No impact to total cost but will affect affordability for Council.
Emergency Works (Reactive Investment)	The potential emergency works cost for the 30-year period is based on residual risk. Reactive costs have been estimated based on the length of network with a residual risk of Medium or higher. A range of cost/km rates were applied based on historic emergency works spend (low, moderate, high and extreme reactive spend)	If proactive expenditure is delayed, reactive costs increase
Resilience Based Costs	Costs are for resilience-based interventions i.e. other network management costs are excluded (e.g. network operations; environmental	Estimated costs do not represent the total network



Assumption / Limitation	<u>Description</u>	<u>Impact</u>
	maintenance such as vegetation control; specific road improvements such as safety improvements etc)	expenditure over the 30- year period

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technica Inputs, WSP.

Preferred Option Costs

The preferred "Balanced Reach" programme has been costed to fit within an assumption that MOR funding will remain broadly at current levels. <u>There is no presumption</u> that funding will increase beyond inflation, and this PBC does not represent a bid for additional investment. Instead the preferred option makes better use of existing funding through prioritised investment in proactive and planned asset management to target resilience and LoS improvements.

Table 48 provides a summary of preferred programme estimated costs, by expenditure type and intervention hierarchy, over the 30-year programme period. Costs are expressed in 2025 prices and do not include inflation. Actual costs of programme interventions and available budgets will be determined through successive Activity Management Plans (AMPs), Long Term Plans (LTPs) and Regional Land Transport Plans (RLTPs).

Around 68% of the <u>preferred</u> programme's cost is allocated to a refined business as usual approach which assumes higher levels of capital and proactive investment compared with the <u>Status Quality</u> option.

Table 48 Preferred Programme 30-Year Comparative Cost Estimates

Hierarchy	Alternatives	Operational Expenditure	Capital Expenditure (MOR)	Capital Expenditure (Improvement)	Total
System change	Policy Responses	Uncosted	-	-	Uncosted
	Divestment Decisions	Uncosted	-	-	Uncosted
	Financial Mechanisms	Uncosted	-	-	Uncosted
	Organisational Changes (Governance)	Uncosted	-	-	Uncosted
Business-as- usual	Maintenance Strategy	17.5	-	-	17.5
(refined)	Maintenance Programmes	163.2	143.0	-	306.2

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Hierarchy	Alternatives	Operational Expenditure	Capital Expenditure (MOR)	Capital Expenditure (Improvement)	Total
	Proactive Renewals	=	304.6	=	304.6
Targeted	New Roading	-	-	3.0	3.0
interventions	Drainage Improvement	=	35.0	0.2	35.2
	Stormwater Management	=	-	2.5	2.5
	Slope Protection	=	-	17.0	17.0
	Temporary & Alternative Structures	=	17.4	-	17.4
	Structural Improvements	-	30.7	18.2	48.9
	Green Infrastructure	-	-	1.2	1.2
	Blue Infrastructure	-	-	24.6	24.6
Reactive investment	Emergency Works (lower bound)	81,	-	-	81,
	Emergency works (upper bound)	163	=	Ξ	163
Jotal (lower b	ound)	261.7	530.7	66.7	859. <u>1</u> ,
<u>Total (upper b</u>	ound)	343.7	530.7	66.7	941.1

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Investment Sensitivities

Table $4\frac{Q}{2}$ summarises key potential implications of the system change interventions that may impact the delivery of the preferred option.



Table 49 Implication of System Change Options

Intervention Alternatives	Potential Implications	
Policy Responses	System change measures are uncosted, and any impact on Council operational resourcing and skillsets have not been quantified.	Deleted: The s
	Policy responses require time to be implemented and to take effect. Further delays as a result of the recent Government moratorium on Plan changes are not fully understood.	Deleted: Responses
	Spatial planning and resource management decisions may be made that are contrary to the intention of the preferred option which could result in a worsening resilience of the land transport system or affecting the affordability.	Deleted: Decisions Deleted: from a land transport perspect Deleted: of the preferred option
Divestment Decisions	The assumption of reduced expenditure due to divestment has been factored into the overall costing for interventions. If divestment decisions are delayed until later in the 30-year period, this will affect the cost estimate due to ongoing maintenance requirements, thereby reducing the anticipated savings.	Deleted: until divested
Financial Mechanisms	Interventions increase third-party funding for investments in resilience improvements, which helps to offset the increased proactive investment of the preferred option over the Status.Quo option . Timing of these implementations will impact the available funding.	Deleted: status Deleted: quo
Organisational changes	Affects the mechanisms available for the Council to invest in resilience within the transport network, thereby impacting the obtainable resilience benefits. Depending on the changes, efficiencies could be achieved; however, inefficiencies could also be introduced (e.g. through procurement).	

The option prioritisation assessment largely assumes that programme investment is evenly spread over the 30-year programme period. However it is highly likely that greater levels of investment will be needed in the first ten years, and tapering off after that. This is because proactive investment needs to happen faster before asset condition deterioration progresses <u>still further and results in even higher future costs.</u> Table <u>50</u> summarises potential implications based on different investment timing scenarios.

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Table 50 Implications of Investment Timing

Intervention Alternatives	Potential Implications
Increased early investment	If investment was increased for the first ten years, and decreased in the subsequent twenty years, Council and / or their funders would need to increase investment levels, posing an affordability risk for ratepayers. However, anticipated benefits could be realised earlier by an expected reduction in reactive investment requirements (i.e. investing in improving the resilience of the local road network is expected to reduce future damage from storms, etc. and associated emergency works costs). Other benefits could also include reducing operational expenditure requirements through earlier asset renewal and / or improvements, which are expected to reduce asset deterioration and associated costs for asset maintenance and repairs.
Deferred early investment	If investment was reduced for the first ten years, by deferring it to the subsequent twenty years GDC and / or their funders could expect to see reduced pressure on budgets, improving short-term affordability for ratepayers. However, it would be expected that the local road network would continue to deteriorate, potentially at a faster rate (especially if there are severe weather events), increasing medium-long term investment needs.

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

The preferred investment approach concentrates investment in the central area of Te Tairāwhiti, where most of the population resides (catchment area 2 shown in Figure 16 above). Table 51 outlines key implications of this aeographic approach for programme costs.

Table 51 Implications of Geographic Approach for Programme Costs

Category	Potential Implications
Land use or population change	Should significant land use or population change increase occur in the northern and western parts of the <u>region</u> , this could change the associated importance level of roads and may trigger an increase in target LoS which would impact on the overall cost of the option.
Distance from main centres	Costs for project implementation are likely to be lower closer to the urban centre of Gisborne and other population centres. While the preferred option focuses on townships, any shift in this focus could result in increased expense due to higher labour, plant, and material costs.
Advocacy	There is potential for <u>community criticism or possibly</u> legal action regarding LoS reduction on low importance roads <u>in affected geographic areas</u> . This may result in hesitation by decision-makers or delay in implementing aspects of the

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Category	Potential Implications
	preferred option. This will impact on the ability for Council to realise the anticipated cost savings and resilience benefits of the preferred option.

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Table 52 summarises how further severe hazard events, such as another cyclone, may impact the implementation of the preferred option.

Table 52 Implications of Further Severe Weather Hazards on Preferred Option Implementation

Category	Potential Implications of Further Severe Weather Events
Recovery focus	A shift in focus toward recovery of the network rather than implementing recommended system and investment changes. Resourcing and financial burdens will likely lead to a reprioritisation of investments towards recovery efforts instead of preventative and cyclical maintenance.
Deferring maintenance	Minor maintenance issues could escalate into major problems if resources are diverted to recovery efforts and away from proactive asset management.

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs. WSP

Table <u>53</u> indicates the key assumptions and limitations of the <u>option</u> assessment with respect to investment sensitivity.

Table 53 Key Assumptions and Limitations of Option Assessment

Category	Potential Implications
Certainty	Intervention costs have been developed based on high-level parametric costings to enable comparison of the options. They do not account for specificities of project sites, and how the interventions are implemented in practice will impact total cost, affordability, and realisation of resilience benefits.
Achievability	System change interventions proposed are concepts. Further work, including assessment from a legal and regulatory perspective, is recommended as the programme is developed further.
Resilience	State Highway resilience LoS have not been considered in
	detail relative to Council proposed resilience LoS.
Affordability	The evaluation has considered possible reduction in future emergency works costs, as a result of increased proactive

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Category	Potential Implications
	investment in network resilience. Whilst this reduces the overall
	spend, it could increase, the direct cost to Council due to
	maintenance operations, renewals and improvements having
	a lower NZTA Funding Assistance Rate (FAR). However
	changes to the NZTA emergency works policy could mitigate
	this issue.

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Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

User Pays Approaches

Council is committed to increasing the total amount of maintenance funding received directly from users whose activity results in damage to the Te Tairāwhiti network, especially large logging trucks operated by the forestry industry.

Table <u>54</u> sets out the level of roading rates to be collected from different property types between 2025 and 2027.

Table 54 Rates Collected From Different Property Types

Area	Property Type	Rates Collected (\$m)	Rates Collected (%)
Gisborne city	Residential	16.1	36.2
	Industrial	1.8	4.1
	Commercial	1.1	2.4
Townships	Residential	2.2	4.9
Rural	Residential	4.1	9.3
	Industrial	0.6	1.3
	Commercial	0.1	0.1
	Horticultural & Pastoral	8.9	20.1
	Forestry	9.6	21.6
All	All	44.5	100.0

Source: Gisborne District Council

Excluding recovery funding, around 75% of the Council MOR budget is spent in townships and rural areas, with rates collected from these properties being just under 43% of the total. Gisborne city residents and businesses are https://document.org/thereos/ therefore cross-subsidising roading MOR investment in the rest of the region. In principle there is nothing wrong with this situation, as rural areas provide economic value in terms of natural, production and people resource – and they have a vast roading network that contributes to all of that.



However, the reality is that physical condition and resilience of the region's roads continues to deteriorate. With a very small and economically deprived rural residential rating base, and much of the damage being attributed to heavy logging trucks on low volume roads, there is a strong case for investigating higher financial contributions to MOR from forestry in particular.

Section 101(3) of the Local Government Act (LGA) 2002 states:

"The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,

- (a) in relation to each activity to be funded,
- (i) the community outcomes to which the activity primarily contributes; and
- (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- (iii) the period in or over which those benefits are expected to occur; and
- (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community."

Point (iv), around actions or inactions of people or groups contributing to a need to undertake MOR activity, is key to the question of user pays <u>funding approaches</u>.

The Road Controlling Authorities Forum (NZ) Inc Guidelines for equitable funding of pavement maintenance for low volume roads²⁰ states that:

"A large proportion of pavement consumption on local roads occurs on low volume roads, caused almost entirely from commodity cartage."

The guidelines set out a method for:

- Calculating pavement consumption on low volume roads caused by industrial landuse.
- Allocating the cost to industrial ratepayers, in an equitable way, using rules prescribed by local government legislation (i.e. the LGA 2002).

This <u>cost</u> allocation <u>approach</u> is appropriate for primary industries <u>forestry and dairy sheep</u> beef farming - where production and hence pavement consumption is proportional to land area. For impacts not associated with land area, the method allows <u>cost</u> allocation to be further adjusted to account for:

• Distance travelled on roads by heavy vehicles from land in different locations.

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²⁰ Guidelines-Final-21 May 2018 Revision.pdf



- Intensity of production arising from farming types that differ significantly from a
 national average (such as for the five classes of dairy farming and eight classes of
 sheep and beef farming).
- Intensity of production, where this is influenced by factors other than land-area (such as for quarrying, processing of dairy, meat and wood, and port activities).

Alternatively, the method allows for allocations not associated with land area to be based on land ρr capital value.

A stepped methodology allows for more proportionate allocation of total roading costs between road users, which is the sum of:

1. <u>Pavement consumption maintenance costs</u> allocated through a targeted rate.

 Fixed road maintenance costs allocated as a uniform general charge to each ratepayer.

3. Other pavement maintenance costs, to be decided by Councils, allocated, as a uniform general charge to each ratepayer.

For each land use activity, average annual transport requirements, in tonnes per hectare, over a long period (e.g. 30 years) can be estimated for outbound and inbound movements. These freight movements can then be converted into the measure of pavement loading, Equivalent Standard Axles (ESA) and calculated per hectare (ha). ESA Line average values can be used to calculate annual pavement consumption costs from different industries and enables comparison of both short-term and long-term pavement consumption on a common basis.

The heavy vehicle traffic generation from particular types of land use can be estimated by the following steps:

- Identify the land use or activity to be considered i.e. forestry, quarrying, dairying, drystock beef farming, stock finishing, sheep farming, horticulture, viticulture, arable cropping, etc.
- 2. Determine the comparison period (in years) to be used to compare the heavy commercial vehicle (HCV) traffic generated by differing land uses.
- 3. Determine the average output values in tonnes per hectare for area-based land uses.
- 4. Determine the average input values for area-based land uses in tonnes per hectare.
- Determine the average output and input values for non-area-based land uses in tonnes.
- 6. Determine the HCV traffic generated by the identified land uses:
 - For each transport task, identify the typical vehicle configuration(s) that will be used and payload capacity.
 - b. Determine the ESA per payload tonne associated with each input and output commodity.
 - c. Determine the ESA per hectare for the land use or activity being considered.
- 7. Determine the distance travelled on the affected roads.

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This is clearly a lot of data, and step 7 requires much more comprehensive information than currently available on origins and destinations of heavy vehicles across the region, and hence the local roads they travel on. Council is seeking funding through the current RLTP for a transport model which, if developed, would be able to assist with assessment of roading impact and user pays charging options.

Another option is to follow the lead of neighbouring Wairoa District Council (WDC) who have introduced a change whereby people or companies who own more than 100 ha of plantation forest pay a general rate at a proportion four times that paid by residential ratepayers per dollar of capital value. This charge is not levied in proportion to the level of roading damage, but is a more general reflection of the negative impact that the level of forestry rates contribution has on social, economic, environmental, and cultural wellbeing in Wairoa district.

To justify their approach WDC has managed to establish that forestry makes a much lower economic contribution than other industries such as farming. This negative impact of forestry isn't necessarily the same in Te Tairāwhiti, and so implementing a similar approach to WDC may not be the best way forward.

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Conclusions

This financial case in this PBC is predicated on there being no significant <u>additional</u> investment in MOR activities beyond <u>levels</u> in the <u>current 2024-27</u> budget – around \$28 million per year <u>at current prices</u>. The high-level 30-year cost estimate (excluding inflation) for the preferred "Balanced Reach" programme is a band between \$859 million and \$941 million, depending on the level of emergency works (which cannot be predicted with any certainty).

The preferred programme seeks to rebalance investment away from reactive emergency works to repair damage to a proactive asset management approach which aims to prevent or minimise damage occurring, at least on the highest importance routes.

Given the budget constraints, the preferred resilience investment programme has a strong focus on three lifecycle approaches.

The first of these involves implementing changes from a systems perspective, particularly for roads with the highest risk and lowest overall importance. These roads may be transitioned to user-paid maintenance, phased out through Dynamic Adaptive Pathways planning (i.e. retreat), or improved with funding from risk-based property ratings, development levies and user charges. By altering how Council maintains these parts of the network, resources can be better allocated for the maintenance and improvement of the remining sections.

The second approach is to reduce resilience risk by focusing on maintenance of both sealed and unsealed roads in the central area of the region, as well as the most important roads in northern and western areas. Investing geographically where the majority of the population live allows Council to achieve their target level of service on these roads. Unsealed roads of lower importance may have seasonal restrictions for heavy vehicles to prevent deterioration. Sealed roads of lower importance will be considered for reversion to unsealed at the end of their economic life, as a cost efficiency measure. Resilience will be further supported by an increased focus on proactive drainage and bridge maintenance.

The third approach is to deliver structural improvements to bridges on roads with high importance that cross key rivers and waterways to maintain key access needs. However, as a trade-off, bridges on the lowest importance roads may not be reinstated with a permanent

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"like-for-like" replacement following damage in an event. Additionally, when bridges on lowest importance roads reach the end of their economic life, they may not be replaced "like-for-like" and instead be replaced with low level crossings such as floodable fords being likely if appropriate. Resilience will be further supported through green and blue infrastructure to improve storm water management, erosion and coastal protection.

A significant financial risk is that further severe weather and climate change impacts will, despite best intentions, keep the need for emergency works at a higher level than desirable which will reduce proactive asset management investment.

This means that any options to significantly increase the level of user-pays level of investment in the roading network – potentially including a contingency fund for emergency works – should be actively investigated and (if beneficial and deliverable) implemented as part of the next Long Term Plan (LTP).

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Commercial Case

Introduction

The preferred resilience programme identified in this PBC will require efficient and effective delivery by Council as the client, and competent contractors who provide specialist labour, skills and expertise. The relationship between client and contractor is critical for success, and expressed through a contract between the two parties (which can also include consultants and sub-contractors).

Council will be tendering new contracts for maintenance, operations & renewal (MOR) and pavement renewal / rehabilitation by July 2027. Given that programme details and costs are high-level, it is not the purpose of this PBC to prescribe which contract delivery model is most appropriate, but rather to set out options and identify critical success factors.

Council Procurement Policy

Principles and objectives as defined by the Office of the Auditor General: Procurement Guidance for Public Entities are consistent with Council's organisation-wide policy which procures works, goods or services following the basic principles governing public spending:

- Accountability.
- Openness.
- Lawfulness.
- Fairness.
- Integrity.
- Sustainability.

The Government directs Council to approach the procurement of land transport activities in certain ways, including seeking new and innovative solutions, avoiding transfer of all risk to suppliers, and supporting greater collaboration. When procuring land transport activities, Council seeks to:

• Seek opportunities to include Aotearoa New Zealand businesses.



- Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility.
- Look for new and innovative solutions.
- Engage with businesses with good employment practices.
- Promote inclusive economic development within Aotearoa New Zealand.
- Manage risk appropriately.
- Encourage collaboration for collective impact.

In addition to the core principles outlined above, procurement objectives which align with Council's vision, values, strategy and community outcomes are shown in Table 55.

Table 55 Procurement Objectives and Council Commitments to Regional Value

Objective	Council Commitments to Regional Value			
Economic Development	Use resources effectively, economically and without waste, with due regard for the total costs and benefits of an arrangement, and its contribution to the outcomes Council is trying to achieve to facilitate economic development.		-(Deleted: Council will u
	Achieving economic development through Council's procurement activity includes:			
	Increasing direct employment opportunities in LegIairāwhiti region and improving employment opportunities for disadvantaged populations.		-(Deleted: the
	Improving viability of existing businesses and / or creating new businesses.			
Social Responsibility	Council will consider the social costs and benefits to <u>Je Tairāwhiti</u> region as part of its procurement decision-making process to facilitate socially responsible procurement.		-(Deleted: the
	Achieving social responsibility through Council's procurement activity includes enabling and building capability in the local workforce, including:	_		Formatted: Normal, No bullets or numbering Deleted:: ¶ F
	Providing opportunities for youth and under-represented people groups to transition positively into the work force.		(L
	Providing training and apprenticeship opportunities to foster career development.			
	Providing opportunities for lower socio-economic communities in <u>Je Tairāwhiti region to empower its people with greater skills and capabilities to facilitate economic and social development.</u>		(Deleted: the
	Increasing regional as well as national resilience to effectively navigate changes outside of Council's control.			
Environmental Sustainability	Council is committed to taking responsibility for leading the community now and into the future. This means Council will consider environmental costs and benefits to <u>Je</u> Tairāwhiti region		(Deleted: the



Objective	Council Commitments to Regional Value
	as part of its procurement decision-making processes to facilitate environmentally sustainable procurement.
	Achieving environmental sustainability through Council's procurement activity includes:
	Requiring use of sustainably produced goods / materials where appropriate and available.
	Looking for carbon reduction opportunities.
	Looking for opportunities to minimise waste, conserve resources and save energy throughout the procurement project lifecycle.
Cultural Sustainability	Council is committed to fostering <u>Je Tairāwhiti region's cultural</u> heritage, assets and diversity.
	Achieving cultural sustainability through Council's procurement activity includes:
	Better use of iwi assets and assisting Māori development.
	Promoting cultural diversity.
	Fostering use of te reo Māori.
	Acknowledging and applying tikanga Māori in decision- making where appropriate.
Climate Change	Council updated its climate change <u>policy</u> on 30 September 2021 to:
	Expressly state Council's commitment to consider climate change implications in all decision-making, including procurement.
	Seek opportunities to reduce Greenhouse Gas (GHG) emissions in procurement processes.
	Encourage suppliers to meet relevant environmental sustainability standards that support our climate change response.

These objectives are part of Council's decision-making framework, promote regional value for Te Tairāwhiti, and inform sustainable procurement decision-making. A long-term programme of transport network resilience investments gives Council an opportunity to consider how these commitments can be reflected in future contracts.

Procurement procedures must be designed to obtain best value for money spent and approved by NZTA. The principle of value for money does not necessarily mean selecting the lowest price, but rather the best possible outcome (including regional outcomes) for the whole of life cost.

The best value for money concept is aligned with Government's procurement concept of "public value". Specific measures that Council will take to achieve best value for money within the resilience programme include:

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- Open and effective competition is the primary mechanism for achieving value for money with effective competition stimulated by the quality of the specification, the transparency of the process and the quality of the engagement with the supplier markets
- Asset management planning to identify an effective work programme and provide a whole-of-life approach.
- Use of the most appropriate selection and engagement processes that suit the individual procurement and its level of risk.
- Successful delivery of the goods, services and works. The right outcome, at the right time, in the right place, and at the right price (within budget).
- Optimising asset life while meeting affordable Levels of Service (LoS).
- Promotion of regional value for Te Tairāwhiti.

Current Roading Contracts

Four new area-based road maintenance contracts (see Figure 22 below) were competitively tendered (using a price-quality supplier selection method) and commenced in July 2022:

- Turanga and Waiapoa (Fulton Hogan).
- Uawa (Downer).
- Hikurangi (Blackbee).

Scope includes local roads operations and pothole prevention. Contracts are due to expire at end of June 2027.

The maintenance contract traditional model is either measure and value (focusing on quantifying work performed and / or materials used) or lump sum (for lower risk items which can be priced with confidence).

Measure and value promotes transparency and flexibility, accommodating changes in works scope. This can be beneficial in environments such as Te Tairāwhiti with variable and often challenging geographic and geological conditions. Adaptability allows modifications without extensive renegotiations, making them a good choice for dynamic programmes. However relying on actual quantities can make predicting final costs difficult, leading to budgeting challenges for Council and cashflow issues for contractors.

Lump sum contracts offer a fixed price, providing Council with a clear financial commitment. This is advantageous for projects with well-defined scopes, minimising financial uncertainty. However, the rigidity can be a drawback, as unforeseen changes require contract amendments, potentially delaying progress.

A single region-wide pavement rehabilitation and reseals programme was tendered at the same time as the four maintenance contracts - using the price quality selection method and same contract model as for maintenance. Fulton Hogan is the current contractor. In line with the focus on pothole prevention in the current Government Policy Statement (GPS), Council is tendering a new pavement rehabilitation and reseals contract for a maximum term of five years.

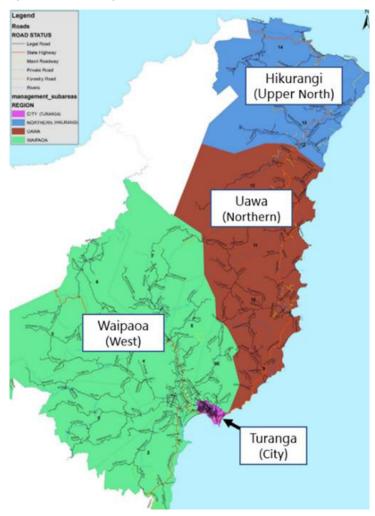
In the 2024-27 Regional Land Transport Plan (RLTP) period the four regional contracts are being used to deliver:



- Ongoing maintenance and operations of the local road network: \$33.65 million.
- investment in resealing, rehabilitating and drainage maintenance on the local road network: \$70.54 million.

Recovery work post-Cyclone Gabrielle has been tendered either through a contractor panel for physical works or the open market.

Figure 22 Current Roading MOR Contract Areas



Source: Gisborne District Council



For roading improvement projects – outside of MOR contracts – Council will apply open competitive tendering unless the value is less than \$100,000 (where direct appointment may be used).

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Contract Delivery Models

Most material for this section comes from Roading Efficiency Group (REG) Road maintenance procurement: Delivery model selection guidelines (2018)²¹.

Delivery models are defined as a combination of contract type and features / parameters. The four major contract types are:

- Traditional.
- Performance-based.
- Alliance / collaborative.
- Framework.

These contract delivery models have a range of features and parameters, as outlined in Table 56.

Table 56 Contract Delivery Models – Features and Parameters

Model	Features and Parameters
Traditional	Council or its consultant undertakes work programming along with design, asset management and contract administration.
	The physical works contract can be developed and managed by either Council or its consultant.
	Payment to the contractor is usually by measure and value based on work programme outputs set by Council
	 Elements of lump sum and cost reimbursable work exist where outputs are difficult to measure or risk is difficult to assess (including emergency works).
	 Measure and value shares risk of variable quantities between Council and contractor. Cost risk remains with the latter as the contract rates are fixed. Cost is therefore reasonably certain, if the schedule of rates is accurate.
	Work activities are determined by the Council / consultant.
	 Items not included in the original contract scope prepared by the consultant and Council are paid as extras through variations.
	 Contract documents must be of a high standard before going to tender.
Performance-based	Combines design / asset management and construction functions with the aim of optimising work / resources.

²¹ Road maintenance procurement: delivery model guidelines



Model	Early year and Devembers		
Model	Features and Parameters		
	 Council specifies requirements through performance indicators and material properties specifications; and the contractor is required to meet these when delivering the maintenance services. 		
	Method of payment is usually lump sum in monthly instalments. Failure to comply with the performance indicators or to promptly rectify revealed deficiencies adversely affects the contractor's payment through a series of clearly defined penalties.		
	Performance-specified road maintenance contracts (PSMCs) define the minimum conditions of road, bridge and traffic assets that must be met by the contractor.		
	Choice of work activities and application of technology along with the pursuit of innovation in materials, processes and management are all up to the contractor.		
	All work activities usually need to be included in the one contract, so the contractor can optimise the work programme and look for innovation over all activities.		
Alliance	Also combines design / asset management with construction, but Council is included as part of the alliance / collaborative agreement.		
	All parties aim to work collaboratively to deliver a "best for network" result.		
	Performance measures are developed and agreed by all the parties who operate in a positive, no blame culture. All parties also agree the specifications.		
	Alliance / collaborative agreements rely on efficiency KPIs combined with benchmarking - understanding cost structures of work activities and targeting genuine value for money improvements.		
	Council in an alliance / collaborative agreement receives a percentage of any savings made during the contract term, rather than everything going to the supplier.		
	The alliance / collaborative agreement payment mechanism is based on input costs, overheads and an agreed profit margin.		
	Once the alliance / collaborative agreement team has agreed performance measures and a work plan to achieve them, a total cost estimate is produced and independently peer reviewed using recent market rates.		
	The total cost estimate becomes, in effect, the Council annual maintenance budget and can be further peer reviewed by comparing it with previous years.		
Framework Panel	Divides design / asset management and construction functions making them separate sequential processes.		



Model	eatures and Parameters	
	Council establishes panels of contractors and / or consultants based on expertise.	
	Then engages specific contactors or consultants as needed to match the skills and experience sought.	
	Appointment to the panel is mainly based on the scoring of attributes according to the skills and experience required, as determined by Council.	
	Measure and value is usually the method of payment with a schedule of rates also submitted with a bid.	

Source: Road maintenance procurement: Delivery model selection guidelines, REG, (2018)

All contract options have advantages and disadvantages which need to be weighed up when considering which may be most appropriate for a future resilience programme.

Table 57 Contract Delivery Models – Advantages and Disadvantages

Model	Advantages	Disadvantages
Traditional	Widespread use, experience and familiarity Direct Council participation and control, including cost control Suitable for all sizes of contractors Consultant enhances the Council's smart buyer capacity if needed Council can minimise risk and has certainty provided the contract is scoped correctly Can overcome the risk of a lack of competition using small and medium sized contractors Flexible to changes in circumstances Relatively simple to	Can be adversarial because of conflicting objectives Large Council or consultant resource needed to administer extensive management High transactional cost Can result in overly conservative design specifications, if design / asset management function is included Not suitable for very complex networks Less incentive for innovation All doubts and errors in documentation need to be identified by the contractor at the time of preparing the tender
	Relatively simple to understand and operate	Contractor can load rates when measure and value is used
		Contractor unlikely to own the outcome of the work they perform



Model	Advantages	Disadvantages
		May not give contractor efficient work packages
Performance-based	 Enables Council to focus on big picture outcomes and not get distracted operationally Council performance expectations are clearly defined Significant risk transfer to contractor Potential cost certainty and savings resulting from aggregation and bundling Can be used to engage multiple specialist suppliers Provide a clear financial incentive for contractors to meet performance standards Contractors are incentivised to improve their efficiency and minimise waste because they are paid at a set level for performance Minimal transactional costs Single point of contract and responsibility thereby removing the risk of dispute between design / asset management and contractor 	 Defining performance standards can be challenging Lengthy and expensive procurement process Requires extensive data for procurement and definition of outcomes Only suited to medium to large contractors with smaller and medium sized firms as sub-contractors Self-auditing of own work to meet performance measures Lack of direct Council participation, control and flexibility Change management needed as model not familiar to all Reduced flexibility regarding funding levels and LoS changes
Alliance	 Council gains a share of any cost savings and value for money initiatives. Direct Council participation, control and flexibility Collaborative and non-adversarial Provide for continuous improvement and value for money Joint responsibility 	 More difficult to ascertain and fix contract price at outset and the total cost estimate can be set too high Not all Councils are familiar with this procurement method, which requires a high level of Council involvement Have been a lengthy and expensive procurement



Model	Advantages	Disadvantages		
	Allow long-term strategic partnerships	process in past but not more recently		
	Support a best for network approach	Council can be exposed to capped cost overrun		
	Sharing of risk rather than transfer	Only suited to skilled and experienced Councils		
	Usually reduce customer response times by half	Only suited to medium to large contractors with SMEs		
	Provide flexibility to handle	as subcontractors		
	budget and levels of service changes	May be seen as non- competitive and difficult to show any price tension		
	Performance defined	Relatively complex and		
	Good for managing complex networks	require extensive coordination		
	Allow optimal use of combined Council / contractor resource	Only work for a collaborative Council contractor consultant and their staff		
Framework Panel	Achieve consistency when there are a number of similar activities across a programme	Very resource intensive for Council in terms of determining work programmes, scope and		
	Develop a long-term relationship with supplier(s)	coordinationDo not promise the supplier		
	Provide specialist skills	work but agree on processes for when work		
	Effective for a large volume	comes along		
	of work involving a number of activities	There is no performance framework and Council		
	Provide a choice of suppliers for selection at short notice	accepts all risk		
	Provide opportunities for a panel of suppliers to work together to provide increased value for money to Council			

Source: Road maintenance procurement: Delivery model selection guidelines, REG, (2018)

- Risk versus certainty.
- Simplicity versus complexity.
- Control versus delegation.



- Stability versus innovation.
- More versus less procurement effort.
- More versus fewer suppliers.
- Collaborative versus contractual.
- More versus less quality asset information.

Council's choice of contract delivery model for the resilience programme is likely to be based on a series of "decision elements" and "attributes". Table 58 outlines key drivers, secondary drivers and characteristics.

Table 58 Drivers and Characteristics of Delivery Models

Decision Elements	Elements Attributes		
Key Drivers	Council smart buyer capability and capacity		
	Council desire to control the work programme		
	Health of supplier market, including number of potential contractors		
	Availability of good quality network asset condition data		
	Stability of funding and LoS		
	Council appetite for:		
	 Risk management 		
	 improved value for money (VfM) and continuous improvement 		
	o Commercial tension		
	A collaborative model		
	Sustainable pricing		
	Outstanding customer care		
Secondary Drivers	Council ability to decide all requirements prior to tendering		
	Council appetite to:		
	 To appoint multiple suppliers on a skills basis 		
	 For better ownership of network by suppliers 		
	 Enforce the contract using performance indictors 		
	Close involvement and collaboration with the work		
	Size and scale of roading network		
Key Characteristics	Required supplier capability		
	Ability to provide cost transparency		
	Good levels of governance		
	Growing ideas and improving innovation		



Decision Elements	Attributes		
	Encouraging competition between local suppliers		
	Council or supplier succession planning		
	Simplicity		
	Method of payment		
	Contract duration		
	Selection process		
	Ability to enable clustering of services		

Source: Road maintenance procurement: Delivery model selection auidelines, REG. (2018)

Council aspires to be a smart client which includes having:

- An improved understanding of costs that better informs decision-making processes.
- An understanding of the impact that delivery models and supplier selection criteria can have on the value of contracts.
- Robust forward work programmes that are communicated to the industry and supported by budgets that allow the work to be completed.
- Knowledge of the network to determine treatments required based on physical evidence and supported by better data as to the costs involved.
- In-house expertise that aids the decision-making process and allows acceptance of innovative solutions (with or without the involvement of consultants).
- A clear understanding of how risk is allocated and managed.
- An appreciation that lowest price does not always mean good outcomes, and being prepared to pay more can result in better whole-of-life outcomes.

Critical Success Factors for the Resilience Programme

Introduction

Based on the preferred "Balanced Reach" programme set out in this PBC, there are several critical success factors that should be considered when undertaking the next round of maintenance, operation & renewal (MOR) contracts.

Levels of Service

Future Levels of Service (LoS) for the preferred programme have been determined based on local road importance and, as such, should be reasonably stable once asset management and maintenance regimes have been established. The challenge will come if unanticipated land use changes result in alterations of local road importance and hence LoS.

The next contracts should clearly establish accessibility and availability performance standards for each LoS category and, within that, quality metrics for key tasks such as grading of unsealed roads (as these are likely to become more common) and culvert maintenance (which becomes even more important when a surface is unsealed). A need to specify outcome KPIs in relation to road safety and minimising environmental harm again reflects specific challenges of driving along, and living near to, unsealed roads. For each LoS there is a need to articulate design philosophy principles, which could include:



- Safety first: minimising risks for all users of the roading assets based on road traffic volumes and surface.
- Traffic efficiency: ability to accommodate the most appropriate size and weight of vehicle
- Sustainability: incorporating environmentally friendly materials, stormwater management, and minimising / mitigating ecological disruption.
- Resilience to natural hazards: ability to withstand or mitigate impact of extreme weather events, earthquakes, and other hazards, ensuring long-term functionality and safety
- Cost-effectiveness: balancing financial constraints with long-term benefits is crucial.

The resulting construction standards - including materials specification – can then be based on these LoS design principles rather than rigid engineering specifications which lack appropriate context. This approach will ensure that the risk of either under or over designing the physical works is managed.

Asset Management Maturity

A review of Council asset management practices was conducted by WSP in February 2023 based on their Asset Management Capability Assessment Model (am2c). The model assessed Council asset management practices against eight capability elements:

Table 59 Asset Management Maturity Elements

Ele	ement	Maturity Grade	Description	
1	Leadership & Organisational Alignment	Establishing	Council has a periodic review of its strategic directions for land transport through the Regional Land Transport Planning (RLTP) process as well as the Strategic Case within their Asset Management Plan (AMP). However, no asset management policy or strategy links high-level organisational strategies and the AMP. Previous AMPs indicate a good understanding of asset	
			management practices, but it needs to be clarified how it is integrated into daily activities.	
	Core Processes & Management Systems	Establishing	The Land Transport Asset Management System is not yet fully developed or documented; however, key components such as the AMP are in place.	
2			Council has some high-level organisational Asset Risk Management guidelines. No land transport asset risk management strategy or documented process is in place. However, there are some risk management components in the standard maintenance contracts	
			Council leverages relevant industry practices and tools to understand its asset management performance, including RAMM and Te Ringa Maimoa's Transport Insights tool. However, there is limited documentation / evidence that performance monitoring is informing improvement.	



Ele	ement	Maturity Grade	Description	
			Note : Some aspects of this capability element were not reviewed as part of the land transport activity, as they are more applicable at an overarching organisational level.	
3	Asset Management Decision Making	Establishing	The current AMP documents show Council's decision-making approach, including an overview of demand, risk, and level of service, as well as their alignment with Waka Kotahi and Council's strategies and objectives. However, there is limited optioneering and detail of asset lifecycle strategies. Lifecycle costing is not always taken into account in decision-making.	
	Countries		Council reviews capital projects as part of the Long Term Plan (LTP) process every three years to prioritise capital projects. However, there is no formal investment decision-making framework, so the prioritisation criteria and methods are unknown.	
4	Capital Planning & Delivery	Establishing	Capital expenditure categorisation happens through Waka Kotahi Work Categories (WCs). Costs are being captured, and supply options and procurement processes exist. There is no evidence that financial impact factors are considered (e.g. Net Present Value (NPV) analysis for renewals or Benefit Cost Ratio (BCR) for improvements).	
5	Maintenance Planning & Delivery	Establishing to Competent	The condition of the assets is being recorded and monitored on RAMM J_Pocket RAMM, but there is no process to initiate corrective actions. Proactive maintenance is carried out through Forward Work Plan. There is a Maintenance intervention strategy in place.	Deleted:
6	Operations & Business Continuity	Establishing to Competent	There are strategies to prioritise operations and update the procedures through Maintenance Intervention Strategies. However, it is not clear how Council responds to incidents and prepares preventative actions based on incident investigation reports. Contractors primarily handle incidents, and Council has not much visibility on their procedures. There is an organisational Business Continuity Plan, but it is not clear how much detail it provides for asset operations.	
			The operations team is not fully involved in the process of asset management planning. There is limited collaboration between teams in developing and implementing asset management practices.	Deleted: collboration Deleted: developping
7	Digital Assets & Information	Establishing to Competent	Reliable data is captured and maintained regarding asset inventory, replacement costs, remaining life, etc. Asset criticality data or asset drawings / plans / BIM do not exist. Data governance, stewardship, and reporting	



Element		Maturity Grade	Description
			are not clearly defined. According to Te Ringa Maimoa, the overall data quality score is 70%.
i	Roles & Resource Capabilities	Not Assessed	This capability element was not reviewed as part of the land transport activity, as it requires review at an overarching organisational level.

Source: Gisborne District Council, Activity Management Plan, 2024-27

Results showed that for most capability elements, Council's asset management maturity is at the "Establishing" level, with some areas progressing towards "Competent". Table 60 sets out priority tasks, which are in progress:

Table 60 Asset Management Maturity Priority Tasks

	Del	ete	d:	5	
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(Tasks from high to low priority)	Description	Benefit
1	Asset Management Policy & Strategy	Develop an Asset Management Policy outlining the Jundamental principles by which Council will manage its assets, which is endorsed by senior leadership. Develop an Asset Management Strategy documenting Council's long term strategic approach to asset management, including: asset management objectives, key stakeholders, roles and responsibilities for asset management, investment decision-making criteria, asset management system requirements and roadmap for improvement. Council has the majority of this in various existing documents; however, Council would benefit from pulling this together in one place.	These documents give asset management leaders and teams a clear direction for asset management practice and expectations for their role in the Council's asset management practices.
2	Consistent Decision-Making	Review Council's current investment decision preferences and establish a formal Investment Decision Making Framework (IDMF). Evaluate the decision processes for fairness, transparency, repeatability, and robustness. Implement the IDMF to	When decision-making is consistent and transparent, it leads to more robust and effective decision-making across all service areas. It will help to prioritise what Council invests in practically.

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(Tasks from high to low priority)	Description	Benefit	
		prioritise projects / activities and support decisions with facts. Capital expenditure evaluation needs to be supported by financial impact factors (e.g. Net Present Value (NPV) analysis for renewals or Benefit Cost Ratio (BCR) for improvements).		Deleted: your
3	Risk management	Further develop the "Infrastructure Asset Management Strategic Risk and Assurance Map 2020", which is a one-pager risk bowtie to establish a land transport asset risk management strategy. Ensure that it is integrated into investment decision-making process as well as planning and operations procedures.	Having a clear risk management approach demonstrates that Council is acting appropriately to anticipate risks; assess risks; avoid excessive risk; embrace necessary or desirable risks with appropriate safeguards; that its response to risk, whether by insurance, control measures or avoidance, is proportionate and effective; that responsible staff are equipped to take risk-based decisions with confidence; and that there is intelligence in applying risk appetite.	Deleted: your Deleted: we are Deleted: † Deleted: our
4	Asset Criticality analysis	Conduct a comprehensive asset criticality analysis, document the results, and share them with relevant stakeholders. The results should inform Asset Management Strategy and Asset Management Plan. It can also be used in Investment Decision-Making.	Understanding asset criticality is essential, as assets support the core services provided by Council, but not all assets have the same impact on service provision, should they fail. To assist in targeting improved asset management efforts, the criticality of an asset, relatively to another asset, must be assessed.	Deleted: OUF
5	Improvement planning	Continuously identify the strengths and weaknesses of the current plans and processes and make improvements. Ensure that improvement recommendations that Council, receive from Waka Kotahi and Te Ringa Miamoa are fully addressed and considered in future plans.	Overall, improvement planning can help Council to achieve their goals, increase efficiency, and foster a culture of continuous improvement. Through a systematic process of identifying areas for improvement, and developing action plans, Council can proactively address issues and	Deleted: you Deleted: Councilcan



	Tasks			
(from high to low priority)	Description	Benefit	
		Ensure that performance monitoring is used to develop formal improvement plans.	optimise asset performance over their lifecycle.	
6	Lifecycle Management	Asset lifecycle management must be at the centre of any AMP. Council is using lifecycle management approaches in some areas, for example using dTIMS for pavement lifecycle management. However, it needs to be clear how lifecycle management and cost analysis impacts the asset management decision-making processes. Adopt a lifecycle cost approach and demonstrate how asset management practices are going to consider assets' cost in their various periods of the lifecycle (i.e. Acquisition, Operation, Maintenance, Renewal, Disposal)	Lifecycle management approaches, including lifecycle cost analysis, ensure sustainable long term outcomes for Council. All costs and impacts are accounted for over the life of an asset, so Council, can effectively avoid surprises and reduce financial risks.	Deleted: analysis, ensure Deleted: sustainable Deleted: you
7	Internal Collaboration	There is limited input from the Operations team in the development of AMPs. Collaborating with all teams, especially the operation team, is integral in asset management planning. Involve the Operation team in the process of asset management planning at all stages.	Asset Management is an organisation-wide approach to utilising assets in the most efficient and effective way. Among other teams, the operation team's involvement in asset management planning will ensure that the plans and directions are feasible and consistent with the realities on the ground.	
8	AMP implementation	Further develop AMP with more detail to include activities and routine operations, roles and responsibilities, performance metrics and KPIs and a monitoring and reporting system.	Although having an AMP is essential, ensuring that the plan is going to be implemented is even more crucial in achieving the objectives of the plan. It also provides feedback to improve future AMPs.	
9	Data & Tools	Data and information are foundational to asset management processes.	When data and information are complete and updated regularly, it is more likely to get used in decision-making. It also means that ifwhen staff	



Tasks (from high to low priority)	Description	Benefit
	Establish a data governance framework highlighting the processes, standards, roles, stewardship, reporting etc., in collecting, storing and sharing asset data.	changes occur, there is no loss of organisational knowledge and information because the information is not stored and managed appropriately. Having a clear and comprehensive data governance framework will enhance data security, clarity, and usability.

Source: Gisborne District Council, Activity Management Plan, 2024-27

These opportunities for improvement have provided Council with general direction on how to develop its asset management practices, in preparation for implementing the resilience programme through the next contracts. Items such as improved approaches to asset criticality and risk could influence Council considering an alternative contracting model to the traditional measure and value approach.

Reactive to Proactive Investment

By its nature reactive maintenance work can be hard to plan for and means that resource allocation is less than optimal, which feeds through into overall efficiency and value for money. The challenge is compounded by issues such as poor quality locally available materials (especially aggregate), multiple competing priorities and a very large rural network with long travel distances and journey times.

A much greater emphasis on planned proactive asset investment should enable greater certainty for both Council and contractors about:

- How much work there is likely to be (although this is always dependent on funding).
- Where the work will take place, and where it won't.
- When the work will be needed.
- How to plan for maximum time on site (versus travelling to get there).
- Priority interventions for short, medium and long term.
- Type of work required to bring assets up to required standard.
- What the work should cost (recognising that there may be unforeseen challenges such as ground conditions).

The four area-based maintenance contracts are currently separate from the single regionwide renewals / rehabilitations contract. A key consideration will be whether to retain that structure or combine into one or more Maintenance, Operations, Renewals and Rehabilitations (MORR) contracts.

Contract Geography

The <u>preferred future</u> resilience programme will see a change to levels of investment across the four current maintenance contract areas, with a higher proportion of funding going into Gisborne city (Turanga) and the central section of the district (parts of Uawa and Waiapoa).

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Hikurangi is likely to see a reduction in total funding, with investment concentrated on the most important economic routes.

Areas with lower future investment levels will, if anything, become even more important from an efficiency and effectiveness perspective – as every dollar must deliver positive economic, social, cultural and environmental outcomes.

Within all contract areas there is a need to optimally locate staff resource and equipment to minimise length of time taken to get to site and set up necessary temporary traffic management. A long-term view of the work programme and priority investment geographic areas should enable optimal depot and out-station location(s) to be identified. There is, however, also a need to maximise agile responses where unplanned emergency works are required. This may involve designation of mobile rapid-response crews and equipment, especially if potential adverse network impacts are forecast in advance.

Innovation

Innovation – the process of creating value from ideas – is an essential ingredient for the future resilience programme. The current situation – waiting for the next severe weather event and undertaking emergency repairs after it – needs to be developed into a risk-based programme management approach based on understanding of asset need and performance.

Innovation <u>firstly</u> comes with identification of land use interventions which, where possible, tackle the sources of risk which may be well away from the roading network, high in the region's hill country. Where this approach is not practical or effective, innovation in the design process should be used to identify cost-effective solutions without always sticking to a rigid specification.

<u>The role of technology is also likely to be important.</u> Table 61 summarises several technology and innovation developments in roading maintenance which could have applicability to the preferred resilience programme:

Table 61 Possible Technology and Innovation Developments in Roading Maintenance

Development	Description
Sensors and real- time monitoring	Sensors can detect surface changes, such as the formation of cracks or potholes, and send alerts to maintenance authorities. The speed and automation of detection enables a quick and efficient response to repair damage before it becomes a major problem. Costs are minimized and in parallel the good condition of the road is optimised.
Advanced construction materials	More durable asphalt mixes that are resistant to extreme weather conditions are now being used. In addition, some materials have self-healing properties, they can self-manage when small cracks occur, significantly extending the service life of the road.
Drones and robotics	Use of drones and robots for road inspection and repair is gaining market penetration. Drones can fly over large areas and capture detailed images of the road surface, quickly identifying areas in need of repair. Robots, meanwhile, can perform maintenance



Development	Description
	tasks with precision and efficiency, reducing the need for human intervention and improving worker safety.
Smart-roads	Smart-roads are currently one of the most advanced innovations in road infrastructure maintenance. These roads are equipped with technology that enables communication between vehicles and infrastructure, providing real-time information on traffic conditions, weather and potential hazards. Some outstanding features of smart roads include:
	Intelligent lighting systems can automatically adjust according to ambient light and the presence of vehicles, improving visibility and reducing energy consumption. In addition, some lights can change colour to alert drivers to impending hazards or changes in road conditions.
	Temperature and humidity sensors installed on smart roads can detect adverse weather conditions, such as ice or snow. These sensors send alerts to drivers and activate heating systems built into the road to melt ice, reducing the risk of accidents.
	Integration of wireless chargers for electric vehicles. These charger are embedded in the road surface and allow electric vehicles to charge while on the move, eliminating the need for frequent stops to recharge and encouraging the use of sustainable vehicles.
Photovoltaic	Photovoltaic pavements are an innovation under experimentation and development that combines energy generation with road maintenance. These roads are covered with solar panels that can generate electricity from sunlight. Energy generated can be used to power lighting systems, sensors and other devices, turning roads into sustainable energy sources.
Using artificial intelligence and big data	Artificial intelligence (AI) and big data are transforming the way roads are managed and maintained. By analysing large volumes of data, authorities can accurately predict when and where repairs will be needed. AI algorithms analyse data from sensors, cameras and other devices to identify patterns and trends, optimizing maintenance processes and improving road safety.
Pavement recycling technology	For years, pavement recycling for road maintenance has been improving.
	This technology reuses material from old roads to build new ones, reducing the need for natural resources and minimizing waste. Recycled asphalt is not only more sustainable, but can also be more durable and resistant to adverse weather conditions.
	Pavement recycling itself is not a current innovation, as it has a long history. However, improvements in the recovery and recycling processes have been incorporated.
Intelligent traffic management systems	Intelligent traffic management systems use advanced technologies to optimise traffic flow and improve road safety. These systems can include intelligent traffic lights, dynamic signalling and early



Development	Description
	warning systems that inform drivers of congestion, accidents or dangerous conditions. By improving traffic management, travel time, fuel consumption and pollutant emissions are reduced.

