



# Our Future Plan

**2018–2028 Long Term Plan**

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

Adopted by Council on 28 June 2018



# OUR VISION

## Tairāwhiti

Tairāwhiti Tangata

Tairāwhiti Taonga

Tairāwhiti Wawata

## Tairāwhiti First

First to see the light

First choice for people and lifestyle

First choice for enterprise and innovation

First place for the environment,  
culture and heritage

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# Ngā Māhere Our Plan

# Mayor and Chief Executive's Foreword



Tenā koutou e nga whanau o Te Tairāwhiti

'What's the future Tairāwhiti?' was the question we asked when interacting with thousands of people from all corners of our region to help us determine our Long Term Plan (LTP).

We visited schools, marae, and community events, and had discussions in person and on social media. We all agree that Tairāwhiti/Gisborne is the region of first's - first in the world to see the light, the first place our ancestors set foot, the first to be discovered.

We have much to be proud of. But we know we also have a lot of work to do.

Over the last three years we've achieved many things for our community – expanding the HB Williams Memorial Library, redeveloping our inner harbour, working with the community to revitalise Titirangi. we've strengthened bridges, upgraded playgrounds and townships, conducted trials of the wetland system and recharging the Makauri Aquifer, while providing the essential infrastructure needed to keep our place functioning.

We renew our LTP every three years to ensure we are on track to achieve our vision. The plan explains what we are going to do, why we are doing it and how we will cover the costs.

You helped us shape this plan. We asked the community to consider options for some of the decisions we needed to make and how we'd pay for them. You told us the issues that were important to you.

You said you want community facilities that meet your needs, you told us to keep our roads maintained and you want safe routes to get to school. You want secure drinking water for our communities and affordable, better quality treatment for wastewater released into our environment. Better infrastructure for draining water and protection from floods.

You want our money to be spent on the things that matter and for that to be done wisely, and you support the options we've put forward to achieve this for you.

So, we are proud to present Council's 2018-2028 Long Term Plan for our district.

Our plan for the next ten years is to go back to basics and focus on building, renewing and maintaining critical community infrastructure. That means we're focusing on the essentials first, tightening our budgets and being careful about what we ask you to contribute.

Our plan means we may not be able to do everything at once, but we'll have what we need as a starting point for our community to be successful and thrive.

We would like to acknowledge all the hard mahi to put together this Long Term Plan. It was great to see Council and community members work together to make it happen. We intend to deliver this plan in the same way too, working together in partnership with our community to achieve our plan, so we can all be proud of what we do.

Once again we thank you for your feedback and support and invite you to read our plan for the future.

Tairāwhiti tangata, Tairāwhiti kaenga, nā koutou, nā tātau.

Tāirāwhiti people, Tairāwhiti home, by you, for the people.

Gisborne District Council - Te Kaunihera o te Tairāwhiti

Meng Foon  
**Mayor**

Nedine Thatcher Swann  
**Chief Executive**



Chartered Accountants

To the reader:

## INDEPENDENT AUDITOR'S REPORT ON GISBORNE DISTRICT COUNCIL'S 2018/28 LONG-TERM PLAN

I am the Auditor-General's appointed auditor for Gisborne District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Ernst & Young. We completed our report on 28 June 2018.

### Opinion

In our opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and coordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures in section 5 pages 34 and 35 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

### Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.



Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

## **Responsibilities of the Council and Auditor**

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.



## Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.

A handwritten signature in dark ink, appearing to read 'David Borrie', is shown.

David Borrie  
Ernst & Young  
On behalf of the Auditor-General  
Wellington, New Zealand





## Welcome to *Tairāwhiti First!*

This is our 2018-2028 Long Term Plan (LTP) for the Gisborne district. Our vision is clear. Our people, our environment, our culture and economic prosperity come first.

You helped to shape this plan. Most of what goes in the LTP is what you have told us you want or what legislation tells us we need to provide. It sets out what the Gisborne District Council (Council) plans to do over the next ten years. It also sets out a 30 year strategy for our key infrastructure. Our plan is about balancing what's affordable for our district with what's sustainable. Councillors have made it clear that we have to get back to basics and make sure that we look after our three waters, roads and balance that with some community infrastructure that contributes to the liveability of our region.

## What's the future Tairāwhiti? Early Engagement

The seven-week What's the Future Tairāwhiti? campaign was hugely successful, particularly as it opened conversations with people from all walks of life and raised the profile of Council in the community. We engaged around 2,800 people through our presence at 35 community events, spaces and hui, schools and groups and also attracted thousands more on social media and our website. The campaign included seven streams of engagement on seven key discussion topics important to our region. We appreciate your feedback and what you told us influenced the priorities and major projects described further on.

## Formal Engagement

We wanted to make sure that you had the chance to participate in planning our future together. We ran a formal consultation period from 13 March to 20 April 2018, followed by Council hearings and deliberations on 14 to 16 May 2018. Changes were incorporated before the final 2018-2028 Long Term Plan was adopted by Council, 28 June 2018.

The consultation programme was extensive to ensure that everyone in the district had a chance to have their say. This is a snapshot of our consultation programme:

- we had a clear, concise and easy-to-read consultation document for our Long Term Plan that set out what we plan to do over the next 10 years. This was made available on Council's website and at our offices
- 22 Community meetings were held throughout the district during this time
- the Gisborne Herald, radio advertising and social media were used to inform the public about the LTP and how to have a say
- residents were encouraged to make constructive submissions either in writing, email or online via our website and also to indicate if they wish to speak in support of their submissions at a hearing.