Source: Innovations in Road Maintenance: Towards a Safer Future - Openvia

It will be important for future maintenance contracts to consider the extent to which these or other innovations can make a significant difference to both cost-efficiency and service provided to the travelling public.

Collaboration and Competition

Public sector clients and private sector consultants / contractors bring complementary perspectives, experience and skills which can be harnessed for the collective good – delivering genuinely resilient roading networks for the region's communities.

Both sectors also have specific needs:

- Public: to deliver maximum value for funding raised from ratepayers and road users, including a competitive market for roading contract work.
- Private: to earn an acceptable return (profit) on resources deployed (including staff, equipment, intellectual property and capital).

The view that these two needs are completely opposed can result in roading contracts and ways of working which are adversarial in nature, with each side trying to maximise its position at the expense of the other. In such situations, neither side generally receives maximum satisfaction and so collaborative contracting models have become much more common in recent years.

A challenge with collaborative contracting models is that they can become a "winner takes all" situation, which freezes out other suppliers and reduces competitive tension (potentially leading to overcharging and complacency).

NZTA is tendering 17 ten-year "Integrated Delivery Contracts" (IDCs) which aim to provide certainty around a pipeline of work, which enables contractors to plan where to allocate resources and training. IDC contracts include "contestable work" - tasks that can be competed for by different "directory" companies other than the incumbent IDC supplier. In theory this ensures that no single company has control of all the work, allowing others to bid to offer the same service, often to try to do it better or at lower cost.

The IDC holder will be allocated the majority of "potentially contestable" work at the start of the contract tenure. However, a percentage of this work will be held "at risk" based on performance. If the IDC holder underperforms, the "at risk" component will be made available to the directory companies. Conversely, if the IDC holder demonstrates outstanding performance, some contestable work may be directly awarded to them.

Integrated delivery implies closer collaboration among various stakeholders – almost working shoulder-to-shoulder. However, as the client NZTA intends to provide firmer direction in strategic asset management - deciding what work needs to be done on the network and when. Delivery of work aims to be more collaborative, involving NZTA and contractors working together to optimise programmes and ensure efficient, effective delivery.



NZTA will lead programme management to align and sequence all activities – whether undertaken by the IDC supplier, directory suppliers, third parties, or capital projects. This approach aims to optimise network use and minimise customer impact.

NZTA's 2025 procurement framework represents a significant shift towards collaboration and performance-based outcomes, with clear roles for both core and contestable work. This framework seeks to balance efficiency, innovation, and effective delivery while maintaining flexibility to adapt to regional needs and contractor performance.

The Transport Rebuild East Coast (TREC) Alliance was set up to plan, organise and deliver much of the recovery and rebuild work needed on the highway and rail networks in Te Tairāwhiti and Hawke's Bay, in conjunction with local businesses and contractors.

TREC Alliance members include NZTA, KiwiRail, Downer, Fulton Hogan and Higgins. The Alliance works alongside local businesses and contractors and has a pool of skilled and experienced contractors, consultants and suppliers who understand both road and rail building and the East Coast whenua. TREC is complementing – not replacing – existing resource within the region, using an "East Coast first" philosophy for physical works, with specialists from other regions brought in as required.

Views expressed by various stakeholders during production of this PBC suggest TREC has done a very good job of liaising with Treaty Partners and local communities to ensure they are kept fully informed around progress and impacts of the recovery work.

The IDC and alliancing approaches will be important to consider for future MOR contracts in Te Tairāwhiti, although this will need to be balanced against the need to keep things simple where this makes sense. Some contractors take the view that simplicity – based on traditional measure and value contracts – can work very well by promoting healthy market competition, and does not necessarily work against collaboration.

Conclusions

This Commercial Case has set out to raise awareness and discuss possibilities in relation to future MOR contracts, without prescribing any preferred approach which would, in any case, require a more detailed programme of work.

Council is using the 2023 asset management maturity assessment to build up both capability and capacity, all of which is predicated on robust data.

A key challenge will be to ensure that right-sized capital renewals and improvements deliver resilience improvements by enabling roading maintenance programmes to undertake work at the right time, and to the necessary specification. The preferred option therefore focusses more on proactive planned maintenance and aims to remove the "break-fix" approach that is currently often necessary.

As set out in the Management Case below, the period up until the next RLTP and LTP in mid-2027 represents the opportunity to establish the priority activities and projects for inclusion within the programme and its constrained funding envelope. Emerging packages of work – with a much greater emphasis on proactive asset management and renewal – will therefore shape the contract options and desired outcomes.

The contract delivery model options and key critical success factors outlined in this Commercial Case provide a sound basis for moving forward.

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Management Case

Introduction

The Management Case sets out how the preferred Balanced Reach roading network resilience programme should be delivered, and the key activities required. A shift from reactive and emergency maintenance to a more planned and proactive one will require a different set of skills and capabilities amongst Council, consultants and contractors.

Project Management Methodology

The resilience programme will adhere to the Council Project Management Methodology, which includes the following fundamentals:

- Continued business justification: A project must make good business sense. There
 needs to be a clear return on investment, and use of time and resources should be
 justified
- Learn from Experience: Project teams should take lessons from previous projects into account. A lessons log should be kept updated for this purpose.
- Define Roles and Responsibilities: Everyone involved in a project should know what they and others are doing. This includes knowing who the decision makers are.
- Manage by Stages: Difficult tasks are better off broken into deliverable chunks, or management stages.
- Manage by Exception: A project running well does not need a lot of intervention from managers. Project governors is only informed if there is, or might be, a problem.
- Focus on Outputs: Everyone should know ahead of time what is expected of the output. Output requirements determine work activity, not the other way around.
- Tailor to the Environment: The methodology can be scaled and tailored. The project framework must suit the project's environment, size, complexity, importance, capability and risk. Each project should identify how to best utilise the framework to help rather than hinder project delivery.

Programme Management Plan

A detailed Programme Management Plan (PMP) <u>will</u> be developed to control and track progress and delivery of constituent projects and resulting outcomes. The PMP <u>should</u> describe, how, when and by whom a specific project, milestone or set of targets will be achieved. This includes detailed analysis of how identified programme targets, milestones, deliverables and products <u>can</u> be delivered to timescales, costs and quality.

The PMP will include:

- Explanation of the grouping of projects and major activities into tranches and the
 points at which end-of-tranche reviews will take place.
- Overall programme schedule showing the relative sequencing of investment tranches and projects.
- Content of investment tranches to maximise benefits.

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- Dependency network illustrating project input and output relationships.
- Cross-reference to the risk register to explain any planned mitigation activities.
- Risks and issues referenced during planning.
- Transition planning information and schedules.
- Programme level management activities required to implement the monitoring and control strategy.
- Estimated effort and costs associated with the programme.
- When business cases for key projects in the programme (or tranches) will be delivered.

Indicative Key Milestones

Next steps will be expanded upon in the Programme Management Plan. Indicative and immediate key milestones and deliverables include the following:

Table 62 Key Milestones

Key Milestone	Estimated Timing	
PBC approved by Council	21. August 2025	Deleted: P
Programme mandate approved	September 2025	Deleted: 1
Programme steering group terms of reference approved	September 2025	
Senior Responsible Owner appointed, and terms of reference approved	September 2025	
Programme governance structure established	September 2025 onwards	Deleted: A
Establish programme team and procure resources	September 2025 onwards	
Commence work on asset management plan, including: key supporting policies (abandonment & reversion), user pays funding model and TRMP integration	October 2025	
Commence programme and project management collateral development	October 2025	
Community engagement on programme development	Ongoing	
	•	

Governance

The Roading Network Resilience Programme will be governed in accordance with the Council Project Governance Framework.

At the political level, investment prioritisation will be undertaken by:

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- Regional Transport Committee (RTC) as part of the RLTP.
- Council and its various committees as part of the LTP.

Under section 106 of the Land Transport Management Act 2003, the <u>function</u> of the RTC is to:

- Prepare a Regional Land Transport Plan, or any variation to the plan, for the approval of the Council.
- Provide the Council with any advice and assistance requested in relation to its transport responsibilities.

Roading network resilience will be a major part of future RLTP objectives, policies, actions and programmes. The RTC will therefore have a critical governance role to play, bringing together Council, NZTA and other members.

Figure 23 shows the Council Committee structure:

Figure 23 Council Committee Structure

Sustainable Tairāwhiti /Toitū Tairāwhiti

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
- 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.

Finance and Performance

- To assist Council in overseeing financial and non-financial performance, including the delivery of the Council's Capital Programme and oversight of the Council Controlled Trading Organisation.
- To monitor Council activities and service performance against budget, annual plans, the long term plan, annual reports and corporate and financial policies.
- The Finance and Performance Committee also receives enforcement and compliance performance activity reporting to ensure financial and non-financial performance oversight of its regulatory functions.

Traffic and Parking – Subcommittee

 To further the purposes of the Sustainable Tairāwhiti Committee by enabling an efficient process for the making of decisions relating to traffic and parking. Performance oversight of its regulatory functions.

Operations Committee – Environment and

- To provide governance oversight of Council's operational programmes, services, activities and projects (including major projects) related to environmental operations, community development and community assets.
- To enable the progress of the Council's operational activities, projects and services.

Operations Committee – Infrastructure

- To provide governance oversight of Council's operational programmes, services, activities and projects (including major projects) related to infrastructure assets.
- To enable the progress of the Council's operational activities, projects and services.

Source: Gisborne District Council

The Operations Committee – Infrastructure will have governance oversight of the resilience programme. The other three main committees all have a significant interest in how the roading network delivers both financial and environmental sustainability.



The Local Leadership Body (LLB) is a statutory body established as a permanent joint committee of the Council under the Ngai Tāmanuhiri Claims Settlement Act 2012. Its purpose is to:

- Contribute to the sustainable management of the natural and physical resources in the LLB area for the use and enjoyment of present and future generations while recognising and providing for the traditional relationship of Ngai Tāmanuhiri, Rongowhakaata, and Te Aitanga a Māhaki and affiliates with their ancestral lands, water, sites, wāhi tapu, and other taonga
- Enable individuals and communities within the LLB area, as resources allow:
- To provide for their social, economic, and cultural wellbeing
- To achieve improved outcomes in respect of the environment.
- To ensure that the Council is appropriately informed of its statutory obligations within
 the LLB area, including obligations in respect of Te Tiriti o Waitangi arising under the
 Local Government Act 2002 and the Resource Management Act 1991, and any other
 relevant laws.

Other committees likely to have an interest in the roading resilience programme include:

- Risk and Assurance.
- Civil Defence Emergency Management (CDEM).

At officer level, a new Programme Steering Group (PSG) will focus on the health and viability of the entire roading network resilience programme. Meeting every two months or so, the PSG will take a strategic view to decision making and focus heavily on stakeholder engagement and the viability of the Programme. Benefit management will also be a core focus of the PSG, so that this can be easily communicated to all stakeholders affected. The PSG will also serve to address medium-to-high risks and issues which are beyond the scope of project governance to address. Indicative membership of the PSG is identified below. This will be explored and confirmed in greater detail post approval of this document.

Indicative Programme Steering Group membership:

- Senior Responsible Owner: Director of Community Lifelines.
- Iwi representative.
- Communications and stakeholder lead.
- Change management lead.
- Finance lead.
- Journeys technical lead.
- Asset planning lead.
- External representatives as required.
- Supporting membership: Programme manager.

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Each resilience intervention tranche or project will require its own bespoke Project Control Group (PCG) which will report to the PSG. The membership, tolerances and change control will be explored in the PCG terms of reference.

Indicative Project Steering Group membership:

- Chair: Programme manager.
- Iwi representative.
- Communications and stakeholder lead.
- Change management lead.
- Finance lead.
- Journeys technical lead.
- Asset planning lead
- External representatives as required
- Supporting membership: Project manager and project co-ordinator.

The following artefacts will also serve as the foundation for the <u>PSG work</u> and be frequently reviewed to ensure risks are mitigated and health of the Programme <u>remains_intact._This includes:</u>

- Programme Management Plan, including embedded Resource Plan.
- Risk Management Plan.
- Benefit Realisation Plan.
- Stakeholder Plan.
- Communications and Engagement Plan.
- Dependency Plan.
- Quality Assurance Plan.
- Master Schedule.

Benefits Management

Undertaking a project and investing in change, should result in benefits of some kind. Benefits can be considered as the return on investment (ROI) in undertaking any project within the programme. Assessing contribution of benefits to organisational outcomes is also a way to align initiatives with the RLTP and LTP.

Benefits management is vital to ensure that programme investment achieves the investment objectives. This involves articulating benefits expected from the programme, how it will be known that benefits are achieved, and assessment of what has eventuated versus what was planned. Managing benefits extends beyond the lifecycle of a project, therefore requiring a structure that survives long after the work has been completed.

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The following table summarises anticipated benefits, which will be fully investigated and expanded upon in a full programme Benefits Realisation Plan. This will include obtaining robust baseline data and making a forecast.

Table 63 Anticipated Programme Benefits

Benefit	Owner	KPI Descriptions	Baseline	Forecast
Targeted network investment	Chief Executive	Prioritised and strengthened critical assets		
- 40%		Essential transport routes kept open, or re-opened quickly after closure		
		Boost community and investor confidence with reliable transport links		
		General local jobs and business opportunities, retaining investment in the local community		
Affordable resilient transport	Chief Executive	Enhanced priority for high value, vulnerable transport routes		
routes – 25%		Improved long term availability of essential transport routes and lifeline nodes for social and economic purposes	To be explored in Benefit Realisation Plan	To be explored in Benefit Realisation Plan
		Greater financial viability through proactive asset management instead of emergency repairs		
Value for money investment decision making –	Chief Executive	A thorough understanding of the social and economic value of transport routes		
35%		Maximising investment impact by enhancing resilience of key lifeline routes at optimal times		
		Ensuring access through targeted		



Benefit	Owner	KPI Descriptions	Baseline	Forecast
		maintenance and renewals to minimise road closure risks		

Disbenefits

The preferred programme will result in a reduction in the LoS for certain areas and communities, and these dis-benefits will <u>also</u> need to be communicated and monitored through the Benefit Realisation Plan. Indicative disbenefits may include the following:

- Reduction in access to certain areas due to changes in LoS.
- Certain journey times may take longer following changes in LoS.
- Decreased public and business perception because of <u>lower_network_Los</u>.
- Reduced business confidence in the roading network due to reprioritisation of funding.
- Concerns pertaining to the health and safety of the network due to reduced LoS (including more unsealed <u>roads</u>).
- Some areas may become unliveable forcing the local population to consider relocation. The Council may be required to absorb the funding cost to support relocation.

Risk Management

Risk management provides coordinated activities which identify and control programme risks. The risk management process will create visibility of the programme risks (including assumptions and uncertainties) by describing consequences to be avoided or opportunities to be pursued. The risk management process also allows for targeted mitigations and risk owners to be allocated.

Table 64 provides an indicative assessment of key programme risks. Upon establishment of the programme team, regular risk meetings should be held to ensure sufficient controls are established and escalated accordingly to governance. Key risks and mitigation steps will be captured in a full programme Risk Management Plan.

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Table 64 Key Programme Risks

Description	Implication	Severity	Mitigation	Owner	Status
IF public stakeholder concern about reduced LoS is not addressed THEN this will create exceptional opposition to the Programme	AS A RESULT this will have direct implications for Council reputation and ability to deliver the projects within the programme.	CRITICAL	The following mitigation strategies will be adopted: Procure dedicated stakeholder engagement and change support Ensure dedicated iwi / hapu engagement support Dedicated community conversations on programme changes and LoS.	Senior responsible owner	Open
IF the Programme does not establish sufficient programme management controls, systems and processes THEN this will result in inadequate investment controls and weaken investment decision making	AS A RESULT the ability to manage and mitigate risks, manage stakeholders, and prioritise investments will be weakened and ultimately result in a delayed Programme and damage the Council reputation and trust in the Programme	HIGH	The Programme will develop the following: Programme Mandate Programme Governance Terms of Reference Project Governance Terms of Reference Project Governance Terms of Reference Programme Management Plan (refresh) Benefits Realisation Plan	Senior responsible owner	Open



Description	Implication	Severity	Mitigation	Owner	Status
			Dependency Management Plan Quality Assurance Plan Stakeholder Engagement Plan (refresh) Risk Management Plan		
IF the Programme is not sufficient resourced with subject matter experts, including programme management and change resources THEN this will undermine the ability to engage with the community on proposed changes	AS A RESULT this will delay the delivery of the Programme and undermine community trust in the proposed changes and complicate efforts to communicate the changes in LoS.	НІСН	The following mitigation strategies will be adopted: • Iwi engagement lead • Stakeholder & communications lead • Change management lead	Senior responsible owner	Open
IF clear Programme – to – Project Governance is not established THEN this will weaken the decision- making process	AS A RESULT this will compromise the Programme prioritisation process and delay delivery of benefits. This will ultimately result in a reduction in community trust on the	HIGH	The following mitigation strategies will be adopted: Programme steering group terms of reference Project steering group Senior responsible owner terms of reference	Senior responsible owner	Open



Description	Implication	Severity	Mitigation	Owner	Status
	proposed changes.		Prioritisation process		
IF the region experiences another extreme weather event and damages core infrastructure THEN this will increase the requirement for emergency works intervention and funding	AS A RESULT this may further complicate or reduce the funding available for the programme, further requiring reassess of Levels of Service (LoS).	HIGH	The following mitigation strategies will be adopted: Dedicated emergency funding reserve Consider closing part of the network in event of an extreme weather event.	Senior responsible owner, Chief Financial Officer	Open
IF a reduction in the LoS result in an increase in Health & Safety (H&S) THEN this may increase the probability of harm and/or injury on those routes.	AS A RESULT the Council may be exposed to potential H&S legal implications and severe reputation damage.	HIGH	The following mitigation strategies will be adopted: • Unsealed road maintenance programme is kept up to date to mitigate H&S events • Public information campaign to affected members of the community on how to drive on an unsealed road.	Chief Executive	Open
IF the region experiences a reduction in funding THEN this will weaken the ability to maintain the	AS A RESULT this may result in a further reduction in the LoS across	HIGH	The following mitigation strategies will be adopted: • Engagement with industry and/or	Chief Executive	Open



Description	Implication	Severity	Mitigation	Owner	Status
resilience and safety of the network	the regional network.		commercial providers to illustrate how key economic corridors will continue to be maintained.		
IF the Programme is not supported by an Asset Management Strategy THEN the ability to maintain the health and resilience of the network will be reduced	AS A RESULT the Council will continue to be reactive in its climate change and resilience strategies, subsequently exposing the population to risk	HIGH	The following mitigation strategies will be adopted: • Development of a Regional Asset Management Strategy and supporting Plans to illustrate how the network health will be maintained	Chief Executive	Open
IF the benefits of the Programme cannot be proven and/or easily communicated THEN this will complicate engagement with the region and weaken investment prioritisation	AS A RESULT the ability to prioritise investments with confidence will be undermined, delay decision making and ultimately undermine the Council reputation	нісн	The following mitigation strategies will be adopted: • Benefit Realisation Plan	Programme Manager	Open

Issues Register

The Programme has identified the following issues – either risks which have materialised or risks which are planned to come into fruition.



Table 65 Key Issues

Issue	Implication	Severity	Mitigation	Owner	Status
description					
The Council has a short period of time (two years) to establish the Programme, allocate funding and deliver the first tranche of projects.	If the Programme is delayed beyond two years then the options assessment will need to be reassessed. This will require another round of stakeholder consultation and further delay delivery	HIGH	Establish and implement the recommendations as per the PBC, including allocation of necessary resources and collateral.	Chief Executive	Open
There is currently no permanent programme and project level governance established.	A lack of programme governance will result in sub-optimal decision making and disjointed investment prioritisation. This will weaken community trust in the Programme and undermine the ability to garner support for the proposed changes.	HIGH	Noting the complexity of stakeholder relations and dependencies within the programme, establishment of clear Programme Steering Group terms of reference is critical to mitigate risks and to allocate resources accordingly.	Chief Executive	Open



Stakeholder Management

The following table summarises (at a high level) key stakeholders and their likely interests:

Table 66 Key Stakeholders

Key Stakeholder	Likely Interest
NZTA	Co-investor in the land transport system and operator State Highways, which make a up large part of the travel demand in the region.
Ministry of Transport	Responsible for strategic policy settings and advice to Ministers.
Neighbouring councils	Reliant on the transport system for cross-border personal and freight travel.
Other government departments and agencies	Reliant on the transport system for personal travel associated with their service provision – including education, social development and health.
	Ministry of Environment has direct interest in relationship between transport, spatial planning and environmental assets.
Mana whenua	Communities are reliant on the transport system to access cultural sites / activities, as well as the wider functions outlined immediately below.
	Direct interest through ownership and management of land and natural resources, especially water.
Local communities	Reliant on the transport system to access employment, services and facilities – as well as basic supplies such as food, fuel etc.
Transport operators	Reliant on the transport system to transport freight and passengers (including trucking firms, delivery companies and bus operators).
Primary industries	These are industries which generate demand for travel and have significant reliance on a resilient roading network, both for getting produce to market and ensuring people can access their place of employment.
Utility companies, including power, water and telecommunications	Require good access to their assets via the roading network, which are often located very close to it.
Civil defence organisations and community representatives	The roading network provides the basis both for emergency access through resilient lifeline routes and also



Key Stakeholder	Likely Interest		
	a focus for emergency recovery work to re-open routes closed due to severe weather or other incidents		
Economic development organisations, including Trust Tairawhiti	Performance of the roading network and its ability to support current and future economic activity		
Lifeline nodes, including port, airport and hospital	Performance of the roading network and its ability to support continued access, especially during instances of severe weather		

A dedicated Stakeholder Management Plan will be developed by the Programme team to further articulate these interests and programme responses.

Communications and Engagement Plan

Sections 78, 81 and 82 of the Local Government Act (LGA) 2002 require Council to carry out consultation for decision-making in the following circumstance:

- When Council makes significant decisions, to <u>consider</u> the views and preferences of affected people.
- When undertaking consultation, to do so in accordance with the principles of consultation in the Act.
- Māori must have the opportunity to contribute to decision-making.

Council's consultation and community engagement focus is an important function as the greater the participation levels, the more likely that well-informed decisions will be made.

The Communications and Engagement Plan will outline how Council continues to engage iwi, hapū, community and other stakeholders to inform development of the detailed roading resilience programme. This PBC provides a prioritisation and decision-making framework, and does not propose specific investments (i.e. projects). The detailed programme – to be developed over the next 12-18 months will feed into the next RLTP and LTP, which will be subject to extensive and ongoing engagement with stakeholders and communities. Both documents will be operative from July 2027, and this can be considered as the formal start of the programme delivery phase.

The Communications and Engagement Plan will function as a living document and be refined as risks are further understood, new stakeholders identified and / or the Programme is established. The Plan will outline where further stakeholder engagement is required, as issues and risks emerge, and when circumstances could require a change of approach.

The Communications and Engagement Plan will be a key resource for discussion and action at the Programme Steering Group (PSG).

The engagement objectives of the Programme are to:

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- To enable tangata whenua (whānau, hapū and iwi), stakeholders and the community to contribute to development of prioritised investment projects to address transport resilience challenges.
- Work with industry representatives to identify opportunities for co-funding of roading resilience improvements or other interventions such as temporary road closures during the winter season / severe weather.
- To ensure broad understanding amongst the public of what the resilience programme will be able to address, and what it won't.
- To receive meaningful feedback from an informed community as to LoS priorities for future transport network resilience investment, recognising the need to make tough decisions in a constrained funding environment.

The immediate investment priority for the PBC, is future resilience of the transport network. This will require a collaborative approach to understand and develop a plan for effective options within the constraints of:

- Technically feasibility.
- Environmental impact.
- Culturally sensitivity.
- Financial reality.

From the stakeholder perspective, resilience is about capacity of the roading system to maintain or restore functionality, given alteration because of severe weather events and longer-term climate change. Resilience is also about the ability for Council and communities to adapt to change.

The Programme will develop a detailed Communications and Engagement Plan which will be aligned with the Stakeholder Plan and Risk Management Plans. The Programme team will seek to communicate the purpose and benefit of the programme to different stakeholders and messages aligned with their interests.

Programme Dependency Plan

The Roading Network Resilience PBC will develop a detailed Programme Dependency Plan (PDP), including linkages between Council and external projects, following confirmation of the preferred programme option.

The PDP will outline relationships between various projects, tasks, and external factors within a larger programme, thereby helping to manage risks, coordinate activities, and ensure smooth delivery. Key elements of the PDP will include:

- Identification of Dependencies Clearly list all interrelated tasks, projects, and external influences that impact the programme.
- Categorization of Dependencies which can be internal (within the programme) or
 external (reliant on third parties, regulations, funding, etc.). They can also be
 mandatory (must occur for success) or discretionary (preferred but not essential).

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- Timeline Alignment Define when dependencies must be addressed, ensuring schedules align with programme milestones.
- Ownership and Accountability Assign responsibility for each dependency, specifying who ensures coordination and resolution.
- Risk Assessment Analyse potential risks associated with dependencies, including delays, budget issues, and stakeholder coordination.
- Mitigation Strategies Develop contingency plans to handle disruptions and adjust schedules or deliverables if dependencies shift.
- Monitoring and Governance Implement tracking mechanisms, regular updates, and governance frameworks to ensure dependencies stay under control.
- Communication Strategy Foster open dialogue among stakeholders to manage expectations and resolve conflicts.

A well-structured <u>PDP</u> will enhance programme efficiency, reduce bottlenecks and manage unforeseen disruptions. The <u>PDP</u> will be submitted to the Programme Steering Group for approval.

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Quality Assurance Plan

There will be multiple levels of assurance for the entirety of the Programme as well its component parts. This PBC will have its own Quality Assurance Plan_(QAP) which will specify levels of assurance. This may include the following:

- Independent quality assurance:
 - With a specific focus on this PBC and supporting programme and project management collateral.
 - Noting the complexity of stakeholder relationships, there will be a deep dive into the Communications and Engagement Plan, Programme Management Plan, Stakeholder Plan, Risk Management Plan, and Benefits Realisation Plan.
- Specific projects within the Programme, depending on the cost, complexity, will
 produce their own <u>QAP</u>. Each project will require the following quality assurance
 activity:
 - o Technical analysis and assessment.
 - o Geographic information system (GIS) mapping.
 - o Monitoring and evaluation.
 - o Benefits realisation.

A Programme-level <u>QAP</u> will be submitted to the Programme Steering Group for approval.

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Tolerances and Change Control

The Programme Steering Group and Project Steering Group terms of reference will articulate the tolerances and change control. Key focus areas will be:

Risk and issue management, including escalation control.

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- Stakeholder management and communications.
- Variation and change control, including funding release.
- Benefit management.
- Geotechnical risk and issue management.
- Contingency release.

Programme Team Resources

The following dedicated resources are required for the Programme. This includes:

- Programme manager.
- Project managers(s).
- Programme co-ordinator.
- Project co-ordinator(s).
- Stakeholder and communications lead.
- Asset management lead.
- Māori engagement lead.
- Change management lead.
- Technical lead(s).

It is anticipated each project will develop its own Resource Plan (potentially included in the respective Project Management Plan) and report accordingly to the Programme Steering Group.

Asset Management Strategy

A core focus of this Programme is the proactive management of the health and resilience of the asset to withstand future climate change effects. This will require the GDC to develop a proactive Asset Management Strategy (AMS) to support the execution of the Programme.

The AMS will ensure that assets are efficiently utilised, maintained, and aligned with broader organizational goals. There are three key requirements for the strategy:

- Developing robust policies for supporting LoS reductions, including reducing the
 extent of the maintained network by around 10% and reverting roads from sealed to
 unsealed. A technical study to validate the outline proposals in this PBC should focus
 on determining extent of usage (benefits) versus Council maintenance activity
 (costs).
- Developing a robust user contributions policy towards asset management costs which reflect roading network impacts, as set out in the Financial Case of this PBC. This work should ideally be based around the traffic modelling highlighted in the current RLTP.

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3. Integration of asset management with wider land use policy work – for example through the TRMP review and future spatial planning – to understand how travel demand may change in response.

To support these three key requirements, elements of the <u>AMS</u> will include:

- Strategic alignment: support for the Council's long-term objectives and integrate with financial, operational, and sustainability goals.
- 2. Asset lifecycle management: from renewal through to possible abandonment ensures optimal performance and cost-effectiveness.
- 3. Risk management: related to asset failure, financial loss, and regulatory compliance.
- 4. Performance monitoring: Key Performance Indicators (KPIs) to track utilisation, costs, network availability, and lifecycle value.
- 5. Technology integration: asset-tracking software and predictive analytics to enhance decision-making.
- 6. Stakeholder engagement: collaboration between asset managers, finance teams, and operational staff for effective implementation.
- 7. Regulatory compliance: adhering to appropriate industry standards and legal requirements to avoid penalties and ensure sustainability.

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Appendix A: Strategic Context

Introduction

Te Tairāwhiti (Gisborne) region is located on the east coast of the North Island of Aotearoa New Zealand (see Figure 24), and is one of the most remote and inaccessible areas in the whole country.

Figure 24 Location of Te Tairāwhiti Region (Gisborne)



 $Source: By Korakys - Own work, CC BY-SA 4.0, \\ \underline{https://commons.wikimedia.org/w/index.php?curid=56957024}$



There are only two main State Highways – 2 and 35 – into and out of the region, and they are highly vulnerable to impacts of severe weather and longer-term climate change. Table 67 provides the most recent 2023 census data which compares Te Tairāwhiti with Aotearoa New Zealand.

Table 67 Comparison of Te Tairāwhiti with Aotearoa New Zealand

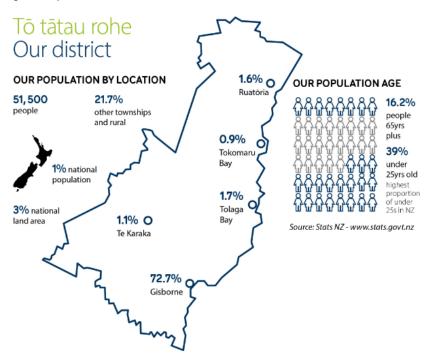
Metric	Te Tairāwhiti	Aotearoa New Zealand
Resident population (total number)	51,135	4,993,923
Resident families (total number)	12,258	1,294,503
Māori population (total number)	28,029	887,493
All resident median age (years)	36.7	38.1
Māori resident median age (years)	29.3	26.8
Te Reo Māori speakers (%)	16.9	4.3
Businesses (total number)	5,664	649,164
Adults with post school qualification (%)	51.6	54.0
Adult median personal income (\$ per year)	35,800	41,500
Home ownership (%)	62.9	66.0

Source: Stats NZ 2023 Census

With just over 51,000 permanent residents Te Tairāwhiti region makes up just 1% of the country's population. The land area is 8,351 square kilometres which is 3% of the Aotearoa New Zealand total. Just over three quarters of the region's population live in the city of Gisborne (Turanga-nui-a-kiwa), with the remainder (around 12,300 people) spread across a large rural area both along the length of the coast and also inland (see Figure 25 below). Te Tairāwhiti therefore has one of the lowest population densities in Aotearoa New Zealand at just 6.10 people per square kilometre. Outside of Gisborne city, densities are much lower at around 1.5 people per square kilometre. In contrast Nelson City – which has a similar total population to Te Tairāwhiti – has a density of around 131 people per square kilometre.







Source: Council Land Transport Activity Management Plan 2024

The dispersal of the region's population across a large area is a major resilience challenge as a long network of roads – often traversing challenging terrain – is vulnerable to risks at multiple locations.

Connections to Land and Water

The geography of Te Tairāwhiti, including the Waipaoa River and the East Coast, played a crucial role in the lives of early Māori settlers. The coast and rivers were not only sources of food but also held deep spiritual and cultural significance. Māori relied on the ocean for fishing, gathering species like kahawai, snapper, and shellfish. Rivers and estuaries provided additional food sources, including eels and freshwater fish. Land, rivers, and sea are seen as living entities with their own mana (spiritual power), and they are protected by kaitiakitanga (guardianship) practices. Land and waterways continue to play a central role in Māori life in Te Tairāwhiti today.

Māori have strong spiritual bonds to the land, Papatūānuku, the Earth Mother. She provides unity and identity to her people and sustains them. It is therefore important that land and water is protected from erosion, deforestation and inappropriate use.



As European settlers sought more land, many Māori in Gisborne faced displacement. Some land was taken by force, while other areas were sold under unfavourable terms for Māori. The loss of ancestral lands remains a key issue for Māori, who want to use their own land management systems to protect and enhance natural systems. Soil resources are important for plant cultivation and for use as dyes. Soil also has an important cleansing role. Māori perceive that only through passing treated waste (such as farm effluent or treated sewage) through Papatūānuku can the mauri (life force) of water be restored.

Some tribal land is still covered with native forest. In other areas, Māori are concerned about environmental problems facing their lands. These include:

- Loss of forest cover on steep river headwaters increasing erosion, slumping and river siltation.
- Inappropriate land use.
- Landfilling
- Deforestation.
- Loss of soil quality for productive use.

Land forms (maunga) are also of great importance to Māori. The most well-known of these is Mount Hikurangi - within the rohe of Ngāti Porou and Ngati Uēpohatu and is the iwi's most significant icon. In Māori mythology, Mount Hikurangi was the first part of the North Island to emerge when Māui pulled it as a giant fish from the ocean. According to these beliefs, his waka, *Nukutaimemeha*, became stranded on the mountain, and lies petrified between the mountain's peaks in Lake Hinetakawhiti.

Marae (meeting grounds) are the focal point of Māori communities throughout Aotearoa, New Zealand. In Māori society, the marae is a place where the culture can be celebrated, Te Reo spoken, intertribal obligations met, customs explored and debated, family occasions such as birthdays held, and important ceremonies, such as welcoming visitors or farewelling the dead (tangihanga), performed. The marae is a wāhi tapu, a "sacred place" which carries great cultural meaning. As such marae are places where reliable and resilient transport access is essential.

Any discussion about resilience cannot, therefore, be separated from the wider issues of land use and the role of roading infrastructure in supporting sustainable and culturally appropriate practices

Population Age Profile

At the 2023 census, 54.8% of the Gisborne population were recorded as being of Māori ethnicity, which rose to 70.4% for people under 25. This is the highest percentage in Aotearoa New Zealand. A total of 56.5% were recorded as having European ethnicity (some people reported dual heritage). Another 5.6% were of Pasifika heritage and 3.8% Asian.

As shown in Table 68, the region has a relatively young population, with a median of 36.7 years (compared to 38.1 years for Aotearoa New Zealand).



Table 68 Comparison of Te Tairāwhiti and Aotearoa New Zealand Age Profiles

Age Group	Te Tairāwhiti (%)	Aotearoa New Zealand (%)
Under 15 years	22.3	18.7
15-29 years	18.8	19.4
30-62 years	42.3	45.3
65 years and over	16.6	16.6

However median figures don't tell the full story. Te Tairāwhiti has relatively high proportions of people under 15 years of age compared to Aotearoa New Zealand, and a smaller proportion of people who are currently of working age. In the not-too-distant future these young people will be entering the workforce, and it is essential that the region offers them as many fulfilling opportunities as possible in order to prevent a "brain drain".

Employment

Table 69 shows that the region has a relatively lower proportion of people in full time employment than the Aotearoa New Zealand average, and consequently higher percentages of people who are either part time employed, unemployed or not in the labour force at all.

Table 69 Comparison of Te Tairāwhiti and Aotearoa New Zealand Employment

Labour Category	Tairāwhiti region (%)	Aotearoa New Zealand (%)
Full time employment	47.5	51.2
Part time employment	14.3	13.4
Unemployed	4.8	3.0
Not in labour force	34.7	32.4

Source: Stats NZ 2023 Census

Another relevant statistic is the relatively high proportion of the population – especially women - who are engaged in activities which are unpaid – as shown in Table 70. A reliable and resilient roading network is very important to support such roles, which don't get recognised in the standard economic statistics as they don't generate money. However, without care-giving the wider economy would struggle to function.



Table 70 Comparison of Te Tairāwhiti and Aotearoa New Zealand Unpaid Activities

Activity Category	Te Tairāwhiti (%)		Aotearoa New Zealand (%)	
	Female	Male	Female	Male
Household work, cooking, repairs, gardening, etc. for own household	88.6	83.4	88.2	83.4
Looking after a child who is a member of own household	37.6	29.2	30.9	25.5
Looking after a member of own household who is ill or has a disability	14.1	9.6	9.0	6.5
Looking after a child who does not live in own household	23.9	13.0	15.6	8.7
Helping someone who is ill or has a disability who does not live in own household	15.5	8.7	9.9	5.7
Other helping or voluntary work for or through any organisation, group or marae	23.4	20.7	14.5	12.1

Industry Categories

In terms of industry categories, the region's economy is significantly dependent on primary production – specifically agriculture, horticulture, viticulture and forestry. This is reflected in the very high proportion of people employed in primary industries (16.2%) compared to Aotearoa New Zealand (5.1%) – shown in Figure 26 below.

Higher proportions of health care & social assistance and education / training jobs in Te Tairāwhiti region also reflect the greater percentage of the population who are reliant on such roles. For instance in Te Tairāwhiti region 40.3% of people have some form of activity limitation compared with 32.1% nationally. As already noted above, there are higher proportions of children in the region, and they all require some form of care.

In contrast professional, scientific and technical services are relatively under-represented in Te Tairāwhiti region at only 6.4% compared with 9.9% nationally. Other significant industry categories such as construction and manufacturing are also under-represented.





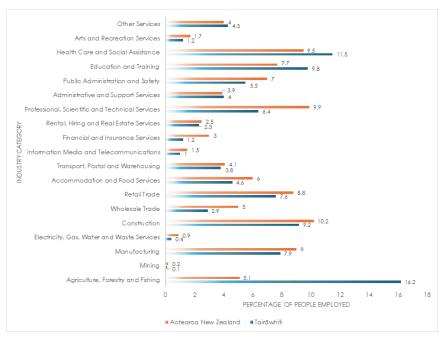


Table 71 shows that lower wage employment categories are over-represented in Te Tairāwhiti region compared to Aotearoa New Zealand as a whole – especially in the Labourer category.

Table 71 Comparison of Te Tairāwhiti and Aotearoa New Zealand Employment Categories

Employment Category	Te Tairāwhiti (%)		Aotearoa New Zealand (%)	
	Female	Male	Female	Male
Mangers	13.7	20.6	14.7	21.7
Professionals	29.4	17.1	31.2	22.8
Technicians and trade workers	5.4	17.3	5.8	18.7
Community and professional service workers	13.4	6.0	12.6	5.7
Clerical and administrative workers	16.2	3.5	16.8	5.2

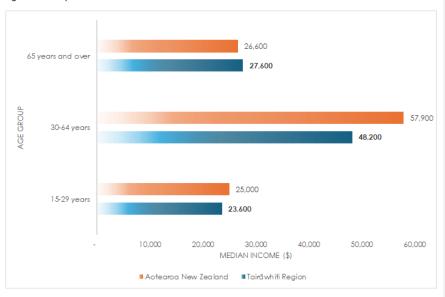


Employment Category	Te Tairāwhiti (%)		Aotearoa New Zealand (%)	
	Female	Male	Female	Male
Sales workers	7.8	5.8	9.5	6.1
Machinery operators and drivers	2.7	11.0	2.2	9.3
Labourers	11.3	18.7	7.2	10.6

Incomes

Median incomes for the region are significantly below Aotearoa New Zealand for the crucial 30-64 years age group, who represent the highest proportion of the working population.

Figure 27 Comparison of Te Tairāwhiti and Aotearoa New Zealand Median Incomes

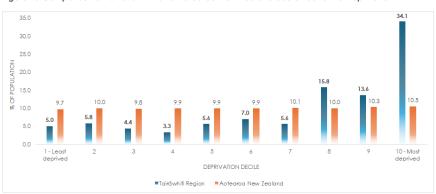


Socio-economic Deprivation

Te Tairāwhiti region has the highest level of socio-economic deprivation in the country. Two thirds of the population (63.5%) are in the bottom three deciles 8-10, which is more than double that of Aotearoa New Zealand as a whole. This trend is further exacerbated when split by ethnicity, with 79.3% of Māori in Te Tairāwhiti region living within deciles 8-10.



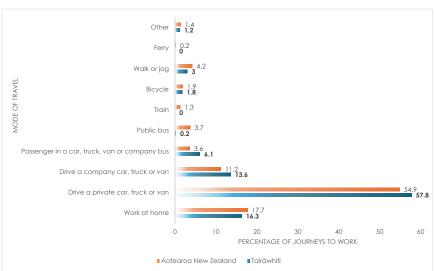




Transport Needs

Even as a relatively economically disadvantaged region, Te Tairāwhiti has a very high dependency on motorised private transport and the roading network needed to support it. In terms of travel to work, Figure 29 shows that 77.5% of people either drive or are a passenger in a private vehicle, much higher than the national proportion of 69.7% (which is itself one of the highest figures in the world).

Figure 29 Comparison of Te Tairāwhiti and Aotearoa New Zealand Travel to Work Modes



Source: Stats NZ 2023 Census



There are many reasons for this dependency, including relatively long journey distances, poorly developed public transport and pedestrian / cycle networks which are not always conducive to safe travel.

For education journeys, the region is much more dependent on school buses (provided by both Council and Ministry of Education) than Aotearoa New Zealand as a whole -14.4% of journeys versus 9.4%. More school children in the region are also transported as passengers in a private vehicle -49.5% of journeys versus 40.8%. Cycling and walking in the region is lower than the national average -14.5% of journeys versus 21.3%.

All this means that the resident population, as well as the wider economy, in Te Tairāwhiti region is highly dependent on a safe, functioning and resilient roading network.

Local Roading Network

Introduction

To provide context for roading network resilience investment it is essential to understand several key aspects:

- Terrain.
- Land use changes.
- Roles and responsibilities.
- Roading asset base.
- Network length and classification.
- Network structure.
- Journey times.
- Travel demand.
- Current funding.

Although State Highways 2 and 35 are not the subject of proposed investment within this business case, they provide the two major and most heavily trafficked routes both within Tairāwhiti and to adjacent regions. The interface between local roads and the State Highways is critical.

Terrain

Te Tairāwhiti region is well known for its soft rock soil erosion – on a scale and severity greater than any other part of Aotearoa New Zealand. Natural erosion susceptibility has been aggravated by deforestation as native trees were cleared for pastoral farming over the late 19th and early to mid-20th centuries.

The region's roading network therefore traverses unstable and highly erodible land that is very prone to over slips (where debris falls on to the road from above) and dropouts (where the road collapses from underneath). This underlying challenge is exacerbated by issues including climate change impact (more frequent heavy rain and flooding) and increased heavy traffic volumes.



The cause of erosion in the district is a combination of soft rock geology, and in rural areas - historic vegetation clearance or deforestation. The last 12 years has seen a tenfold increase in freight to the port, which is represents significant additional heavy vehicle traffic volumes using the roads

The challenge facing local roads, even before the last two to three years of weather events, is summed up in the 2019 route security business case, again produced by GHD²². The document highlighted that many transport routes were not resilient, because of susceptibility to slips, subsidence, flooding, tree fall, scour and other issues. These regular hazard events were already causing widespread disruption and adverse economic and social consequences for communities and regional producers.

Even prior to Cyclone Gabrielle regular hazard events were resulting in faster depletion of regional local roading maintenance budgets. Significant proportions were being allocated to reactive emergency maintenance activities responding to the impact of closures, as opposed to longer term works. Although necessary at the time, reactive spend is suboptimal as similar closures will continue to occur because the root causes are not generally addressed. In Te Tairāwhiti a yearly cycle transpires where large proportions of maintenance funds are allocated to emergency works, and therefore funds available to target the root causes of road closures are constrained.

Additional funding sought via the 2019 route security business case focussed on addressing the cause of issues which affect route security as opposed to the effects. This approach aimed to reduce future emergency maintenance costs at selected sites that could be better utilised for preventative future maintenance activities on other high risk network areas.

The business case concluded that scale of the problem outweighed available funding even with the injection of additional resource identified by the technical work. This was due to the sparse population and associated low traffic volumes, socio-economic status of the region, and levels of preventative and resilience investment.

Recommendations in the business case were scaled to fit available funding; additional high and medium priority issues were not prioritised. The business case concluded that whilst benefits would be achieved on prioritised routes, connectivity issues would continue to remain for the community and stakeholders in many parts of the network.

Fast forward to 2025, and the conclusions of the business case look somewhat prophetic. The catastrophic damage and destruction to the local roading network makes the situation far worse than in 2019. Had more resources been invested in proactive, rather than emergency, maintenance over the last 10-20 years the transport asset may have been in a better shape to withstand severe weather events.

As it is, the region is now faced with a Herculean task, both to repair the damage and build a future network that is resilient to all that can be thrown at it. Council provides regularly updated information on the immediate priorities for repair of the network²³.

²² Tairāwhiti Route Security Business Case (GHD), 2019

²³ Flood-damaged road network | Gisborne District Counci



Land Use Changes

At a strategy level land use changes aim to tackle the region's unique terrain challenges and grasp opportunities for economic and cultural development.

The Tairāwhiti 2050 Spatial Plan identifies the current opportunity:

"Review current land use across Tairāwhiti on steep and erosive land, explore alternative uses and incentivise retirement of vulnerable land to permanent indigenous vegetation or less intensive forms of forestry or primary production."

By 2050, the aspiration is that:

"Land uses across the region are optimised to suit their physical and cultural setting, and have adapted to changing climate patterns."

The Regional Policy Statement (RPS), part of the Tairāwhiti Resource Management Plan (TRMP) identifies three key land use issues, plus a range of objective and policies to manage them. Table 72 summarises two issues are most relevant to this business case:

Table 72 Land Use Issues, Objectives and Policies Relevant to this PBC

Issue	Objectives	Relevant Policies
Soil erosion and protection of erosion-prone land.	Rehabilitation of eroded land and stabilisation of erosion-prone land. To protect downstream natural and physical resources from the adverse effects of accelerated soil erosion. To minimise the degradation of the soil and land resource caused by poor land management systems and unsuitable land uses.	To facilitate and encourage land uses and management practices – such as forestry, soil conservation works, riparian management techniques, retirement and regeneration that reduces the level of accelerated soil erosion. To provide for the maintenance and future development of essential public services such as network utility operations, where these activities meet section 5(2)(a)(b)&(c) of the RMA 1991
Loss of highly productive and versatile soils through closer subdivision and settlement, particularly around the urban area of Gisborne and loss of highly productive and versatile soils	To protect soils which are highly fertile and versatile from the effects of subdivision and land use which are likely to result in their permanent or long-term loss.	Enable low-density residential development to take place on sites where its effects would not conflict with objective.

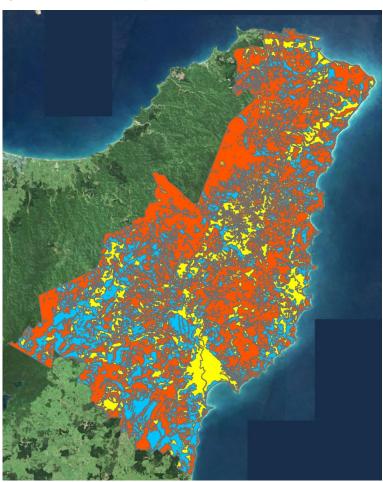


Issue	Objectives	Relevant Policies
through unsustainable management practice.		

Source: Te Tairāwhiti Regional Policy Statement (RPS)

Four "land overlays" broadly reflect susceptibility to erosion across the region.

Figure 30 Te Tairāwhiti Land Overlays



Source: Tairāwhiti Plan Maps



- Land Overlay 1 (yellow): recognises the district's flat land and easy hill country (excludes the beds of lakes and rivers).
- Land Overlay 2 (blue): describes hill country land which is moderately limited in terms
 of its capability for sustainable use (excludes the beds of lakes and rivers).
- Land Overlay 3 (red): options for sustainable land use in these classes of land are severely limited, as it is the most susceptible to erosion, sediment generation and soil loss (excludes the beds of lakes and rivers).
- Land Overlay 3A (orange): is a subset of Land Overlay 3 and is particularly susceptible
 erodina land.

As shown in Figure 30 above, Land Overlays 3 and 3A cover a very large area of the region. Overlay 2 is most prominent in the west of the region, but is present elsewhere too. Overlay 1 – the least erodible land – is mainly concentrated around Gisborne city / Poverty Bay Flats, other flat estuary locations further up the East Coast as well as pockets further inland.

Not shown on Figure 30, Overlay 3B focusses on identifying and managing the region's most erosion-prone lands and transitioning these areas from plantation forestry or pastoral farming to permanent vegetation cover to combat erosion and protect waterways. This initiative is supported by advanced modelling techniques to assess landslide susceptibility and connectivity.

The issue for roading network resilience is to define the Levels of Service (LoS) which will be delivered to either enable access to overlay land or, in the case for 3, 3A and 3B, actively discourage it.

Roles and Responsibilities

When things go wrong, and a bounce back is needed, people look to the Road Controlling Authority (Council) for resilience leadership.

Council is responsible for the management of Te Tairawhiti's local roading network, which (at 1,899 kilometres in length) makes up approximately 85% of the region's total (State Highways make up the remaining 15%). Asset management activity includes operation, maintenance, renewal and improvements of sealed roads, unsealed roads, bridges, retaining walls, drainage assets, traffic services assets (e.g. signs, markings, rails), streetlights, footpaths, cycle paths and carparks. The Council Land Transport Activity Management Plan (AMP) sets out the Council's roading maintenance, operation and renewal (MOR) investment proposals which are further reflected in both the Long Term Plan (LTP) and Regional Land Transport Plan (RLTP).

All roading assets work together and enable people to live their lives and businesses to grow, using both the oldest methods of travel – walking and horseback - and vehicles such as cycles, scooters, wheelchairs, buses, cars, vans, and trucks.

The roading network connects places where people live, to destinations they need to access; whilst also linking wealth generating business to ports, airports, and other regions of New Zealand and indeed the rest of the world.

All parts of Te Tairāwhiti region roading network need to provide a safe, efficient, resilient, and environmentally friendly level of service to people and businesses, which requires effective asset management and resilience improvements to support sustainable economic



growth. The system needs to evolve in response to pressures placed upon it, both from growing demand for travel and external environmental forces such as severe weather, natural disasters, and climate change. People, communities and business need to have confidence that the land transport system is available when they need it, and to provide genuine transport choices across a range of modes.

The roading network is also a place where people live, work, socialise, shop and play. The region's villages, townships and city are shaped by land transport, and rely on it to function. There are natural assets - such as parks, gardens, streams, rivers, wetlands, forests, estuaries, and oceans - which are located near to the land transport system.

Network Length and Classification

The longer the roading network, the greater the resilience challenge as there are more locations where both gradual climate change and severe weather – coupled with increase travel demand – could result in points of failure. It is also the case that a small number of roads by length carry a disproportionately high level of total vehicle travel. As shown after Cyclone Gabrielle, if these key routes fail, the level of travel and wider economic / social disruption can be immense. It is also important that scarce funding is not allocated to routes which experience very little travel demand unless there is compelling reason why.

Council is responsible for 1,899 kilometres of Te Tairāwhiti Region's total roading network, of which:

- 12% of roads are urban and 88% rural.
- 47% of roads are sealed and 53% unsealed.

The region's local roading network services a small and, outside of Gisborne city, highly dispersed population. This fact is reflected in the length of each road classification under the One Network Framework (ONF) versus the number of journeys per year:

Table 73 Tairāwhiti Roading ONF Classification Network Length and Usage

Location	ONF Classification	Length (kilometres)	Length (%)	Vehicle Journeys (million)	Vehicle Usage (%)
Urban	Urban Connectors	21.9	1.2	60.9	27.8
	Activity Streets	34.1	1.8	34.3	15.7
	Main Streets	0.6	Less than 0.01	2.5	1.1
	Local Streets	165.4	8.7	35.1	16.0
	All urban	222.0	11.7	132.8	60.6
Rural	Stopping Places	20.2	1.1	1.6	0.7
	Rural Connectors	228.6	12.1	38.8	17.7



Location	ONF Classification	Length (kilometres)	Length (%)	Vehicle Journeys (million)	Vehicle Usage (%)
	Peri-urban Roads	42.9	2.3	6.2	2.8
	Rural Roads	1,337.0	70.6	33.4	15.3
	All rural	1,628.7	86.1	80.0	36.5
Other	Unclassified	42.4	2.2	5.9	2.7

Source: Te Ringa Maimoa

The table shows that urban locations in Gisborne city and smaller townships have by far the highest total vehicle usage (60.8%) despite being only 11.7% of the network by length. The Urban Connector category undertakes particularly heavy lifting – with 27.8% of journeys on just 1.2% of the network by length. This is because most city and township journeys will use an Urban Connector for at least part of their length, as they provide access to key destinations like shops, health centres, schools and employment.

In contrast rural roading locations have 36.5% of journeys on 86.1% of the local network. The Rural Roads category, which makes up 70.6% of total network length, supports just 15.3% of journeys. Rural Connectors fulfil a similar function to their urban counterparts – with 17.7% of vehicle journeys on 12.1% of the network by length. Many longer rural journeys will include this road classification for part of their length as they provide access to either State Highway 2 or 35.

Roading Asset Base

Any discussion of roading network resilience investment requires an understanding of baseline financial value of various assets, which reflects their current physical condition based on deterioration over time. It is also important to understand how a road is constructed, as well as the role played by supporting assets such as drainage and bridges.

Roading is by far the highest element of Council expenditure – representing 44% of the 2023-24 Annual Plan (the next highest element is solid waste at 13%). Council is responsible for the renewal and maintenance of roading assets with a replacement cost of over \$2 billion with a historical budget that is less than 2% of that figure.

The Council AMP shows a breakdown from the land transport asset valuation as of 30 June 2022 is shown, in Table 74. Key definitions are:

- Replacement cost: the amount which would be required to build the asset back to its "as new" state at current (2023) prices.
- Total accumulated depreciation: allocated to each asset class since it was put into
 use, and in effect measures the loss in financial value over time.
- Depreciated replacement cost (obtained by subtracting total accumulated depreciation from replacement cost): the amount required currently to replace the service capacity of an asset with a substitute asset of current comparable utility and condition.



Annual depreciation: estimated of the level of depreciation per year, and will
continue based on current levels of maintenance and renewal investment.

Table 74 Local Roading Asset Valuation (2023 Prices)

Asset Class	Replacement Cost (\$m)	Total Accumulated Depreciation (\$m)	Depreciated Replacement Cost (\$m)	Annual Depreciation (\$m)
Land	880.52	0	880.52	0
Formation	496.91	0	496.91	0
Sealed pavement surface	55.56	38.19	17.37	3.55
Sealed pavement layers	224.81	73.78	151.03	3.58
Unsealed pavement layers	58.77	18.90	39.87	2.54
Impaired roads	(66.98)	(7.86)	(59.19)	(0.67)
Treatment length sub-total total	1,649.59	123.00	1,526.59	9.00
Drainage	75.10	38.88	36.21	1.08
Surface water channels	46.41	22.47	23.93	0.62
Footpaths	59.01	26.88	32.13	0.81
Traffic facilities	15.26	6.17	9.09	0.27
Minor structures	1.99	0.41	1.58	0.35
Signs	2.45	1.73	0.72	0.16
Railings	8.83	7.33	1.49	0.34
Streetlights	10.32	5.46	4.86	0.39
Car parks	2.00	0.54	1.47	0.34
Bridges and major culverts	157.54	108.13	49.41	2.10
Other assets sub- total	378.91	218	160.89	6.46

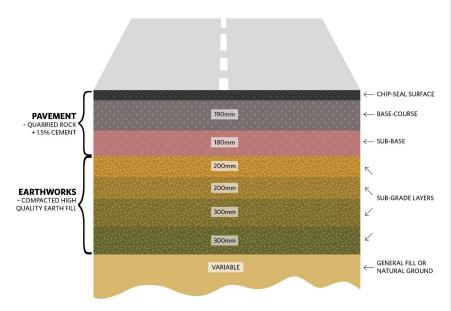


Asset Class	Replacement Cost (\$m)	Total Accumulated Depreciation (\$m)	Depreciated Replacement Cost (\$m)	Annual Depreciation (\$m)
Total all assets	2,028.49	341.09	1,687.48	14.83

Source: Council Land Transport Activity Management Plan 2024

In financial value terms, land and formation on the roading network represent two thirds of the total asset value, but neither depreciate as they are enduring one-off costs which have been incurred during construction. In Figure 31 below the formation is denoted by the variable layers and earthworks.

Figure 31 Typical Sealed Road Pavement Layers



Source: Waka Kotahi NZ Transport Agency

For the "treatment length" extent of the roading asset (measured by the surface area), sealed pavement layers – the sub-base and base-course in the diagram above - have significantly higher value than either sealed surface or unsealed pavement layers. This is partly because sealed pavements are much deeper than a chip seal surface. Physical condition of the pavement – whether sealed or unsealed - is a critical element of a resilient roading asset, and any defects can result in a range of problems – from potholes through to under slips where the road collapses into the slope below.



Drainage assets are highly important to prevent water percolating into the pavement and causing problems referred to above. Failure to drain away surface water is also a significant safety concern as it can lead to vehicles skidding as well as impaired visibility through spray.

Given the number and length of rivers and streams in the region, bridges are perhaps the most critical asset from a resilience perspective. Put simply, it doesn't matter if there are robust road pavements and surfaces either side of a bridge if it is no longer there, or unusable because of physical damage. In 2023 the Gisborne network was severely impacted by Cyclone Gabrielle. Up to a third of the roading network was adversely affected, with seven bridges washed away and 15 others needing major repairs. The difference between the 2022 and 2023 asset valuations reflects impact from this event:

Table 75 Change in Asset Valuation Between June 2022 and June 2023 (Post Cyclone Gabrielle)

Valuation Date	Replacement Cost (\$m)	Depreciated Replacement Cost (\$m)	Annual Depreciation (\$m)
30 June 2022	2,224.42	1,909.67	13.22
30 June 2023	2,028.49	1,687.48	14.83

Source: Council Land Transport Activity Management Plan 2024

Replacement costs have fallen by over 10% in a year due to the damages and impairments from the Cyclone, and the annual depreciation rate has consequently increased by \$1.5 million.

Network Structure

The structure of the local and State Highway roading network is dictated by the region's topography. Much of Te Tairāwhiti is mountainous and there is only a limited extent of land on which roads have been constructed, specifically:

- Along the coast.
- On flat alluvial plains where most townships are located.
- Along valley and gully floors.

Figures 32 and 33 below shows the region's roading network using the ONF classifications.

The spine of the region's roading network is provided by State Highways 2 and 35:

- State Highway 2: along the coast from Wairoa to the edge of Gisborne city and then inland towards Opotiki via Te Karaka and Matawai townships. Between Wairoa and Makaraka, it is classified as an Interregional Connector under the ONF. After that it becomes a rural connector as far as the Bay of Plenty boundary north of Matawai.
- State Highway 35: along the coast from Gisborne city to the East Cape (linking the
 townships of Tolaga Bay, Tokomaru Bay, Te Puia Springs, Ruatoria, Tikitiki, Te Araroa
 and Hick's Bay) and then onward to Opotiki via Cape Runaway. East of Poverty Bay
 Golf Club, this route is classified as a Rural Connector under the ONF.

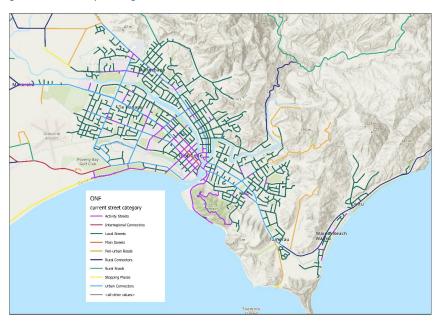


Figure 32 Te Tairāwhiti Roading Network









Outside of Gisborne city and the townships, the local roading network branches off the State Highway and provides essential access to small communities and individual properties, as well as vast tracts of agricultural and forestry land which are a significant part of the region's economy. Other roads often branch off the "main" local road to form a "fishbone" type of pattern. Many local roads run for tens of kilometres into a vast rural hinterland. The number of properties and levels of economic activity generally get lower further away from a State Highway intersection.

On the regional roading network (Figure 32) most links which branch off the State Highway are classified as Rural Roads under the ONF (shown in green). However, there are several Rural Connectors (shown in purple) where there are greater levels of economic and social activity in smaller townships, villages and forestry blocks, specifically:

- Tiniroto Road: from State Highway 2 west of Matawhero to the regional boundary with Hawke's Bay (this route provides an alternative to State Highway 2 between Gisborne and Wairoa).
- Waingake Road: from State Highway 2 at Manutake to Waingake.
- Wharekopae Road: from State Highway 2 west of Matawhero through Patutahi and as far as Ngatapa.
- Lavenham Road: from Patutahi to State Highway 2 at Waipaoa.



- Poverty Bay flats: several roads which connect townships immediately to the west of Gisborne city as far as (and including Ormond Road / Back Ormond Road).
- Waimata Valley Road: from Back Ormond Road into one of the largest areas of
 forestry in the region (the link continues as a Rural Road and provides a theoretical
 alternative to State Highway 35 for some vehicles between Gisborne, Uawa / Tolaga
 Bay and Tokomaru Bay).
- Tauwhareparae Road: from State Highway 2 at Uawa / Tolaga Bay to (where it meets up with the State Highway 35 alternative route).
- Mata Road: from State Highway 2 west of Tokomaru Bay to Fernside Road (where it
 meets the State Highway 35 alternative route).
- Ruatoria: several roads immediately east of the township ultimately leading up to the Waiapu River.

Within Gisborne city, Figure 33 shows that most of the network is made up of Local Streets (shown in green) and Activity Streets (shown in purple) which are where people live, work, shop and play. These are accessed of the Urban Connector routes which are the main local roads in the city – including Gladstone Road, Childers Road, Stanley Road, Lytton Road, Rutene Road and Ormond Road. State Highway 35 through the city is also classed as an Urban Connector, with access to both the city centre and Eastland Port being an important function. Throughout the city centre, Gladstone Road (shown in darker orange) is classified as a Main Street because of the high concentration of shops, businesses and other commercial activities. At the edge of the city there are a few Peri-urban Roads (shown in lighter orange) which provide access to lifestyle blocks.

Journey Times

The time it takes people and goods to travel from A to B, and how consistent that time is for the road user, is an important aspect of roading network resilience. Large, rural, isolated and poor regions such as Te Tairāwhiti have an inherent tendency to experience long and often variable road vehicle journey times. This is a function both of distance between origins and destinations and route quality. If roading assets are vulnerable to damage and destruction, both journey times are reliability are adversely affected.

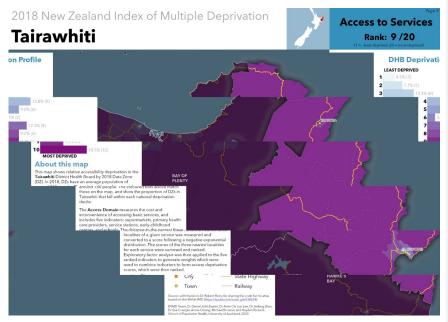
Long travel distances are partly a function of the concentration of jobs, services and key lifeline facilities in Gisborne city, which is located towards the southern part of the region. Gisborne city contains over 70% of the region's population, and includes the hospital, port, airport, employment, educational and retail centres. There are few comparable destinations anywhere outside of Gisborne city (Te Puia Springs hospital and six area schools perhaps being the main exceptions).

Gisborne city residents benefit from having a relatively large concentration of jobs, educational opportunities, and services within a small urban area, no more than ten kilometres from east to west. It is a different story outside of the city, with residents having to travel significant distances to Gisborne city to access anything other than the most basic services within local townships. Public transport services are available in Gisborne city, but almost non-existent elsewhere in the region – which represents a significant accessibility challenge for people who do not have access to a car or who are unable to drive. For people who have significant health challenges, longer journey times could literally mean the difference between life and death.



This situation results in a high level of deprivation in terms of access to services. At the 2018 census, the Tairāwhiti District Health Board (DHB) area ranked 9 out 20 in the country (with 20 being the highest level of deprivation). However, the ranking masks the fact that access is relatively good in Gisborne city, whilst being very poor elsewhere in the region (as shown in Figure 34 below).

Figure 34 Access to Services and Levels of Deprivation



Whilst it takes around 90 minutes to travel from Wairoa (located in neighbouring Hawke's Bay region), a one-way journey from Wharekahika in the far north of Te Tairāwhiti region takes the best part of three hours. Figure 35 shows some typical estimated journey times from a web-based route planner, which does not account for delays resulting from post-Cyclone recovery road works.

These journey times have been made even longer by the damage caused by the various severe weather events, which have resulted in missing bridges, closed routes because of land slip risk, lower speed limits because of surface damage and extensive roadworks to repair the assets.

Long journey times increase the cost of transport both for people and business, both in terms of people (such as wages) and fuel consumption. Unreliable journey times – day-to-day variations resulting from roadworks, poor weather or slow-moving vehicles - can add to this cost as additional expense has to be factored in.

In terms of route quality, physical topography means that both horizontal and vertical road alignments have frequent bends and have often been constructed within very narrow



spaces – such as through gullies, along the side of hills and close to the coastline. This means that safe driving speeds are frequently under the theoretical limit for some parts of any journey.

Figure 35 Typical Journey Times Prior to Cyclone Gabrielle

Wharekahika to Gisborne: 2 hours 52 minutes
Ruatoria to Gisborne: 2 hours 2 minutes
Tokomaru Bay to Gisborne: 1 hour 23 minutes
Tiniroto to Gisborne: 1 hour 3 minutes
Matawai to Gisborne: 1 hour
Tolaga Bay to Gisborne: 49 minutes
Rere to Gisborne: 46 minutes

The region's reliance on primary production is a significant challenge. From harvesting produce to its relocation to a cool store and then onwards to market, there is only a short amount of time before the risks of damage to the crop ramp up. There is no option to simply wait a few weeks or even days for a road to be re-opened. Furthermore, when opportunities for agricultural and horticultural land are considered at locations up the East Coast, investor confidence in a reliable and resilient roading network is critical. If this confidence is missing because of concerns over roading resilience, then economic opportunities may well be lost.

Travel Demand

The relative level of demand for travel is a very important metric for roading network asset management investment. Higher demand generally increases wear and tear on the roading assets, and benefits of maintenance will be experienced by larger numbers of people. This "collective value" generally means that the more an asset is used, the higher its importance.

However, relatively low levels of demand – especially in rural areas – do not necessarily indicate a lack of "individual value" or importance to the people and businesses who rely on them. In general terms, the further away individual people and businesses are from places they need to get to, the more valuable they may feel that their route is – especially if there is no alternative. Many rural roads are essential lifelines for the people and businesses who use them. Whilst in urban areas alternative routes can usually be found in the event of road closure, in rural areas this is not usually the case.

The relative level of under-development in Te Tairāwhiti region, also means that resilience investment could deliver relatively high levels of wider economic benefit compared to other regions where prosperity is (relatively speaking) "locked in".



The challenge in this PBC is to balance and reconcile collective versus individual value of roading routes so that benefits are maximised and costs minimised, and this has been done through use of a GIS-based tool which is discussed in the section on problems below.

Resilience Implications

A key aspect of any resilient system is its ability to bounce back from setbacks, whether these are sudden or have taken place over many years.

The preceding analysis of population, economy and transport paints a picture of Te Tairāwhiti region as a small, isolated region with a series of structural issues which are restricting its development.

A very small and dispersed population – relative to both land area and size of roading network – is unable to generate sufficient economic output and therefore local rating revenue which can be invested in future infrastructure resilience. There is a heavy reliance on central government investment, which is reflected in the relatively high Funding Assistance Rate (FAR) for activities funded through the National Land Transport Programme (NLTP).

This population is relatively young and struggles with a lack of opportunities for employment in higher value add industry categories such as professional services. Instead there is high dependency on primary production which, whilst essential to the region's success, is unable on its own to generate the number and financial value of employment opportunities compared to other parts of Aotearoa New Zealand. The work that goes into activities which are unpaid – and on which the "real economy" depends – goes largely unrecognised.

The level of socio-economic deprivation – especially amongst the Māori population – is unacceptably high and, unless it is addressed, could act as a brake on further economic and social progress. The region risks being perceived as a "basket case", when nothing could be further from the truth.

Nothing has yet been said of the staggering beauty of the natural environment in the region, which is a positive outcome of its relative isolation. The region and its communities offer a very high quality of life which provides a more relaxed pace where people can truly develop their personal ambitions.

Statistics do not capture either the huge potential of the region nor the resourcefulness and skills of its people. Nor do they adequately measure the wider economic value of natural resources – especially those associated with land and water - upon which the population directly depends.

The Trust Tairāwhiti Economic Recovery Plan (TTERP) 2024 notes that the region is at a pivotal moment in time. As a "perfect storm" of the COVID-19 pandemic, severe weather events, housing, shortages, rising living costs begins to ease, the plan emphasises that it is time to take charge and plot a new course of action, based on a once-in-a-generation opportunity to confront the impacts of climate change and global economic headwinds.

The TTERP contains several targets and high-level actions as summarised in Table 76:



Table 76 Trust Tairāwhiti Economic Recovery Plan 2024 Targets and High-level Actions

Target	High-Level Actions	
Contribute 1% to New Zealand's GDP by 2034 (from 0.7% in 2023)	Grow through strategic investment in: Higher value primary production Manufacturing capacity and capability Growing the knowledge economy Igniting tourism	
Add value to products by growing our manufacturing sector to 8%	Growing manufacturing base to amplify the value of existing production strengths, such as wood manufacturing, and drive economic growth	
Elevate Tairāwhiti earnings to equal the national average	Create more 'higher earning roles' by focusing our economic growth on job creation which: Delivers quality job opportunities for residents Establishes pathways to lift Māori earnings	
Unlock the economic potential of whenua more than 1,000 hectares	Transition more than a thousand hectares of land to higher-value production by: Enhancing infrastructure Enabling the adoption of improved production processes	
	Exploring new production opportunities	

Source: Trust Tairāwhiti Economic Recovery Plan 2024

The TTERP sets out five strategic enablers, the first of which is:

"Invigorate our transport and logistics lifelines by elevating the resilience and quality of our road networks."

Resilient roading infrastructure is not a "nice to have", but rather something that is essential to the future prosperity and wellbeing of the region. However, the reality is that over the last few years of severe weather events roading resilience has been severely tested and found to be less than adequate to support the existing economy, never mind the desired future one.



Appendix B: Cultural Context

Joint Management Agreement

The purpose of the Joint Management Agreement (JMA) is to provide a mechanism for Ngã Hapū o Ngãti Porou to share in Resource Management Act (RMA) decision-making within the traditional Ngãti Porou rohe, mai i Potikirua ki te Toka a Taiau, specifically within the Waiapu Catchment.

The JMA requires Council to ensure that Te Runanganui is kept informed of relevant aspects of the preparation, review and changes to all relevant RMA planning documents, planning instruments, notified resource consent applications, and plan changes within or affecting the Waiapu Catchment.

Council and Te Runanganui will make the following decisions jointly in accordance with this JMA:

- Notified resource consent applications under section 104 of the RMA within the Waiapu Catchment.
- RMA planning documents under clause 10(1) of Schedule 1 of the RMA that affect the Waiapu catchment, including the Waiapu Catchment Plan.
- Private plan changes under clause 10(1) of Schedule 1 of the RMA that affect the Waiapu catchment.

lwi and Hapū Management Plans

Iwi and Hapū Management Plans are policy statements that describe resource management issues important to tangata whenua. The plans provide iwi resource management strategies for sustainable development of natural and physical resources. They may also have information relating to specific cultural values, historical accounts, descriptions of areas of interest, hapū and iwi boundaries (rohe) and consultation and engagement protocols for resource consent and plan changes.

Hapū and Iwi Management Plans provide a mechanism for tangata whenua interests to be considered in Council processes. There are specific legislative requirements which place a duty on Council to take these plans into account.

Over 50 members of Nga Ariki Kaiputahi presented their plan to Council in April 2012. The first such plan to be presented at a full meeting of Council, it is a high-level document, and many aspirations expressed about sustainable management of natural and physical resources align with local policies.

The Nga Ariki Kaiputahi Hapu / Iwi Management Plan establishes the strategic vision for the sustainable management of natural and physical resources within the rohe of the Mangatu.

Enagaina Māori

A key issue for any roading resilience investment programme is effective Māori participation in council decisions. The following table, from Tairāwhiti Piritahi: Fostering Māori Participation in Council Decision-Making Policy, summarises how this can be achieved:



Table 77 Involving Māori in Council Decision-Making

Explanation	Actions	What Success Looks Like
Council recognises that Māori decision-making processes are collective in nature. Council ensures that we are including the right people, at the right level, at the right time and on the right terms.	Create and adhere to processes that ensure Māori needs / issues / concepts are considered and Māori are participating effectively throughout. Co-ordinate and resource iwi engagement forums with a consistent investment approach. Allocate the time and resource Māori collectives require in order to make informed decisions about our processes. Make information relevant and reflective of Māori audiences. Develop and maintain more collaborative partnerships and processes with agreed mutual outcomes instead of one-off consultation on an issue-by-issue basis.	Council processes consider Māori needs / issues / concepts and includes relevant information reflective of Māori audiences. Māori can participate effectively in any Council decision-making process. Iwi engagement forums are well-resourced and contribute to improved outcomes in Council decision-making. There are a number of collaborative partnerships and processes with dedicated mutual outcomes and reliance on consulting on an issue-by-issue basis is reduced.

Source: Tairāwhiti Piritahi: Fostering Māori Participation in Council Decision-Making Policy



Figure 36 Rohe of Ngãi Tāmanuhiri

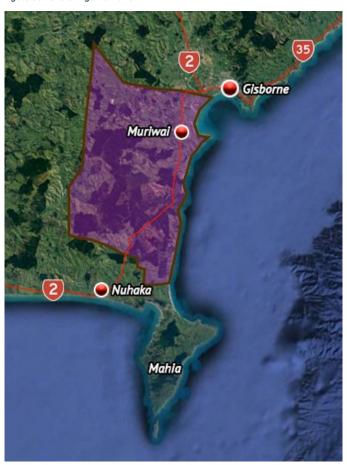




Figure 37 Rohe of Ngāti Porou

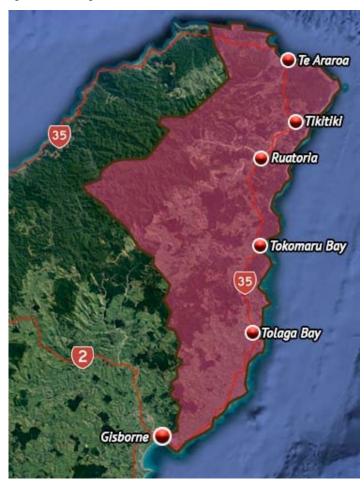




Figure 38 Rohe of Rongowhakaata

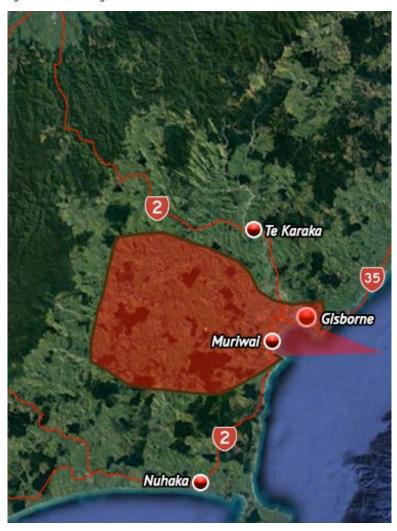




Figure 39 Rohe of Te Aitanga ā Māhaki

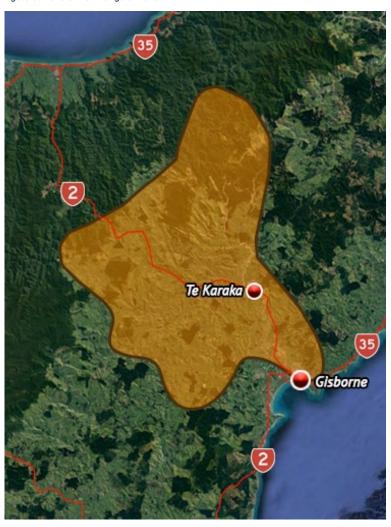




Figure 40 Rohe of Te Wairoa lwi and Hap $\bar{\mathrm{u}}$





Appendix C: Previous ILM Problem Statements

As part of this business case, all problem statements from recent business cases have been summarised in Table 78, with those most relevant to network resilience highlighted in bold.

Table 78 Problem Statements from Previous ILM Exercises

Document and Date	Problem Statements (those most relevant to roading network resilience highlighted in bold)	
Integrated Transport Priority Plan (2018)	Conflict between active mode users of transport and heavy vehicles results in increased personal risk to active mode users.	
	Narrow seal, lack of passing opportunities and tight alignment contribute to a significant potential risk, particularly in rural areas, of death and serious injury.	
	The region's driver demographics are risk takers and with the maintenance which contributes to a higher-than- normal regional accident rate.	
	 Parts of the network lack capability and are not able to sustain the current and projected volume of traffic, particularly freight. 	
	The network is susceptible to road closure and degradation from climatic conditions leading to poor road condition, excessive wear and tear on vehicles and resultant economic loss.	
Local Roads Route Security Single Stage Business Case (2020)	Parts of the network lack capability and are not able to sustain the current or projected volume of traffic, particularly freight.	
	The network is susceptible to road closure and weather degradation leading to poor road condition, excessive wear and tear on vehicles and resultant economic loss.	
Te Tairāwhiti Wairoa Resilience Strategic Response Single Stage Business Case (2023)	 Increasing frequency and intensity of weather events reduces the availability of the transport system, including suitable alternative routes, resulting in negative econom social and lane use impacts for local, district and region communities. 	
	 Poor state highway resilience and lack of viable alternative routes impedes critical lifeline services from providing timely disaster response and recovery to support isolated communities. 	



Document and Date	Problem Statements (those most relevant to roading network resilience highlighted in bold)	
	 Increasing resilience challenges has focussed investment in short term recovery resulting in long term underinvestment in a resilient and safe transport system, constraining social and economic opportunities. 	
Regional Land Transport Plan (2024)	Historic underinvestment in asset maintenance, increased freight travel demand, increased severe weather events, and land use changes is resulting in declining network performance and inadequate network resilience that is negatively impacting sustainable economic growth, user safety, individual and community psychosocial wellbeing, community accessibility, maintenance costs, and aspirational outcomes.	
	Low quality of vehicles, poor decision making by transport users, deficiencies in network design and deteriorating road surfaces are resulting in deaths and serious injuries on our transport network, with Māori disproportionately affected.	
	A lack of safe and convenient public and active travel infrastructure and services for all transport users is resulting in high levels of car use, increasing levels of greenhouse gas emissions, adverse health impacts, and reduced access to economic opportunities and key services for disadvantaged persons.	
Land Transport Activity Management Plan (2024)	Historic underinvestment in asset maintenance, increased freight travel demand, increased severe weather events, and land use changes is resulting in declining network performance and inadequate network resilience that is negatively impacting sustainable economic growth, user safety, individual and community psychosocial wellbeing, community accessibility, maintenance costs, and aspirational outcomes.	
	Low quality of vehicles, poor decision making by transport users, deficiencies in network design and deteriorating road surfaces are resulting in deaths and serious injuries on our transport network, with Māori disproportionately affected.	
	A lack of safe and convenient public and active travel infrastructure and services for all transport users is resulting in high levels of car use, increasing levels of greenhouse gas emissions, adverse health impacts, and reduced	



Document and Date	Problem Statements (those most relevant to roading network resilience highlighted in bold)
	access to economic opportunities and key services for disadvantaged persons.

Within the five documents summarised in the table above, nine problem statements (out of 15 in total) are relevant to local roading network resilience. The Local Roads Route Security and Te Tairāwhiti Wairoa Resilience Strategic Response Single Stage Business Cases were both commissioned to address the overall challenges of increasing freight movements, severe weather events and climate change.

Therefore in discussion with NZTA, it has been decided to forgo another ILM exercise which – in all likelihood – would have generated very similar problem statements to those in previous business cases, the RLTP and AMP.



Appendix D: Transport Network Exposure, Vulnerability and Resilience Risk

Exposure

Exposure refers to the presence of people, livelihoods, species or ecosystems, environmental functions, services, and resources, infrastructure, or economic, social, or cultural assets in places and settings that could be adversely affected by a climate hazard (IPCC, 2014). General exposure descriptors from the Ministry for the Environment's (MfE) Guidance for Local Climate Change Risk Assessments are summarised as follows:

Table 79 Risk Exposure Descriptors

Exposure	Definition	Descriptor	Gisborne Exposure Score
Extreme	More than 75% of sector / element is exposed to the hazard	Significant and widespread exposure of elements to the hazard	17.9 – 23.7
High	50-75% of sector / element is exposed to the hazard	High exposure of elements to the hazard	11.9 – 17.8
Moderate	25-50% of sector / element is exposed to the hazard	Moderate exposure of elements to the hazard	5.9 – 11.8
Low	5-25% of sector / element is exposed to the hazard	Isolate exposure of elements to the hazard	0 – 5.8

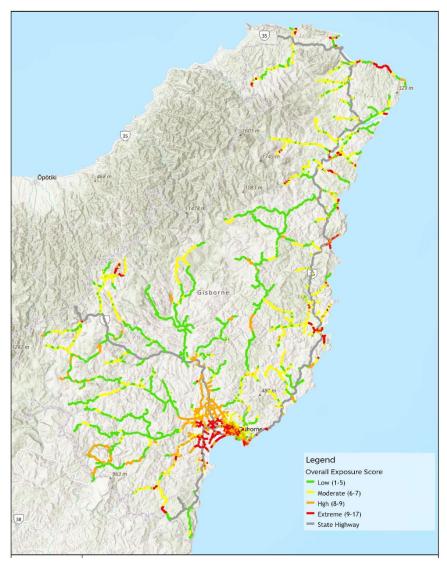
Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Figures 41 and 42 provide an overview of transport network exposure, for the whole region and Gisborne city roads respectively. Total exposure is equal to the sum of the exposure to all identified hazards weighted equally. The red and orange lines indicate extreme and high exposure respectively.

The Gisborne city urban network and coastal areas generally have higher exposure to most hazards, both stresses and shocks, including increased rainfall and flooding events, sea level rise / storm surge, earthquake amplification and liquefaction, and tsunami.

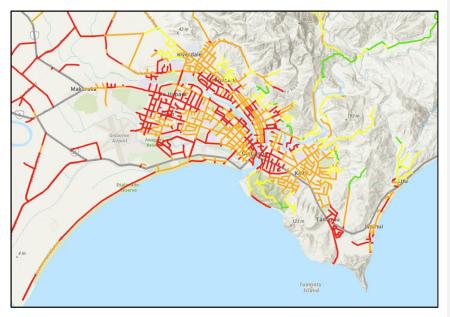


Figure 41 Overall Transport Network Exposure for Te Tairāwhiti Region









 $Source: Tair\bar{a}whiti~Strategic~Network~Resilience~Programme~Business~Case~- Technical~Inputs~for~Strategic~Case,~WSP~- Technical~Inputs~for~Strategic~Case,~WSP~- Technical~- Technical$

Inland rural hilly areas have a higher exposure to some natural hazards, which is not apparent in the summarised data. Available data for extreme rainfall / storms and flooding is not accurate enough or suitable to fully capture exposure in these areas.

Vulnerability

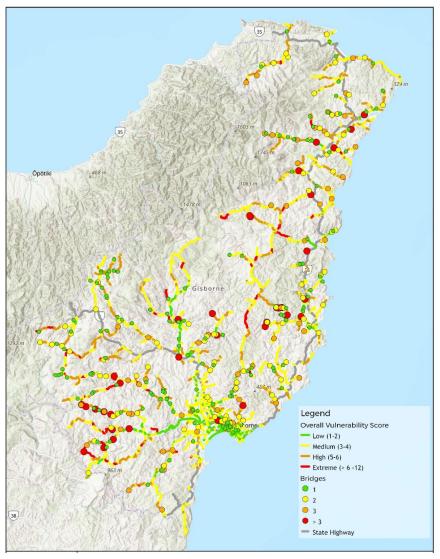
The second resilience risk factor is **vulnerability**, a function of:

- Sensitivity: The degree to which an asset is affected, either adversely or beneficially, by a hazard
- Adaptive capacity: The ability of an asset to adjust to potential damage or to respond to consequences of that hazard.

Figures 43 and 44 provide an overview of transport network vulnerability, based on structures and roads. The urban network has generally low vulnerability, because it has a more robust asset base. Vulnerability of rural roads and structures is higher because they are in poorer condition and / or not constructed to the same robust standard as urban roads.

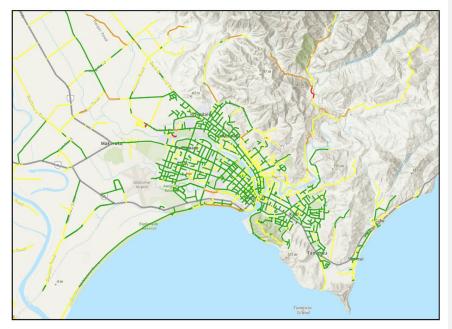


Figure 43 Overall Transport Network Vulnerability for Te Tairāwhiti Region









Overall Resilience Risk

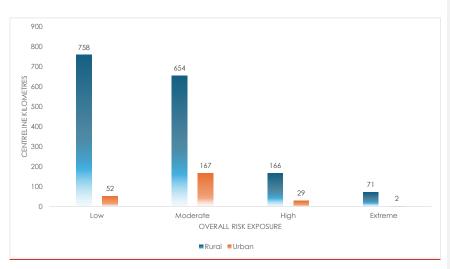
A combination of exposure and vulnerability make up the **overall resilience risk** score. Figure 45 shows the total level of resilience risk measured by road centreline kilometres. Figure 46 shows the same data by percentage of centreline kilometres.

Just under 16% of Council's local roading network (a total of 315 kilometres) is scored as having extreme or high risk. For the rural network this equates to 54 kilometres extreme and 221 kilometres high. The rural network is less robustly constructed, which reflects the higher length and percentage of extreme risk.

Even a relatively low length of road in the Gisborne city network (two kilometres extreme risk and 38 kilometres high risk) is very important for the relatively high number of people who are dependent on it, and this is for all modes of travel including walking, cycling and public transport. A total of 40 kilometres represents 15% of the urban roading length.

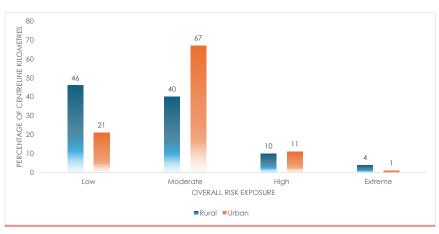


Figure 45 Overall Transport Network Resilience Risk for Te Tairāwhiti Region (Length of Centreline Kilometres)



 $Source: Tair\bar{a}whiti~Strategic~Network~Resilience~Programme~Business~Case~- Technical~Inputs~for~Strategic~Case,~WSP~- Technical~Inputs~for~Strategic~C$

Figure 46 Overall Transport Network Resilience Risk for Te Tairāwhiti Region (Percentage of Centreline Kilometres)



Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP The maps in Figures 47 and 48 show how resilience risk is spatially distributed.



Figure 47 Overall Transport Network Resilience Risk for Te Tairāwhiti Region

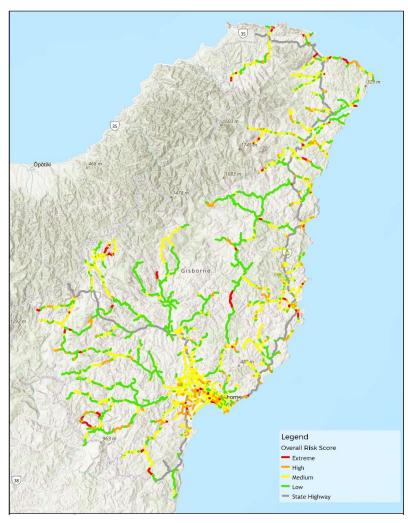
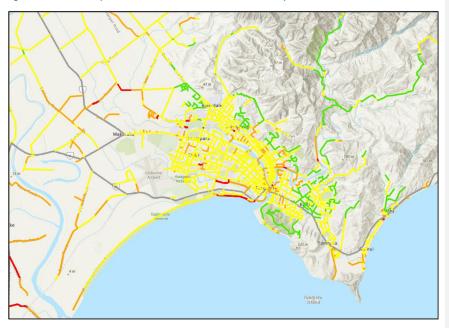


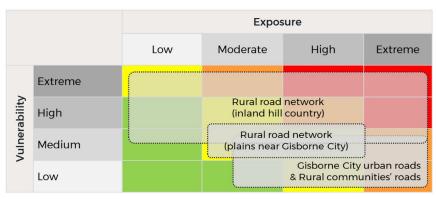


Figure 48 Overall Transport Network Resilience Risk for Gisborne City



Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP Figures 49 outlines a risk matrix which summarises resilience risk spatial distribution across the roading network.

Figure 49 Overall Transport Network Resilience Risk Matrix Spatial Summary



Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP



Resilience risk for Gisborne city, rural roads near the city and rural townships / communities is generally moderate to high. There are few road sections in these parts of the region that are considered to have extreme risk. This is because while these roads are exposed to natural hazards, they are well built so their vulnerability is reduced.

There is more variance in the resilience risk across the wider rural road network, with some places having extreme level and others low. This variance largely reflects differences in the vulnerability of local roads in the more rural parts of the region, which is a function of poorer asset construction and condition.

Figure 47, above shows that there are many sections of rural road with extreme and high resilience risk which are located in between lower risk sections. Even a small percentage of the network being exposed to a single hazard – including sea level rise / storm surge and tsunami - is likely to have a much larger impact than the immediate area affected. This is because any **critical point of failure** – such as a bridge or key section of road that connects others together – will adversely affect any journey that traverses through it – even if adjacent sections have no exposure. If there are no viable alternative routes, then sections of the road network which are not exposed to hazards can't provide full, or even any, connectivity. A roading system is only as strong as its weakest links.

Regarding the Gisborne urban network, Figure 48 above shows that the vast majority of the network is medium risk at the very least. Generally only sections of road located on higher ground are considered low risk, as they will not be impacted by a tsunami. The river crossings and sections of road close to waterways are generally high risk, as well as areas west of the airport. The longest sections of road with extreme risk are adjacent to Waikanae beach and the inland creek of the same name.

The following maps show risk by individual hazard:

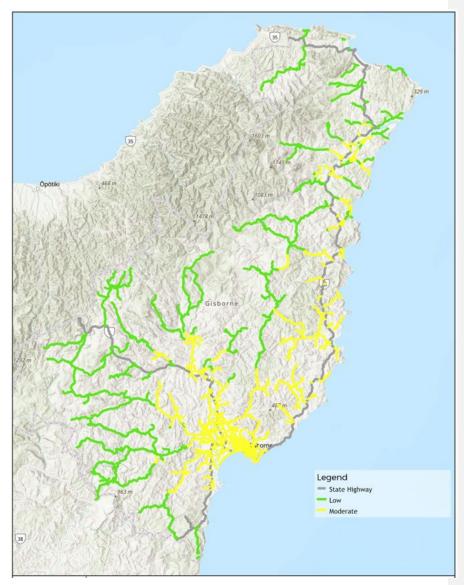
- Temperature increase.
- Increased precipitation and flooding events.
- Increased rainfall and storm events.
- Sea level rise and storm surge.
- Tsunami.
- Earthquake amplification.

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Figure 50 Temperature Increase (Extreme Hot Days)



 $Source: Tair\bar{a}whiti \, Strategic \,\, Network \,\, Resilience \,\, Programme \,\, Business \,\, Case \,\, - \,\, Technical \,\, Inputs \,\, for \,\, Strategic \,\, Case, \,\, WSP \,\, Case \,\, - \,\, Technical \,\, Case \,\, - \,\,$



Figure 51 Increased Precipitation and Flooding Events

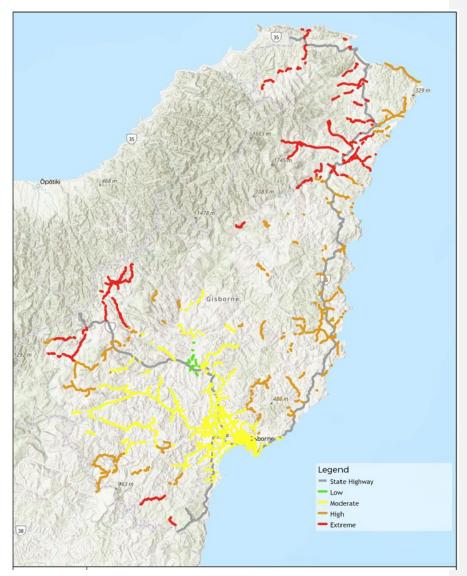




Figure 52 Increased Rainfall and Storm Events

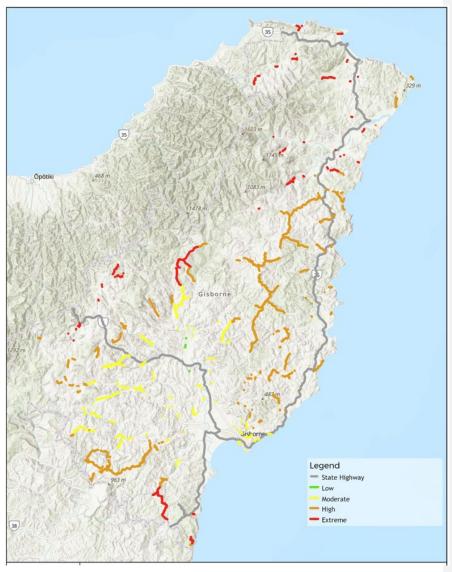




Figure 53 Sea Level Rise and Storm Surge



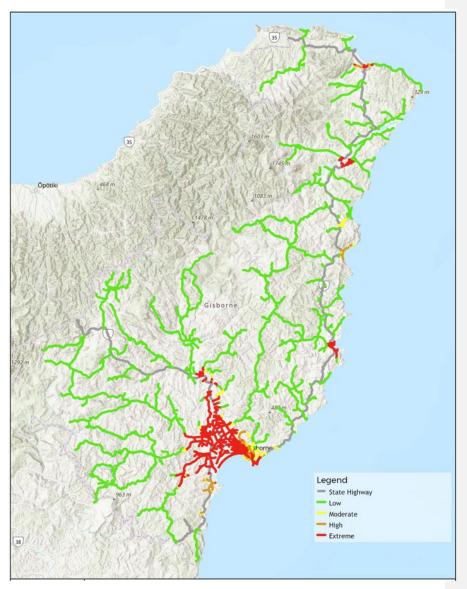


Figure 54 Tsunami





Figure 55 Earthquake Amplification



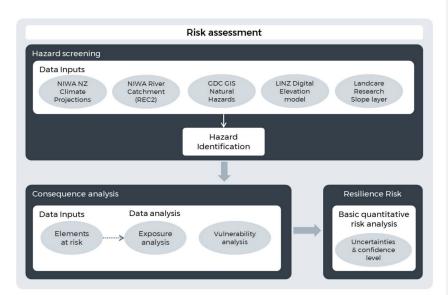
 $Source: Tair\bar{a}whiti~Strategic~Network~Resilience~Programme~Business~Case~- Technical~Inputs~for~Strategic~Case,~WSP~- Technical~Inputs~for~Strategic~C$



Appendix E: Technical Methodology and Scoring for Hazard Exposure and Vulnerability

The technical methodology follows a simplified version of the Ministry for the Environment's (MfE) Guidance for Local Climate Change Risk Assessments²⁴, summarised in Figure 56. A screening process using various data inputs identifies hazards that represent future risks to the roading network. Once identified, elements at risk and their **exposure** and **vulnerability** to each type of hazard are identified - as shown at the bottom of Figure 56.

Figure 56 Strategic Network Resilience PBC Technical Methodology



Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

The level of exposure risk for <u>each hazard</u> ranges from extreme (a score of 4) to low (a score of 1). General exposure descriptors from the Ministry for the Environment's (MfE) Guidance for Local Climate Change Risk Assessments are included in Table 80. The Council exposure score represents the total for sections of local road exposed to <u>all six natural hazards</u>.

²⁴ A guide to local climate change risk assessments | Ministry for the Environment



Table 80 General Exposure Descriptions from MfE Guidance for Local Climate Change Risk Assessments with Council Exposure Scoring Bands

Exposure	Individual Hazard Score	Definition	Descriptor	Council Exposure Score (All Hazards)
Extreme	4	More than 75% of sector / element is exposed to the hazard	Significant and widespread exposure of elements to the hazard	17.9 – 23.7
High	3	50-75% of sector / element is exposed to the hazard	High exposure of elements to the hazard	11.9 – 17.8
Moderate	2	25-50% of sector / element is exposed to the hazard	Moderate exposure of elements to the hazard	5.9 – 11.8
Low	1	5-25% of sector / element is exposed to the hazard	Isolate exposure of elements to the hazard	0 – 5.8

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Table 81 General Vulnerability Descriptions from MfE Guidance for Local Climate Change Risk Assessments

Exposure	Definition	Total Vulnerability Score
Extreme	Extremely likely to be adversely affected, because asset is highly sensitive to a given hazard and has low capacity to adapt	Greater than 6
High	Highly likely to be adversely affected, because asset is highly sensitive to a given hazard and has low capacity to adapt	5 – 6
Moderate	Moderately likely to be adversely affected, because asset is highly sensitive to a given hazard and has low or moderate capacity to adapt	3 – 4
Low	Low likelihood of being adversely affected, because asset has low sensitivity to a given hazard and a high capacity to adapt	1-2

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Vulnerability of road length (surface and pavement) has been assessed with data from Council's RAMM database and recent under slip (dropout) inspection work completed post-Cyclone Gabrielle. Using this data the vulnerability scoring system is summarised in Table 81:



Table 82 Vulnerability Scoring System for Road Lengths

Criterion	Rationale	Existing Data Rating	Score
Surface type	Unsealed roads are more vulnerable when excessively	No sealed surface (unsealed road)	2
	wet or dry	Thin flexible sealed surface.	1
Carriageway width	Increased vulnerability for	Two Janes narrow	2
	narrower roads as there is less side support	between 6 and 8 metres wide	
		One lane more than 8 metres wide	1
		Two lanes more than 8 metres	0
Proximity to rivers	Roads within 30 metres of rivers have more vulnerable geology (especially proximity to banks)	Within 30 metres of a river	2
	(especially proximity to burks)	More than 30 metres from a river	0
Existing damage	Generally reflects loss of at least half the road	Cost more than \$200,000 (47 in total)	3
	Generally reflects loss of partial and, up to one, live traffic lane	Cost \$100,000 to \$200,000 (92 in total)	2
	Generally reflects loss of shoulder and into live traffic lane	Cost \$50,000 to \$99,000 (159 in total)	1
	Generally small impact on live traffic lanes	Cost less than \$50,000 (91 in total)	0

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Structures vulnerability includes all bridges and large culverts (greater than 3.44 square metres). Data has been sourced from Council GC23 database, and then reviewed with subject matter experts to agree key factors which could indicate structure vulnerability, based on the following formula:

Structures Vulnerability = Overall Condition Rating + Debris Rating + Year of Construction Rating + Local Knowledge score

Deleted: lane



Table 83 Vulnerability Scoring System for Structures

Criterion	Rationale	Existing Data Rating	Score
Overall condition	Assessed post Cyclone	Black	4
	Gabrielle and subsequent events	Red	3
	Indicates vulnerability of bridge to damage from significant	Orange	2
	flood event	Green	1
Debris	Bridges with debris build up during significant flooding	Significant	4
	events	Medium	3
	Indicates vulnerability of bridge to debris build up during high	Minor	2
	flows	None	1
Year of construction	Correlation between bridge damage and age from Cyclone Gabrielle showed that bridges constructed prior to World War Two were more susceptible to damage	Pre-1943	2
	Mixed susceptibility to damage	1943 – 2000	1
	No apparent damage limitations	Post 2000	0

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Application of Local knowledge has been used to identify river catchments that have had repeated issues with debris flows and asset damage. Bridges on these rivers have been given an additional score of 1.

- **Hangaroa:** Following Cyclone Gabrielle four bridges were washed out on this river and several others had significant damage. There are high debris flows, many narrow canyon sections and some remaining bridges with limited or no pier foundations.
- Mangaheia: Significant debris flows all the way down this river. Many of the bridges
 have required rebuilding, some more than once. Also many of the bridges have piers
 in the middle of the river which collects debris and causes the flow to redirect
 towards the abutments at increased velocity. Some of the bridges (for example
 Matai and Wigan) were also constructed low compared to surrounding road level
 and river level which results in overtopping.
- Waiapu: According to the Ministry of Primary Industries (MPI), this catchment has the
 highest suspended sediment yield of any river in New Zealand and one of the highest
 in the world. If erosion remains untreated in key areas, models suggest there is the
 potential for current erosion and sedimentation to double by 2050. The catchment



would experience even greater physical damage, the area's agricultural production would decline, and social deprivation would worsen. Several bridges have had to be raised to protect from being overwhelmed.

• **Waikura:** There is a large amount of rain in this area and many issues with approaches being washed out. Some of the embankment approaches are fragile and susceptible.



Appendix F: Future Scenarios

Introduction

There is more than one potential scenario for how roading hazard exposure, vulnerability and hence resilience risk may play out in future. Whilst investment options in the Economic Case consider different scenarios in more detail, articulating them in the Strategic Case emphasises that problems outlined above could be more extreme than as described.

Scenarios Defined

Future scenarios provide plausible, challenging descriptions of how the future climate change impacts, and other mega trends / external drivers, mat impact the transport network in Te Tairāwhiti region. As well as affecting frequency and impact of natural hazards on the roading network, climate change is expected to alter people's ability to work with the land, and indeed where they live.

Consequently, when developing plausible future scenarios it is important to consider:

- Climate and its influence on natural hazards (and potentially making them higher impact).
- Land-use and its influence on local road importance through changing travel patterns.

Future Scenarios have been used to test sensitivity of local road importance and resilience risk ratings. Future scenarios are a tool to explore suitability of the recommended programme that have been developed as part of the Economic Case.

Programmes that are effective and efficient for several plausible futures could be seen as more suitable than those that are only effective in one future scenario. Considering alterative futures will also assist in understanding triggers for change and identification of limitations associated with alternative programmes.

Scenarios have been used to test intervention priorities and validity of the PBC preferred programme within alternative futures. Considering future scenarios and their implications for the transport network should also influence Council's wider, more strategic decisions on landuse and the economy through the TRMP. When developing the future scenarios they need to be considered as:

- Sensitivity or "what if" tests.
- Being plausible but not necessarily guaranteed to happen.
- Helping investigate and test importance of fundamental assumptions influencing the preferred roading resilience programme.

Climate Change Scenarios

Scenarios are founded on climate change climate projections from the IPCC's Sixth Assessment Report (AR6). The basis for each of the climate projections is a shared socioeconomic pathway (SSP) coupled with an emissions trajectory (driven by anthropogenic activities). For this assessment, three climate projections have been used:

• SSP1-2.6 (low emissions scenario).



- SSP2-4.5 (moderate emissions, business-as-usual scenario).
- SSP3-7.0 (high emissions scenario).

These three projections have been selected based on available data and the MfE's *Guidance for Local Climate Change Risk Assessments*. They provide a range of plausible future emissions pathways - low, moderate and high. Table 84 provides a summary of the three timescales selected for assessment.

Table 84 Climate Scenario Timeframes

Description	Years	Approximate Timeframe
Current state / short term	2021 - 2040	Next 15 years
Medium term	2041 - 2060	16 to 35 Years
Long term	2080 - 2100	55 to 75 years

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Timeframes are based on typical design life of horizontal infrastructure and also correlate with the recently released NIWA data Regional NIWA Climate Change Projections and Impacts for Tairāwhiti. Local knowledge has been used to consolidate and provide further evidence where available.

The key climate change trends for Te Tairāwhiti region can be summarised as follows:

- Average annual mean temperature across the region projected to increase by between 0.5 °Celsius to 1°Celsius, rising to up to 3.9°Celsius by 2100 areas.
- A slightly dryer climate with annual rainfall expected to decrease by up to 5%.
 Droughts are likely to increase in intensity and duration.
- Extreme 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.
- Sea level rise will increase leading to more coastal flooding, increased vulnerability to storms and tsunamis and exacerbated erosion.

Figure 57 summarises the three climate scenarios that have been developed for use in this PBC.



Figure 57 Overview of Climate Scenarios

FUTURE CLIMATE SCENARIOS - HIGH LEVEL DESCRIPTIONS **Slow Followers** Hot House World Global average temperature rise Global average temperature rise Clobal average temperature rise 2050 2050 2100 **2050 2100** +1.7°C +1.7°C +2.6°C International and domestic policy This scenario represents a divided world where New Minimal and fragmented efforts towards climate change settings aim to limit total warming mitigation globally have resulted to <1.5°C this century, but action is Zealand takes a 'bare minimum' delayed. Global emissions peak in 2030, then drop sharply. approach towards achieving net zero, in comparison to most in severely increased physical impacts. New Zealand chooses to take an adaptation approach, investing in Extreme weather events, rising other developed countries. Around 2030, a sequence of social pressure, and rapid shifts in compound weather events sweeps across New Zealand, causing significant damage to export market demands, force government to hastily enact resilience to acute and chronic physical climate impacts to try and protect communities and disruptive policies to reduce people and property. The most vulnerable parts of the country suffer the greatest losses, leading carbon emissions. businesses The uptake of low-emissions The government's approach to technologies is relatively slow until the mid-2030s, then grows curbing emissions relies on the Emissions Trading Scheme which to political tension and loss of faith in government dramatically sparked by sees companies pay to continue investment by the government as the physical effects of climate Highly ambitious emissions reductions targets and emitting rather than invest in decarbonisation. regulations are enacted from the change intensify. Increasing hot days, intense rainfall, and drought are all mid-2030s as a result of climate Land use policies have struck a change impacts balance between productive agricultural and forestry land. annual occurrences across Tairawhiti. There is a shift in land use away from traditional There is a shift in land use with

 $Source: Tair\bar{a} whiti \ Strategic \ Network \ Resilience \ Programme \ Business \ Case - Technical \ Inputs \ for \ Strategic \ Case, \ WSP$

plantations, such as fast-growing

pine, to meet emission reduction targets and to sustain the rural

farming practices as droughts

and cyclones impact the quality of produce being cultivated.

more focus on forestry

economy

Implications for Local Road Importance

biodiversity protection, emissions

reductions, and food security.

Importance of local roads is driven by the places that they connect, the significance of those places to people / business and therefore how they are used. Future local road importance scenarios have sought to reflect how society and the economy could alter in response to climate change. The factors that will influence local road importance in future are changes in:

- Total population or employment numbers.
- Location of population or employment activities.
- Types of primary industry and their transport requirements.

Various strategic plans and policies have established that while population and employment will change, basic geographic settlement patterns within the region are not expected to be fundamentally different. Attributes which could change are largely climate driven.

Future scenarios test sensitivity of investment programmes to factors that could plausibly change both in terms of local road importance, and hazard exposure. Table 85 provides an outline of the key changes incorporated into each future land use scenario.



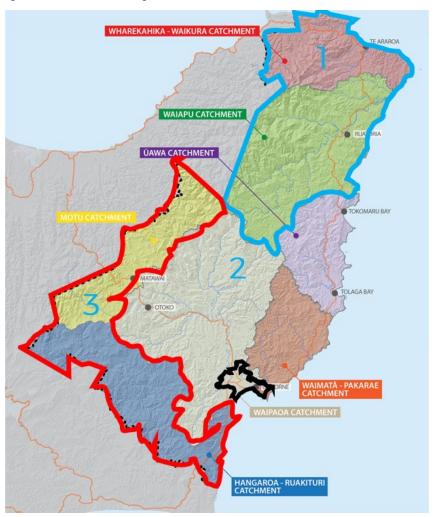
Table 85 Future Land Use and Population Scenarios

Land Use and Population Scenario	Description of Key Changes
Current patterns remain	Current population, employment and land-use patterns still relatively the same in future.
Moderate change	Moderate changes in land-use with population growth both in Gisborne City urban area and in rural settlements.
	Increased annual average temperature almost but only just passing international maximum targets.
	Population growth centred on Gisborne city urban area.
	Moderate population increases in rural areas.
	While less profitable, sheep and beef farming continues.
	All forestry and some grassland furthest from Eastland Port is converted to carbon forestry.
	Some grassland closer to Eastland Port is converted to commercial forestry.
	No change to horticulture.
Climate driven land use changes	Climate driven changes to Land-use accompanied by population growth centred on Gisborne urban area:
	Hotter average annual temperature far exceeds international maximum targets.
	Population growth centred on Gisborne urban area.
	Sheep and beef farming becomes less profitable.
	All grassland and all commercial forests remote from Eastland Port are converted to carbon forestry.
	Small reduction in rural population.
	Some grassland closer to Eastland Port is converted to commercial forestry.
1	Reduction in horticultural land due to soil salination and increased drought.

The way these changes may occur will be different across the region. Therefore, four proposed zones have been developed to reflect locations where proposed change would occur as shown in Figure 58. These zones align with Te Tairāwhiti region catchments - areas of land that drain water from the top of surrounding hills down into rivers, lakes, estuaries and the open coast.







Future scenarios used to test sensitivity of resilience risk and local roads importance are combinations of different climate change and land use scenarios. The basis for the scenarios is shown in Table 85 below.

 Scenario A1 represents the current situation, reflecting climate conditions with existing land-use patterns and accompanying social and economic activity.



- Scenario B2 represents a moderate degree of change in land use, which could be associated with the "Short Detour" future climate scenario.
- Scenario C3 represents a significant degree of change in land use, which could be associated with the "Hot House" climate scenario.
- Land-use Scenario 2 is the most likely where climate scenario B2 eventuates.
- Land-use scenario 3 is most likely where climate scenario C3 eventuates.

Jable 86 Future Climate and Land Use Scenarios

Future Scenarios		Land Use Scenario			
		1. Current	2. Moderate Change	3. Climate Driven Change	
arios	A. Current (+1.7 °Celsius)	A1	n/a	n/a	
Climate Scenarios by 2100	B. Short Detour (+2.6 °Celsius)	В1	B2	n/a	
Climat by 210	C. Hot House (+3.9) °Celsius)	Cl	n/a	C3	

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Technical Inputs for Strategic Case, WSP

Scenarios B1 and C1 are counterfactuals for comparison against more plausible scenarios, and enable a comparison of implications and scale of intervention needed when the climate changes in the absence of adjustment as to how land is worked. They also allow communication of the benefits of proactive change in land use changes, and travel patterns.

Figures 59 to 61 provide a comparison between the local road importance for current land use with that for Land-use Scenario 2 (Moderate Change) and Land-use Scenario 3 (Climate driven Change). Changes to the local road importance are more evident for the more extreme land use scenario 3. The difference between the current and future local roads importance are highlighted using blue circles.

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Figure 59 Local Road Importance for Land Use Scenario 1 (Current)

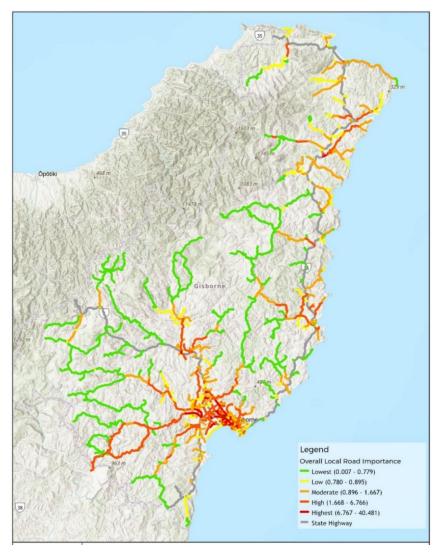




Figure 60 Local Roads Importance for Land Use Scenario 2 (Moderate)

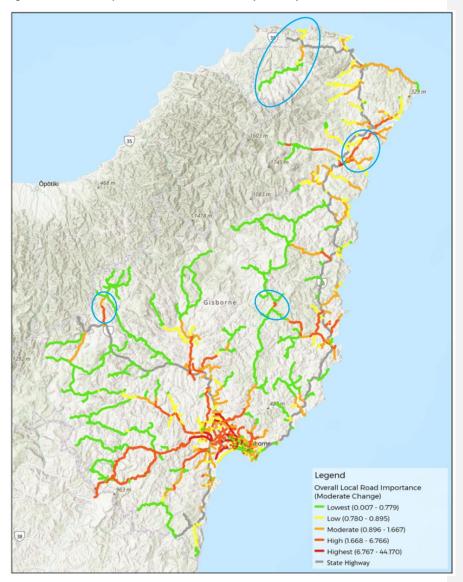
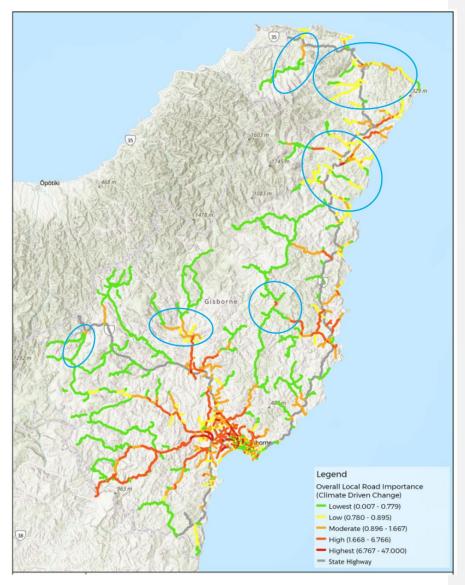




Figure 61 Local Roads Importance for Land Use Scenario 3 (Climate Driven)





Comparison of the two future scenarios indicates that:

- A reduction in importance of road sections is higher in parts of the region that are furthest from Gisborne urban area.
- The reduction is more significant where there is more extreme population and landuse change (Land-use Scenario 3).
- Importance of road sections in catchment area 1 in the north of the region could see the most significant reduction.

Given lower population densities, the largest influence on local road importance in the more remote parts of the region are changes in primary industries. The assessment methodology weights access to farming equally as important as commercial forestry. This means that transitioning from beef and sheep to forestry does not change assessed importance of a road section.

Figures 62 to 65 compare overall resilience risk for current climate with that for Climate Scenario B ("Short Detour") and Climate Scenario C ("Hot House"). The key differences in resilience risk between current and future climate scenarios are again highlighted using blue circles.

The maps show increasing risk for some parts of the local road network in both climate scenarios and decreasing in others. Comparison of resilience risk assessment for the two future scenarios indicates that the main natural hazards impacting resilience risk are:

- Change in extreme hot days (great than 30° Celsius) exposure has a moderate impact across the region in Scenario B, with the biggest increase occurring in rural hill country areas, where the exposure shifts from low to moderate. Exposure also shifts from moderate to high for much of Gisborne city. For Scenario C, there is significant shift in exposure to extreme hot days, although variable across the region. Gisborne city and areas between Gisborne and Tologa Bay shift to high exposure. High country rural areas show minimal change in exposure.
- Change in extreme rainfall / slope stability exposure shows no significant shift, although there is a slightly decreasing exposure trend for Scenario C in the long term. This aligns with the increasing hot days exposure trend.
- Change in precipitation and flooding exposure shows a slight increase in exposure in some rural areas for Scenario B, while for Scenario C there is a slight reduction in exposure for some rural areas. Again this aligns with the increasing hot days exposure.

Rural roads may be underrepresented in terms of overall exposure and therefore future scenarios overall risk may also reflect that.



Figure 62 Resilience Risk for Climate Scenario 1 (Current)

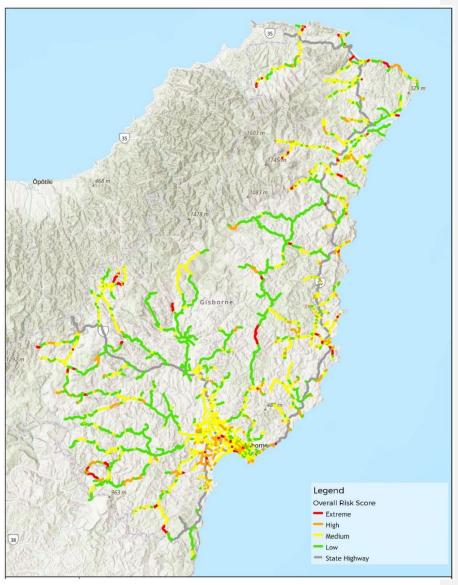




Figure 63 Resilience Risk for Climate Scenario 2 (Short Detour)

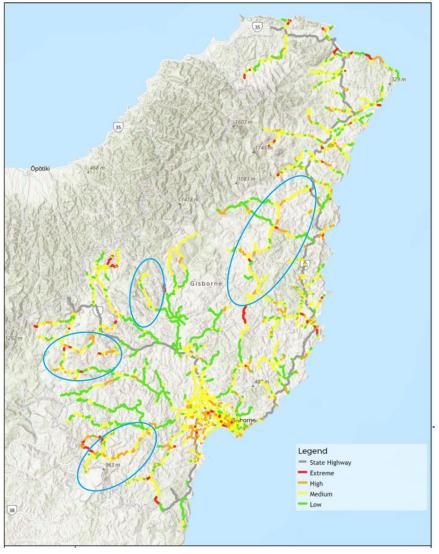
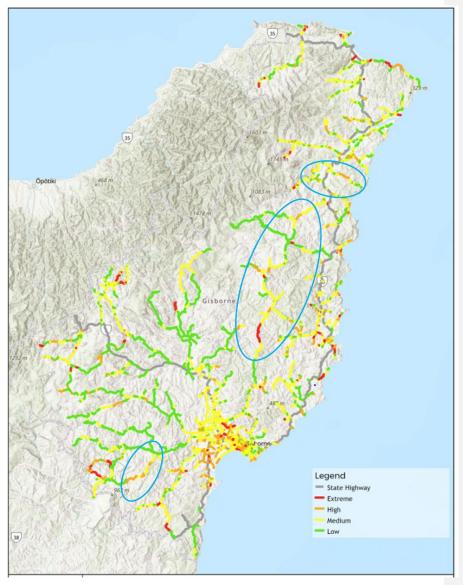




Figure 64 Resilience Risk for Climate Scenario 3 (Hot House)





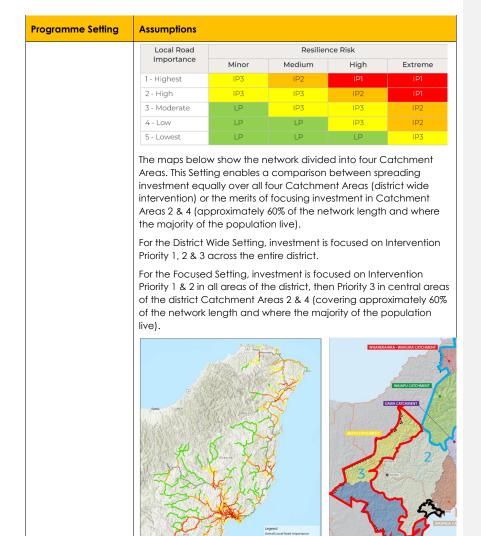
Appendix G: Supporting Assumptions for Programme Settings

Table 86 details key assumptions for the Programme Settings.

Table 87: Programme Settings Assumptions

Programme Setting	Assumptions
Network scope	Traffic volumes were assessed on the roads of lowest importance, which comprise approximately 800 km or 40 percent of the network. To approximate a reduced network length, it was assumed that roads with fewer than 20 vehicles and two or fewer heavy vehicles per day would be considered for divestment. This accounts for about 10 percent of the total network.
Risk tolerance	Recent public engagement has, understandably, reported heightened concern within Tairāwhiti communities to Flooding and Slope Stability hazards following Cyclone Gabrielle and other weather events. This is particularly the case for rural parts of the network. The data analysis in the Strategic Case shows that Catchments 1 & 3 (see below) are most exposed to these hazards, whereas most people live in Catchments 2 & 4 (approximately 60% of the network length and where the majority of the population live).
	The method for identifying where intervention should be prioritised considers both the local road importance and the overall resilience risk. This prioritisation may feed into both the timing of intervention (i.e. red completed before orange and yellow) and/or the amount of investment (i.e. larger budget for red than for orange and yellow).
Intervention Priority	The Intervention Priority is based on outcomes from the Strategic Case, where:
	IP1 = Intervention Priority 1 (highest priority)
	IP2 = Intervention Priority 2
	IP3 = Intervention Priority 3
	LP = Low priority (may not warrant any intervention)





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Catchment Areas used

Local Road Importance



Programme Setting	Assum	ptions				
	the vu	ılnerability nce risk caı	of the road t n be reduce	o natural ho d by reducir	of both the e izards. The ov ng exposure, and vulnerab	verall reducing
Risk reduction				Exp	osure	
approach			Low	Moderate	High	Extreme
	₹	Extreme	Medium	High	Extreme	Extreme
	Vulnerability	High	Low	Medium	High	Extreme
	ner	Moderate	Low	Medium	Medium	High
	_ ≥	Low	Low	Low	Medium	Medium
	of serv	vice (LoS) f	or each Loc	al Road Imp	d minimum roortance cate	egory.
	of servine to servine	vice (LoS) f rget LoS is tance leve inimum LoS r each imp	or each Loca the GDC preed. S is considered	al Road Imperent LoS for the lowes bel.	ortance cate or roads at e t acceptable	egory. ach e resilience
Resilience LOS	of servine to servine	vice (LoS) for larget LoS is tance leve inimum LoS	or each Loca the GDC pre el. S is considere	al Road Imperent LoS for the lowes bel.	ortance cate or roads at e t acceptable	egory. ach
Resilience LOS	of servine to servine	vice (LoS) for irget LoS is tance lever inimum LoS reach importance ategory	for each Lock the GDC pre- el. S is considered portance leve	al Road Imposed the lowes bel. Minimum	ortance cate or roads at e t acceptable Urban Res	egory. ach e resilience ilience LOS Minimum
Resilience LOS	of servine to import The m LoS fo	vice (LoS) for irget LoS is tance lever inimum LoS reach importance ategory	the GDC pre- el. S is considered portance leven Rural Resil Target Grade	al Road Imported LoS for the lowes the lowest the lowe	ortance cate or roads at e- t acceptable Urban Res Target Grade	egory. ach e resilience ilience LOS Minimum Grade
Resilience LOS	of serving of the total important the many LoS for the lamination of the lamination	vice (LoS) f irget LoS is tance leve inimum LoS r each imp cal Road portance ategory	the GDC pre- el. S is considered portance leve Rural Resil Target Grade	al Road Impo eferred LoS for ed the lowes el. ience LOS Minimum Grade B	ortance cate or roads at e- t acceptable Urban Res Target Grade	egory. ach e resilience ilience LOS Minimum Grade B
Resilience LOS	of servine to servine	vice (LoS) f irget LoS is tance leve inimum LoS r each imp cal Road portance ategory	the GDC predictions of	al Road Impo eferred LoS for ed the lowes el. ience LOS Minimum Grade B	ortance cate or roads at e- t acceptable Urban Res Target Grade A B	egory. ach e resilience ilience LOS Minimum Grade B C

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Table 88 details the length of the network within each priority banding in absolute terms and as a proportion of the total network. The data is shown for both risk tolerance programme settings. This information is also shown as graphs in Figures 60 and 61 with data disaggregated to the four catchment areas.

Table 88: Total Length of Road Within Each Intervention Priority Band

Intervention District	All Hazards (Clim	ate & Seismic)	Flood and Slope Stability Hazards		
Intervention Priority	Length (km)	%	Length (km)	%	
1	8	0.4	18	1	
2	104	6	89	5	



Intervention Priority	All Hazards (Clim	nate & Seismic)	Flood and Slope Stability Hazards		
Intervention Friority	Length (km)	%	Length (km)	%	
3	652	34	762	40	
Low Priority or No Action	1,133	60	1030	54	
Total	1,899	100	1,899	100	

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Figure 65: Intervention Priority by Catchment Area (All Climate and Seismic Hazards)

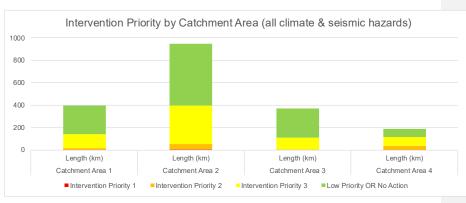
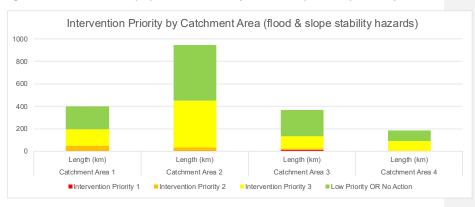


Figure 66: Intervention Priority by Catchment Area (Flood and Slope Stability Hazards)





Appendix H: Intervention Toolkit

Table 89: Intervention Toolkit

Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual Exposure	Residual Vulnerability
System Change	Policy Responses	Spatial Planning: strategic vision for future land use (incorporating participatory planning approaches)	Roads; Bridges; Retaining Structures; Drainage; Blue/Green Infrastructure	Areas with Overall Risk Score of High / Extreme in rural areas may be down-zoned (and areas of lower risk are upzoned). Roads within down- zoned areas are not maintained after year 20 and not reinstated following an event.	Areas with Overall Risk Score of Extreme in rural areas may be down-zoned (and areas of lower risk are upzoned). Roads within down-zoned areas are not maintained after year 20 and not reinstated following an event.	Areas are retreated from on a case-by-case basis (5%).	Low	Medium
System Change	Policy Responses	District Plan Review: provisions for new developments (incorporating participatory planning approaches)	Roads; Bridges; Drainage	Provisions reduce use and deterioration of roads with High/Extreme Exposure	Provisions reduce use and deterioration of roads with Extreme Exposure	Provisions reduce use and deterioration of roads with Extreme Exposure on a case-by- case basis (5%)	Low	<u>Medium</u>

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Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual Exposure	Residual Vulnerability
System Change	Policy Responses	Regulatory Changes: that promote suitable land uses through regulation to reduce vulnerability (e.g. forestry debris practices, farming erosion/silt runoff protection)	Roads; Bridges; Retaining Structures; Drainage	Vulnerable land may be retired from plantation forestry and/or farming. Roads to these areas are no longer maintained by GDC.	Maintenance of roads to vulnerable land are incorporated into Management Plans and responsibility is shared between GDC and third parties.	Changes are adopted on a case-by-case basis / voluntarily (5%)	No change (divested)	No change (divested)
System Change	Divestment Decisions	Dynamic Adaptive Pathways (DAP) planning	Roads; Bridges; Retaining Structures; Drainage	DAP Plans are prepared (and followed) for managed retreat of assets with High / Extreme exposure on Lowest Importance Roads when risk exceeds a high frequency return rate	DAP Plans are prepared (and followed) for managed retreat of assets with Extreme exposure on Lowest Importance Roads when risk exceeds a high frequency return rate	DAP Plans are prepared (and followed) for managed retreat of assets with Extreme exposure when risk exceeds a high frequency return rate on a case-by-case basis (5%)	No change (divested)	No change (divested)
System Change	Divestment Decisions	Asset Retirement Plans	Roads; Bridges; Retaining Structures; Drainage	Up to 30% of assets with High/Extreme vulnerability on Lowest Importance Roads are planned for retirement when	Up to 30% of assets with Extreme vulnerability on Lowest Importance Roads are planned for retirement when	Assets with Extreme vulnerability on Lowest Importance Roads are planned for retirement when they are due for renewal on a case-by-case basis (5%)	No change (divested) Deleted: ca	No change (divested) se by case

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Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual Exposure	Residual Vulnerability
				they are due for renewal	they are due for renewal			
System Change	Divestment Decisions	User Pays: transition to user- pays road maintenance and ownership	Roads; Bridges	Rural Low & Lowest Importance Roads with High/Extreme risk rating are transitioned to user pays	Rural Lowest Importance Roads with High/Extreme risk rating are transitioned to user pays	Rural Lowest Importance Roads with High/Extreme risk rating are transitioned to user pays on a <u>case-by-case</u> basis (5%)	No change (divested) Deleted: ca	No change (divested) see by case
System Change	Financial Mechanisms	Targeted Resilience Rate: risk-based property rating	Roads; Bridges; Retaining Structures; Drainage	Targeted resilience rate for properties accessed via roads assessed with High/Extreme risk	Targeted resilience rate for properties accessed via roads assessed with Extreme risk	Targeted resilience rate for properties accessed via roads assessed on a <u>case-by-case</u> basis (5%)	Moderate Deleted: ca	No change use by case
System Change	Financial Mechanisms	Development levies	Roads; Bridges; Retaining Structures; Drainage	Development levies for properties planned with access via roads assessed with High/Extreme risk	Development levies for properties planned with access via roads assessed with Extreme risk	Development levies for properties planned with access via roads assessed with Extreme Exposure	<u>Moderate</u>	No change
System Change	Organisational Changes (Governance)	Mātauranga Māori: incorporate Māori knowledge into infrastructure resilience	Roads; Bridges; Retaining Structures; Drainage; Blue/Green Infrastructure	Capital spend on High & Highest Importance Roads delivered in	More of capital spend on High & Highest Importance Roads delivered in	Some of capital spend on High & Highest Importance Roads delivered in partnership with hapū/iwi	<u>Moderate</u>	Low

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Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual Exposure	Residual Vulnerability
		planning & decision making		partnership with hapū/iwi	partnership with hapū/iwi			
System Change	Organisational Changes (Governance)	Procurement policy revised	Roads; Bridges; Retaining Structures; Drainage; Blue/Green Infrastructure	Procurement Policy updated at three-yearly intervals to include emerging and trial technologies	Procurement Policy updated at five-yearly intervals to include emerging and trial technologies	Procurement Policy updated at ten-yearly intervals to include emerging and trial technologies	No change	<u>Moderate</u>
BAU with Refined Intentions	Maintenance Strategies	Critical Asset Monitoring: Asset Criticality analysis and monitoring condition using new technologies (including AI)	Roads; Bridges; Retaining Structures; Drainage	Monitoring of assets on High & Highest Importance Roads with High/Extreme risk	Monitoring of assets on Highest Importance Roads with High/Extreme risk	Monitoring of assets on Highest Importance Roads with Extreme risk	No change	<u>Moderate</u>
BAU with Refined Intentions	Maintenance Strategies	Seasonal Road Use Restrictions: proactive road closures / loading restrictions (vehicle type, vehicle weight)	Roads	Lowest & Low Importance rural unsealed roads with Medium resilience risk or higher closed to HCVs	Lowest & Low Importance rural unsealed roads with High/Extreme resilience risk closed to HCVs	Lowest & Low Importance rural unsealed roads with Extreme resilience risk closed to HCVs	No change	Moderate
BAU with Refined Intentions	Maintenance Strategies	Subsidence Management Strategies	Roads	Monitoring installed for Moderate to Highest Importance Roads with known areas of subsidence	Monitoring installed for High & Highest Importance Roads with known areas	Monitoring installed for High & Highest Importance Roads with known areas of	No change	Moderate

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	Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual Exposure	Residual Vulnerability
					of Medium resilience risk or higher	of subsidence of Medium resilience risk or higher	subsidence of High/Extreme risk		
·	BAU with Refined Intentions	Maintenance Strategies	River Management Strategies (including slash removal from bridges)	Roads; Bridges	Routine maintenance (e.g. slash removal) at all bridges once in a rolling three-year period; Bridges on Highest & High Importance Roads on key rivers maintained every six months	Routine maintenance (e.g. slash removal) at all bridges once in a rolling three-year period; Bridges on Highest & High Importance Roads on key rivers maintained every two years	Routine maintenance (e.g. slash removal) at all bridges once in a rolling three-year period	No change	<u>Moderate</u>
	BAU with Refined Intentions	Maintenance Programmes	Sealed Road Pothole Prevention Programme (e.g. crack filling, rut filling, scabbing repairs, small patch resealing)	Roads	100% of all sealed roads treated annually	75% of all sealed roads treated annually	50% of all sealed roads treated annually	No change	<u>Moderate</u>

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Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual Exposure	Residual Vulnerabili
BAU with Refined Intentions	Maintenance Programmes	Unsealed Roads Maintenance & Metalling Programme	Roads	All unsealed roads are graded; All unsealed roads have heavy metal proactively overlaid over 30 years	All unsealed roads are graded; Unsealed roads with Low to High Local Road Importance to have heavy metal proactively overlaid over 30 years; Unsealed roads with Lowest Local Road Importance to have reactive metalling	All unsealed roads are graded; Unsealed roads with Moderate to High Local Road Importance to have heavy metal proactively overlaid over 30 years; Unsealed roads with Low or Lowest Local Road Importance to have reactive metalling	No change	Low
BAU with Refined Intentions	Maintenance Programmes	Surface Drainage Maintenance Programme	Drainage	SWC on Moderate to Highest Importance Roads renewed every 5 years; rest of network renewed every 15 years	SWC on High & Highest Importance Roads renewed every 10 years; rest of network renewed every 15 years	SWC on High & Highest Importance Roads renewed every 15 years; rest of network renewed every 30 years	No change	Moderate
BAU with Refined Intentions	Maintenance Programmes	Culvert Cleaning & Maintenance Programme	Drainage	All culverts on Moderate to Highest Importance Roads inspected annually in urban areas and every two years in rural areas. Rest of the network	All culverts on High & Highest Importance Roads inspected every two years; rest of the network	All culverts on Highest Importance Roads inspected every two years; rest of the network inspected every five years	No change	<u>Moderate</u>

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Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual Exposure	Residual Vulnerability
				inspected every three years.	inspected every five years			
BAU with Refined Intentions	Maintenance Programmes	Bridge Deck Maintenance Programme (including drainage)	Bridges	Bridge decks on Moderate to Highest Importance Roads cleaned annually; rest of network every two years	Bridge decks on High & Highest Importance Roads cleaned annually; rest of network every two years	Bridge decks on Highest Importance Roads cleaned annually; rest of network every three to five years	No change	<u>Moderate</u>
BAU with Refined Intentions	Maintenance Programmes	Bridge Scour Screening & Maintenance Programme (e.g. riprap repair)	Bridges	Undertake screening assessment of all bridges on Moderate to Highest Importance Roads. Scour protection maintenance on a rolling three-year period.	Undertake screening assessment of all bridges on High to Highest Importance Roads. Scour protection maintenance on a rolling three- year period.	Undertake screening assessment of all bridges on Highest Importance Roads. Scour protection maintenance on a rolling three-year period.	No change	<u>Moderate</u>
BAU with Refined Intentions	Proactive Renewals	Sealed Road Resurfacing & Rehabilitation	Roads	10% of sealed road network resurfaced or rehabilitated annually	7.5% of sealed road network resurfaced or rehabilitated annually	5% of sealed road network resurfaced or rehabilitated annually	No change	Low

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Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual	<u>Exposure</u>	Residual Vulnerability
BAU with Refined Intentions	Proactive Renewals	Sealed Roads Reverted to Unsealed Surfaces	Roads	Low & Lowest Importance sealed rural roads reverted to unsealed at failure / end of life	Lowest Importance sealed rural roads reverted to unsealed at failure / end of life	Lowest Importance sealed rural roads reverted to unsealed at failure / end of life on a case by case basis (5%)	No char	nge	High
BAU with Refined Intentions	Proactive Renewals	Bridge Repair / Renewals	Bridges	All bridges inspected once in a rolling three year-period.	All bridges on Moderate to Highest Importance Roads inspected once in a rolling three year-period; rest of network every six years.	All bridges on High & Highest Importance Roads inspected once in a rolling three year-period; rest of network every six years.	No char	nge	<u>Moderate</u>
Isolated / targeted interventions	New roading	New Roading Alignment (including property purchase)	Roads	New roads constructed as a result of planned managed retreat for Moderate to Highest Importance Roads with Extreme exposure of sea level rise	New roads constructed as a result of planned managed retreat for High and Highest Importance Roads with Extreme exposure opt sea level rise	New roads constructed as a result of planned managed retreat for Highest Importance Roads with Extreme exposure of sea level rise	Low	Deleted: of Deleted: of Deleted: of	Low
Isolated / targeted interventions	Drainage Improvement	Drainage Culvert Renewals &	Drainage	Replace (and upsize) all culverts at 50 years old on Moderate to	Replace (and upsize) all culverts at 50 years old on	Replace (and upsize) all culverts at 50 years old	No char	ng <u>e</u>	Low

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Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual Exposure	Residual Vulnerability
		Capacity Improvements		Highest Importance Roads	High & Highest Importance Roads	on Highest Importance Roads		
Isolated / targeted interventions	Drainage Improvement	Surface Drainage Improvements (e.g. cross country drains)	Drainage	Surface water drainage improvements on Moderate to Highest Importance Roads assessed as having a High/Extreme flood hazard	Surface water drainage improvements on High & Highest Importance Roads assessed as having a High/Extreme flood hazard	Surface water drainage improvements on Highest Importance Roads assessed as having a High/Extreme flood hazard	No change	Low
Isolated / targeted interventions	Storm Water Management	Stopbank & Flood Protection Improvements (e.g. raise height)	Roads	Protection installed/increased for Moderate to Highest Importance Roads with High/Extreme risk within the Flood Hazard Layer at key river locations	Protection installed/increase d for High & Highest Importance Roads with High/Extreme risk within the Flood Hazard Layer at key river locations	Protection installed/increased for Highest Importance Roads with High/Extreme risk within the Flood Hazard Layer at key river locations	No change	Low
Isolated / targeted interventions	Slope Protection	Road Slope Protection (including debris flow barriers, rock fences)	Retaining Structures	Protection installed for 50% of Moderate to Highest Importance Roads with High/Extreme risk of slope stability issues	Protection installed for 50% of High & Highest Importance Roads with High/Extreme	Protection installed for 50% of Highest Importance Roads with High/Extreme risk of slope stability issues	No change	Low

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Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual Exposure	Residual Vulnerabili
					risk of slope stability issues			
Isolated / targeted interventions	Temporary & Alternative Structures	Alternative River Crossings (e.g. fords / floodable fords)	Bridges	50% of bridges on Lowest Importance Roads are reinstated with low level crossings when they reach end of life	30% of bridges on Lowest Importance Roads are reinstated with low level crossings when they reach end of life	10% of bridges on Lowest Importance Roads are reinstated with low level crossings when they reach end of life	No change	<u>Moderate</u>
Isolated / targeted interventions	Temporary & Alternative Structures	Temporary Bridges (e.g. Bailey Bridges)	Bridges	50% of bridges on Lowest Importance Roads are reinstated with temporary bridges following an event	30% of bridges on Lowest Importance Roads are reinstated with temporary bridges following an event	10% of bridges on Lowest Importance Roads are reinstated with temporary bridges following an event	No change	<u>Moderate</u>
Isolated / targeted interventions	Structural Improvements	Retaining Walls (new)	Retaining Structures	Retaining installed for 50% of Moderate to Highest Importance Roads with High/Extreme risk of slope stability issues	Retaining installed for 50% of High & Highest Importance Roads with High/Extreme risk of slope stability issues	Retaining installed for 50% of Highest Importance Roads with High/Extreme risk of slope stability issues	No change	Low
Isolated / targeted interventions	Structural Improvements	Bridge Replacement	Bridges	Replace all bridges at 100 years old on Moderate to Highest Importance Roads	Replace all bridges at 100 years old on High	Replace all bridges at 100 years old on Highest Importance Roads	<u>Moderate</u>	Low

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Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual Exposure	Residual Vulnerability
					& Highest Importance Roads			
Isolated / targeted interventions	Structural Improvements	Bridge Protection (e.g. resilience armouring, pier strengthening, rock revetment/buttres ses)	Bridges	Complete Bridge Protection for all bridges on High & Highest Importance Roads crossing key rivers	Complete Bridge Protection for all bridges on Highest Importance Roads crossing key rivers	Complete Bridge Protection for all bridges on Highest Importance Roads crossing key rivers in Gisborne City	No change	Low
Isolated / targeted interventions	Structural Improvements	Bridge Seismic Strengthening	Bridges	Strengthen all bridges on High & Highest Importance Roads	Strengthen bridges on Highest Importance Roads	Strengthen Bridges in Gisborne City	No change	Low
Isolated / targeted interventions	Structural Improvements	Bridge Deck Replacement / Elevation	Bridges	Complete Deck Replacement for all bridges on High & Highest Importance Roads crossing key rivers	Complete Deck Replacement for all bridges on Highest Importance Roads crossing key rivers	Complete Deck Replacement for all bridges on Highest Importance Roads crossing key rivers in Gisborne City	<u>Moderate</u>	Low
Isolated / targeted interventions	Structural Improvements	Bridge Debris Flow Management Systems (e.g. slash fences, slash gates)	Bridges	Complete Bridge Flow Management for all bridges on High & Highest Importance Roads from the "Sites with Debris Issues" spreadsheet	Complete Bridge Flow Management for all bridges on Highest Importance Roads from the "Sites with	Complete Bridge Flow Management for all bridges on Highest Importance Roads from the "Sites with Debris Issues" spreadsheet in Gisborne City	No change	Low

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Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual Exposure	Residual Vulnerability
					Debris Issues" spreadsheet			
Isolated / targeted interventions	Green Infrastructure	Slope Erosion Control Planting (including Native reforestation)	Roads	Planting next to all High & Highest Importance Roads with High/Extreme risk of slope stability issues	Planting next to all Highest Importance Roads with High/Extreme risk of slope stability issues	Planting on a case-by- case basis (5%)	No change	Low
Isolated / targeted interventions	Green Infrastructure	Greenways & Green Corridors for Surface Water Management	Blue/Green Infrastructure; Drainage	Treatment implemented on Moderate to Highest Importance Roads with High/Extreme Flooding Risk in urban environments	Treatment implemented on High & Highest Importance Roads with High/Extreme Flooding Risk in urban environments	Treatment implemented on Highest Importance Roads with High/Extreme Flooding Risk in urban environments	No change	Low
Isolated / targeted interventions	Blue Infrastructure	Restore Open Waterways (e.g. removing pipes) & Riparian Planting	Blue/Green Infrastructure; Drainage	Restore waterways adjacent to Moderate to Highest Importance Roads with High/Extreme Flooding Risk in urban environments	Restore waterways adjacent to High & Highest Importance Roads with High/Extreme Flooding Risk in urban environments	Restore waterways adjacent to Highest Importance Roads with High/Extreme Flooding Risk in urban environments	No change	Low

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Hierarchy	Alternatives	Interventions	Key Assets Impacted	Strong Application	Intermediate Application	Some Application	Residual Exposure	Residual Vulnerability
Isolated / targeted interventions	Blue Infrastructure	Coastal Protection using Groynes & Planting	Blue/Green Infrastructure	Treat Moderate to Highest Importance Roads with High/Extreme Coastal Risk	Treat High & Highest Importance Roads with High/Extreme Coastal Risk	Treat Highest Importance Roads with High/Extreme Coastal Risk	No change	Low

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Appendix I: Assessment Framework and Detailed Results

Evaluation Framework

The PBC Evaluation Framework, based on the NZ Transport Agency's *Multi-criteria analysis: user guidance v2*, offers a consistent method to compare alternative programmes. The framework highlights differences and helps determine the best option for Te Tairāwhiti.

Multi-criteria analysis (MCA) is a recognised formal methodology for presenting a variety of competing information in a clear and logical manner. MCA assists in identifying the favourable and unfavourable aspects of particular options, thereby enabling informed decision-making and ranking of preferred options.

The Framework is shown in Table 90 with criteria grouped into those that assess against the Investment Objectives, and those that assess against the Critical Success Factors.

Table 90: Evaluation Framework

Criteria Type	Criteria	Key Questions	Key Data Inputs
Investment Objectives	Resilience: Transport assets with more importance will be more resilient to natural	Are we spending on the right part of the network?	Residual risk rating; Local Road Importance
	hazards	How much are we reducing risk?	Residual risk rating
		Are we meeting our target level of service?	Local Road Importance; Target LOS settings
	Level of Service: Investment achieves an agreed resilience Level of Service (LOS)	Are we meeting our minimum level of service?	Local Road Importance; Minimum LOS settings
	(LO3)	Are there roads where we will not meet minimum level of service?	Local Road Importance; Minimum LOS settings
Critical Success Factors	Feasibility: The need to change the network scope or regulatory system to deliver the investment approach	Can we feasibly carry out the investment approach within the 30- year timeframe?	Intervention types

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Criteria Type	Criteria	Key Questions	Key Data Inputs
	Achievability: Existing systems have the capacity and capability to deliver the investment approach	Can the investment approach be delivered within the 30-year timeframe?	Intervention types
	Certainty: Level of confidence that Investment Objectives can be achieved	Are we confident we will get the outcomes we want?	Intervention types

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Table 91 documents the generic assessment criteria in the NZTA guidance that have not been adopted for the TSRN PBC Evaluation Framework and the rationale for their exclusion.

Table 91: MCA Guidance Criteria

Criteria Type	Potential Criteria	Exclusion Rationale			
	Investment Objectives	Included			
	Potential achievability (technical, safety and design, consentability)	Included - Feasibility criteria.			
	Potential affordability	Considered separately.			
Critical Success Factors	Potential value for money	Not included - Benefit Cost Ratio not calculated.			
	Supplier capacity and capability	Included - Achievability criteria.			
	Scheduling / programming	Not included - Staging foreseen to be driven by affordability. Details regarding project specific timing requirements unlikely to be known at PBC stage of project development.			
	Environmental effects	Not included - Details regarding project specific effects unlikely to be known at PBC stage of project development.			
Impacts and Opportunities	Social and cultural impacts	Not included - Primarily considers how the programme may change the mobility needs and behaviours of the community. Not included to avoic double counting with Investment Objectives.			

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Criteria Type	Potential Criteria	Exclusion Rationale
	Climate change mitigation	Not included - Detail regarding whole-of-life emissions (e.g. construction materials, energy use) unlikely to be known at PBC stage of project development at a level of detail to provide a significant differentiator between options.
	Climate change adaptation	Not included - Resilience is an Investment Objective, therefore not included to avoid double counting.
	Impacts on te ao Māori	Not included - Feedback should be sought directly from lwi Partners.
	Property impacts	Not included - Details regarding property rights requirements unknown at PBC stage of project development.

Source: Tairāwhiti Strategic Network Resilience Programme Business Case - Economic & Financial Case Technical Inputs, WSP

Table 92 shows how the Investment Objectives developed in the Strategic Case are aligned with the Evaluation Framework.

Table 92: Investment Objectives Alignment

Ref	Investment Objective	Commentary
1.1	By [date] implement a risk-based prioritised programme of investment to achieve an agreed Level of Service which provides appropriate resilience for roads and bridges to impacts including land slips, flooding, extreme heat / wind, and sea level rise.	Not included in Evaluation Framework as it is a pass / fail criteria which all of the options would pass.
1.2	By [date] reduce the number and total duration of restricted access and road closures on designated lifeline transport routes from a baseline of [x hours] to [y hours].	Assessed in Resilience criteria.
2.1	By [date] [x kilometres] of lifeline routes will have an established Level of Service (LoS) and be resilient to the impact of land slips, flooding, coastal erosion and sea level rise, from a baseline of [y kilometres]	Assessed in Level of Service criteria.
2.2	By [date] ensure availability of essential transport routes to lifeline nodes from a baseline of [x number] to [y number].	Assessed in Resilience criteria.

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Ref	Investment Objective	Commentary
2.3	By [date] [x kilometres] of rural routes will have an established Level of Service (LoS) and be resilient to the impact of land slips, flooding, coastal erosion and sea level rise, from a baseline of [y kilometres].	Assessed in Level of Service criteria.
2.4	By [date], the level of funding invested in emergency works will have declined from a baseline of [\$xm] to [\$ym]; and for proactive asset management will have increased from [\$xm] to [\$ym].	Not included in Evaluation Framework, however considered through Affordability lens.
3.1	By [date] establish and quantify a baseline social and economic value of [\$xm] for the region's local transport routes.	Not included in Evaluation Framework. This criterion's purpose is to acknowledge the value of the network in guiding funding decisions, rather than serving as a differentiator among programmes at the PBC level.
3.2	By [date] invested [\$xm] in designated alternative options for high value transport routes from a baseline of [\$ym].	Assessed in Resilience criteria.
3.3	By [date] increased the social and economic value of the region's local transport routes from [\$xm] to [\$ym].	Not included in Evaluation Framework. This is potentially a wider economic benefit but is not a primary goal of the options.
3.4	By [date] increased preparedness by enabling [x number] communities and businesses to have roading resilience plans in place to maintain functionality to an agreed Level of Service (which may be different to what is current) following a severe weather or other climate-related event.	Not included in Evaluation Framework. This is a specific outcome rather than a differentiator to assess options.



Evaluation Results

The analysis detail for the short list multi-criteria analysis assessment is included in the table below.

Table 93: Detailed Option MCA Results

Economic Case Multi Criteria Analysis	Programme Se	ttings	Status Quo	Resilient Communities	Strategic Routes	Balanced Reach
	Network Scope	Should the Council retain the entire existing network, or reduce the network length to exclude roads that get very little use?	Full Network	Full Network	Reduced Network	Reduced Network
	Risk Tolerance	Should the Council prioritise reducing risk for all climate and seismic hazards, or focus on flood and slope stability hazards?	Flood / Slope Stability	All Hazards	Flood / Slope Stability	All Hazards
	Intervention Priority	Should the Council prioritise intervention district-wide or focus intervention geographically?	District Wide	Focused	District Wide	Focused
	Risk Reduction Approach	Should the Council focus on reducing risk through reducing exposure to hazards, or through reducing the vulnerability of network infrastructure?	Vulnerability	Exposure	Vulnerability	Exposure & Vulnerability
	LoS	Should the Council prioritise achieving minimum level of service for more roads, or prioritise achieving target level of service but for fewer roads?	Target LOS for urban roads	Target LOS for roads with Social Importance	Target LOS for roads with Economic Importance	Target LOS for central area of district

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Criteria Type	Criteria	Key Question	Measures	Key Data Inputs	Scoring explanation	Status Quo	Resilient Communities	Strategic Routes	Balanced Reach
Investment Objectives	Resilience: Transport assets with more importance will be more resilient to natural hazards	Are we focusing on the right part of the network?	Length (km) of our high and highest importance roads with a residual risk of Medium or higher	Residual Risk & Local Road Importance	A lower length is desired	172	49	984	118
		How much do we reduce risk?	Length (km) of network with residual risk of Medium or higher	Residual Risk & Local Road Importance	A lower length is desired	1091	729	984	542
		Resilience Ranki	ng			4	1	3	2
	Level of Service: Investment achieves an agreed resilience Level of Service	Are we meeting our target for LOS?	Proportion of network where target LOS is achieved	Local Road Importance & LOS Target settings	A higher percentage is desired	13	31	35	54
		Are we meeting the minimum LOS?	Proportion of network where <u>at</u> <u>least</u> the minimum LOS is achieved	Local Road Importance & LOS Minimum settings	A higher percentage is desired	100	95	87	86
		Are there parts of the network where will we not meet the LOS?	Proportion of network where minimum LOS is not achieved	Local Road Importance & LOS settings	A lower percentage is desired	0	5	13	15

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Criteria Type	Criteria	Key Question	Measures	Key Data Inputs	Scoring explanation	Status Quo	Resilient Communities	Strategic Routes	Balanced Reach
		LOS Ranking	1			4	2	3	1
Critical Success Factors	Feasibility: Current network scope or regulatory system need to change to deliver the programme	Can we feasibly carry out the programme within the 30 year timeframe?	Number of interventions in the System Change Tier with a "Strong" rating, weighted by whether the intervention is in Council's control or not; AND where there is a reduced network	Intervention Types	A lower score is desired	0	7	4	6
		Feasibility Rankir	ng			1	4	2	3
	Achlevability: Existing systems have the capacity and capability to deliver the programme	Can the programme be delivered within the 30 year timeframe?	Number of interventions in the BAU with Refined Intentions and Isolated / Targeted Interventions Tiers with a "Strong" rating, weighted by whether the programme has a district-wide Setting.	Intervention Types	A lower score is desired	2	7	26	9

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Criteria Type	Criteria	Key Question	Measures	Key Data Inputs	Scoring explanation	Status Quo	Resilient Communities	Strategic Routes	Balanced Reach
		Achievability Ra	nking			1	2	4	3
	Certainty: Level of confidence that Investment Objectives can be achieved	Are we confident we'll get the outcomes we want?	Number of interventions across all Tiers with a "Strong" rating, weighted by the factor for the Tier.	Intervention Types	A higher score is desired	3	18	34	28
		Certainty Rankin	g			4	3	1	2
Overall Progamme Rankings									
Criteria Type	Criteria				Desired Ranking	Status Quo	Resilient Communities	Strategic Routes	Balanced Reach
Investment Objectives	Resilience				Lowest Ranking is Best	4	1	3	2
	Level of Service				Lowest Ranking is Best	4	2	3	1
Critical Success Factors	Feasibility				Lowest Ranking is Best	1	4	2	3
	Achievability				Lowest Ranking is Best	1	2	4	3
	Certainty				Lowest Ranking is Best	4	3	1	2

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Criteria Type	Criteria	Key Question	Measures	Key Data Inputs	Scoring explanation	Status Quo	Resilient Communities	Strategic Routes	Balanced Reach
SENSITIVITY TESTING									
	Criteria Weightings	Preferred Programme(s)			Desired Scoring	Status Quo	Resilient Communities	Strategic Routes	Balanced Reach
MCA Sensitivity Testing	IOs 50%; CSFs 50%	Balanced Reach			Lowest Score is Best	3.00	2.25	2.67	2.08
	IOs 100%; CSFs 0%	Balanced Reach / Resilient Communities			Lowest Score is Best	4.00	1.50	3.00	1.50
	IOs 75%; CSFs 25%	Balanced Reach			Lowest Score is Best	3.50	1.88	2.83	1.79
	IOs 50%; CSFs 50% (Feasibility only)	Balanced Reach			Lowest Score is Best	2.50	2.75	2.50	2.25
	IOs 50%; CSFs 50% (Achievability only)	Resilient Communities			Lowest Score is Best	2.50	1.75	3.50	2.25
	IOs 50%; CSFs 50% (Certainty only)	Balanced Reach			Lowest Score is Best	4.00	2.25	2.00	1.75

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Title: 25-205 Gisborne Holdings Limited Annual General Meeting and

Appointment of Shareholder Proxy

Section: Democracy & Support Services

Prepared by: Nick Webb - Commercial & Business Development Manager

Meeting Date: Thursday 21 August 2025

Legal: Yes Financial: No Significance: Low

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

The purpose of this report is to appoint a proxy for Gisborne Holdings Limited's (GHL) Annual General Meeting (AGM) to be held Thursday 25 September 2025 at 5.30pm.

SUMMARY - HE WHAKARĀPOPOTOTANGA

The notice of the Annual Meeting was received by Council 22 July 2025.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

- 1. Appoints the Mayor as proxy for the Annual General Meeting of Gisborne Holdings Limited to be held Thursday 25th September 2025 at the Waikanae Surf Lifesaving Club.
- 2. Instructs the Proxy to vote as follows:
 - i) To receive, consider and adopt the Annual Report, including the Financial Statements and the Audit Report thereon, for the year ended 30 June 2025.
 - ii) To approve the dividend recommended by the Directors.
 - iii) To confirm the appointment of Ernst & Young as agents for the Office of the Auditor General to act as the Company's auditor for the ensuing year in accordance with section 70 of the Local Government Act 2002, and to authorise the Directors to fix their remuneration.
 - iv) To approve the Directors recommendation for the Directors fee pool to remain at \$285,200 for the ensuing year and until such time as a review is completed.
 - v) To deal with any other business that may properly be brought before the meeting.

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Gisborne Holdings Limited, GHL, AGM, 2024, directors, annual report, financial statements, proxy

BACKGROUND - HE WHAKAMĀRAMA

- 1. The notice of the AGM is required to set out the nature of the business to be transacted at the meeting in sufficient detail to enable the Shareholder to make a reasoned judgement in relation to it. It must also advise the text of any special resolution (clause 22.2 b) of the GHL Constitution).
- 2. The following reports will be provided by GHL.
 - Draft Financial Statements
 - Auditors Report
 - Electronic Annual Report
 - Hard copy Annual Report at the AGM
- 3. In clause 21.4 of the GHL Constitution, Council has the right to appoint a Gisborne District Council representative as its Proxy to attend and vote at the AGM.
- 4. One of the principal objectives of GHL is to achieve the objectives of Council (section 59 of the Local Government Act 2002 (LGA). Section 65 legislates regular performance monitoring of council organisations to ensure that organisation is meeting the local authority's objectives and desired results. The Office of the Auditor General's guideline "Governance and Accountability of Council-controlled Organisations (CCO)" includes the principles of good governance. These outline the need for a local authority to have structures, systems, information and capability in place to hold the CCO to account.
- 5. Sending a Proxy to the AGM with authority to vote as resolved by the Council assists Council to guide and contribute to the achievement of the objectives of GHL.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

Overall Process: Low Significance
This Report: Low Significance

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

Overall Process: Low Significance
This Report: Low Significance

Inconsistency with Council's current strategy and policy

Overall Process: Low Significance
This Report: Low Significance

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

Overall Process: Low Significance
This Report: Low Significance

The effects on individuals or specific communities

Overall Process: Low Significance
This Report: Low Significance

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

Overall Process: Low Significance
This Report: Low Significance

6. 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

7. No engagement with tangata whenua is required.

COMMUNITY ENGAGEMENT - TÜTAKITANGA HAPORI

8. No community engagement is required.

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

9. There are no climate change impacts or implications arising from this report.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

10. There are no financial or budget implications.

Legal

- 11. Council is required to regularly undertake performance monitoring of GHL (section 65 of the LGA).
- 12. Section 70 of the LGA provides that the Auditor -General is the auditor of CCOs.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

13. There are no policy or planning implications.

RISKS - NGĀ TŪRARU

14. If a Proxy is not appointed as a representative and Council does not attend GHL's AGM, Council loses the opportunity to promote its interests, influence the direction of GHL and monitor performance. This may breach the Office of the Auditor General's Principles of Good Governance and Council's obligation to monitor GHL under section 65 of the LGA.

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Gisborne Holdings Ltd - Notice of Annual Meeting and Instrument Appointing a Proxy [25-205.1 - 2 pages]

GISBORNE HOLDINGS LIMITED NOTICE OF ANNUAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 Annual Meeting of Shareholders of Gisborne Holdings Limited will be held at the conference room of Waikanae Surf Lifesaving Club, 280E Grey Street, Awapuni, Gisborne 4010, on Thursday, 25th September 2025, at 5.30pm.

BUSINESS

- 1. Apologies
- 2. **Financial Statements & Annual Report.** To receive, consider and adopt the annual report, including the financial statements and the audit report thereon, for the year ended 30 June 2025.
- 3. **Dividend**. To approve the dividend recommended by the Directors.
- 4. **Auditors.** To confirm the appointment of Ernst & Young as agents for the Office of the Auditor General to act as the Company's auditor for the ensuing year in accordance with section 70 of the Local Government Act 2002, and to authorise the directors to fix their remuneration.
- 5. **Remuneration of Directors.** The current directors' fee pool of \$285,200 will be reviewed in accordance with the shareholder Board-Appointments-and-Remuneration-Policy following the local body elections. Changes to the current fee pool will be advised once the review is completed.
- 6. **General Business.** To deal with any other business that may properly be brought before the meeting.

PROXIES

Any shareholder entitled to attend and vote at the above meeting may vote either by being present in person or by proxy. A proxy must be appointed by a written notice signed by the shareholder, which must state whether the appointment is for a particular meeting or for a specified term not exceeding 12 months. A proxy need not be a shareholder of the company but is entitled to attend and be heard as if the proxy were the shareholder. A proxy form is enclosed. To be effective the proxy form must be produced to the company not later than immediately prior to the meeting.

By order of the Board

22 July 2025

John Rae

Board Chairperson

GISBORNE HOLDINGS LIMITED

INSTRUMENT APPOINTING A PROXY

We/I	of the GISBORNE DISTRICT CO	of the GISBORNE DISTRICT COUNCIL being a		
shareholder of GISBORNE HOLDING				
	of		as	
our Proxy to vote for us and on our	behalf at the Annual Meeting of the Company to Lifesaving Club, 280E Grey Street, Awapuni, Gisbo	be held a	t the	
We direct our Proxy to vote in the fo	ollowing manner:			
RESOLUTIONS				
		Vote w	Vote with a Tick	
		For	Against	
To adopt the 2025 Annual report and Financial Statements with the Auditor's Report thereon, for the year ended 30 June 2025.				
To approve the dividend recomme	nded by the Directors.			
To confirm the appointment of Ernst & Young as agents for the Office of the Auditor General to act as the Company's auditor for the ensuing year in accordance with section 70 of the Local Government Act 2002, and to authorise the directors to fix their remuneration.				
SIGNED this	_ day of 2025.			
Signature	Signature			

NOTES:

- 1. If you wish you may appoint as your Proxy, the chairperson of the meeting.
- 2. If the form is returned without a direction as to how the Proxy shall vote on any particular resolution, the Proxy will exercise the Proxy's discretion as to whether to vote and, if so, how.
- 3. This form must be signed by the appointer or his/her/their attorney duly authorised in writing of if the appointer is a corporation, under the hand of a signatory/s or attorney duly authorised. Joint holders shall all sign this form.
- 4. The Proxy form must be signed and produced to the Chairman of the Company not later than immediately prior to the meeting.





Title: 25-198 Transition to a New Council Following Elections

Section: Democracy & Support Services

Prepared by: Teremoana Kingi - Senior Governance Advisor

Meeting Date: Thursday 21 August 2025

Legal: Yes Significance: Low

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

The purpose of this report is to:

- 1. Provide information about the transition between pre- and post-election Councils and the measures proposed to continue the business of Council during the interim election period.
- 2. Inform Council of the timelines, risk, options and decision recommendations to ensure business continuity during the interim election period.

SUMMARY - HE WHAKARĀPOPOTOTANGA

The report covers—

- Inauguration and transition planning
- · Coming into and leaving office
- Power to act
- Business in the interim election period.

The Triennial Elections take place on Saturday 11 October 2025. Both the Local Electoral Act 2001 (LEA) and the Local Government Act 2002 (LGA) describe what is to occur.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

- 1. In addition to the Gisborne District Council Delegations to the Chief Executive Officer adopted 10 August 2023 the Chief Executive may only:
 - a. Act after consultation with the Mayor-elect.
 - b. Attend to those matters that cannot reasonably wait until the first meeting of the new Council.
- 2. Notes that the Chief Executive is required to report any decisions to the first ordinary meeting of the new Council.

Authorised by:

Anita Reedy-Holthausen - Director Engagement & Maori Partnerships

Keywords: transition, council, election, delegation, interim

BACKGROUND - HE WHAKAMĀRAMA

- The result of the election is to be declared as soon as practicable after the validity of all special votes are determined and all valid votes are counted (s 86 of the LEA). The result should be officially declared by public notice during the period Friday 17 October to Sunday 19 October 2025 or as soon as practicable.
- 2. Candidates at a triennial election who are declared to be elected come into office on the day after the official result of the elections is declared.
- Councillors Josh Wharehinga and Ani Pahuru-Huriwai have not made themselves available
 as candidates and therefore vacate (resign) from office on the same day along with any
 members who are not declared elected.
- 4. Sections 115 and 116 of the LEA provide:

115 When members come into office

(a) Candidates at a triennial general election who are declared to be elected come into office on the day after the day on which the official result of the election is declared by public notice under section 86.

116 When members leave office

- (1) Every member of a local authority or community board, unless vacating office sooner, vacates office, -
 - (a) in a case where the member's office is the subject of an election, when the members elected at the next election come into office.
 - (b) in a case where provision is made by any enactment to fill a vacancy by appointment, when the member's successor comes into office.
- (2) Despite subsection (1)(a), if a member's office is the subject of an election, and neither the member nor any other person is elected at the election to that office, the member vacates office at the same time as any other member of the local authority who is not re-elected at the election.
- 5. Under Schedule 7, clause 30(7) of the LGA, Council's Committees and subcommittees, including the Regulatory Hearing Panel, will be discharged on the coming into office of the members of the local authority elected or appointed at or following the triennial general election, unless the Council resolves otherwise. There will be no official Committees until the election results are declared and Council agrees on the membership of the new or reformed Committees.

INAUGURATION and TRANSITION PLANNING – Whakamahere Timatanga me te Whakawhiti

- 6. Staff are planning the Swearing In Ceremony October 2025 date to be confirmed. The details will be confirmed after the election. The likely sequence of meetings is -
 - Between 17 and 19 October Election result declared.
 - 30 October 2025 to be confirmed Swearing in Ceremony (Inaugural meeting).
 - 12 November 2022- first ordinary Council meeting.
 - 18 November 2025 first committee meetings as a whole.
- 7. As there will be no Council Committees during the period between the day after the election, and the time that the Council resolves to appoint new committees, some interim arrangements may be needed. The options include having interim Committees and Chairs, or the Council meeting effectively acting as a Committee of the whole to transact the business. These are all decisions for the new Council. While it is a matter for the Mayor-elect, a caucus opportunity may be arranged following election day.
- 8. Management and staff will assist induction and orientation by -
 - Induction commencing Monday 20 October 2025.
 - Distribution of a briefing pack as soon as practicable after the declaration of preliminary results.
 - Advising elected members of the Local Government NZ's introductory workshops and Ākona series of programmes.

POWER TO ACT - Te Mana Whakahaere

- 9. No person can act as a member until the appropriate declaration is made at the Swearing In Ceremony of the new Council (Schedule 7, clause 14 LGA), which will form a part of the inaugural meeting of the Council. The business to be undertaken at this first meeting must include:
 - Declarations by Mayor and Councillors.
 - Appointment of the Deputy Mayor.
 - Explanation of guiding legislation.
 - Fixing date and time of first meeting (or adoption of a schedule).
- 10. The Chief Executive is required to give the persons elected to the Council at least seven (7) days' notice of this first meeting, unless there is an emergency. We aim to have the first meeting on 30 October 2025.

BUSINESS IN THE INTERIM ELECTION PERIOD – Te Mahi Pākihi Tae Ki Te Wā Pōti

- 11. The period between the current Council ceasing office and the new Council being sworn in and effectively taking control is known as the "interim election period". The Mayor and Councillors have no powers to act during that period.
- 12. All business-as-usual matters that need to be actioned during the interim election period will be dealt with through the Chief Executive and other delegates, in consultation with the Mayor-elect and Councillors-elect, if needed.
- 13. The Chief Executive already holds delegated authority to act in relation to any matter, excluding those matters in respect of which delegation is prohibited by legislation. No further delegation to the Chief Executive is required.
- 14. The Chief Executive will report to the Council as appropriate on any action taken during the interim election period, and any action required in relation to matters that have been carried over.
- 15. The only matters which the Chief Executive will not be able to decide on behalf of Council are those matters for which delegation is prohibited under clause 32(1) of Schedule 7, matters for which a decision by resolution is required, and matters for which a hearing is required. We anticipate that there will be no need for decisions of this nature to be made during the interim election period, with the exception of the alcohol licensing, emergency management and various hearings matters as described below.
- 16. The **District Licensing Committee (DLC)** is a Committee of Council set up under the Sale and Supply of Alcohol Act 2012 to make decisions on all licences and Manager's Certificates. The current Committee was established on 17 October 2024 for five years ending in 2029. A resolution is therefore not required under clause 30(7) of Schedule 7 of the LGA for this Committee to continue after the elections, however an elected member appointed as the chair of a DLC cannot continue if they cease to be an elected member, unless they have the required competencies and are appointed as a commissioner. Alcohol Resources District Licensing Committees (DLCs) this matter will be addressed in a separate report to Council.
- 17. The National Emergency Management Agency has advised the Mayor cannot **declare a state of emergency** during the interim election period. Our plan provides for the Minister for Emergency Management to declare a state of emergency in place of the Mayor.
- 18. Some of the Council's decisions require a hearing. This includes publicly notified applications under the Resource Management Act, and objections under the Dog Control Act. The Chief Executive will continue to have delegated authority to appoint a hearings panel or independent commissioner on a case-by-case basis to make these decisions during the interim election period.

- 19. Standing Order 28.4 requires the Chief Executive and relevant chairpersons to sign, or agree to have their digital signature inserted, the minutes of the last meetings of the local authority before the next election of members. The minutes of the final meetings in the first week of October 2025 will be circulated for comment prior to confirmation in accordance with the Standing Order. The Chairperson will make the final decisions regarding any changes sought by Councillors and confirm the minutes with their signature before the day after the public notice of election results.
- 20. The next ordinary Council meeting is scheduled for 12 November 2025, that meeting is likely to deal with Committee members, appointments, meeting schedules and delegations.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

Overall Process: Low Significance
This Report: Low Significance

Inconsistency with Council's current strategy and policy

Overall Process: Low Significance
This Report: Low Significance

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

Overall Process: Medium Significance

This Report: 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

21. 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

22. Due to the transactional nature of this decision engagement with tangata whenua/Maori is not required.

COMMUNITY ENGAGEMENT - TÜTAKITANGA HAPORI

23. Due to the transactional nature of this decision engagement with the community is not required.

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

24. There are no climate change impacts or implications arising from this decision.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

- 25. There are no financial or budget considerations arising from this decision.
- 26. The Remuneration Authority (Authority) has released a determination for the current period 1 July 2025 before the election of members (schedule 1) and from the 2025 election of members (schedule 2). The Authority has set the Mayor's remuneration, the minimum allowance per councillor and the remuneration pool. At its first ordinary meeting Council will determine payment for positions of additional responsibility and once approved by the Authority will commence with a new rate and be back paid from the public notice of the declaration of results.

Legal

27. Relevant legislation is listed in Attachment 1.

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

28. This decision is not inconsistent with the provisions of the Local Government Act 2002 and there are no policy or planning issues.

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - Transition to a New Council Following Elections [25-198.1 - 2 pages]

Relevant Legislation under Local Government Act 2002 and Local Electoral Act 2001

1 LOCAL GOVERNMENT ACT 2002

1.1 Clause 14 of Schedule 7 - Declaration by member

- 1. A person may not act as a member of a local authority until—
 - (a) that person has, at a meeting of the local authority following the election of that person, made an oral declaration in the form set out in subclause (3); and
 - (b) a written version of the declaration has been attested as provided under subclause (2).
- 2. The written declaration must be signed by the member and witnessed by—
 - (a) the chairperson; or
 - (b) the mayor; or
 - (c) a member of the local authority; or
 - (d) the chief executive of the local authority; or
 - (e) in the absence of the chief executive, some other officer appointed by the chief executive.
- 3. The form of the declaration must consist of the following elements:

"Declaration by mayor or chairperson or member

"I, AB, declare that I will faithfully and impartially, and according to the best of my skill and judgment, execute and perform, in the best interests of [region or district], the powers, authorities, and duties vested in, or imposed upon, me as [mayor or chairperson or member] of the [local authority] by virtue of the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, or any other Act

"Dated at [place, date]

"Signed in the presence of:

"CD, [mayor or chairperson or member or chief executive of local authority]".

1.2 Clause 30 (7) of Schedule 7

A committee, subcommittee, or other subordinate decision-making body is, unless the local authority resolves otherwise, deemed to be discharged on the coming into office of the members of the local authority elected or appointed at, or following, the triennial general election of members next after the appointment of the committee, subcommittee, or other subordinate decision-making body.

1.3 Clauses 31 of Schedule 7

Clause 31 (4)

- (4) Despite subclause (3),—
 - (a) at least 1 member of a committee must be an elected member of the local authority; and an employee of a local authority acting in the course of his or her employment may not act as a member of any committee unless that committee is a subcommittee.

[&]quot;Signature:

Clause 31 (5)

If a local authority resolves that a committee, subcommittee, or other decision-making body is not to be discharged under clause 30 (7), the local authority may replace the members of that committee, subcommittee, or other subordinate decision-making body after the next triennial general election of members.

1.4 Clause 32(1) of Schedule 7

Unless expressly provided otherwise in this Act, or in any other Act, for the purposes of efficiency and effectiveness in the conduct of a local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority any of its responsibilities, duties, or powers except—

- (a) the power to make a rate; or
- (b) the power to make a bylaw; or
- (c) the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or
- (d) the power to adopt a long-term plan, annual plan, or annual report; or
- (e) the power to appoint a chief executive; or
- (f) the power to adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement.
- (g) Repealed
- (h) the power to adopt a remuneration and employment policy.

2 LOCAL ELECTORAL ACT 2001

2.1 Section 86 – Declaration of Result

The electoral officer conducting an election or poll must give public notice declaring the official result of the election or poll in the prescribed manner as soon as practicable after—

- (a) Repealed.
- (b) the validity of all special votes has been determined; and
- (c) all valid votes have been counted.

2.2 Section 115 - When members come into office

Candidates at a triennial general election who are declared to be elected come into office on the day after the day on which the official result of the election is declared by public notice under section 86.

2.3 Section 116 - When members leave office

- 4. Every member of a local authority or community board, unless vacating office sooner, vacates office,—
 - (a) in a case where the member's office is the subject of an election, when the members elected at the next election come into office:
 - (b) in a case where provision is made by any enactment to fill a vacancy by appointment, when the member's successor comes into office.
- 5. Despite subsection (1) (a), if a member's office is the subject of an election, and neither the member nor any other person is elected at the election to that office, the member vacates office at the same time as any other member of the local authority who is not re-elected at the election]





Title: 25-212 Draft Urban Plan Change - Public Notification Decision

Section: Sustainable Futures

Prepared by: Shane McGhie - Principal Policy Planner

Meeting Date: Thursday 21 August 2025

Legal: No Significance: Medium

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

The purpose of this report is to provide Council with the final draft provisions for Proposed Urban Plan Change 6 (PUPC6) and to seek their endorsement of the content for public notification.

Council is also being asked to support the proposal that staff apply for an exemption from the soon-to-be-enacted 'Plan Stop' legislation.

These recommendations were endorsed by the Tairāwhiti Resource Management Plan (TRMP) Committee at its meeting on 13 August 2025.

SUMMARY - HE WHAKARĀPOPOTOTANGA

The report provides a brief overview of the process followed to develop Proposed Urban Plan Change 6 (PUPC6), and a breakdown of what it changes in the operative (current) Tairāwhiti Resource Management Plan (TRMP).

PUPC6 involves replacing most of the existing zones within the Gisborne urban area, with nine new (New Zealand Planning Standard compliant) zones. These are:

- New General Residential and Medium Density Residential zones to replace the existing General and Inner City Residential zones within the Gisborne urban area;
- A new Residential Urban Design Guide as an appendix to the TRMP;
- Three new "Centre" zones, with the City Centre zone replacing the Inner Commercial zone, and the existing Suburban Commercial zone being replaced by a Local Centre zone, for the large shopping areas, and the Neighbourhood Centre zone for the smaller shopping areas within the Gisborne urban area;
- A new Mixed Use zone to replace the existing Outer, Fringe, and Amenity Commercial zones;
- A new Special Purpose Hospital zone to cover Gisborne Hospital, that is presently zoned General Residential;
- A new Special Purpose Future Urban zone to replace an area just beyond the existing urban boundary on the western edge of Gisborne city, presently zoned Rural Residential; and
- A new Rural Lifestyle (Back Ormond Road Area) zone to replace land presently zoned Rural Residential and Rural Lifestyle, also on the western edge of Gisborne city.

PUPC6 also includes:

- A change to the Regional Policy Statement.
- Consequential changes to the TRMP Planning Maps, and Parts A, C1-4, C9-11, D, and E of the operative TRMP.
- An updated Schedule of Designations (Part G: G25 Schedule Designation Requirements).
- The RMA required, Section 32 Evaluation Report for PUPC6.

In addition to the changes directly connected to PUPC6, we are also proposing to include the transfer (also called "rehoused") a small number of other plan provisions.

These include:

- the existing provisions for the four existing Reserve zones into three Planning Standards compliant Reserve zones, and
- the existing Residential Protection zone provisions, from a zone into a Planning Standard compliant Overlay.

In July 2025, the Government announced a "Plan Stop," requiring councils to seek an exemption from the Minister for the Environment before publicly notifying any plan change under the Resource Management Act.

Given its alignment with national planning goals to enable housing growth, PUPC6 may qualify for an exemption. However, the legislation is still expected to impact its timeline.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

- Notes that the Tairāwhiti Resource Management Plan (TRMP) Committee have recommended that Council make the decision under its delegated authority, to:
 - a. Proceed to publicly notify Proposed Urban Plan Change 6 (PUPC6) in accordance with Clause 5, Schedule 1 of the Resource Management Act 1991.
 - b. Applies to the Minister for the Environment for a Plan-Stop exemption.

Authorised by:

Jocelyne Allen - Director Sustainable Futures

Keywords: TRMP, Tairāwhiti Resource Management Plan, proposed urban plan change, PUPC6, public notification, plan stop, housing

BACKGROUND - HE WHAKAMĀRAMA

The evolution of Proposed Urban Plan Change 6 (PUPC6) - Why is it needed?

- The residential zones and associated provisions of the current (operative) Tairāwhiti
 Resource Management Plan (TRMP) have been assessed for consistency with the national
 direction, legislation and local policies and plans, including the National Policy Statement
 on Urban Development 2020 (NPS-UD), the National Planning Standards, and the Tairāwhiti
 Future Development Strategy 2024-2054 (FDS). It was found that:
 - The current zoning framework doesn't support compact, sustainable housing developments near jobs, transport, and amenities.
 - The current zoning rules don't clearly support building homes closer together (like apartments or multi-family houses).
 - Gisborne's water, transport, and drainage systems can't fully support new development, especially in areas like Kaiti. While developers contribute to upgrades, more planning is needed to handle infrastructure demands.
 - Some zoning names don't match national planning standards and need to be updated.
 The operative TRMP lacks clear policies for different housing styles and intensities, which
 makes consenting medium density developments in different parts of the Gisborne urban
 area problematic.
 - The rules focus on maintaining the current look and feel of neighbourhoods. However, this might conflict with the need for higher-density housing, which looks and feels different.

The Process to Determine the Preferred Approach - December 2024

- 2. At the TRMP Committee meeting of 18 December 2024 (Report 24-326) the Committee was presented with three options for a new zoning framework. The Committee preferred Option 3: Applying a new Medium Density Residential zone to the areas identified by the FDS as growth areas and applying a General Residential zone that could support less intense residential development than is presently permitted across all the remaining General Residential zone.
- 3. The TRMP Committee agreed with the general approach to the proposed Medium Density Residential zone extent covering the area identified as growth areas in the FDS, however, there was a request to reduce the area covered in Kaiti. Noting that the Committee's 4-3 split opting for the Medium Density residential zone, signalled a clear indication that the Committee expected staff to take a balanced approach to the introduction of the new zoning framework.
- 4. The TRMP Committee also endorsed the following approach to the areas covered by the proposed Commercial zones:
 - A new City Centre zone incorporating the existing Inner Commercial zone and small areas of the Fringe Commercial and Amenity Commercial zones.
 - A new Mixed Use zone for the remainder of the Commercial zones.
 - A mix of new Local and Neighbourhood Centre zones for the existing Suburban Commercial zones.

5. In addition to proposed changes to the District Plan provisions in the TRMP, Council directed that the Urban Plan Change includes changes to the operative RPS provisions of the TRMP to address the gap in RPS level urban growth provisions (Report 25-9).

The Process to Determine How PUPC6 can best Deliver Policy Intent - February 2025

- 6. At the 26 February 2025 workshop, Councillors and TRMP Committee Commissioners (Report 25-43) had a workshop to arrive at:
 - a. Draft provisions for the following zones:
 - Medium Density Residential zone
 - General Residential zone
 - Mixed Use zone
 - City Centre, Local Centre, and Neighbourhood Centre zones
 - Hospital zone.
 - Three options for the form of the proposed Medium Density Residential and General Residential zone.
 - Options for the spatial extent for the proposed Medium Density Residential zone.
 - b. A draft addition to the Regional Policy Statement (RPS) provisions of the TRMP.
 - c. Progress of the proposed Residential Urban Design Guide.
- 7. The main feedback points included:
 - A preference for Option C, the smallest footprint for the spatial extent of the Medium Density Residential zone.
 - A preference for the standards (rules) applying to the Medium Density Residential zone to be Option 2: Design Enhanced Outcome.
 - An agreement to use a Precinct overlay to protect some of the existing character of some areas of the Mixed Use zone (Business and Amenity precincts), and for the Railway Land in Awapuni to be rezoned Mixed use, following a request from Rongowhakaata.
 - A need to include zone expectations in policies to ensure this has legal weight.
 - A need to review all objectives and policies to ensure that they are correctly written, as some of the objectives appear to be written as policies.
 - A need to review the matters of discretion to make sure they are fit for purpose.
 - The need to ensure words used are defined.
 - A need to add diagrams where they would assist the understanding of a standard.
 - A need to confirm that the way the design guide is to be included in the plan makes it non-statutory guidance.
 - Consider including some of the objectives and policies from the FDS in the change to the operative RPS.

March 2025

- 8. At the TRMP Committee meeting on 13 March 2025 (Report 25-42), the Committee were presented with:
 - Options for the form of the Medium Density Residential and General Residential zones.
 - Draft provisions for the Medium Density Residential, General Residential, Mixed Use, Commercial, Special Purpose Hospital; Rural Lifestyle; Future Urban Zones.
 - Options for the spatial extent of the Medium Density Residential zone.
 - An option for the use of Mixed Use zone precincts, and to include the area bounded by Awapuni Road, Grey Street, and the Waikanae stream, as Mixed Use.
 - A draft change to the RPS provisions to support the Urban Plan Change.

April 2025

9. At the Extraordinary Council meeting on 9 April (Report 25-69), Council was presented with the draft plan change chapters. Council was asked to slightly extend the Urban Plan Change timeframe to enable time for working with iwi technicians on content, which they agreed to do.

May 2025

- 10. At the Sustainable Tairāwhiti meeting of 8 May 2025, Councillors and TRMP Commissioners were presented with the draft Urban Plan Change chapters and asked to endorse sending the Draft Urban Plan Change, including any amendments requested, to iwi authorities for comment, as required by Clause 4A, Schedule 1 of the RMA. The changes requested were made and the Draft Urban Plan Change was sent to iwi authorities on 21 May 2025, with any comment or advice requested by 13 June 2025.
- 11. The draft Urban Plan Change was also sent to the Minister for the Environment, and all adjoining local authorities, in accordance with clause 3, Schedule 1 of the RMA.
- 12. In addition, the Draft Urban Plan Change was also sent for an economic and yield assessment and a legal review, of both the content and the plan change process followed.

June 2025

- 13. At the Sustainable Tairāwhiti meeting of 25 June 2025, Councillors and TRMP Commissioners were presented with options for progressing the Urban Plan Change, following receipt of the preliminary findings of the economic and yield assessments, and of a legal review.
- 14. The Committee endorsed Option 2 to implement the recommendations of the economic and yield assessments by amending the Medium Density Residential (MDR) and General Residential (GR) provisions to further enable attached dwellings, in the MDR zone, and shared capacity across the GR zone, and consider and address the matters raised in the legal review.

August 2025

- 15. At the TRMP Committee meeting on 13 August 2025 the Committee were asked to provide any additional feedback to be considered as part of finalising the draft content; to endorse PUPC6, including the Section 32 Report; recommend that Council proceed to publicly notify PUPC6; and endorse an application to the Minster for Environment for an exemption to the "Plan Stop"
- 16. Attachment 1 provides a list of previous reports relevant to PUPC6.

What About the National Direction Change and Resource Management Reform?

- 17. The Government is advancing major reforms to the resource management system, with new legislation and national direction in various stages of development. These changes will fundamentally affect the future shape, scope and structure of resource management planning.
- 18. Council made a submission to Packages 1,2 & 3 of the National Directions on 25 July 2025. We will also make a submission to the fourth package Gowing for Housing Growth discussion paper before submissions close on 17 August 2025.
- 19. The TRMP Committee had a workshop in July 2025 to discuss the implications of this reform programme on the Tairāwhiti Resource Management Plan (TRMP) review. No clear option for advancing the Urban Growth and Development workstream was selected, however, the suggested approach was to rescope the workstream to focus on the Urban Plan Change and Master Planning and any high priority areas. Officers will continue to monitor the reforms and report back to the committee when new information is available.

Government Proposal to "Plan Stop"

- 20. On 16 July 2025 the Minister for Resource Management Reform announced that the Government is to introduce an amendment to the Resource Management (Consenting and Other System Changes) Bill presently going through Parliament, stopping councils from publicly notifying changes to their Resource Management Plans.
- 21. The intent of the amendment is to stop councils undertaking plan making and changes that will likely require significant changes under the new system, and to enable Council's to focus on critical work to prepare for the new planning system.
- 22. Council staff will review the implications for the entire TRMP review once more information becomes available, however, because PUPC6 is intended to enable housing growth by making it easier to build, which fits with the Government's stated priorities, the plan change may be eligible for an exemption from the "stop".
- 23. Having to apply to the Minister for an exemption will however have implications for the timing of PUPC6.
- 24. An application for an exemption from the plan-stop can only be made within 3 months of enactment of the Resource Management (Consenting and Other System Changes) Bill, with enactment likely to be December 2025.

25. This will mean that even using an ambitious timeline for the Urban Plan Change, including using the minimum submission periods, decisions on the Urban Plan Change would be released in November/December 2026. This is around the same time as Government have indicated the new Resource Management System will be receiving royal assent, with the new Acts being in force very early in 2027.

New Powers for Ministers to Change Regulation

- 26. In addition to the plan-stop amendment, the government has also signalled their intention to give Ministers powers to modify or remove provisions in Resource Management Plans that negatively impact economic growth, development capacity and employment. The Minister for Resource Management Reform has invited councils to write to him with parts of their RM Plans that the Council would like the Minister to remove or change.
- 27. While the focus of this plan change (PUPC6) has been to address the housing crisis, there may be urgent smaller fixes to the TRMP that would enable economic growth, development capacity or employment.
- 28. Council staff are considering what changes might meet the criteria and will prepare a report to a future TRMP meeting for consideration of a request to the Minister. We would want to talk to iwi partners about these fixes before submitting them for consideration to the Minister.

What is NOT part of the Draft Urban Plan Change, but is to occur alongside Proposed Urban Plan Change 6 (PUPC6)?

- 29. To ensure that most of the planning zones within the Gisborne City urban area, are compliant with the National Planning Standards, we are also proposing to transfer (called "rehoused") the existing provisions for the four existing Reserve zones into three Planning Standards compliant Reserve zones. This is not part of the schedule 1 Urban Plan Change but will be notified at the same time.
- 30. It is also proposed to transfer the existing Residential Protection zone provisions into a Planning Standard compliant Overlay (rather than a 'zone') at the same time as we undertake PUPC6.
- 31. Section 58I(3) of the RMA provides that a local authority may adopt the mandatory directions within the National Planning Standards without using a process in Schedule 1 to the RMA. This means that rehousing operative plan provisions can be done without a plan change process. Once the parts of the plan have been rehoused, the Council is required to issues a public notice within 5 working days of completing the rehousing.
- 32. The Section 58A of the RMA process will occur alongside PUPC6, and will not be open to submit on, or form any part of the plan change process.
- 33. The four Masterplans are also being prepared at the same time as PUPC6.
- 34. Any changes to the TRMP required to implement the outcomes of the Masterplans will be included in the next phase of the TRMP review.

The Specific Content for Inclusion in PUPC6 from Iwi Engagement

35. As noted previously, the Draft Urban Plan Change was sent to iwi authorities on 21 May 2025, with any comment or advice requested by 13 June 2025.

The Economic and Housing Yield Assessment

36. The PUPC6 provisions were assessed for the economic impact and the housing yield enabled by the plan change.

The Legal Review

37. The PUPC6 provisions and process have undergone legal review.

DISCUSSION - WHAKAWHITINGA KŌRERO

What is contained in Proposed Urban Plan Change 6 (PUPC6)?

- 38. As outlined in the Background section, PUPC6 includes the addition of nine new (New Zealand Planning Standard compliant) zones within the Gisborne urban area.
- 39. PUPC6 new chapters, the marked-up chapters of the operative TRMP, and the proposed planning map, and the Section 32 Report, are attached to this report, however they will not be printed.

Plan Stop Impact on PUPC6

- 40. The Government's Plan Stop pauses new planning under the RMA to ease the shift to a new system. This will affect the timeline for PUPC6 regardless of an exemption.
- 41. The TRMP, outdated plan risks growing complexity and irrelevance if updates like PUPC6 are delayed. Since PUPC6 supports Government priorities, like housing growth and infrastructure planning, it likely qualifies for an exemption.
- 42. Council can argue this to continue needed housing growth without delay. A phased approach is needed to ensure community input and keep the planning framework effective.

Tairawhiti Resource Management (TRMP) Committee oversight and recommendations

- 43. The preparation of the PUPC6 has been overseen by the TRMP Committee.
- 44. As part of the Committee deliberations at the meeting last week (Report 25-161), they endorsed the preferred option (option two) which was to:

Endorse the provisions, subject to any Committee amendments requested, and any minor correction or changes that do not change the policy intent and recommend to Council that the draft Urban Plan Change be publicly notified in accordance with clause 5, 1st Schedule RMA 1991 and endorse the recommendation that Council apply to the Minister for the Environment for a plan-stop exemption.

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: Medium Significance

45. This report is part of a process to arrive at a decision that may be of **Medium** level in accordance with the Council's Significance and Engagement Policy

TREATY COMPASS ANALYSIS

Kāwanatanga

- 46. The Future Development Strategy 2024 (FDS) provided for tangata whenua aspirations towards urban development and a values framework. These values are framed by an overarching aspiration "Te Oranga o Te Taiao which is at the centre of decision-making regarding the urban environment. As a community we are committed to prioritising the wellbeing of our natural surroundings in all urban-related choices, striving for a harmonious co-existence of vibrant communities and a thriving environment."
- 47. This framework continues to guide how we consider the aspirations and values of tangata whenua which can support improved outcomes in the urban environment through this plan change. By considering this framework across our work, tangata whenua can determine the relevance of the topics which can lead to improved participation in a more meaningful manner.
- 48. Having sent a copy of the draft plan change to iwi authorities and providing a reasonable time for them to provide advice to Council, along with our ongoing engagement with our treaty partners, we have ensured that tangata whenua can determine their level of interest and where they wish to actively participate in the plan making process.

49. Tāngata whenua also have the opportunity to participate in the process following the public notification.

Rangatiratanga

- 50. The FDS highlights that Māori-led developments are key to delivering the aspirations of tāngata whenua, which supports developments based on the needs of iwi and hapū. While iwi and hapū have wider interests and land holdings in the urban area, outlined below are three large Māori-led growth areas identified in the FDS:
 - a. Te Runanganui o Ngāti Porou (TRONPnui) have recently received resource consent approval for a mixed housing development on the 75 Huxley Road site in Kaiti.
 - b. TRONPnui continues to explore the development potential of the ex-Rifle Range site in Sponge Bay. The UGD workstream will continue to engage with TRONPnui to understand how the Urban Plan Change facilitates their development aspirations.
- 51. Toitū Tairāwhiti Housing Limited (TRHL) a collective of iwi working in partnership, are leading the development of the Tūranga Tangata Rite papakāinga development adjacent to Gisborne Hospital. This project recently received resource consent and stands as a powerful example of Māori-led, iwi driven leadership in addressing housing needs across Te Tairāwhiti.
- 52. The Urban Plan Change has explored how to improve housing outcomes for Māori across the proposed residential zones, which includes enabling papakāinga development and multigenerational living. Feedback received through the Clause 4A process has resulted in some changes that reflect the views of Te Aitanga a Māhaki Trust.

Oritetanga

- 53. Through further engagement to support the development of the Urban Plan Change, we have begun working with urban iwi and hapū to better understand the outcomes necessary to support improved housing and community outcomes. There are multiple iwi interests and land holdings in the urban area represented by Ngāti Porou iwi and Ngāti Oneone hapū focussed to the east of the city, while Rongowhakaata iwi and hapū and Te Aitanga a Māhaki iwi and hapū hold interests across the city urban area.
- 54. Under Oritetanga, the FDS sought to address inequity by providing improved development capacity in areas that support Māori landowners and social housing providers within the urban area. We have continued discussions with Council's Treaty partners to obtain a better understanding of how to reflect this in the Urban Plan Change.

Whakapono

- 55. The FDS was able to incorporate iwi and hapū values towards urban development. We are continuing to work with tāngata whenua through the development of the urban masterplans and the Urban Plan Change work, to ensure whakapono is appropriately acknowledged, protected, and incorporated into the Urban Plan Change as we plan for future growth.
- 56. This can relate to identifying areas of significance, including cultural sites, and identifying suitable mechanisms using relevant spatial layers. Overlays, such as Heritage Alert layer in the current TRMP require resource consent applicants to engage the relevant iwi to consider how the proposal may affect a particular site of significance.

- 57. This is one of many spatial layer mechanisms that can be used to ensure, as the urban area experiences growth and development, that areas of cultural value are protected and are not negatively impacted.
- 58. Cultural value assessments, reviewing the historic heritage information in the TRMP and further iwi and hapū engagement will be key informants to the spatial layers. A Historic Heritage Review (HHR) is currently in progress that will inform the review of relevant District Plan provisions and heritage spatial layers.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

- 59. Te Rūnanganui o Ngāti Porou, Ngāti Oneone, Te Aitanga a Māhaki Trust and Rongowhakaata lwi Trust responded to our invitations to engage on the early drafts of PUPC6. Preliminary feedback received from iwi technicians working on behalf of Te Aitanga a Māhaki, and from members of te hapu ki Ngati Oneone have been incorporated into PUPC6.
- 60. Council-wide discussions with Rongowhakaata Iwi Trust took place, reaffirming key principles for effective engagement from a Council-wide perspective.
- 61. Te Aitanga a Māhaki Trust have also provide their feedback on the urban form and development chapter in the full RPS review.
- 62. We recognise that the area prescribed to the PUPC6 is the ancestral whenua and awa of many more iwi entities than this and will continue in our best efforts to engage meaningfully with all our Treaty partners on the Urban Growth and Development (UGD) workstream projects.
- 63. However, for PUPC6 this has been limited to those iwi that have accepted the invitation to engage.
- 64. Once publicly notified, iwi engagement as part of PUPC6 will become limited to what can be achieved through formal submissions, and in phase 2 of the TRMP review.
- 65. Information relevant for District Plan changes has previously been provided through formal submissions from Te Rūnanganui o Ngāti Porou (TRONP) and Rongowhakaata Iwi Trust on the Future Development Strategy 2024.

COMMUNITY ENGAGEMENT - TÜTAKITANGA HAPORI

- 66. period, feedback was sought on the Urban Plan change proposed zone statements, zoning map as well as questions on the urban masterplans.
- 67. In-person community sessions were held on 11, 12 and 13 February 2025. These included:
 - a. Community drop-in sessions in the City Centre, Kaiti and Elgin.
 - b. A developer drop-in session.
- 68. Engagement with Trust Tairāwhiti and consultants working on the City Centre Catalyst projects plan.

- 69. Staff presented on the draft Urban Plan Change in a workshop with the Chamber of Commerce members on 27 February 2025, along with Council's Consenting team.
- 70. Staff met with a representative of the telecommunications Industry, on 26 February, and Beef and Lamb New Zealand on 10 March, to provide an update on the progress being made on the plan changes in development.

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

- 71. The NPS-UD requires that planning for urban environments supports reductions in Greenhouse Gas (GHG) emissions. To ensure future development is located in areas at lower risk to the impacts of climate change as well as supporting reductions in GHG emissions, the FDS evaluated the growth areas against climate change criteria. The FDS growth areas have also considered the known urban impacts of Cyclone Gabrielle in 2023.
- 72. While developing the draft spatial layers, the focus has been on intensification of the existing urban area, rather than continuing to expand the city's footprint to enable housing growth. The draft planning maps being presented are fully in keeping with the FDS, and therefore lower the risks associated with the impacts of climate change, as well as supporting reductions in GHG emissions.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

73. There are no direct financial implications of this report. The costs of this review are part of the approved TRMP review budget.

Legal

- 74. There are no specific legal implications for this report. PUPC6 has been subject to a legal review, alongside its distribution to iwi authorities, to ensure it meets the various legal requirements, primarily the RMA and national direction under that Act, before formal notification.
- 75. The legal review identified several structural and content matters that required consideration and addressing. The main issues identified were:
- 76. The need for a "how to use the TRMP and the Urban Plan Change together" addition so that users understand what the urban plan change includes, and how it fits into the operative TRMP.
 - a. A requirement for the rule to include the activity description, rather than it only be in the rule heading.
 - b. A requirement for additional clarity on the Mixed use zone Precinct rules.
 - c. Whether it is appropriate to have "Matters of Discretion" for performance standards.

- 77. These issues have been considered, and where changes were considered necessary, that change has been made. Most changes, recommended through the legal review, have been made. The only structural issue officers do not recommend changing is the presence of "Matters of discretion" attached to performance standards.
- 78. The legal review identified the use of this term as part of a performance standard as confusing for plan users. A review of a number of third Generation RM Plans identifies that many include "Matters of Discretion" as part of the performance standards, and there is no evidence that this has caused confusion. However, to reduce the potential for any confusion "Matters of discretion" has been amended to be "Matters of discretion if compliance not achieved".

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

- 79. Council has previously prepared a range of targeted strategies to provide a context-driven approach to resolve housing supply shortages, improve connectivity and enhance environmental resilience. Documents such as the Tairāwhiti Spatial Plan 2050, Urban Development Strategy 2015, CBD Spatial Framework 2019, and the Future Development Strategy 2024 have informed the PUPC6.
- 80. PUPC6 content produced to date is aligned with these documents and national direction.

RISKS - NGĀ TŪRARU

Relationship Risk

- 81. Impact: Not delivering PUPC6 in a form that meets the community and legislative requirements, in the proposed timeframe, risks Council losing credibility.
- 82. Mitigation: By concentrating on the core requirements to implement the FDS 2024-2054 and give effect to the NPS-UD, this risk can be mitigated by confining the plan change to defined parameters.

Legal Risk

- 83. Impact: There is a potential for legal challenges if the RMA plan-making process is not correctly followed.
- 84. Mitigation: Update the process manual and ensuring alignment with RMA requirements. A legal review was conducted to validate adherence to legal standards and address any gaps. Additionally, ongoing evaluation of content and timeframes throughout the process has helped minimise risks.

Changes to Legislation and National Direction

- 85. Impact: The PUPC6 is potentially impacted by amendments to national direction, and the development of an entirely new planning system.
- 86. Mitigation: To manage this, we are proceeding with the process to notify PUPC6. This approach balances the need to enable housing supply and revitalise the city centre, with the importance pf maintaining engagement momentum with the community, developers and Treaty partners.

- 87. Impact: A new Council may choose not to proceed with public notification of PUPC6, despite the current Council resolving to do so, including seeking an exemption from the proposed plan-stop amendment. This could result in a loss of momentum, and risk wasting the investment made in technical, legal, and engagement work. It may also delay delivery of housing capacity and compromise alignment with regional priorities.
- 88. Mitigation: Ensure PUPC6 is underpinned by a robust and well-documented evidence base, including legal and consents reviews and the Economic and Yield Assessment. Provide a clear rationale and alignment with strategic goals to support continuity. Incorporate key information into the post-election Council orientation programme to support informed decision-making by the incoming Council.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
December 2025/ January 2026	Apply to the Minister for the Environment for a plan-stop exemption	
March 2026	arch 2026 Plan-stop exemption Decision Indicative timing for this step onw dependent on exemption protimeliness and it being agreed to exempt.	
April 2026	Formal public notification	Required by clause 5 (1-2A), Schedule 1 of the RMA
May 2026	Submission period	Required by clause 5(3), Schedule 1 of the RMA.
June 2026	Publicly notify the summary of the decision requested and open for further submissions	Required by clause 5(7), Schedule 1 of the RMA.
November/ December 2026	Decisions released	

ATTACHMENTS - NGĀ TĀPIRITANGA

1. Attachment 1 - List of Previous Reports Related to PUPC6 [25-212.1 - 1 page]

List of previous reports related to PUPC6

Date	Report Type	Report Link	
12 October 2023	Info Report 23-230	Update on Tairawhiti FDS	
Council			
15 November 2023	Decision Report 23-245	Draft Tairāwhiti Future	
Council		<u>Development Strategy</u>	
14 March 2024	Decision Report 24-26	Tairāwhiti Future Development	
Council		<u>Strategy 2024 - 2054</u>	
8 August 2024	Decision Report 24-223	FDS 2024: Implementation Plan	
Council			
3 September 2024	Information Report 24-230	<u>Urban spatial layers</u>	
TRMP Committee			
18 December 2024	Information Report 24-306	Tairāwhiti Resource Management	
TRMP Committee		<u>Plan Review - Progress</u> <u>Update</u>	
18 December 2024	Decision Report 24-326	Details of aspects of the 2025 plan	
TRMP Committee		change to support urban growth and development	
13 March 2025	Decisions Report 25-42	Draft Urban Plan Change -To iwi	
TRMP Committee		<u>authorities for advice</u>	
9 April 2025 Extraordinary Council	Decision Report 25-69	Draft Urban Plan Change – To send a copy to iwi authorities for comment	
8 May 2025	Decision Report 25-121	<u>Draft Urban Pan Change -</u>	
Sustainable Tairāwhit Committee		Decision to send draft to lwi authorities	
25 June 2025	Decision Report 25-175	Draft Urban Plan Change- Further	
TRMP Committee		Refinement Options	
13 August 2025	Decision Report 25-161	Draft Urban Plan Change Decision	
TRMP Committee		to Recommend Public Notification	





Title: 25-173 Alcohol Control Bylaw Review - Adoption (Panel's Report)

Section: Sustainable Futures

Prepared by: Makarand Rodge - Intermediate Policy Advisor

Meeting Date: Thursday 21 August 2025

Legal: No Significance: Medium

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

This report provides recommendations for adopting amendments to Gisborne District Council's (Council) Te Ture ā-rohe Whakatūpato Waipiro 2015 / Alcohol Control Bylaw 2015 (the Bylaw).

SUMMARY - HE WHAKARĀPOPOTOTANGA

The Bylaw is made under the Local Government Act 2002 (LGA) and aims to regulate and control alcohol consumption in specific public places. The current alcohol ban areas under the Bylaw are located in Gisborne City, Midway, Ruatoria, Te Araroa, Tokomaru Bay, and Tolaga Bay.

Following completion of the statutory review process required by the LGA, including public consultation using the Special Consultative Procedure, the Hearing Panel (the Panel) has recommended that Council adopts an amended Bylaw (Attachment 1).

Three proposals were consulted on:

- 1. **Extending the current alcohol ban in Gisborne City** to include areas east of Taruheru River and the Cenotaph.
- Designating a new alcohol ban area covering Kaiti Memorial Park, Kaiti Hub, and the area outside Kaiti School.
- 3. **Updating the format and maps** in the Bylaw for clarity and readability.

Public feedback showed strong support for all three proposals, with 77% supporting Proposal 1, 80% supporting Proposal 2, and 82% supporting Proposal 3.

The Panel has considered all submissions and recommends adopting the three proposals without any further changes.

The Panel noted a concern regarding the potential for unintended consequences, particularly the risk of overly strict enforcement of the Bylaw. The Panel is satisfied that Police operational practice helps mitigate this risk and encourages ongoing dialogue between Council and Police to monitor implementation.

If adopted, the amended Bylaw will come into effect one month after public notification.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

- Confirms that the proposed amended Ture ā-rohe Whakatūpato Waipiro 2015 / Alcohol Control Bylaw 2015 (Attachment 1) is:
 - a. in the most appropriate form of the bylaw;
 - b. does not give rise to any implications under the New Zealand Bill of Rights Act 1990; and
 - c. appropriate and proportionate in the light of crime or disorder in applicable areas
- Adopts the amended Te Ture ā-rohe Whakatūpato Waipiro 2015 / Alcohol Control Bylaw 2015 (Attachment 1) as the final Te Ture ā-rohe Whakatūpato Waipiro 2015 / Alcohol Control Bylaw 2015.
- Publicly notifies the adopted amended Te Ture ā-rohe Whakatūpato Waipiro 2015 / Alcohol Control Bylaw 2015 (Attachment 1) before the end of September 2025.
- 4. Specifies that the Te Ture ā-rohe Whakatūpato Waipiro 2015 / Alcohol Control Bylaw 2015 (Attachment 1) will come into effect on 1 October 2025.

Authorised by:

Jocelyne Allen - Director Sustainable Futures

Keywords: alcohol ban area, alcohol control bylaw, drinking / alcohol consumption in public spaces.

BACKGROUND - HE WHAKAMĀRAMA

Council's Alcohol Control Bylaw

- 1. <u>Te Ture ā-rohe Whakatūpato Waipiro / Alcohol Control Bylaw 2015</u> (the Bylaw) prohibits consumption of alcohol in public places within specified areas in Te Tairāwhiti (the 'alcohol ban areas' in Gisborne City, Midway, Ruatoria, Te Araroa, Tokomaru Bay, and Tolaga Bay).
- 2. In 2003 Council introduced the Gisborne District Public Places Liquor Control Bylaw. This replaced previous provisions in the Gisborne District Public Places Bylaw 1995. The alcohol ban areas were introduced through amendments or new bylaws as follows:

Area	Year
Gisborne city	2003
Te Araroa	2003
Tolaga Bay	2004
Ruatoria	2007
Midway	2015
Tokomaru Bay	2019

Bylaw made under the Local Government Act 2002

- 3. The Bylaw was made under section 147 of the Local Government Act 2002 (LGA). Under the LGA, alcohol control bylaws apply to all public places but not licensed premises.
- 4. The definition of public places under Section 147(1) of the LGA is broad:
 - a place that is open to or is being used by the public, whether free or on payment of a charge, and whether any owner or occupier of the place is lawfully entitled to exclude or eject any person from it; but
 - b. does not include any licensed premises.
- 5. Under the LGA, only Police can take enforcement action under alcohol control bylaws. Police have powers of arrest, search and seizure and can ask someone to leave an alcohol control area and/or pour out alcohol from open alcohol vessel(s) in their possession.
- 6. Police have discretion over how they enforce the bylaw.² It is the prerogative of Council to determine the areas where and when Police can exercise this discretion by defining alcohol control areas. Under the Local Government (Alcohol Ban Breaches) Regulations 2013, Police can issue an infringement fine of \$250 to anyone who breaches the Bylaw.

Bylaw Review Process so far

 On 17 October 2024, Council determined that a bylaw is the most appropriate way of regulating alcohol control matters in public spaces and that the current bylaw should be reviewed (Report 24-211).

² The relevant section of the Police Manual specifies that officers are expected to apply discretion in a way that aligns with the intent of the bylaw and the expectations of the community. See Enforcement of Alcohol Bans.

- 8. The existing alcohol ban areas in Midway, Tolaga Bay, Te Araroa, Ruatoria, and Tokomaru Bay were found to be effective and appropriate with no amendments required. However, the potential need for extension of the Gisborne City alcohol ban area and introduction of a new alcohol ban area in Kaiti were identified based on Police data, staff observations, and public concerns.
- 9. Report 24-211 summarises the alcohol harm data provided to staff by NZ Police, as follows:
 - a. "National Intelligence Application (NIA)³ numbers for the Gisborne City account for approximately 81.5% of the entire Gisborne District suggesting that alcohol-related incidents are highly concentrated in this area, indicating a potential need for enhance alcohol control measures within the City under the bylaw.
 - b. There has been a steady increase in NIA numbers between 2020 and 2023 for the City Centre area and the Kaiti area. The steady increase suggests a growing trend of alcohol related incidents in these locations, highlighting the need to consider options to extend the current alcohol ban areas may need to be considered."
- 10. Options for amending the Bylaw were discussed at a workshop on 5 February 2025 (Report 25-8) and on 27 March 2025 Council adopted a Statement of Proposal (SOP) setting out its preferred options for amending the Bylaw. Council also determined that the proposed draft Bylaw is in the most appropriate form, does not give rise to any implications under the New Zealand Bill of Rights Act 1990, and is appropriate and proportionate in light of crime or disorder in the applicable areas (Report 25-58).
- 11. The three proposals included in the SOP were:
 - **Proposal 1:** Extend the current alcohol ban in Gisborne City to include areas east of Taruheru River and Cenotaph.
 - **Proposal 2**: Designate new alcohol ban area to include Kaiti Memorial Park, Kaiti Hub, and area outside Kaiti School.
 - **Proposal 3**: Update all the maps in the Bylaw for clarity and readability.
- 12. Public consultation was carried out between 1 April 2025 and 30 April 2025 during which Council received 39 submissions. The public consultation process involved publishing a page on Council's engagement platform Participate which provided an opportunity for individuals and groups to voice their opinions, concerns, and suggestions regarding the subject matter under consideration. The Participate page offered submitters a choice among 'Agree,' 'Disagree,' or 'Other,' for each proposal with space to provide feedback for their selected response.
- The Panel received all submissions on 12 June 2025 as part of the Hearings and Deliberations Report (Report 25-139). The Panel heard one submitter – National Public Health Service (NPHS) - at the public hearings.

³ One of the systems at NZ Police that records data specific to alcohol related harm. NIA tracks the incidents Police respond to. Each incident gets a code based on what happened, including any offences or infringements. In August 2019, NIA was updated so that all incidents now include whether alcohol was a factor in the event. This update helps Police understand how alcohol consumption impacts on their work, so they can make better decisions about how to respond and prevent alcohol-related harm. However, there are some issues with how alcohol is recorded in NIA, meaning that some alcohol-related incidents might be missed. Police are working on improving this.

DISCUSSION and OPTIONS - WHAKAWHITINGA KÖRERO me ngā KŌWHIRINGA

14. A detailed analysis of the proposals was included in the Statement of Proposal Report (Report 25-58). Staff analysis of the submissions was included in the Hearings and Deliberations Report (Report 25-139). The submissions analysis and Panel recommendations for each proposal are summarised below.

Proposal 1: Extend the current alcohol ban in Gisborne City to include areas east of Taruheru River and Cenotaph

15. The reasoning for Proposal 1, as stated in the SOP, is to enhance protection around the Cenotaph, riverbanks, and key public parks, ensuring these spaces remain safe and welcoming for the community. There has also been escalating damage to the Cenotaph because of drinking and littering around the memorial, creating a stressful environment for the public as well as Council staff.

Support for the preferred option	Notable / common themes in support of proposal	Notable / common themes in opposition to proposal
Agree: 77%	Safety and respect: supporters	Existing laws and individual
Disagree: 18%	emphasise keeping the Cenotaph	responsibility: Dissenting
Neutral or no response: 5%	and riverside areas safe and family friendly. They note intoxicated behaviour at the Cenotaph or river (e.g. drinking, disorder) undermines the memorial's importance and public comfort. Comments highlight protecting children and families from exposure to disorder and preventing incidents involving vandalism.	comments argue that current laws (e.g. disorderly conduct, drunkenness offenses) already cover public drinking problems. Some say adults should manage themselves ("common decency should prevail") and that a blanket ban is unnecessary. A few submitters question enforcement ("who will enforce these new rules?") or note
	Public order and harm reduction:	people often ignore signage.
	Agreeing submitters point out that extended bans could reduce public intoxication and related harms (e.g. unruly or abusive behaviour, unsafe activities). They believe clearer rules can help police and the public know where alcohol is not allowed.	Personal freedom vs targeted approach: Opponents also suggest it is better to address the source of the problem (helping at-risk drinkers or homeless people) than expanding bans. One commenter cautions against broadly targeting 'undesirables,' advocating support (e.g. housing, addiction services) over punitive restrictions. Another enjoys occasional outdoor drinking (fishing, picnics) and sees more bans as restricting freedom.

Additional Feedback from Council Staff

- 16. A detailed internal submission was provided by a Council staff member drawing on recent project experience in areas affected by this proposal. Key insights include:
 - a) **Direct operational impact from alcohol-related behaviour:** While managing the installation of accessible furniture (e.g. benches and picnic tables) in Kelvin Park, Marina Park and Rose Gardens, contractors and Council staff encountered significant issues linked to a group of individuals known to congregate in the area for daytime drinking. These included repeated verbal abuse, interference with tools and worksites, and ongoing staff safety concerns during the construction phase.
 - b) **Damage to Council assets:** Within two weeks of installation, the new furniture had been defaced with graffiti. The cost to remediate this damage in terms of materials, labour, and contracted maintenance time was noted as a recurring financial burden. Images showing damage to council assets are attached to the Hearings and Deliberations Report (Report 25-139).
 - c) Impact on accessibility and inclusiveness: The affected parks are being upgraded to better support use by people with reduced mobility. However, staff raised concerns that the presence of regular day-drinking groups creates an intimidating or unsafe environment, potentially deterring older adults, families, wheelchair users, and other vulnerable community members from enjoying these spaces.
- 17. This internal submission strongly supports the extension of the alcohol ban to the areas in question, citing both operational experience and broader concerns about safety, equity of access, and asset protection

Panel Recommendation

- 18. The Panel confirms that the rationale for Proposal 1 remains valid after reviewing submissions and supports extending the alcohol ban based on the evidence presented. However, the Panel emphasises the need for proportionate enforcement and expects police to apply discretion and common sense when implementing the ban. These considerations are discussed in more detail below.
- 19. The Panel recommends adopting Proposal 1 without any further changes.

Proposal 2: Designate new alcohol ban area to include Kaiti Memorial Park, Kaiti Hub, and area outside Kaiti School

20. The reasoning for Proposal 2, as stated in the SOP, is to provide targeted protection to family-friendly spaces, ensure these areas – dedicated to recreation, shopping, and children's activities – remain safe and enjoyable for their intended purposes. Proposal 2 focuses on the key locations of Kaiti Memorial Park, Kaiti Hub, and the area outside Kaiti School rather that applying the alcohol ban to a wider surrounding area.

Support for the preferred option	Notable / common themes in support of proposal	Notable / common themes in opposition to proposal
Agree: 80% Disagree: 10% Neutral or no response: 10%	Child and community safety: Almost all commenters who took a supportive position emphasise protecting children and families. They note that alcohol bans near schools, playgrounds and sports fields keep intoxicated behaviour out of sight for children. Many have highlighted busy school crossings, bus stops and shopping areas frequented by students – arguing these should be alcohol-free to prevent exposure to harassment, violence or unsafe situations. This targeted approach is seen as common-sense protection.	question bans on principle: for example, saying help for drinkers is better than further restrictions, or alleging the bylaw could unfairly target certain

Panel Recommendation

- 21. Overall, the tone of submissions was that alcohol restrictions around schools are "more than welcomed" and enhance "comfort and safety" for students and elders.
- 22. Two submitters, while supporting introduction of an alcohol ban area in Kaiti, preferred a wider ban area covering the full route many students use to walk to and from Kaiti School. They proposed to include both sides of Rutene Road up to Craig Road in the ban area. Another submitter noted that if ban areas are too small or specific, enforcement could be difficult, preferring broader contiguous areas.
- 23. The Panel considered an alcohol ban area beyond the proposed boundaries but concluded that the targeted area outlined in Proposal 2 strikes the right balance between safety and practicality.
- 24. The Panel recommends adopting Proposal 2.

Proposal 3: Update current bylaw format and all the maps for clarity and readability

25. The reasoning for Proposal 3, as stated in the SOP, is to allow Council to update the Bylaw and all the maps to the current format for improving overall readability. The meaning and intent of each clause / map will remain the same.

Support for the preferred option	Notable / common themes in support of proposal	Notable / common themes in opposition to proposal
Agree: 82%	Improved clarity: Supporters	There were no notable
Disagree: 3%	welcome clearer, standardised	submissions in opposition to this
Neutral or no response: 15%	wording and updated maps, noting "clarity is always best." They view a more readable	proposal.
	bylaw format as positive, even if the rules themselves do not change.	

Panel Recommendation

- 26. The Panel agrees that improving readability of the Bylaw is important to ensure clarity for the public and implementation.
- 27. The Panel recommends adopting Proposal 3.

Panel Reflections on Implementation Risks

- 28. While the Panel recommends adoption of all three proposals, it has noted a concern regarding the potential for unintended consequences associated with the expansion of alcohol ban areas—particularly the risk of overly strict enforcement. The Panel recognises that while alcohol control bylaws are intended to enhance public safety and minimise alcohol-related harm, there is also a responsibility to ensure they are applied in a fair, proportionate, and community-focused manner.
- 29. The Panel is mindful that a rigid or zero-tolerance approach could disproportionately impact some community members, including rangatahi, people experiencing homelessness, and others who may already face barriers to equal treatment. However, the Panel acknowledges the consistent advice provided by New Zealand Police that enforcement of the bylaw is undertaken using a "common sense approach" and is guided by discretion, context, and the specific circumstances of each situation.
- 30. On balance, the Panel is satisfied that Police operational practice helps mitigate the risk of rigid enforcement. The Panel therefore recommends proceeding with the proposed amendments, while encouraging ongoing dialogue between Council and Police to monitor implementation and ensure the bylaw continues to support both public safety and equitable outcomes across all communities.

Additional matter for consideration:

- 31. The draft Bylaw approved for public consultation at the 27 March 2025 meeting (Report 25-58) has been refined to improve clarity and readability. These refinements were made following internal review and do not affect the intent, scope, or operation of the Bylaw. The track change version of the proposed Bylaw has been attached to this report at Attachment 2.
- 32. Examples of some of the recommended refinements include:
 - a. Rewording of Clause 6 in the proposed Bylaw for improving readability:

Alcohol Bans

- 6.1. Every person is prohibited from <u>bringing into</u>, consuming, <u>bringing into</u>, or possessing alcohol in any <u>restricted areapublic place</u> (including in a vehicle) <u>defined as a restricted area</u>.
- b. Rewording and removing sections of Clause 7 in the proposed Bylaw to improve readability and also to avoid confusion for readers as the earlier wording may potentially create an expectation of public consultation:

7. Alcohol Bans for Large Scale Events

- 7.1. Council may by ordinary resolution, for the purposes of regulating or controlling a large scale event, make a restricted area prohibiting or restricting the <u>bringing into</u>, consumption, <u>bringing into</u> or possession of alcohol in <u>a</u> public places (including in a vehicle <u>within the public places</u>).
- 7.2. Council must, before making an alcohol ban inunder clause 7.1 be satisfied that the proposed ban:
 - a) is for a <u>large scale</u> event and not suitable for consideration <u>for as</u> a permanent restricted area <u>ban</u>; and
 - b) gives effect to the purpose of this bylaw; and
 - the decision making process complies with the decision-making requirements of Subpart 1 Part 6 of the Local Government Act 2002.
- 33. The above examples are illustrative of the types of minor editorial changes being recommended to better reflect the intent of the proposed Bylaw while improving readability and clarity.

Recommendation in relation to the additional matter for consideration

Staff recommend that Council adopt of the proposed Bylaw (Attachment 1) incorporating the minor post-consultation refinements outlined above.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

Overall Process: Low Significance
This Report: Low Significance

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

Overall Process: Low Significance
This Report: Low Significance

Inconsistency with Council's current strategy and policy

Overall Process: Low Significance
This Report: Low Significance

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

Overall Process: Medium Significance
This Report: Medium Significance

The effects on individuals or specific communities

Overall Process: Medium Significance
This Report: Medium Significance

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

Overall Process: High Significance
This Report: Medium Significance

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

TREATY COMPASS ANALYSIS

Kāwanatanga

35. Only Council has the power to adopt the Bylaw. Council has exercised this governance role by reviewing the Bylaw in a transparent and inclusive manner, providing opportunities for iwi/hapū and the wider community to participate in decision-making. The amendments support the wellbeing and safety of all residents by creating alcohol-free public spaces and reducing alcohol-related harm.

Rangatiratanga

36. The review process respected mana whenua perspectives by offering early engagement opportunities and recognising iwi/hapū preferences for the level of involvement through Council's engagement tracker. While direct feedback from iwi was limited, the mechanism ensured mana whenua had the option to participate meaningfully and on their own terms.

Oritetanga

37. The proposed amendments aim to enhance equity by making public spaces safer and more accessible for tamariki, kaumātua, and other vulnerable groups who may be disproportionately affected by alcohol-related harm.

Whakapono

38. Council has acted in good faith by maintaining open communication channels with tangata whenua and partners throughout the review. More information is provided in the following section.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA and COMMUNITY ENGAGEMENT - TŪTAKITANGA HAPORI

- 39. In February 2025, a workshop was conducted with New Zealand Police and National Public Health Service (NPHS) to discuss all possible options for the review of the bylaw.
- 40. Before the formal engagement process began, targeted community outreach was conducted via email to iwi/hapū, New Zealand Police, the NPHS, Taki Tahi Mano Smokefree Hui, and individual contacts associated with our coastal areas.
- 41. Over the four-week consultation period, submissions were received from Ngāti Oneone Hapū, Te Poho o Rawiri Marae and NPHS supporting all of the Council's preferred options.
- 42. During public consultation, staff contacted licensed premises such as The Wharf, Lonestar, Tatapouri Fishing Club, advising them of the proposed extended ban area under Proposal 1 and explaining that the proposed changes would not affect their business operations as the Bylaw applies only to public spaces.
- 43. During the consultation period staff also worked with Council's Rural Area Liaison Officer to promote the consultation and distribute relevant information locally in these areas. In addition, we sent targeted emails to coastal contacts (provided internally by the Environmental Health Team), which included a link to the consultation webpage and an explanation of the existing alcohol ban areas and how they operate. However, no responses were received from these areas.

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

- 44. While the review of the current bylaw primarily focuses on public safety by reducing alcohol-related incidents in public spaces, there can be indirect climate change implications associated with its implementation and enforcement.
- 45. Alcohol consumption in public spaces often leads to increased littering, particularly of glass bottles and cans, which require energy-intensive recycling processes. A broader alcohol ban could help reduce waste and associated emissions from waste collection and processing.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

46. There will be costs for replacing and installing new signage to identify the new and extended alcohol ban areas. Staff anticipate a requirement of approximately **20** signs. These costs are expected to be accommodated within the existing operational budget.

Legal

- 47. Council has followed the special consultative procedure under section 83 of the Local Government Act 2002 (LGA). Section 83(1)(d) of the requires local authorities to "provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives".
- 48. Further, Section 83(1)(e) of the LGA, requires local authorities to ensure that person(s) presenting their views are given "reasonable opportunity" to register their views while also ensuring that such individuals are informed about how and when such opportunity may be available.
- 49. Submitters' details have been redacted from the attachments in accordance with Section 7(2)(a) of the Local Government Official Information and Meetings Act and Section 22 of the Privacy Act 2020.
- 50. Council has satisfied the requirements under section 83 of the LGA by providing an opportunity to the public to present their views through consultation and has further conducted a public hearing on 12 June 2025.
- 51. When making or reviewing Bylaws, Council is required by section 155 of the Local LGA, to make three determinations to ensure that the Bylaw:
 - a. is the most appropriate way of addressing the perceived problem;
 - b. is in the most appropriate form of a bylaw, and
 - c. is not inconsistent with the New Zealand Bill of Rights Act 1990 (the Bill of Rights)
- 52. Apart from section 155 of the LGA, Council is also required to satisfy the requirements under section 147A of the LGA which is that the bylaw is a reasonable limitation on people's rights and freedoms.
- 53. Council has satisfied the above requirements under section 155 and section 147A of the LGA by making all the determinations at the 17 October 2024 (Report 24-211) and 27 March 2025 (Report 25-58) Council meetings.

Legislative requirements for signage:

54. There are currently no nationwide regulations mandating signage for alcohol control areas. However, section 147C of the Local Government Act allows for national regulations to be introduced that would require councils to install and maintain signage indicating the presence and boundaries of alcohol control areas.

- 55. Further, in relation to the immediate search powers of the Police under s.170(2) of the LGA ("on specified dates or in relation to specified events"), s.170(3) of the LGA sets out Council notification requirements via "clearly legible notices affixed...". Signage is a legal precondition for the use of immediate search powers by Police for specified events under this provision.
- 56. Not having signage could hinder the ability for Police to enforce a ban where the public are not made aware of the restriction in place (other than via the bylaw consultation/public notice process).

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

57. There are no policy and planning implications arising from this report.

RISKS - NGĀ TŪRARU

- 58. **Reputation**: Council's reputation could be impacted if processes are not followed or if the resulting bylaw is considered overly permissive or restrictive by different groups. To mitigate this, a thorough consultation process has been followed. Moreso, a report was presented to the Panel that included all the submissions along with detailed analysis for Council's consideration.
- 59. **Process**: If the Council resolves to amend the Bylaw with changes that are outside the scope of the SOP (for example proposing a new area that is not mentioned in the SOP, as alcohol ban area), then additional consultation will be needed before these changes could be adopted.
- 60. **Risks involved in extending alcohol ban areas**: Although majority of submissions are in support of Council's preferred options, the total number of submissions (39) received are not too high.
 - a. Displacement of harm: Individuals may shift alcohol-related activities to nearby areas not covered by the ban, potentially creating new problem areas.
 - b. Legal challenges: Affected parties may contest the decision, citing the need for a more targeted approach or questioning the proportionality of the ban in relation to the available evidence.
 - c. Unintended consequences: Restrictions without clear justification may encourage underground or unregulated drinking behaviours, potentially increasing safety risks.
 - d. Funding: New signs may not be able to be installed immediately due to budget constraints, there is a risk that the public are not aware of the new areas to which alcohol bans now apply. This may lead to enforcement challenges.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
September 2025	Public Notification of Bylaw	Subject to Council resolution.
1 October 2025	Bylaw comes into force	
March 2035	Next review of Bylaw due	

ATTACHMENTS - NGĀ TĀPIRITANGA

- 1. Attachment 1 Final Proposed Bylaw [25-173.1 13 pages]
- 2. Attachment 2 Track changed version [25-173.2 13 pages]



TE TURE Ā-ROHE WHAKATŪPATO WAIPIRO 2015

(Alcohol Control Bylaw 2015)

Made by Gisborne District Council

Resolution of Council dated 19 November 2015

Amended 21 August 2025 with amendments in force from 1 October 2025

Review before 26 March 2035



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1. Title

1.1. This bylaw may be cited as the Te Ture ā-rohe Whakatūpato Waipiro 2015 or Alcohol Control Bylaw 2015.

2. Commencement and application

2.1. This bylaw came into force on 20 November 2015 and applies to the whole of the Gisborne District.

Related information:

This bylaw was amended on 21 August 2025 following a review of the bylaw on 27 March 2025 and those amendments came into force on 1 October 2025.

3. Enabling enactments

3.1. This bylaw is made under the authority of section 147 and 147A of the Local Government Act 2002.

4. Scope

4.1. The purpose of this bylaw is to regulate and control the consumption of alcohol in public places, the bringing of alcohol onto public places and the possession of alcohol in public places in order to reduce the incidents of alcohol related harm.

5. Interpretation

5.1. In this bylaw, unless the context otherwise requires:

Alcohol	Has the same meaning as set out in s.5 of the Sale and Supply of Alcohol Act 2012
Council	Means the governing body of the Gisborne District Council or any person delegated to act on its behalf.
Large scale event	Means an event that Council believes, on reasonable grounds, will have a patronage of more than 400 people.
Public place	Has the same meaning as given by s.147(1) of the Local Government Act 2002.
Restricted area	Means a restricted place as defined in s.169(1) of the Local Government Act 2002 and includes the areas defined as Alcohol Ban Areas in Schedule 1 of this bylaw and any public place subject to an alcohol ban for a large-scale event made under clause 7 of this bylaw.
Vehicle	Has the same meaning as contained in section 2(1) of the Land Transport Act 1998.



- 5.2. The Interpretation Act 1999 applies to this bylaw.
- 5.3. Explanatory Notes attached to this bylaw are for information purposes only and do not form part of this bylaw and may be made, revoked, amended or replaced by Council at any time.

6. Alcohol Bans

6.1. Every person is prohibited from bringing into, consuming or possessing alcohol in any restricted area (including in a vehicle.

Alcohol Bans for Large Scale Events

- 7.1. Council may by ordinary resolution, for the purposes of regulating or controlling a large scale event, make a restricted area prohibiting or restricting the bringing into, consumption, or possession of alcohol in a public place (including in a vehicle).
- 7.2. Council must, before making an alcohol ban under clause 7.1 be satisfied that the proposed ban:
 - a) is for a large scale event and not suitable for consideration as a permanent restricted area; and
 - b) gives effect to the purpose of this bylaw

8. Enforcement

- 8.1. A constable may use their powers, including the power of search under the Local Government Act 2002 to enforce this bylaw.
- 8.2. In addition to the general powers under sections 169 and 170 of the Local Government Act 2002, the Police may exercise the power under section 170(2) of that Act (to search a container or vehicle immediately and without further notice) on specified dates or in relation to specified events notified in accordance with section 170(3) of that Act.

9. Offences and Penalties

- 9.1. Every person who breaches this bylaw commits an offence.
- 9.2. Every person who commits an offence under this bylaw is liable to a penalty under the Local Government Act 2002.



Explanatory Notes

- Definition of Alcohol from s.5(1) of the Sale and Supply of Alcohol Act 2012.
 alcohol means a substance—
 - (a) that—
 - (i) is or contains a fermented, distilled, or spirituous liquor; and
 - (ii) at 20°C is found on analysis to contain 1.15% or more ethanol by volume;

or

(b) that—

- (i) is a frozen liquid, or a mixture of a frozen liquid and another substance or substances; and
- (ii) is alcohol (within the meaning of paragraph (a)) when completely thawed to 20°C; or
- (c) that, whatever its form, is found on analysis to contain 1.15% or more ethanol by weight in a form that can be assimilated by people
- 2. Definition of public place from s.147 of the Local Government Act

public place—

- (a) means a place that is open to or is being used by the public, whether free or on payment of a charge, and whether any owner or occupier of the place is lawfully entitled to exclude or eject any person from it; but
- (b) does not include licensed premises.

licensed premises has the meaning given by section 5(1) of the Sale and Supply of Alcohol Act 2012

- 3. Under s.147(4) of the Local Government Act 2002 the prohibition in clause 6 does not prohibit, regulate, or control, in the case of alcohol in an unopened container,—
 - (a) the transport of the alcohol from licensed premises next to a public place, if—
 - (i) it was lawfully bought on those premises for consumption off those premises; and
 - (ii) it is promptly removed from the public place; or
 - (b) the transport of the alcohol from outside a public place for delivery to licensed premises next to the public place; or
 - (c) the transport of the alcohol from outside a public place to premises next to a public place by, or for delivery to, a resident of the premises or his or her bona fide visitors; or
 - (d) the transport of the alcohol from premises next to a public place to a place outside the public place if—
 - (i) the transport is undertaken by a resident of those premises; and
 - (ii) the alcohol is promptly removed from the public place.
- 4. Under the Local Government Act 2002 infringement notices may be issued where regulations set infringement fees. The Local Government (Alcohol Ban Breaches) Regulations 2013 sets the infringement fee for breach of an alcohol ban at \$250.



Schedule 1: Alcohol Ban Areas

AREA	DETAILS	TIMES
GISBORNE CITY	Area bounded by and inclusive of:	At all times
	Roebuck Road,	
	Taruheru River (southern bank),	
	Turanganui River (western bank) and	
	Waikanae Creek (northern bank) and	
	East of Taruheru River (along Stout Street) and	
	 extending south towards Esplanade Road (across Waimata River), and 	
	along Hirini Street towards the port areas as detailed in the map below	





Alcohol Ban Area - Gisborne City CBD | Scale: 1:9,500

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AREA	DETAILS	TIMES
MIDWAY, GISBORNE CITY	Area bounded by and inclusive of: Awapuni Road (from Beacon Street to Pacific Street), Centennial Marine Drive (inclusive of beach front) from Salisbury Road to the Beacon) Together with all Council reserves and land contained and detailed in the map below but excluding the areas identified as excluded on the map.	From 8am (0800 hours) 27 December to 6pm (1800 hours) on 1 January an any year.





Alcohol Ban Area - Midway Gisborne City | Scale: 1:10,000



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AREA	DETAILS	TIMES
KAITI	Area bounded by and inclusive of:	At all times
	Jackson street and	
	Wainui Road and	
	Kaiti hub and	
	Kaiti memorial park as detailed in map below.	





Alcohol Ban Area - Kaiti | Scale: 1:2,500

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AREA	DETAILS	TIMES
TE ARAROA	All areas contained within: Former Airstrip (part) Moana Parade (middle) Rata Street and Rimu Streets (lower ends), Totara/Paikea Streets in vicinity of Matakaoa RSA and as detailed in the map below	For the period from Noon (1200 hours) Thursday to 7am (0700 hours) Monday





Alcohol Ban Area - Te Araroa | Scale: 1:2,750



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AREA	DETAILS	TIMES
AREA RUATORIA	The areas Amiria Avenue Barry Avenue Burdett Place College Road (North and South) Hekiera Avenue Holland Place Kararaina Avenue Manutahi Drive Ngawati Street Racecourse Road (from Waiomatatini Road to Bowling Green Road) Te Huinga Avenue Tuparoa Road (from Waiomatatini Road to McClutchie Road) Waiomatatini Road (from Mangahari Road to Fire Station Road)	For the period from noon (1200 hours) Thursdays to 7am (0700 hours) Mondays
	and all public places adjoining these roads including Ruatoria hotel car park and all Council controlled reserves and as detailed in the map below	





COUNCIL - 21 August 2025

Alcohol Ban Area - Ruatoria | Scale: 1:6,500

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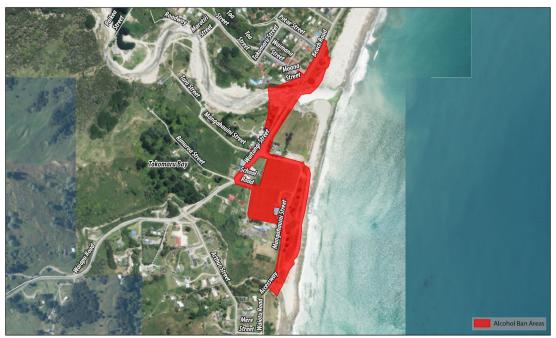
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AREA	DETAILS	TIMES
TOKOMARU BAY	The Restricted Area covers those spaces detailed in the three maps below, namely:	At all times
	State Highway 35 from and including School Road, part of Mangahauini Street	
	the public areas and car park around Mangahauini River mouth	
	part of Council reserve land around the public playground	
	Hatea-a-Rangi Domain and beachfront adjacent to it	
	the reserve and beachfront adjacent to Hatea-a-Rangi School to the Waiotu footbridge	
	the Waima Wharf Carpark and the reserve area adjacent to it	
	the Te Puka Tavern Carpark.	

Tokomaru Bay Township, Reserves and Beachfront





Alcohol Ban Area - Tokomaru Bay | Scale: 1:7,000



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Waima Wharf





Alcohol Ban Area - Waima Wharf | Scale: 1:2,000



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Te Puka Tavern Carpark





Alcohol Ban Area - Te Puka Tavern Car Park | Scale: 1:1,000

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AREA	DETAILS	TIMES
TOLAGA BAY	Cook Street (from Uawa River Bridge to Forster Street), Solander Street (from Endeavour Street to Gore Street), Cook Street Reserve and Skateboard Park, Monkhouse Street (from Resolution Street to the Parkinson Street drain) and as detailed in the map below	For the period from noon (1200 hours) Thursdays to 7am (0700 hours) Mondays





Alcohol Ban Area - Tolaga Bay | Scale: 1:6,500



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TE TURE Ā-ROHE WHAKATŪPATO WAIPIRO 2015

(Alcohol Control Bylaw 2015)

Made by Gisborne District Council

Resolution of Council dated 19 November 2015

Amended 21 August 2025 with amendments in force from 1 October 2025

Review before 26 March 2035



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1. Title

1.1. This bylaw may be cited as the Te Ture ā-rohe Whakatūpato Waipiro 2015 or Alcohol Control Bylaw 2015.

2. Commencement and application

2.1. This bylaw came into force on 20 November 2015 and applies to the whole of the Gisborne District.

Related information:

This bylaw was amended on 21 August 2025 following a review of the bylaw on 27 March 2025 and those amendments came into force on 1 October 2025.

3. Enabling enactments

3.1. This bylaw is made under the authority of section 147 and 147A of the Local Government Act 2002.

4. Scope

4.1. The purpose of this bylaw is to regulate and control the consumption of alcohol in public places, the bringing of alcohol onto public places and the possession of alcohol in public places in order to reduce the incidents of alcohol related harm.

5. Interpretation

5.1. In this bylaw, unless the context otherwise requires:

Alcohol	Has the same meaning as set out in s.5 of the	
	Sale and Supply of Alcohol Act 2012	
Council	Means the governing body of the Gisborne	
Coonen	District Council or any person delegated to act	
	on its behalf.	
Large sScale Esvent	Means an event within the District that Council	
Large section Esveril	believes, on reasonable grounds, will have a	
	patronage of more than 400 people.	
Public place	Has the same meaning as given by s.147(1) of	
Tobile piace	the Local Government Act 2002.	
Restricted area	Means a restricted place as defined in s.169(1)	
Resiliered died	of the Local Government Act 2002 and includes	
	the areas defined <u>as Alcohol Ban Areas</u> in	
	Schedule 1 of this bylaw and any public place	
	subject to an alcohol ban for a large scale	
	event made under clause 7 of this bylaw.	
Vehicle	Has the same meaning as contained in section	
Vernois	2(1) of the Land Transport Act 1998.	

5.2. The Interpretation Act 1999 applies to this bylaw.



5.3. Explanatory Notes attached to this bylaw are for information purposes only and do not form part of this bylaw and may be made, revoked, amended or replaced by Council at any time.

6. Alcohol Bans

6.1. Every person is prohibited from <u>bringing into</u>, consuming, <u>bringing into</u>, or possessing alcohol in any <u>restricted areapublic place</u> (including in a vehicle) <u>defined as a restricted area</u>.

7. Alcohol Bans for Large Scale Events

- 7.1. Council may by ordinary resolution, for the purposes of regulating or controlling a large scale event, make a restricted area prohibiting or restricting the <u>bringing into</u>, consumption, <u>bringing into</u> or possession of alcohol in <u>a</u> public places (including in a vehicle-<u>within the public places</u>).
- 7.2. Council must, before making an alcohol ban inunder clause 7.1 be satisfied that the proposed ban:
 - a) is for a large scale event and not suitable for consideration for <u>as</u> a permanent <u>restricted area-ban;</u> and
 - b) gives effect to the purpose of this bylaw; and
 - c) the decision making process complies with the decision-making requirements of Subpart 1 Part 6 of the Local Government Act 2002.

8. Enforcement

- 8.1. A constable may use their powers, including the power of search under the Local Government Act 2002 to enforce this bylaw.
- 8.2. In addition to the general powers under sections 169 and 170 of the Local Government Act 2002, the Police may exercise the power under section 170(2) of that Act (to search a container or vehicle immediately and without further notice) on specified dates or in relation to specified events notified in accordance with section 170(3) of that Act.

9. Offences and Penalties

- 9.1. Every person who breaches this bylaw commits an offence.
- 9.2. Every person who commits an offence under this bylaw is liable to a penalty under the Local Government Act 2002.



Appendix 1<u>T</u>

Explanatory Notes

- Definition of Alcohol from s.5(1) of the Sale and Supply of Alcohol Act 2012.
 alcohol means a substance—
 - (a) that—
 - (i) is or contains a fermented, distilled, or spirituous liquor; and
 - (ii) at 20°C is found on analysis to contain 1.15% or more ethanol by volume;

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- (b) that—
 - (i) is a frozen liquid, or a mixture of a frozen liquid and another substance or substances; and
 - (ii) is alcohol (within the meaning of paragraph (a)) when completely thawed to 20°C; or
- (c) that, whatever its form, is found on analysis to contain 1.15% or more ethanol by weight in a form that can be assimilated by people
- 2. Definition of public place from s.147 of the Local Government Act

public place—

- (a) means a place that is open to or is being used by the public, whether free or on payment of a charge, and whether any owner or occupier of the place is lawfully entitled to exclude or eject any person from it; but
- (b) does not include licensed premises.

licensed premises has the meaning given by section 5(1) of the Sale and Supply of Alcohol Act 2012

- 3. Under s.147(4) of the Local Government Act 2002 the prohibition in clause 6 does not prohibit, regulate, or control, in the case of alcohol in an unopened container,—
 - (a) the transport of the alcohol from licensed premises next to a public place, if—
 - (i) it was lawfully bought on those premises for consumption off those premises; and
 - (ii) it is promptly removed from the public place; or
 - (b) the transport of the alcohol from outside a public place for delivery to licensed premises next to the public place; or
 - (c) the transport of the alcohol from outside a public place to premises next to a public place by, or for delivery to, a resident of the premises or his or her bona fide visitors; or
 - (d) the transport of the alcohol from premises next to a public place to a place outside the public place if—
 - (i) the transport is undertaken by a resident of those premises; and
 - (ii) the alcohol is promptly removed from the public place.
- 4. Under the Local Government Act 2002 infringement <u>noticesfines</u> may be issued where regulations set <u>the infringement feesine</u>, <u>T</u>the Local Government (Alcohol Ban Breaches) Regulations 2013 sets the infringement feeine for breach of an alcohol ban at \$250.



Schedule 1: Alcohol Ban Areas

Any place or part of a place that is under the control of the Council, which is open to or used by the public, whether or not a charge for admission applies, including but not limited to any road, street, service lane, footpath, carpark and reserve within the area and for the times specified below:

AREA	DETAILS	TIMES
GISBORNE CITY	Area bounded by and inclusive of:	At all times
	Roebuck Road,	
	Taruheru River (southern bank),	
	Turanganui River (western bank) and	
	Waikanae Creek (northern bank) and	
	East of Taruheru River (along Stout Street) and	
	 extending south towards Esplanade Road (across Waimata River), and 	
	 along Hirini Street towards the port areas as detailed in the map below 	





Alcohol Ban Area - Gisborne City CBD | Scale: 1:9,500

Alcohol Ban Area - Gisborne City CBD | Scale: 1:0,500

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Alcohol Ban Area - Gisborne City CBD | Scale: 1:0,500

Alcohol Ban





AREA	DETAILS	TIMES
MIDWAY, GISBORNE CITY	Area bounded by and inclusive of: Awapuni Road (from Beacon Street to Pacific Street), Centennial Marine Drive (inclusive of beach front) from Salisbury Road to the Beacon) Together with all Council reserves and land contained and detailed in the map below but excluding the areas identified as excluded on the map.	From 8am (0800 hours) 27 December to 6pm (1800 hours) on 1 January an any year.





Alcohol Ban Area - Midway Gisborne City | Scale: 1:10,000



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AREA	DETAILS	TIMES
KAITI	Area bounded by and inclusive of:	At all times
	Jackson street and	
	Wainui Road and	
	Kaiti hub and	
	Kaiti memorial park as detailed in map below.	





Alcohol Ban Area - Kaiti | Scale: 1:2,500

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AREA	DETAILS	TIMES
TE ARAROA	All areas contained within:	For the period from Noon (1200 hours) Thursday to 7am (0700
	Former Airstrip (part)	hours) Monday
	Moana Parade (middle)	
	 Rata Street and Rimu Streets (lower ends), 	
	Totara/Paikea Streets in vicinity of Matakaoa RSA and as detailed in the map below	





Alcohol Ban Area - Te Araroa | Scale: 1:2,750



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AREA	DETAILS	TIMES
RUATORIA	The areas Amiria Avenue Barry Avenue Burdett Place College Road (North and South) Hekiera Avenue Holland Place Kararaina Avenue Manutahi Drive Magwati Street Racecourse Road (from Waiomatatini Road to Bowling Green Road) Te Huinga Avenue Tuparoa Road (from Waiomatatini Road to McClutchie Road) Waiomatatini Road (from Mangahari Road to Fire Station Road) and all public places adjoining these roads including Ruatoria hotel car park and all Council controlled reserves and as detailed in the map below	For the period from noon (1200 hours) Thursdays to 7am (0700 hours) Mondays





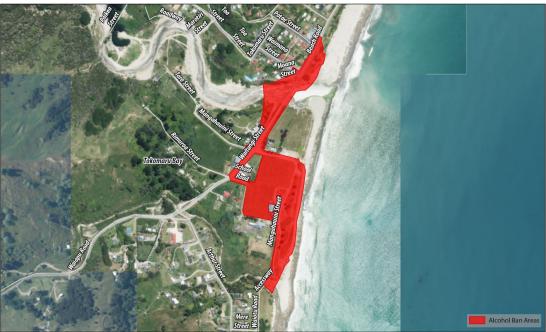
Alcohol Ban Area - Ruatoria | Scale: 1:6,500





The Restricted Area covers those spaces detailed in the three maps below, namely:	At all times
·	
State Highway 35 from and including School Road, part of Mangahauini Street	
the public areas and car park around Mangahauini River mouth	
part of Council reserve land around the public playground	
Hatea-a-Rangi Domain and beachfront adjacent to it	
the reserve and beachfront adjacent to Hatea-a-Rangi School to the	
Waiotu footbridge	
the Waima Wharf Carpark and the reserve area adjacent to it	
the Te Puka Tavern Carpark.	
	Street the public areas and car park around Mangahauini River mouth part of Council reserve land around the public playground Hatea-a-Rangi Domain and beachfront adjacent to it the reserve and beachfront adjacent to Hatea-a-Rangi School to the Waiotu footbridge the Waima Wharf Carpark and the reserve area adjacent to it

Tokomaru Bay Township, Reserves and Beachfront





Alcohol Ban Area - Tokomaru Bay | Scale: 1:7,000



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Waima Wharf





Alcohol Ban Area - Waima Wharf | Scale: 1:2,000



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Te Puka Tavern Carpark





Alcohol Ban Area - Te Puka Tavern Car Park | Scale: 1:1,000

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AREA	DETAILS	TIMES
TOLAGA BAY	Cook Street (from Uawa River Bridge to Forster Street), Solander Street (from Endeavour Street to Gore Street), Cook Street Reserve and Skateboard Park, Monkhouse Street (from Resolution Street to the Parkinson Street drain) and as detailed in the map below	For the period from noon (1200 hours) Thursdays to 7am (0700 hours) Mondays





Alcohol Ban Area - Tolaga Bay | Scale: 1:6,500



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Title: 25-174 Mobile Traders Bylaw - Adoption

Section: Strategic Planning

Prepared by: Kea Phillips – Policy Advisor

Meeting Date: 21 August 2025

Legal: Yes Financial: No Significance: Low

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

The purpose of this report is to provide:

- a) Information to support the Council's deliberations on the proposed Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti Tairāwhiti Mobile Traders Bylaw 2025 (**Attachment 1**).
- b) Recommendations to Council for adopting the proposed Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti Tairāwhiti Mobile Traders Bylaw 2025 (**Attachment 1**).

SUMMARY - HE WHAKARĀPOPOTOTANGA

Gisborne District Council (Council) made the Mobile Shops and Other Traders Bylaw 2014 (the current Bylaw) in 2014 to regulate mobile shops, hawkers, stalls and itinerant traders in the Gisborne District. The purpose is to safeguard public health and safety, maintain pedestrian and traffic access, protect public amenity, and support a vibrant and well-managed trading environment.

On 21 November 2024, Council determined that a bylaw is still the most appropriate and proportional way of managing mobile trading because it provides a clear regulatory framework and is consistent with Council's previous approach to the matter (Report 24-305).

Subsequently, on 9 April 2025, Council adopted the Statement of Proposal (SOP), proposing the adoption of a draft Mobile Traders Bylaw, for consultation (Report 25-70).

The Statement of Proposal (SOP) outlined three key changes proposed to the current Bylaw:

- a. Revoke the current Bylaw and replace with a new Bylaw.
- b. Update and clarify enforcement tools.
- c. Simplify definitions and structure of the Bylaw to align with drafting guidelines.

Public consultation was carried out between 29 April and 27 May 2025. During this time, Council received four submissions, of which two supported all three proposals, one was opposed, and the remaining undecided.

This report combines matters normally covered by two separate reports – a Hearings and Deliberations report and an Adoption report. Since only four submissions were received, and none of the submitters requested to be heard in person, there is not the same scope for changes to the proposal that is usually present at this stage of the process. Therefore, the two reports have been consolidated to present Council with the opportunity to deliberate and adopt a final Bylaw.

Based on submitters' feedback, the rationale outlined in the SOP, and available supporting evidence, staff recommend Council proceed with the three proposals as they were consulted on. The only changes recommended to be made to the proposed Bylaw are minor amendments to provide clarity. These changes can be seen in **Attachment 2**.

Staff recommend the proposed Bylaw (**Attachment 1**), is adopted as the final Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti - Tairāwhiti Mobile Traders Bylaw 2025.

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

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

- Confirms that the proposed Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti Tairāwhiti
 Mobile Traders Bylaw 2025 (Attachment 1) is the most appropriate form of the Bylaw and
 does not give rise to any implications under the NZ Bill of Rights Act 1990.
- Adopts the proposed Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti Tairāwhiti Mobile Traders Bylaw 2025 (Attachment 1) as the final Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti - Tairāwhiti Mobile Traders Bylaw 2025.
- 3. Publicly notifies the adopted Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti Tairāwhiti Mobile Traders Bylaw 2025 (Attachment 1) before September 2025.
- 4. Specifies that the Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti Tairāwhiti Mobile Traders Bylaw 2025 (Attachment 1) will come into effect on 1 October 2025.
- Revokes the Gisborne District Council Mobile Shops 2014 (the current Bylaw) on 1 October 2025, which is the same date as the Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti -Tairāwhiti Mobile Traders Bylaw 2025 comes into effect.

Authorised by:

Jocelyne Allen - Director Sustainable Futures

Keywords: bylaw, regulation, mobile trading, mobile traders, mobile shop, mobile trade, stall, vehicle, public place

BACKGROUND - HE WHAKAMĀRAMA

- Council made the Gisborne District Council Mobile Shops and other Traders Bylaw 2014 (the current Bylaw) in 2014 to regulate mobile shops, hawkers, stalls and itinerant traders in the Gisborne District. Its purpose is to safeguard public health and safety, maintain pedestrian and traffic access, protect public amenity, and support a vibrant and well-managed trading environment.
- 2. Mobile trading provides benefits to the community by improving the diversity of local products and services on offer, enhancing the vibrancy of the community, and contributing to the local character. Enabling these activities also helps to support small businesses and make use of under-utilised or empty public space.
- Under section 159 of the Local Government Act 2002 (LGA), the current Bylaw was required
 to be reviewed within ten years of being adopted. Although the statutory review date
 passed in 2024, the current Bylaw remains enforceable until May 2026 under section 160 of
 the LGA.
- 4. A formal review, to determine whether a bylaw remains necessary and, if so, whether the current form continues to be appropriate, commenced in October 2024. On 21 November 2024, Council determined that a bylaw was still the most appropriate way of regulating mobile traders and agreed to revoke the current Bylaw and replace it with a new bylaw (Report 24-305).
- 5. Options for amending the current Bylaw were discussed at a workshop on 5 February 2025, and on 9 April 2025, Council adopted the Statement of Proposal (SOP), including a draft Bylaw, for consultation (Report 25-70). The SOP outlined three changes to the current bylaw. The proposals were:
 - a. Revoke the current Bylaw and replace with a new Bylaw.
 - b. Update and clarify enforcement tools.
 - c. Simplify definitions and structure of the Bylaw to align with drafting guidelines
- 6. Public consultation involved multiple channels, including pre-consultation with stakeholders and publishing a page on Council's engagement platform Participate. A public notification was placed in the Gisborne Herald, informing the community of the consultation. Consultation took place between 29 April and 27 May 2025, through which Council received four submissions, with no submitters requesting to present their views in person.
- 7. With few submissions received, and no submitters wishing to speak to their submission, deliberations have been incorporated into the present report. Comments provided by submitters are discussed in the "Discussions" section of this report.
- 8. Staff recommend the proposed Bylaw (**Attachment 1**) should be adopted as the final Tureā-Rohe Kaihoko Nekeneke o Te Tairāwhiti - Tairāwhiti Mobile Traders Bylaw 2025. The proposed Bylaw is as consulted on, barring some minor amendments made for clarity (shown in **Attachment 2**).

DISCUSSION and OPTIONS - WHAKAWHITINGA KŌRERO me ngā KŌWHIRINGA

9. Staff analysis of submissions and recommendations for each proposal are summarised in the following sections. A detailed analysis of the three proposals was included in the SOP Report (Report 25-70). Council received four written submissions regarding the proposals, with no individuals requesting to present their views in person. Table One provides an overview of the submissions received.

Table 1: Submissions Register

Submitter name	Organisation	Preferred option	Comments
ETR	Member of Public	Proposal 1, Option 2 Proposal 2, Option 2 Proposal 3, Option 2	Support your approach and options for Mobile Traders Bylaw 2025
Maree Brownlie	Twilight	Unclear	Mobile food/drink trailers tend to be open part time, events or just seasonally. It is extremely hard to make a worthwhile profit especially when we have all the compliance costs as per the larger fixed shops and businesses. Is there any way these small or part time businesses can have their compliance simplified without compromising safety? Thank you.
Makahuri Thatcher- Wharehinga	Member of Public	Proposal 1, Option 1 Proposal 2, Option 1 Proposal 3, Option 1	As a community which is looking at attracting tourists and already inviting cruise ships to our port. We must realize that it is crucial to support and encourage local Mobile Vendor s to keep engaging with the public. This must be done in a way that remove stress of jumping through hoops and changing the goal post. My proposal is that we stay with the Status Quo.
Angela Judith Stuart	Member of Public	Proposal 1, Option 2 Proposal 2, Option 2 Proposal 3, Option 2	Accept the preferred options as detailed in the document. We need to have controls on this activity but simplification and clarity with an education first approach is best.

- 10. In summary, analysis of the submissions received reveal:
 - Two respondents support the preferred options, primarily citing that controls are needed to be in place, but simplification and an education first approach is the best approach.
 - One respondent favoured keeping the status quo, arguing our region must support Mobile Traders to advance tourism and engagement with the public, that "changing the goal post" would add stress and inhibit the Mobile Traders.
 - The preferred options of the remaining respondent were unclear, but they commented
 that it is extremely hard for Mobile Traders to make a worthwhile profit given the
 compliance costs as per the larger fixed shops and businesses. The respondent queried if
 there was any way these small or part time businesses could have their compliance
 simplified without compromising on safety.
- 11. For each proposal, staff have provided a recommendation for any changes to the proposed Bylaw. The recommendations are based on the submissions received and any other relevant information for each proposal.

Proposal One: Revoke the current Bylaw and replace it with a new Bylaw.

12. The rationale for proposal one as stated in the SOP is:

"The current Bylaw will lapse in mid-2026 as the statutory deadline for the review to continue this Bylaw has passed. To maintain Council's current regulatory approach to mobile trading within Tairāwhiti, a new Bylaw is required".

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Table 2. Ci	ibmiccion	analysis for	Proposal I
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Support for the preferred option	Notable / common themes in opposition of proposal	Notable / common themes in support of proposal
Agree 50% (2) Disagree 25% (1) No response 25% (1)	Our region must support Mobile Traders to advance tourism and engagement with the public and "changing the goal post" would add stress and inhibit the Mobile Traders.	Controls are needed to be in place, but simplification and an education first approach is the best approach

Discussion in relation to Proposal One

- 13. The current Bylaw will lapse in mid-2026. To maintain Council's current regulatory approach to mobile trading within the region, a new Bylaw is required. This proposal seeks to revoke and replace the current Bylaw, with a new Bylaw made under the LGA and the Land Transport Act 1998 (LTA). Using both statutes ensures Council can comprehensively regulate mobile trading in public spaces and on roads.
- 14. While the LGA gives Council broad bylaw-making powers to regulate mobile trading—particularly where there is evidence of issues such as nuisance, public health and safety risks, or offensive behaviour in public places—the Land Transport Act (LTA) provides more specific powers for managing activities within the road corridor. Under these powers, Council can regulate the use of stands, stalls, and mobile or travelling shops on roads and in public places.

- 15. Council is not required to have a bylaw that addresses mobile trading; therefore, it has the option of doing nothing. Therefore, two options available to Council are:
 - a) **Option One Status quo:** Do not replace the current 2014 Bylaw and allow it to expire in May 2026.
 - b) Option Two (preferred) Revoke and replace the current 2014 Bylaw with a new bylaw made under both the LGA and LTA.
- 16. The cost benefit analysis of these two options are discussed in Report 25-70.
- 17. Two submitters expressed support for this proposal to revoke the current Bylaw and replace it with a new Bylaw citing that controls are needed to be in place. One submitter opposed the proposal arguing that "changing the goal post" would add stress and inhibit the Mobile Traders.

Recommendation(s) in Relation to Proposal One

Staff recommend proceeding with Proposal One and therefore no changes are recommended to be made to the proposed Bylaw as a result of submissions received or in regard to any other information relevant to Proposal One.

Proposal Two: Update enforcement tools

18. The rationale for proposal two as stated in the SOP is:

"Currently Council uses an education first, graduated enforcement model to manage compliance. This is very effective, and the need for a written warning or any other escalation has been very low. To date, staff have not needed to escalate beyond a written warning.

However, the current Bylaw lacks graduated enforcement options and unnecessarily restricts the enforcement options available to staff if escalation is required. This has the effect of creating an unhelpful gap in the graduated enforcement model, with a disproportionate leap in escalation between charging for officer time (the step beyond a written warning) to seeking prosecution under the LGA"

Table 3: Submission analysis for Proposal 2

Support for the preferred option	Notable / common themes in opposition of proposal	Notable / common themes in support of proposal
Agree 50% (2) Disagree 25% (1) No response 25% (1)	Our region must support Mobile Traders to advance tourism and engagement with the public and "changing the goal post" would add stress and inhibit the Mobile Traders.	Controls are needed to be in place, but simplification and an education first approach is the best approach

Discussion

- 19. This proposal seeks to clarify and expand Council's enforcement options under the new Bylaw to support a more effective and proportionate compliance model. Under the current Bylaw, enforcement options are limited—requiring Council to either charge staff time or proceed directly to prosecution. This has created an unhelpful gap in enforcement, inconsistent with the principles of graduated and proportionate response. Our current enforcement approach can be read in Report 25-70, paragraphs 18-21.
- 20. The proposed Bylaw aims to bridge this gap by providing clearer enforcement powers that include options such as issuing infringement notices, particularly where trading activities involve vehicles and fall under the jurisdiction of the Land Transport Act 1998. This allows enforcement to escalate in a manner appropriate to the severity of the breach, while still enabling Council to maintain an education-first approach—an approach that has been effective to date in encouraging compliance.
- 21. The options available for Council are:
 - a. Option One (status quo): Retain the enforcement provisions in the current Bylaw.
 - b. **Option Two (preferred):** Update and clarify the enforcement provisions as reflected in the proposed Bylaw
- 22. The cost benefit analysis of the options have been discussed in the SOP report: Report 25-70.
- 23. Two submitters supported the proposal to update enforcement tools, including general support for greater clarity and simplification. One submitter expressed concern about "changing the goal post" and favoured retention of the current approach. A fourth respondent did not indicate a preferred option but raised concerns about the costs of compliance for mobile traders.

Recommendation in relation to Proposal Two

Staff recommend proceeding with Proposal Two and therefore no changes are recommended to be made to the proposed Bylaw as a result of submissions received or in regard to any other information relevant to Proposal Two.

Proposal Three: Simplify definitions and structure of the Bylaw to make it easier to understand

24. The rationale for proposal three as stated in the SOP is:

"The current Bylaw requires updates to improve readability and to make it easier for users, both council staff and mobile traders, to interpret. The Bylaw also needs to comply with the relevant legislation and meet drafting standards. The key areas of change are:

- 1. Clarifying and simplifying the definition of mobile traders;
- 2. Clarifying the licences issued under the Bylaw; and
- 3. Updating the traffic management approach."

Table 4: Submission analysis for Proposal 3

Support for the preferred option	Notable / common themes in opposition of proposal	Notable / common themes in support of proposal
Agree 50% (2) Disagree 25% (1) No response 25% (1)	Our region must support Mobile Traders to advance tourism and engagement with the public and "changing the goal post" would add stress and inhibit the Mobile Traders.	No comments were received.

Discussion

- 25. Proposal Three aims to simplify the definitions and overall structure of the Bylaw to improve readability, consistency, and ease of implementation. The current Bylaw contains multiple overlapping definitions (e.g., hawker, itinerant trader, mobile shop) and inconsistencies in language (e.g., licence vs permit), making it difficult for both staff and mobile traders to navigate.
- 26. The proposed Bylaw (**Attachment 1**) consolidates and clarifies these definitions, removes redundant terms, and aligns with modern drafting guidelines and legislative requirements. In addition, it updates references to traffic management standards—replacing outdated references to the Traffic Management Plan with the current NZ Guide to Temporary Traffic Management (NZGTTM)—and provides a clear process for licence issuance, including scope for bespoke conditions where necessary.
- 27. The matters addressed in enhancing readability of the Bylaw have been referred to under point 31 of Report 25-70.
- 28. The options available to Council in relation to this proposal are:
 - a. Option One (status quo): Retain the current Bylaw structure and definitions.
 - b. **Option Two (preferred):** Simplify definitions and structure as reflected in the proposed Bylaw.

- 29. The cost benefit analysis of the options have been discussed in Report 25-70.
- 30. Two submitters supported the proposal to simplify definitions and structure of the Bylaw, highlighting the importance of clarity and simplicity in regulation. One submitter preferred the status quo, expressing concerns about changes that may create uncertainty for mobile traders. Another respondent, while not identifying a specific preference, supported a simplified and proportionate compliance process for mobile traders.

Recommendation in relation to Proposal Three

Staff recommend proceeding with Proposal Three. Therefore, no changes are recommended to be made to the proposed Bylaw as a result of submissions or any other relevant information related to Proposal Three.

Other matters under consideration

- 31. The draft Bylaw approved for public consultation at the 9 April 2025 meeting (Report 25-70) has since been refined to improve clarity and readability. These refinements were made following internal review and do not affect the intent, scope, or operation of the Bylaw.
- 32. A comparison between the version approved for consultation and the proposed Bylaw for adoption is provided in the tracked changes version of the document attached as **Attachment 2**. The changes are considered minor as they do not materially alter the proposed Bylaw. As such, further consultation is not required.
- 33. Examples of some of the recommended refinements are:
 - a. In **Clause 6:** removal of the words "**or vessel**" from the definition of *mobile shop*, and replacement of references to "vehicle" with the broader term *mobile trader*. This improves consistency across the proposed Bylaw and aligns with the updated definition that now encompasses all relevant types of mobile trading.
 - b. In **Clause 8:** deletion of subclause 8(ii) to avoid repetition, as its content is already covered in the updated and simplified definition of *mobile trader*. This makes the proposed Bylaw easier to follow.
 - c. In **Clause 13:** Updating of multiple clauses to replace references to "vehicle" with "mobile trader," ensuring consistency in terminology and improving clarity for users.
 - d. In **Clause 15**, subclauses 15(i)(a) to (e) and 15(ii) were removed as subclauses (a) to (d) are not offences in relation to the Bylaw itself. Their removal avoids confusion about enforceability of the Bylaw. While subclause (e) is covered by the initial general statement under clause 15.
- 34. The above examples are illustrative of the types of minor editorial changes being recommended to better reflect the intent of the proposed Bylaw while improving readability and clarity.

Recommendation in relation to Other Matters for Consideration

Staff recommend that Council adopt of the proposed Bylaw (Attachment 1) incorporating the minor post-consultation refinements outlined above and as shown in Attachment 2.

Additional information for consideration:

Summary of how the proposed bylaw may influence mobile trading in our region:

- 35. The proposed Bylaw introduces a more structured, transparent, and risk-based regulatory framework as compared to the 2014 Bylaw. While many of the core controls remain consistent, the following are some of the key changes in the proposed Bylaw:
 - a. **More detailed application requirements** (Clause 9 of the proposed Bylaw), including a police check, public liability insurance, and location plans, with a requirement to apply at least 20 working days before the intended start date.
 - This replaces the simpler process under Clause 7.1–7.4 of the 2014 Bylaw, which required only a basic written application, character references, and adjacent property owner consent.
 - b. **Expanded criteria for licence assessment** (Clause 10 of the proposed Bylaw), with explicit consideration of impacts on amenity, safety, traffic flow, and the suitability of the applicant.
 - The 2014 Bylaw (Clause 9) limited assessment to compliance and good character, without specifying broader factors.
 - c. **Updated and clarified licence conditions** (Clause 13 of the proposed Bylaw), including signage restrictions, mandatory licence display, prohibition on ground-based displays, and new location and time rules (e.g. 500m relocation distance vs. 200m in 2014).
 - The 2014 Bylaw (Clause 10.1) included similar restrictions but lacked detail on signage placement, enforcement of licence display, and had a smaller (200m) required relocation distance.
 - d. **A new exemptions process** (Clause 12, 2025) that allows Council to waive licence requirements under specified conditions.
 - The 2014 Bylaw provided limited discretion for exemptions (e.g. darkness trading, proximity to schools/retail), but no formal exemption framework.
- 36. These changes aim to improve certainty, transparency and fairness for traders and strengthen Council's ability to manage risks to public safety and amenity.

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: Medium Significance

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

Overall Process: Low Significance
This Report: Low Significance

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

TREATY COMPASS ANALYSIS

Kāwanatanga

- 38. The Bylaw is restricted in scope to apply to mobile trading in public places that are under the control of Council. Council cannot apply restrictions to Māori-owned land. Should traders wish to operate on Māori-owned land, the owners would be able to apply kawanatanga by engaging their own process for allowing such types of trade prior to seeking any relevant advice from Council regarding any required consents or permissions required outside of the bylaw, such as resource consent, liquor licences and registrations under the Food Act 2014.
- 39. Additional engagement can be undertaken when making decisions through the implementation of the Bylaw with tangata whenua to ensure kawanatanga continues to be respected.

Rangatiratanga

- 40. Staff reached out to iwi partners to inform them of this review, prior to the Determination Report being presented to Council in November 2024.
- 41. In response to this, Te Aitanga a Māhaki provided initial feedback and requested to be actively included in any approvals process for licenses issued under the Bylaw within their rohe and for provisions to be explored to allow iwi officers or Māori Wardens to act as enforcement officers under the Bylaw. It is intended that this be considered through the wider Compliance, Monitoring and Enforcement review underway. This will allow consistency of approach between this Bylaw and other enforcement undertaken by Council.

Oritetanga

- 42. As noted above, tangata whenua were invited to participate in early engagement for this Bylaw review at the same time as stakeholders most directly affected by the Bylaw. This was to allow for early identification of any particular interest in this Bylaw as well as for early awareness of the formal consultation process.
- 43. As tangata whenua are engaged with on many different decisions and aspects of Council mahi, it is seen as of importance to notify and allow their participation in decision-making processes as early as possible to foster strong relationships between tangata whenua and Council.

Whakapono

44. There are no specific whakapono considerations in relation to this Bylaw, though it is noted that the restriction of items on verges supports protection of the environment.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

- 45. Tangata whenua were invited to participate in early engagement for this Bylaw review at the same time as the stakeholders most directly affected by the Bylaw. A request was received from Te Aitanga a Māhaki in response to this invitation. This is discussed in Te Tiriti Compass section above.
- 46. As part of a Treaty-led implementation, staff will explore how tangata whenua could be supported to participate in ongoing compliance and education efforts to support mobile trader engagement.

COMMUNITY ENGAGEMENT - TÜTAKITANGA HAPORI

47. The special consultative procedure under the LGA was used to seek public feedback on the proposed changes. Staff also notified key stakeholders of the draft new Bylaw to ensure stakeholders had an opportunity to provide feedback on the draft new bylaw during the formal consultation period. These stakeholders include the approximately 45 current holders of licences under the current Bylaw, Gisborne Chamber of Commerce, the Gisborne Farmers Market and other registered food retailers.

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

48. The Bylaw itself does not have immediate climate change impacts. However, there may be opportunities over time to better align mobile trading with its climate goals. These could be explored through future updates to licence conditions or operational guidance, as part of the next review.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

49. Adoption of a new Mobile Traders Bylaw may result in some operational matters which may carry a financial impact, such as updating application forms, educational materials and the website. Existing copies of the 2014 Bylaw will also need to be disposed of.

Legal

- 50. The broad legislative framework surrounding the Bylaw is set out in the determination report (24-305).
- 51. Under s155 of the LGA, when making a bylaw Council must determine that a bylaw is the most appropriate way of addressing a perceived problem. This determination was made at the Council meeting on 21 November 2024 (24-305).
- 52. When satisfied that a bylaw is appropriate, s155 then requires Council to determine that the proposed form of the bylaw is the most appropriate form of the bylaw and whether a bylaw gives rise to any implications under the New Zealand Bill of Rights 1990 (NZBORA). Council has made these determinations at the 9 April 2025 meeting (Report 25-70).

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

- 53. Feedback received indicated concern for seasonal and small-scale traders about the affordability and proportionality of compliance costs. While the proposed Bylaw does not alter fees, Council may wish to consider future fee tiering or support tools for first-time or low-turnover traders to ensure equitable access. This would support the wellbeing outcomes in our Long-Term Plan.
- 54. The community outcomes of a Healthy, Prosperous and Safe Tairāwhiti are all relevant to the matters addressed in this report.

RISKS - NGĀ TŪRARU

- 55. **Responding to issues/complaints**: If the current Bylaw is revoked due to inaction, Council will have limited regulatory control over the operation of mobile traders in the region.
- 56. **Financial**: While financial risks overall are low as no significant changes have been made to the Bylaw, if Council resolves to adopt the status quo and the current Bylaw is revoked at the end of its review period, this would impact Council's ability to recover costs and set fees for permits.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments
September 2025	Public Notification of Bylaw	Bylaw ready to be implemented and made operational.
1 October 2025	Bylaw is operative	
By 1 October	Update to communications - including direct communications to current license holders and uploading final copy of the bylaw on Council website	

ATTACHMENTS - NGĀ TĀPIRITANGA

- 1. Attachment 1 Proposed Bylaw [25-174.1 13 pages]
- 2. Attachment 2 Track changed version [25-174.2 16 pages]



Proposed Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti Tairāwhiti Mobile Traders Bylaw 2025

Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti

(Tairāwhiti Mobile Traders Bylaw 2025)

Made by Gisborne District Council

Resolution of Council dated [day month] 2025

This bylaw is made under sections 145 and 146 of the Local Government Act 2002 and section 22AB of the Land Transport Act 1998.

This bylaw must be reviewed no later than [day month] 2030 (5 years after date of resolution making the bylaw) as required by section 158 of the Local Government Act 2002.



Proposed Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti Tairāwhiti Mobile Traders Bylaw 2025

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1. Title

This Bylaw is the Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti, Tairāwhiti Mobile Traders Bylaw 2025.

2. Commencement

This bylaw comes into force on [date month] 2025.

3. Application

This bylaw applies to the Gisborne region.

Related information:

This bylaw is part of a wider framework of regional and national legislation that regulates trading activities. This bylaw does not seek to duplicate or be inconsistent with these requirements. Every person wanting to undertake mobile trading in the Gisborne region is responsible for understanding and complying with all applicable rules and regulations. These may include –

- Rules about food safety in the Food Act 2014.
- Rules about activities on reserves in the <u>Reserves Act 1977</u> and the <u>Gisborne</u> District Reserves Bylaw 2008.
- Rules about protecting significant areas in <u>Te Papa Tipu Taunaki o Te Tairāwhiti</u>
 the <u>Tairāwhiti Resource Management Plan.</u>
- Rules about public safety, nuisance, litter and obstructions in the <u>Gisborne</u> <u>District Public Places Bylaw 2015.</u>
- Rules about traffic and parking in the <u>Tairawhiti Traffic and Parking Bylaw 2021</u>.
- Rules about the health and safety of workers in the <u>Health and Safety at Work</u> <u>Act 2015</u>.
- Rules about the sale of alcohol in the <u>Sale and Supply of Alcohol Act 2012</u>, the <u>Tairawhiti Local Alcohol Policy 2024</u>, and the <u>Gisborne District Alcohol Control Bylaw 2015</u>.
- Certification requirements for certain mobile traders with the <u>Commerce</u> <u>Commission</u>.
- Rules to ensure compliance with the <u>Credit Contracts and Consumer Finance</u> Act 2003.
- The Commerce Act 1986 which prohibits anti-competitive behaviour.

These rules and regulations are current as of March 2025. Readers should check whether they have been amended or replaced.

4. Revocation

The Mobile Shops and other Traders Bylaw 2014 is revoked and replaced by this bylaw.



Part 1: Preliminary Provisions

5. Purpose

The purpose of this bylaw is to regulate mobile trading to protect public health and safety and maintain the quality of public places by addressing potential risks of nuisance or misuse by –

- (1) requiring prior approval from Council for mobile trading;
- (2) enabling Council to issue licences and prescribe conditions and requirements for mobile trading;
- (3) ensuring traffic and pedestrian management for mobile trading to reduce risks of congestion.

6. Interpretation

In this bylaw, unless the context otherwise requires —

Central Business District (CBD) means the area as defined by the map in **Schedule 1** of this bylaw.

Council means the Gisborne District Council.

Enforcement officer means any person delegated, authorised or appointed by Council to act on its behalf and with its authority under this bylaw.

Hawker means a person who sells or hires, or offers to sell or hire, goods or services by traveling from place to place and, for the purposes of this bylaw, is a mobile trader.

Licence means a licence to carry out mobile trading that is issued under clause 11 of this bylaw.

Mobile shop means a vehicle (whether self-propelled or not) from which goods or services are sold or hired or offered for sale or hire but does not include any vehicle used only to transport or deliver goods or services ordered previously.

Mobile trader means a person who sells or hires, or offers to sell or hire, goods or services from a stall, or mobile shop that is regularly moved, and includes a hawker. **Mobile trading** has a corresponding meaning.

Public place means a place that is open to or is being used by the public, whether free or on payment of a charge, and whether any owner or occupier of the place is lawfully entitled to exclude or eject any person from that place.

Road has the meaning given in section 2(1) of the Land Transport Act 1998.

Stall means a stand, awning, table, booth, tent, barrow, cart or other temporary structure from which goods or services are sold or hired or offered for sale or hire.



Vehicle has the meaning given in section 2(1) of the Land Transport Act 1998.

- (1) Every schedule to this bylaw forms part of the bylaw.
- (2) Every Appendix to this bylaw does not form part of the bylaw, are provided for information purposes only and may be inserted, changed or removed at any time without any formal process.
- (3) Related information does not form part of this bylaw, are provided for information purposes only and may be inserted, changed or removed at any time without any formal process.

Related information:

Compliance with this Bylaw does not remove the need to comply with all other applicable Acts, regulations, bylaws, rules of law, and terms of any lease or licence.

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Part 2: Mobile trading in public places

7. Council controls on mobile trading

Council may control mobile trading in public places in one or more of the following ways -

- (1) Granting, declining, amending and revoking licences;
- (2) Prescribing conditions for licences;
- (3) Granting exemptions to requirements for licences;
- (4) Prohibiting mobile trading in a public place either generally or for a specified category of trading or in a specified part of a public place.

8. Licence Required

- (1) A person must obtain a licence from Council before undertaking mobile trading in a public place.
- (2) A person seeking to operate as a mobile trader in a public place must obtain a separate licence for each mobile shop or stall to be used for mobile trading.
- (3) Clauses 8(1) and (2) do not apply to
 - (a) mobile trading or events undertaken by Council;
 - (b) mobile trading or events that are authorised pursuant to a resource consent granted under the Resource Management Act 1991;
 - (c) the delivery of goods or services to private premises;
 - (d) classes or training provided by outdoor fitness operators;
 - (e) regular sporting activities carried out by amateur organised sports clubs;
 - (f) the outdoor display of goods or services adjacent to business premises from which the goods or services are usually provided;
 - (g) the sale of produce adjacent to the premises where it was grown;
 - (h) occasional sale of goods from a stall by a person under the age of 16 adjacent to the residential premises where the goods were made.

9. Application for licence

- (1) A person requiring a licence for mobile trading under this bylaw must apply to Council.
- (2) The application must-
 - (a) be in the form required by Council; and
 - (b) be accompanied by the relevant application fee set in the Council's Schedule of Fees and Charges; and



- (c) be received by Council at least twenty working days prior to the intended start date of the mobile trading; and
- (d) include a police check; and
- (e) include any other information Council requires.
- (3) Without limiting subclause (1), Council may require an application for a licence to include additional information on one or more of the following matters
 - (a) details of the applicant and any other person who will participate in the mobile trading, including those who will sell goods or perform services;
 - (b) description, plans and maps, photos of the location (including multiple sites), of the activity;
 - details of any furniture, structures, equipment, side awnings, vehicles, signs, displays and other items proposed to be used in connection with the mobile trading;
 - (d) public liability insurance.

Related information:

Fees associated with application, approval, licence, consent, service or inspection can be found on Council's website under <u>Fees and Charges</u>.

The <u>Traffic and Parking Bylaw 2021</u> provides that a person must not stop, stand or park a motor vehicle, wholly or partially, on that part of any road which is laid out as a cultivated area, being a garden or grass berm.

10. Considerations for issue of Licence

- (1) When considering an application for a licence, Council-
 - (a) will have regard to any matter it considers relevant and reasonably necessary to ensure that the licence is consistent with the purpose of this bylaw; and
 - (b) may inspect locations related to the application for the purpose for which the licence is requested.
- (2) Without limiting subclause (1), Council may take into account the following matters when considering an application for a licence
 - (a) locations, nature, scale, frequency and duration of the mobile trading;
 - (b) details of any furniture, structures, equipment, side awnings, vehicles, signs, displays and other items proposed to be used in connection with the mobile trading;
 - (c) actual or potential impact on the public, public places and surrounding environment, including but not limited to:
 - impacts as a result of noise, glare, light spill, odour, anti-social behaviour;
 - impacts on appearance, amenity and heritage features;



- obstruction or hazards to pedestrian or vehicular visibility, access or flow;
- obstruction of access by emergency, maintenance or utility services;
- the impact on nearby business premises; and
- (3) how any actual or potential impacts may be mitigated, for example through waste management and minimisation, traffic management, safety and risk management, adverse weather, emergency, customer conduct plans;
- (4) suitability of the applicant to hold a licence taking into account any past licences held, known past operational issues and the applicant's experience and track record including breaches of any bylaw or licence cancellations;
- (5) compliance with relevant requirements in any Act, regulation or bylaw to enable the mobile trading to occur lawfully, for example, food safety legislation;
- (6) consistency with relevant Council bylaws, policies and plans.

11. Applications may be granted or declined

- (1) Council may grant or decline an application for a licence after considering the criteria listed in clause 10 of this bylaw.
- (2) Council may issue a licence for a maximum of one year.
- (3) A licence granted under this bylaw is not transferable.

12. Exemptions

- (1) Council may exempt a mobile trader from compliance with any requirement or condition of a licence.
- (2) Council must not grant an exemption unless it is satisfied that -
 - (a) The extent of the exemption is not broader than is reasonably necessary to address the matters that gave rise to the proposed exemption; and
 - (b) The exemption is consistent with the purpose of this bylaw
- (3) Council may -
 - (a) Grant an exemption subject to conditions; and
 - (b) Amend or revoke the exemption.
- (4) For the purposes of subclause (3(a)) above, clause 13 (Conditions and Requirements) applies with all necessary modifications.



13. Conditions and Requirements

- (1) No person may undertake mobile trading in a manner which causes or could cause a public safety risk, nuisance, damage, obstruction, disturbance, or interference.
- (2) Council may impose conditions and requirements for a licence. The conditions and requirements must be consistent with the purpose of this bylaw and may include
 - (a) Limits on the type, quality and standard of goods or services offered;
 - (b) Locations, nature, scale, frequency and duration of the mobile trading;
 - (c) Specifications on the use and placement of any furniture, structures, equipment, side awnings, vehicles, signs, displays and other items intended to be used in connection with the mobile trading;
 - (d) Limits on times of operation (days and hours);
 - (e) Traffic management plans.
- (3) A mobile trader must comply with all conditions and requirements of a licence.
- (4) All goods and merchandise must be kept entirely within the mobile shop or stall with nothing placed on the ground. No items, including tables, boxes, crates or produce, may be set up on the road verge, reserve area, or surrounding vicinity.
- (5) All advertising signs must be attached to the mobile shop or stall, except for one roadside sign. This roadside sign must not exceed 0.7 metres in width and 1.0 metre in height and must be placed within 100 metres of the mobile shop or stall on the same side of the road. The sign must be positioned so it does not obstruct traffic, road users or pedestrians.
- (6) A person who has been granted a licence must -
 - (a) have the licence with them; and
 - (b) display it conspicuously so it can be easily read at all times while trading.
- (7) Unless Council grants an exemption under clause 12, a mobile trader must not operate
 - (a) In the Central Business District;
 - (b) Outside a place of worship on a day of worship except with the written permission of the person in charge of that place of worship;
 - (c) Outside a school during school hours except with the written permission of the principal of that school;
 - (d) In a residential area unless written consent signed by the occupiers of any residential properties immediately adjacent to where trading is taking place has been obtained, if consent is required by Council;
 - (e) between the half hour after sunset on one day and the half hour before sunrise on the next day;
 - (f) within 100 metres of permanent retail premises;



(g) for more than seven hours in one location or within 500 metres of that location and must not return to a previously occupied site within eight hours.

Related information:

Requirements for food businesses are set out in the Food Act 2014. For more information on these requirements, the Ministry for Primary Industries (MPI) website contains some useful guidance at Introduction to the Food Act 2014.

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Part 3: Enforcement, offences and penalties

14. Enforcement

- (1) Council may use its powers under the Local Government Act 2002 or the Land Transport Act 1998 to enforce this bylaw.
- (2) Where a person fails to comply with this Bylaw, including the requirements and conditions of a licence, Council may review the licence and, following the review, Council may amend, suspend, or cancel the licence.

Related information:

Council's statutory enforcement powers include (but may not be limited to):

- Local Government Act 2002 obtaining a court injunction (section 162), seizure and disposal of property (sections 164, 168), cost recovery for damage on conviction (section 176), power to require name and address (section 178) and prosecution (section 239).
- Land Transport Act 1998 infringement fees under Regulation and 4 of the Land Transport (Offences and Penalties) Regulations 1999 (as at 1 October 2024).

Enforcement Officer time will be charged to the licence holder, as per Council's Fees and Charges.

15. Offences

A person who fails to comply with this Bylaw commits an offence or infringement offence and is liable to a penalty under the Local Government Act 2002, the Land Transport Act 1998 or, to the extent permitted by law, both Acts.

16. Penalties

A person who fails to comply with this Bylaw and is issued with an infringement notice or convicted of an offence is liable to a penalty under the Local Government Act 2002, the Land Transport Act 1998 or, to the extent permitted by law, both Acts.

Related information:

A person who is convicted of an offence against this Bylaw is liable to a fine not exceeding \$20,000 under section 242(4) of the Local Government Act 2002 (as at 1 October 2024)

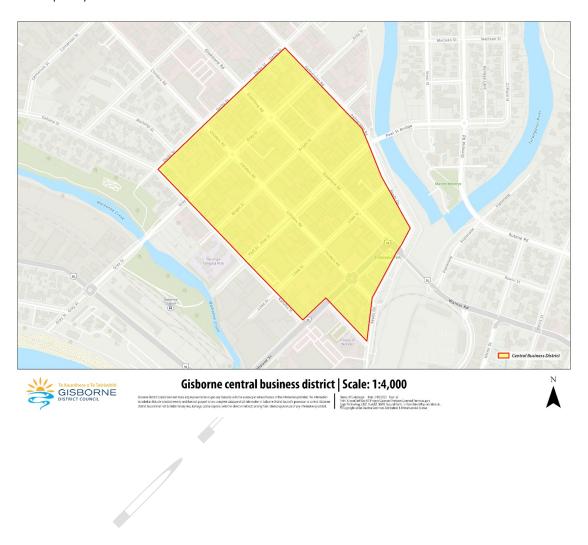
A person who is issued with an infringement notice is liable to an infringement fee of \$750 under Regulation 4 and Schedule 1 of the Land Transport (Offences and Penalties) Regulations 1999 (as at 1 October 2024).



COUNCIL - 21 August 2025

Schedule 1: Map of the Gisborne Central Business District

The area indicated in the map below is referred to within the bylaw as the Central Business District (CBD).



Appendix 1: Traffic Management Diagram

Mobile Shops and Mobile Traders Parking in Shoulder LV/LR, LV, L1 Cat A Roads and Urban Environments

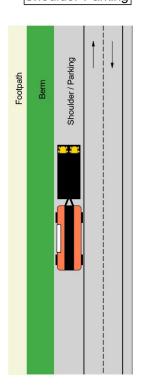


GDC Practice Note

Notes:

- Mobile Traders must be parked within Lined and Marked Shoulders.
- Mobile Traders must be positioned to allow all customers to be served from the non-traffic side of the Mobile Shop.
- Mobile Traders must be positioned to allow customers to remain upon the berm and not to encroach onto the roadside or parking area of the Mobile Shop.
- Mobile Traders must not impede upon driveways, accessways or restrict foot traffic in public areas.
- Mobile Shops may be double parked only where written permission has been given from the RCA.
- 6. Mobile Shops must not be left unattended in trading locations overnight.

Shoulder Parking



Prior to implementation:

 Mobile Traders must have a Health and Safety Risk Assessment of their set up and its applications in its current location available for review at any time.



Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti

(Tairāwhiti Mobile Traders Bylaw 2025)

Made by Gisborne District Council

Resolution of Council dated [day month] 2025

This bylaw is made under sections 145 and 146 of the Local Government Act 2002 and section 22AB of the Land Transport Act 1998.

This bylaw must be reviewed no later than [day month] 2030 (5 years after date of resolution making the bylaw) as required by section 158 of the Local Government Act 2002.



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1. Title

This Bylaw is the Ture-ā-Rohe Kaihoko Nekeneke o Te Tairāwhiti, Tairāwhiti Mobile Traders Bylaw 2025.

2. Commencement

This bylaw comes into force on [date month] 2025.

3. Application

This bylaw applies to the Gisborne region.

Related information:

This bylaw is part of a wider framework of regional and national legislation that regulates trading activities. This bylaw does not seek to duplicate or be inconsistent with these requirements. Every person wanting to undertake mobile trading in the Gisborne region is responsible for understanding and complying with all applicable rules and regulations. These may include –

- Rules about food safety in the Food Act 2014.
- Rules about activities on reserves in the <u>Reserves Act 1977</u> and the <u>Gisborne District Reserves Bylaw 2008.</u>
- Rules about protecting significant areas in <u>Te Papa Tipu Taunaki o Te Tairāwhiti</u> the Tairāwhiti Resource Management Plan.
- Rules about public safety, nuisance, litter and obstructions in the <u>Gisborne</u> <u>District Public Places Bylaw 2015.</u>
- Rules about traffic and parking in the <u>Tairawhiti Traffic and Parking Bylaw 2021</u>.
- Rules about the health and safety of workers in the <u>Health and Safety at Work</u> Act 2015.
- Rules about the sale of alcohol in the <u>Sale and Supply of Alcohol Act 2012</u>, the <u>Tairawhiti Local Alcohol Policy 2024</u>, and the <u>Gisborne District Alcohol Control</u> <u>Bylaw 2015</u>.
- Certification requirements for certain mobile traders with the <u>Commerce</u> Commission.
- Rules to ensure compliance with the <u>Credit Contracts and Consumer Finance</u> Act 2003.
- The Commerce Act 1986 which prohibits anti-competitive behaviour.

These rules and regulations are current as of March 2025. Readers should check whether they have been amended or replaced.

4. Revocation

The Mobile Shops and other Traders Bylaw 2014 is revoked and replaced by this bylaw.



Part 1: Preliminary Provisions

5. Purpose

The purpose of this bylaw is to regulate mobile trading to protect public health and safety and maintain the quality of public places by addressing potential risks of nuisance or misuse by –

- (1) requiring prior approval from Council for mobile trading;
- (2) enabling Council to issue licences and prescribe conditions and requirements for mobile trading;
- (3) ensuring traffic and pedestrian management for mobile trading to reduce risks of congestion.

6. Interpretation

In this bylaw, unless the context otherwise requires —

Central Business District (CBD) means the area as defined by the map in **Schedule 1** of this bylaw.

Council means the Gisborne District Council.

Enforcement officer means any person delegated, authorised or appointed by Council to act on its behalf and with its authority under this bylaw.

Hawker means a person who sells or hires, or offers to sell or hire, goods or services by traveling from place to place and, for the purposes of this bylaw, is a mobile trader.

Licence means a licence to carry out mobile trading that is issued under clause 11 of this bylaw.

Mobile shop means a vehicle or vessel (whether self-propelled or not) from which goods or services are sold or hired or offered for sale or hire but does not include any vehicle used only to transport or deliver goods or services ordered previously.

Mobile trader means a person who sells or hires, or offers to sell or hire, goods or services from a <u>stand</u>, <u>stall</u>, <u>structure</u>, <u>awning</u>, <u>table</u>, <u>vehiclestall</u>, or mobile shop that is regularly moved, and includes a hawker. **Mobile trading** has a corresponding meaning.

Public place means a place that is open to or is being used by the public, whether free or on payment of a charge, and whether any owner or occupier of the place is lawfully entitled to exclude or eject any person from that place.

Road has the meaning given in section 2(1) of the Land Transport Act 1998.

Stall means a stand, awning, table, booth, tent, barrow, cart or other temporary structure from which goods or services are sold or hired or offered for sale or hire.

Vehicle has the meaning given in section 2(1) of the Land Transport Act 1998.

(1) Every schedule to this bylaw forms part of the bylaw.



- (2) Every Appendix to this bylaw does not form part of the bylaw, are provided for information purposes only and may be inserted, changed or removed at any time without any formal process.
- (3) Related information does not form part of this bylaw, are provided for information purposes only and may be inserted, changed or removed at any time without any formal process.

Related information:

Compliance with this Bylaw does not remove the need to comply with all other applicable Acts, regulations, bylaws, rules of law, and terms of any lease or licence.



Part 2: Mobile trading in public places

7. Council controls on mobile trading

Council may control mobile trading in public places in one or more of the following ways -

- (1) Granting, declining, amending and revoking licences;
- (2) Prescribing conditions for licences;
- (3) Granting exemptions to requirements for licences;
- (4) Prohibiting mobile trading in a public place either generally or for a specified category of trading or in a specified part of a public place.

8. Licence Required

- (1) A person must obtain a licence from Council before undertaking mobile trading in a public place.
- (i) For the purposes of this bylaw, mobile trading includes -
 - (a) mobile shops;
 - (b) stalls;
 - (c) markets operating within a Council controlled road corridor;
 - (d) hire of equipment from a location not directly adjacent to permanent premises;
 - (e) any other mobile trading as defined in this bylaw which is not exempt.
- (ii) For the purposes of this bylaw, mobile trading does not include -
- (2) A person seeking to operate as a mobile trader in a public place must obtain a separate licence for each mobile shop or stall to be used for mobile trading.
- (3) Clauses 8(1) and (2) do not apply to -
 - (a) mobile trading or events undertaken by Council;
 - (b) mobile trading or events that are authorised pursuant to a resource consent granted under the Resource Management Act 1991;
 - (c) the delivery of goods or services to private premises;
 - (d) classes or training provided by outdoor fitness operators;
 - (e) regular sporting activities carried out by amateur organised sports clubs;
 - (f) the outdoor display of goods or services adjacent to business premises from which the goods or services are usually provided;
 - (g) the sale of produce adjacent to the premises where it was grown;
 - (h) occasional sale of goods from a stall by a person under the age of 16 adjacent to the residential premises where the goods were made.



9. Application for licence

- (1) A person requiring a licence for mobile trading under this bylaw must apply to Council.
- (2) The application must-
 - (a) be in the form required by Council; and
 - (b) be accompanied by the relevant application fee set in the Council's Schedule of Fees and Charges; and
 - (c) be received by Council at least twenty working days prior to the intended start date of the mobile trading; and
 - (d) include a police check; and
 - (e) include any other information Council requires.
- (3) Without limiting subclause (1), Council may require an application for a licence to include additional information on one or more of the following matters
 - (a) details of the applicant and any other person who will participate in the mobile trading, including those who will sell goods or perform services;
 - (b) description, plans and maps, photos of the location (including multiple sites), of the activity;
 - (c) details of any furniture, structures, equipment, side awnings, vehicles, signs, displays and other items proposed to be used in connection with the mobile trading;
 - (d) public liability insurance.

Related information:

Fees associated with application, approval, licence, consent, service or inspection can be found on Council's website under Fees and Charges.

The Traffic and Parking Bylaw 2021 provides that a person must not stop, stand or park a motor vehicle, wholly or partially, on that part of any road which is laid out as a cultivated area, being a garden or grass berm.

10. Considerations for issue of Licence

- (1) When considering an application for a licence, Council-
 - (a) will have regard to any matter it considers relevant and reasonably necessary to ensure that the licence is consistent with the purpose of this bylaw; and
 - (b) may inspect locations related to the application for the purpose for which the licence is requested.



- (2) Without limiting subclause (1), Council may take into account the following matters when considering an application for a licence
 - (a) locations, nature, scale, frequency and duration of the mobile trading;
 - (b) details of any furniture, structures, equipment, side awnings, vehicles, signs, displays and other items proposed to be used in connection with the mobile trading;
 - (c) actual or potential impact on the public, public places and surrounding environment, including but not limited to:
 - impacts as a result of noise, glare, light spill, odour, anti-social behaviour;
 - impacts on appearance, amenity and heritage features;
 - obstruction or hazards to pedestrian or vehicular visibility, access or flow;
 - obstruction of access by emergency, maintenance or utility services;
 - the impact on nearby business premises; and
- (3) how any actual or potential impacts may be mitigated, for example through waste management and minimisation, traffic management, safety and risk management, adverse weather, emergency, customer conduct plans;
- (4) suitability of the applicant to hold a licence taking into account any past licences held, known past operational issues and the applicant's experience and track record including breaches of any bylaw or licence cancellations;
- (5) compliance with relevant requirements in any Act, regulation or bylaw to enable the mobile trading to occur lawfully, for example, food safety legislation;
- (6) consistency with relevant Council bylaws, policies and plans.

11. Applications may be granted or declined

- (1) Council may grant or decline an application for a licence after considering the criteria listed in clause 10 of this bylaw.
- (2) Council may issue a licence for a maximum of one year.
- (3) A licence granted under this bylaw is not transferable.

12. Exemptions

- (1) Council may exempt a mobile trader from compliance with any requirement or condition of a licence.
- (2) Council must not grant an exemption unless it is satisfied that -



- (a) The extent of the exemption is not broader than is reasonably necessary to address the matters that gave rise to the proposed exemption; and
- (b) The exemption is consistent with the purpose of this bylaw
- (3) Council may -
 - (a) Grant thean exemption subject to conditions; and
 - (b) amend (b) Amend or revoke the exemption.
- (4) For the purposes of subclause (3(a)) above, clause 13 (Conditions and Requirements) applies with all necessary modifications.

13. Conditions and Requirements

- (1) No person may undertake mobile trading in a manner which causes or could cause a public safety risk, nuisance, damage, obstruction, disturbance, or interference.
- (2) Council may impose conditions and requirements for a licence. The conditions and requirements must be consistent with the purpose of this bylaw and may include
 - (a) Limits on the type, quality and standard of goods or services offered;
 - (b) Locations, nature, scale, frequency and duration of the mobile trading;
 - (c) Specifications on the use and placement of any furniture, structures, equipment, side awnings, vehicles, signs, displays and other items intended to be used in connection with the mobile trading;
 - (d) Limits on times of operation (days and hours);
 - (e) Traffic management plans.
- (3) A mobile trader must comply with all conditions and requirements of a licence.
- (4) All goods and merchandise must be kept entirely within the <u>vehiclemobile shop</u> or stall with nothing placed on the ground. No items, including tables, boxes, crates or produce, may be set up on the road verge, reserve area, or surrounding vicinity.
- (5) All advertising signs must be attached to the <u>vehiclemobile shop</u> or stall, except for one_____ roadside sign. This roadside sign must not exceed 0.7 metres in width and 1.0 metre in height and must be placed within 100 metres of the mobile shop <u>or stall</u> on the same side of the road. The sign must be positioned so it does not obstruct traffic, road users or pedestrians.
- (6) A person who has been granted a licence must
 - (a) have the licence with them; and
 - (b) display it conspicuously so it can be easily read at all times while trading.
- (i) A person operating a mobile shop must hold a separate licence for each vehicle or stall used for mobile trading.



- (7) Unless Council grants an exemption under clause 12, a mobile trader must not operate
 - (a) In the area defined as the Central Business District as per the map in Schedule 1 or as updated from time to time;
 - (b) Outside a place of worship on a day of worship except with the written permission of the person in charge of that place of worship;
 - (c) Outside a school during school hours except with the written permission of the principal of that school;
 - (d) In a residential area unless written consent signed by the occupiers of any residential properties immediately adjacent to where trading is taking place has been obtained, if consent is required by Council under subclause 2(b);;
 - (e) between the half hour after sunset on one day and the half hour before sunrise on the next day;
 - (f) within 100 metres of permanent retail premises;
 - (g) for more than seven hours in one location or within 500 metres of that location and must not return to a previously occupied site within eight hours.

Related information:

Requirements for food businesses are set out in the Food Act 2014. For more information on these requirements, the Ministry for Primary Industries (MPI) website contains some useful guidance at Introduction to the Food Act 2014.



Part 3: Enforcement, offences and penalties

14. Enforcement

- (1) Council may use its powers under the Local Government Act 2002 or the Land Transport Act 1998 to enforce this bylaw.
- (2) Where a person fails to comply with this Bylaw, including the requirements and conditions of a licence, Council may take any one or more of review the licence and, following actions—the review, Council may amend, suspend, or cancel the licence.
 - (a) issue an oral warning;
 - (b) issue a written warning;
 - (c) reinspect the mobile trading activity to check on compliance;
 - (d) issue an infringement notice;
 - (e) review the licence and, following the review, Council may amend, suspend, or cancel the licence. Action taken under paragraphs (a)(b)(c) or (d) of this subclause may be used, during a review, as evidence of a bylaw breach.
 - (f) of a bylaw breach.
 - (g) bring a prosecution under the Local Government Act 2002, the Land Transport Act 1998 or, to the extent permitted by law, both Acts.
- (ii) Subclause (2) does not limit subclause (1).

Related information:

Council's statutory enforcement powers under the include (but may not be limited to):

- Local Government Act 2002 include- obtaining a court injunction (section 162), removal of works (section 163), seizure and disposal of property (sections 164, 168), cost recovery for damage on conviction (section 176) and power to require name and address (section 178) and prosecution (section 239).
- <u>-Land Transport Act 1998 infringement fees under Regulation and 4 of the Land Transport (Offences and Penalties) Regulations 1999 (as at 1 October 2024).</u>

<u>Enforcement</u> Officer time will be charged to the licence holder, as per Council's Fees and Charges, to the licence holder for any subsequent inspection in relation to the pertinent breach after a written notice.

A licence holder who is dissatisfied with Council's decision to amend, suspend or cancel their licence under clause 14(2)(e) has the right to challenge the decision through Council's complaints process. To submit a complaint, the licence holder may:

- Write a letter to Council at P.O. Box 747, Gisborne 4040, or
- Send an e-mail to Council at service@gdc.govt.nz, or
- Complete the online feedback form available on Council's website [link here]



The ensure that Council can consider the complaint, please include:

- The licence holders full name and contact details, and
- The licence number, and
- Details of the amendment, suspension or cancellation, and
- The reasons for challenging the decision.

Submitting a complaint does not affect the original decision. The licence remains amended, suspended or cancelled while the complaint process is completed.

15. Offences

A person who fails to comply with this Bylaw commits an <u>offence or infringement</u> offence and is liable to a penalty under the Local Government Act 2002, the Land Transport Act 1998 or, to the extent permitted by law, both Acts.

- (i) A person fails to comply with this Bylaw if they:
 - (a) Obstruct or hinder an Enforcement Officer or Police Officer in the exercise of their duties:
 - (b) Cause to be done, or knowingly permits or suffers to be done, anything whatsoever contrary to, or otherwise than as provided by this Bylaw;
 - (c) Fails, neglects or refuses to comply with any warning, notice or direction given by an Enforcement Officer or Police Officer;
 - (d) Fails to comply with any request made by an Enforcement Officer or Police Officer;
 - (e) Fails, neglects or refuses to comply with any condition or requirement of a licence or exemption given to that person under this Bylaw.

Subclause (2) does not limit subclause (1)

16. Penalties

A person who fails to comply with this Bylaw is issued with an infringement notice or convicted of an offence is liable to a penalty under the Local Government Act 2002, the Land Transport Act 1998 or, to the extent permitted by law, both Acts.

(i) The penalty for an infringement offence under the Land Transport Act 1998 is \$1,000 or such lesser amount as provided by regulations made under the Act.



Related information:

A person who is convicted of an offence against this Bylaw is liable to a fine not exceeding: \$20,000 under section 242(4) of the Local Government Act 2002 (as at 1 October 2024)

- \$20,000 under section 242 of the Local Government Act 2002 (as at 1 October 2024)
- \$1,000 under section 22AB of the Land Transport Act 1998 (as at 1 July 2024).

A person who is issued with an infringement notice is liable to <u>a fine an infringement fee</u> of \$750 under <u>regulation Regulation</u> 4 and Schedule 1 of the Land Transport (Offences and Penalties) Regulations 1999 (as at 1 October 2024).

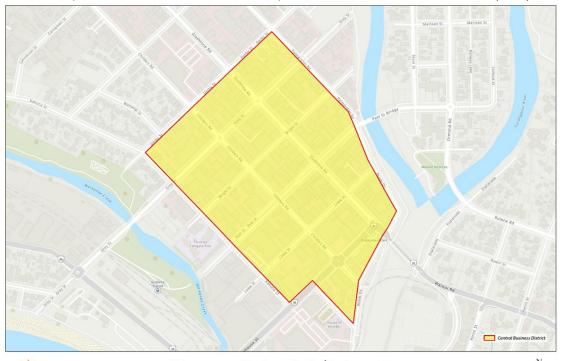


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Schedule 1: Map of the Gisborne Central Business District

The area indicated in the map below is referred to within the bylaw as the Central Business District (CBD).





Gisborne central business district | Scale: 1:4,000



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Appendix 1: Traffic Management Diagram

Mobile Shops and Mobile Traders Parking in Shoulder LV/LR, LV, L1 Cat A Roads and Urban Environments

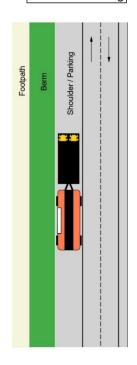


GDC Practice Note 28

Notes:

- Mobile Traders must be parked within Lined and Marked Shoulders.
- Mobile Traders must be positioned to allow all customers to be served from the non-traffic side of the Mobile Shop.
- Mobile Traders must be positioned to allow customers to remain upon the berm and not to encroach onto the roadside or parking area of the Mobile Shop.
- Mobile Traders must not impede upon driveways, accessways or restrict foot traffic in public areas.
- Mobile Shops may be double parked only where written permission has been given from the RCA.
- 6. Mobile Shops must not be left unattended in trading locations overnight.

Shoulder Parking



Prior to implementation:

- Mobile Traders must have a Health and Safety Risk Assessment of their set up and its applications in its current location available for review at any time.

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11. Reports of the Chief Executive and Staff for INFORMATION



25-183

Title: 25-183 Te Karaka Flood Resilience Improvements

Section: Community Lifelines

Prepared by: Dean Foote - Rivers Engineer - Flood Plain Management

Meeting Date: Thursday 21 August 2025

Legal: Yes Financial: Yes Significance: **High**

Report to COUNCIL/TE KAUNIHERA for decision

PURPOSE - TE TAKE

The purpose of this report is to seek Council's approval of the preferred stopbank alignment for Te Karaka and approval for progression of the project to the consent level design and consenting stages. The preferred alignment involves realigning the existing stopbank further away from the river (retreat) in key locations to improve medium-term flood resilience.

SUMMARY - HE WHAKARĀPOPOTOTANGA

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

Cyclone Gabrielle exceeded the design capacity of the existing Te Karaka flood protection scheme, resulting in extensive damage and significant disruption to the community. In response, the Council, working in partnership with Te Aitanga a Māhaki and supported by Government funding, initiated a project to upgrade the townships flood defences.

Comprehensive flood modelling and extensive community engagement has identified a preferred stopbank alignment, which is retreated from the existing alignment in places. This option improves overall flood resilience and aligns with international best practice to set stopbanks back where practicable. However, it also presents notable challenges, including the need for land acquisition, potential impacts on both Māori and general landowners, and a current funding shortfall.

The project is expected to protect approximately 200 properties, including residential dwellings, commercial premises, and the local school. Given its scope and community impact, it is considered a high-priority initiative within the suite of Crown-funded flood resilience projects.

This report outlines the key issues and seeks Council's approval to proceed with the next stage of the proposed upgrade. This report further summarises the outcomes of technical investigations and joint iwi engagement with the community and outlines the next steps required to advance the project into the consent level design and consent application phase.

Specifically, this report:

- provides an update on the joint iwi engagement with the community over the past 18 months, including formation of a steering group, a series of hui, and public feedback received through an online submission process;
- presents findings from engineering investigations and flood modelling, including an optioneering process which assessed a longlist of nine options, narrowed to six options; to four options; to two optiopns amd then to a preferred alignment;
- identifies and recommends a preferred stopbank alignment which is retreated, taking into account technical performance, cultural and community values, and consultation feedback;
- outlines preliminary cost estimates for construction and property acquisition, highlighting a projected budget shortfall, and obtain feedback on options to address this gap;
- summarises key high-level risks and mitigations, including legal, financial, and climate resilience considerations; and
- sets out the next steps, including confirmation of funding, consent-level design and consenting, detailed design, engagement with affected property owners, and eventual construction delivery.

Council approval of the preferred stopbank alignment is sought to allow the project to progress to the consent level design and consenting stages, and to ensure the project remains on track to meet Government's flood resilience funding programme timeframes.

RECOMMENDATIONS - NGĀ TŪTOHUNGA

That the Council/Te Kaunihera:

1. Approves the proposed stopbank alignment for Te Karaka, which involves retreating the stopbank further from the river in key locations to enhance flood resilience.

Authorised by:

Tim Barry - Director Lifelines

Keywords: Te Karaka Flood Scheme Improvements, Gabrielle Flood Recovery, Stopbank, Resilience.

BACKGROUND - HE WHAKAMĀRAMA

- 1. The Te Karaka Flood Control Scheme (the Scheme) consists of some 4.2 km of stopbanks designed to protect the township from flooding.
- 2. In 1988, shortly before the Scheme's construction was completed, Cyclone Bola struck, resulting in significant flooding of Te Karaka. The stopbanks were subsequently repaired, and construction was completed to a flood protection level equivalent to the Bola event.
- 3. On 14 Febuary 2023, Cyclone Gabrielle caused widespread and severe flooding in Te Karaka area. The event overtopped the stopbanks at multiple locations, inundated approximately 100 homes, and isolated the community for nearly a week. Tragically, one life was lost just upstream of the township. The flooding also caused major disruptions to critical infrastructure and has had a lasting impact on the community.
- 4. As part of the recovery effort following Cyclone Gabrielle, the Government allocated \$13.2m to Gisborne District Council (the Council) to upgrade the Scheme. This funding is specifically designated for improving flood resilience within Te Karaka township. It forms part of a broader \$71.1m funding package aimed at enhancing flood resilience across the wider Tairāwhiti region.

DISCUSSION and OPTIONS - WHAKAWHITINGA KÖRERO me ngā KÖWHIRINGA

5. This project has been managed in partnership between Council and Te Aitanga a Māhaki.

Optioneering

- 6. An extensive consultation period has been undertaken with the community to identify the preferred upgrade alignment, which is promoted in this report. This is covered in detail in Community Engagement Summary below.
- 7. Flood modelling using scientific data and computer simulations is a critical tool for understanding flood risk, designing protection infrastructure, and evaluating potential impacts.
- 8. A detailed hydraulic model built by DHI Ltd (Modelling specialist) in 2024/2025 has been developed for Te Karaka and its surrounding floodplain. The model has been calibrated using flood height data collected from the community following Cyclone Gabrielle, ensuring it accurately represents real-world conditions.
- 9. The preferred stopbank alignment is designed to accommodate a 5,625 cumec⁴ flood event which is the same design criteria used for the Waipaoa River Flood Control Scheme upgrade. For comparison, Cyclone Gabrielle was estimated at approximately 4,000 cumec at Kanakanaia Bridge.

-

⁴ (Units) the unit of volumetric rate of flow, equal to one cubic metre per second.

- 10. The preferred stopbank alignment has three general areas of affected parties:
 - a. Those with increased flood protection. The residents and landowners located within the preferred stopbank alignment who benefit from improved flood defences;
 - b. Those property owners directly impacted by stopbank construction. The removal of the redundant stopbank, construction of a new or wider stopbank, and the area where soil to upgrade the stopbank is sourced from; and
 - c. Landowners outside the preferred stopbank alignment who may experience a change in flood risk (increased/decreased flood levels).
- 11. Nine stopbank alignment options were initially investigated through the hydraulic model to understand the stopbank raising requirements and the implications for properties upstream and downstream of the Scheme. This was refined to six options that were considered in more detail.
- 12. These six options were ranked through a multi-criteria analysis (MCA) to promote a shortlist of four options for further technical assessment and public consultation.
- 13. The four options were reduced to two preferred options through ongoing joint lwi consultation with the community. These two options were outlined on the Council website with the ability for public to vote on options, and for public submissions to provide feedback and comments.
- 14. Online submissions closed on 28 July 2025 with 30 submissions made, and 876 views on the website. Results were as follows:
 - a. 97% of respondents supported Council taking action to improve flood resilience for Te Karaka;
 - b. 74% of respondents supported the 'make room for the river' approach of retreating the stopbank alignment to defend a smaller area; and
 - c. 53% supported Option 3 which is the preferred option presented here, 28% preferred 'Other' and only 5% supported the more retreated Option 4.

Alignment Impacts

- 15. Retreating the stopbank alignment is consistent with international best practice for flood risk management.
- 16. By allowing flood flows to occupy a wider floodplain, the required stopbank height is reduced, which lowers the consequences of a potential breach. Stopbanks located further from the river are also at less risk from bank scour and allow more room for natural river processes.
- 17. However, the preferred alignment introduces significant land acquisition and property compensation costs.
- 18. The preferred alignment has one large family home falling outside of the new stopbank scheme which must be acquired and removed under this project. The owners of this house have been engaged throughout the options assessment process.

- 19. A second house, near Rangatira Bridge, must be removed to allow for stopbank raising and to allow a wider stopbank footprint. This was a requirement of all shortlisted options. The property is a rental, and the owners have expressed interest in selling.
- 20. Some cropping and horticultural land currently protected by the existing scheme will no longer be within the protected area after construction. This change in flood risk will affect land values, and compensation will be considered where appropriate.
- 21. The project includes raising the State Highway in two locations by up to 2.5 metres. The road at each of these locations are currently existing low points in the Scheme which contributed to the flooding experienced during Cyclone Gabrielle as they weren't sandbagged as per the requirements of the Flood Warning Manual.
- 22. Rangatira Road is to be raised near the bridge approach to align with the upgraded stopbank.
- 23. A detailed structural assessment of Rangatira Bridge will be undertaken prior to lodging the resource consent application to understand the effect of the stopbank raising. Kanakanaia Bridge will be investigated as well.
- 24. The modelling results have shown that four residential homes near Kanakanaia Bridge will experience increased flooding risk in extreme events. Two dwellings located upstream on Bridge Road, and several contractor sheds on Whatatutu Road are also shown to be affected. The changes in flood risk are currently being assessed and are expected to be addressed through property-level mitigation (e.g. house raising, bunding), acquisition, or compensation.

Geomorphic Impacts

- 25. High sediment loads sourced from the upper Waipaoa Catchment has resulted in the gradual aggradation⁵ of the Waipaoa riverbed and adjacent floodable berms around Te Karaka due to ongoing sediment deposition. Since 1949, cross-sectional surveys of the upper Waipaoa River have shown that the riverbed around Te Karaka has aggraded by approximately one metre, driven by the sustained delivery of high sediment loads.
- 26. This ongoing aggradation, of the Waipaoa River, coupled with anticipated increases in flood magnitude due to climate change, means that the benefits of this upgrade in terms of flood-carrying capacity, will reduce over time.
- 27. This geomorphic trend is related in part to the catchment's fragile geology, but also to unsustainable land use and vegetation cover means that the preferred stopbank upgrade being promoted is considered to be a 'medium-term' solution, not a 'long-term' solution.
- 28. Given Te Karaka's location within the natural floodplain and the factors described above (ongoing sedimentation and future climate-related flood risks), the community may ultimately need to consider managed retreat as part of a long-term resilience strategy.

COUNCIL - 21 August 2025

⁵ Aggradation (or alluviation) is the term used in geology for the increase in land elevation, typically in a river system, due to the deposition of sediment.

ASSESSMENT of SIGNIFICANCE - AROTAKENGA o NGĀ HIRANGA

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

TREATY COMPASS ANALYSIS

Kāwanatanga

- 30. The Te Karaka Flood Resilience Improvement Project demonstrates kāwanatanga by exercising responsible governance that is informed by both technical evidence (hydraulic modelling, optioneering) and community input.
- 31. Critically, the project has been delivered in partnership with Te Aitanga a Māhaki and included extensive consultation with tangata whenua. Key engagement milestones include hui with local iwi and the formation of a community steering group. The co-design approach, and the incorporation of feedback into the development and refinement of stopbank alignment options, supports active Māori participation in governance processes.

Rangatiratanga

- 32. Rangatiratanga was demonstrated through early and ongoing engagement with Te Aitanga a Māhaki as a project partner, as well as with Māori landowners affected by the proposed stopbank retreat. The decision not to compulsorily acquire whenua Māori, unless requested by the owners, aligns with the principles of Te Ture Whenua Māori Act and upholds mana whenua authority.
- 33. The community steering group structure enabled community-led input into the hydraulic modelling and optioneering, ensuring tangata whenua had meaningful influence over the direction of the project.

Oritetanga

- 34. The project promotes equity by addressing systemic flood risks that affect a community disproportionately impacted by Cyclone Gabrielle, with a predominantly Māori population. The strategy to retreat the stopbank and restore natural river processes enhances community resilience, improves public safety and wellbeing, and aligns with the principles of Te Mana o te Wai, which prioritises the health and wellbeing of water bodies and the communities connected to them.
- 35. Māori voices were actively included in the options analysis process, helping to ensure that Māori values and concerns shaped decision-making and were not sidelined. Where Māori land is affected, the project commits to fair compensation and to avoid acquisition without consent.

Whakapono

- 36. There are two parcels of Māori reservation land situated on high ground near Kanakanaia Road, one of which is the new location of Rangatira Marae. Neither parcel will be affected by the proposed stopbank retreat, and both will retain a high level of flood protection.
- 37. The project reflects initial consideration of *Whakapono* by aligning infrastructure development with *tikanga* and recognising the cultural significance of *whenua Māori*. The proposed stopbank retreat is consistent with *Te Mana o te Wai* principles and has been advanced in collaboration with iwi.

TANGATA WHENUA/MĀORI ENGAGEMENT - TŪTAKITANGA TANGATA WHENUA

38. Te Aitanga a Māhaki have been active partners in Te Karaka Flood Resilience Improvement Project since its inception. Engagement has extended beyond consultation, to a codevelopment model, including participation in steering groups, hui, and optioneering discussions. This collaboration reflects a genuine commitment to honour mana whenua status and integrate their aspirations into flood resilience planning.

COMMUNITY ENGAGEMENT SUMMARY - TŪTAKITANGA HAPORI

- 39. **13 April 2024 Community hui.** Presented the partially calibrated flood model outputs to the community for validation. Attendees were invited to provide feedback during the hui.
- 40. **July 2024 Steering Group Formation.** A Te Karaka community-led Steering Group of approximately 20 members was established, with representation from Lavenham and Branson Roads, along Matawai Road (from the Lavenham Road junction through Te Karaka Township and up to Mangamaia Road, Whatatutu).
- 41. **7 August 2024 Steering Group Hui #1.** The inaugural meeting of the Steering Group was held. Group tikanga and purpose were established. The calibrated Cyclone Gabrielle flood model was presented and discussed. Two modelling scenarios were introduced. Members were invited to consider and bring additional scenarios to the next hui for discussion.
- 42. **13 August 2024 Community Hui.** A brief update on the formation and progress of the Steering Group was shared with the broader Te Karaka community as part of a wider recovery-focused hui.
- 43. 31 August 2024 Steering Group Hui #2. A representative from DHI (modelling specialist) attended this session. The Steering Group presented to Council their firsthand experiences of Te Karaka and surrounding area flooding. The results of three modelled scenarios were presented. The group discussed the current extent of the model and identified further scenarios for analysis.
- 44. **27 March 2025 Community Hui.** The concept of retreating the stopbank alignment was introduced early. At least seven longlist alignment options were discussed.

- 45. **30 April 2025 Community Hui.** Four shortlist alignment options were presented for community consideration and feedback.
- 46. **29 June 2025 Community Hui.** Two final alignment options were presented and discussed. The online Council webpage and submission portal was also promoted.
- 47. **24 July 2025 Community Workshop.** Community drop-in hui an adjusted alignment based on the community feedback received at that point in time was presented for discussion. Attendees were encouraged to complete the online feedback in advance of the close date.
- 48. **28 July 2025 Online Feedback Closed.** The online Council webpage and submission form for community feedback closed at 9am.

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

- 49. The Te Karaka Flood Resilience Improvement project directly addresses the region's increasing exposure to extreme weather events driven by climate change. Cyclone Gabrielle exemplified the intensifying rainfall patterns and flood flows that are predicted to become more frequent under future climate change scenarios.
- 50. While the proposed works significantly enhance the community's medium-term flood protection, aggradation trends coupled with ongoing climate-induced changes will gradually lower the level of service of the scheme in the long term. Managed retreat may need to be considered in the future.
- 51. Construction-phase emissions will be generated through machinery use and transport during bulk earthworks activities; however, these are considered to be minor relative to the regional emissions profile.

CONSIDERATIONS - HEI WHAKAARO

Financial/Budget

- 52. High level project costs estimates: The total estimated cost for delivering the preferred stopbank retreated alignment is estimated at \$28.6m, comprising:
 - a. \$15.3m in property acquisition and compensation costs, as estimated by The Property Group; and
 - b. \$13.3m in construction costs, including stopbank works, road-raising components, and a 20% contingency, as estimated by Tonkin & Taylor.
- 53. Available funding: The National Infrastructure Funding & Finance (NIFF) programme has approved \$13.2m in funding for this project with 90% covered by the Crown and 10% covered by Council, as part of the \$71.1m flood resilience package for Tairāwhiti. This funding is tagged specifically for Te Karaka flood resilience improvements.
- 54. There is a \$2.65m contingency budget under the \$71.1 million flood resilience package. This sum was initially allocated to Gisborne City North projects, but this can be reallocated.

- 55. Project to date expenditure is approximately \$0.5m related to hydraulic modelling, consultation and professional engineering services.
- 56. Funding shortfall: Based on current estimates, the project is facing a shortfall of approximately \$13.25m. This shortfall must be addressed either through reallocation within the National Infrastructure Funding and Financing Ltd (NIFF) programme (subject to meeting Crown conditions); seeking additional funding from the Crown; additional Council funding; or scope adjustments/cost savings.
- 57. Crown funding flexibility: On 30 June 2025, NIFF confirmed that Ministers had approved limited delegation to move up to \$5m in between projects within the programme, provided specific conditions are met, including:
 - a. must ensure full delivery of both project scopes,
 - b. maintain the agreed Crown and Council funding proportions as per the funding agreement,
 - c. not exceed \$5m per project,
 - d. preserve a Benefit Cost Ratio above 1,
 - e. remain within the Crown's total Category 2 contribution cap, and
 - f. avoid scope changes without joint Ministers' approval.
 - g. Underspends cannot be reallocated to expand other project scopes.
- 58. Council budget implications: The current shortfall exceeds the \$5m NIFF flexibility threshold. If the full preferred alignment is to proceed as scoped, Council will need to identify unbudgeted capital funding or consider staged delivery to remain within fiscal constraints. Options for doing so will need to be evaluated alongside further project definition.
- 59. Cost escalations: Inflationary pressures, potential delays, and evolving design requirements present ongoing cost escalation risks. These factors underscore the importance of confirming project scope, secure funding certainty, and establish appropriate contingency provisions to enable timely delivery and realise the intended flood protection benefits sooner.

Legal

- 60. The key pieces of legislation for this project are:
 - a. Public Works Act 1981.
 - b. Soil Conservation and Rivers Control Act 1941 (SCRCA).
 - c. Te Ture Whenua Māori Act 1993.
 - d. Local Government Act (LGA02).
 - e. Resource Management Act (RMA).

- 61. The Public Works Act 1981 provides the legal framework for local authorities to acquire land for public purposes such as infrastructure projects like this stopbank upgrade. Under the Act, the Council must first attempt to negotiate with landowners in good faith and offer fair compensation. If agreement cannot be reached, the land can be compulsorily acquired, but special provisions apply when Māori land is involved. The Act also allows for objections and appeals and requires that any acquisition or use of land be necessary, proportionate, and in the public interest.
- 62. The effect of section 126 of the SCRCA is that it establishes upon Council a statutory duty to minimise and prevent damage by floods, together with the powers necessary to discharge that duty.
- 63. However, although Council has a statutory duty to prevent or lessen the likelihood or damage from flooding, the SCRCA does not prescribe the level of flood protection that must be provided. In other words, although the statute imposes a duty of care, it does not set a standard of care. The decision as to the appropriate level of flood protection is ultimately made by Council in accordance with community expectations as reflected in Council's Long-Term Plan and Rating Policies, which are established via the special consultative procedure under the Local Government Act (LGA) 2002.
- 64. Te Ture Whenua Māori Act 1993 governs the administration and use of Māori land, aiming to retain land in Māori ownership and promote the sustainable development of that land by its owners. This proposed stopbank upgrade affects Māori land and the Act requires that any interference or use of Māori land—such as easements, acquisitions, or changes to access—must align with its principles, including the protection of ownership, consultation with landowners, and securing their informed consent. Council may be required to seek approval from the Māori Land Court for access and demonstrate that the project respects the status and cultural significance of the land while balancing public infrastructure needs.
- 65. Councils also have more general responsibilities regarding flood management and infrastructure under a variety of other legislation including the LGA 02 (e.g. ss 10, 11A 101A and 101B), RMA (s30), Civil Defence Emergency Management Act (CDEMA) (s17 (1)(a)) and under common law (i.e. implied duties).

POLICY and PLANNING IMPLICATIONS - KAUPAPA HERE me ngā RITENGA WHAKAMAHERE

- 66. The proposed stopbank retreat alignment is generally consistent with Council's strategic objectives for climate resilience, community wellbeing, and sustainable land and water management.
- 67. From an environmental planning perspective, the retreat option is expected to have a relatively low ecological impact. By moving flood defences away from the river, the proposal reduces pressure on natural processes and allows more space for river flows, aligning with principles of nature-based solutions.

- 68. The proposal upholds the principles of *Te Mana o te Wai*, placing the health and wellbeing of the river at the centre of flood management decisions. Providing more space for the awa is consistent with national policy direction under the National Policy Statement for Freshwater Management and reflects a shift toward integrated catchment planning.
- 69. The proposed alignment has significant implications for individual landowners and other stakeholders. These include property acquisition, loss of protected cropping and horticultural land, and increased flood exposure to areas previously protected by the existing scheme.
- 70. These impacts will need to be carefully managed through property negotiations, compensation mechanisms, and continued engagement with affected parties particularly where whenua Māori or culturally significant sites are involved. The proposed alignment will require assessment under the Resource Management Act 1991, particularly regarding land use change, bridge modifications, and hydrological effects.
- 71. The planning process must balance the broader environmental and resilience benefits of the proposal with the specific and, in some cases, adverse localised effects. A robust assessment of environmental effects, cultural impacts, and engagement outcomes will be required to support the resource consent application and demonstrate that the proposal meets both statutory and strategic planning obligations.

RISKS - NGĀ TŪRARU.

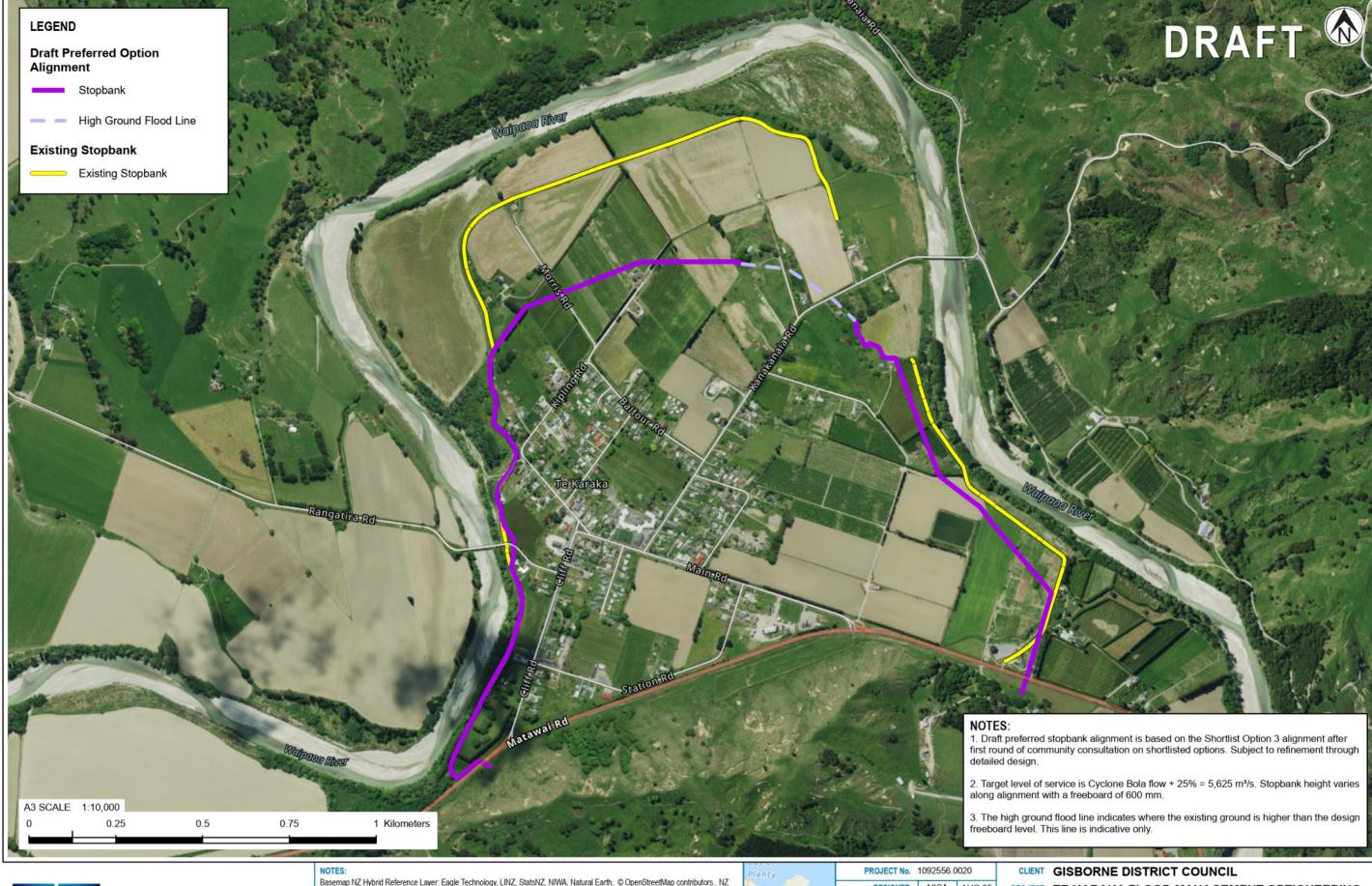
- 72. Property Risk: The proposed stopbank retreat alignment affects both general and Māoriowned land. There are risks associated with property acquisition, including potential delays in negotiation, legal complexities under the Te Ture Whenua Māori Act 1993, and the challenge of reaching agreement with affected parties. At least one critical land parcel is whenua Māori which cannot be compulsorily acquired under the Public Works Act. Failure to reach agreement with these property owners/trustees could stall the entire project. This will be mitigated through early and ongoing consultation and the engagement of The Property Group consultants who have extensive experience in this area.
- 73. **Stakeholder Impacts:** Several landowners will experience changes in flood risk, either through loss of protection or increased exposure. This includes productive horticultural land and a small number of residential properties. There is a risk of formal objections, reputational damage, and delays if concerns are not adequately addressed through engagement and compensation processes. As above, this will be mitigated through early and ongoing consultation and the engagement of The Property Group.
- 74. **Environmental and Cultural Risks:** While the retreated alignment is environmentally preferable, the project may still encounter issues relating to wāhi tapu, culturally significant sites, or impacts on tangata whenua values. This project aims to identify and mitigate such risks early in the design and consenting stages to avoid consent delays or legal challenge.

- 75. **Design and Structural Risks:** The proposal requires raising the State Highway and parts of Rangatira Road, as well as assessing impacts on existing infrastructure such as Rangatira and Kanakanaia bridges. Structural or geotechnical challenges identified during detailed design may lead to scope changes or increased costs. Further analysis of these factors will progress in the consenting stage.
- 76. Funding and financial risks: The estimated cost of the proposed alignment significantly exceeds the approved funding. Although there is potential for additional funding through approved reallocation mechanisms within the flood resilience programme, there is a risk that cost escalations (e.g. inflation, land value increases, construction complexity) may exceed the available contingency, placing pressure on Council and Crown contributions.
- 77. **Programme and delivery risks:** The project timeline is contingent on multiple parallel workstreams detailed design, property negotiations, consenting, and procurement. Minor delays in any one of these areas could impact the ability to commence physical works within the planned construction window (2026/2027 summer).
- 78. **Public and political risk:** As a high-profile recovery and resilience project, Te Karaka upgrade is subject to significant public interest and political oversight. Transparent communication, particularly with impacted property owners and tangata whenua, is essential to maintain trust and avoid reputational risk.

NEXT STEPS - NGĀ MAHI E WHAI AKE

Date	Action/Milestone	Comments	
Now / Late 2025	Concept design	Rough order costs.	
Late 2025	Securing funding for Te Karaka Flood Resilience Improvements	Reallocation of funds between resilience projects under the approved flood resilience programme. Securing funds.	
Late 2025/early 2026	Consent level design	Updated alignment and modelling, stopbank design and bridge analysis.	
Early/mid-2026	Property negotiations	Engage with owners, negotiations, instruct valuations, reach agreements for general land. Ongoing engagement with owners/trustees of Māori land.	
Early/mid-2026	Lodgement of resource consent	Timing to be concurrent with property negotiations.	
Late 2026	Detailed design	Construction drawings, geotechnical assessments, technical specifications, engineers estimate.	
Late 2026	Tendering and procurement	Tendering and contract award.	
Early 2027	Construction / delivery	Completion of physical works. May take x2 construction seasons.	

ATTACHMENTS - NGĀ TĀPIRITANGA Attachment 1 - Te Karaka Township ' Preferred Stopbank Alignment' [25-183.1 - 1 page]





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Basemap NZ Hybrid Reference Layer: Eagle Technology, LINZ, StatsNZ, NIWA, Natural Earth, © OpenStreetMap contributors... NZ Navigation Map: Eagle Technology, LINZ, StatsNZ, NIWA, Natural Earth, © OpenStreetMap contributors.. NZ Imagery: Eagle Technology, Land Information New Zealand, GEBCO, Community maps contributors. Shapefiles provided by GDC.

REV	DESCRIPTION	GIS	СНК	DATE
0	First version	NICA	JAFL	1/8/25
2		Tanay I	22-2	74.501

NICA AUG.25 NICA AUG.25 DRAWN CHECKED JAFL AUG.25 PROJECT TE KARAKA FLOOD MANAGEMENT OPTIONEERING

TITLE DRAFT PREFERRED OPTION ALIGNMENT

FIG No. FIGURE 1.2 SCALE (A3) 1:10,000 REV O 545 of 547

12. Public Excluded Business

RESOLUTION TO EXCLUDE THE PUBLIC

Section 48, LOCAL GOVERNMENT OFFICIAL INFORMATION and MEETINGS ACT 1987

That:

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

Confirmation of Confidential Minutes

Item 4.1	Confirmation of Confidential Minutes 27 March 2025
Item 4.2	Confirmation of Confidential Minutes 26 June 2025

Item 4.3 Confidential Action Register

PUBLIC EXCLUDED Business

Item 12.1 25-208 Gisborne Holdings Limited Land Sales

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

Item 4.1 & Item 12.1	7(2)(b)(ii)	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
nem iz.i	7(2)(i)	Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Item 4.1, Item 4.2, Item 4.3, & Item 12.1	7(2)(h)	Enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities.
Item 4.1 & Item 4.3	7(2)(c)(ii)	Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.
Item 4.2	7(2)(a)	Protect the privacy of natural persons including

that of deceased natural persons.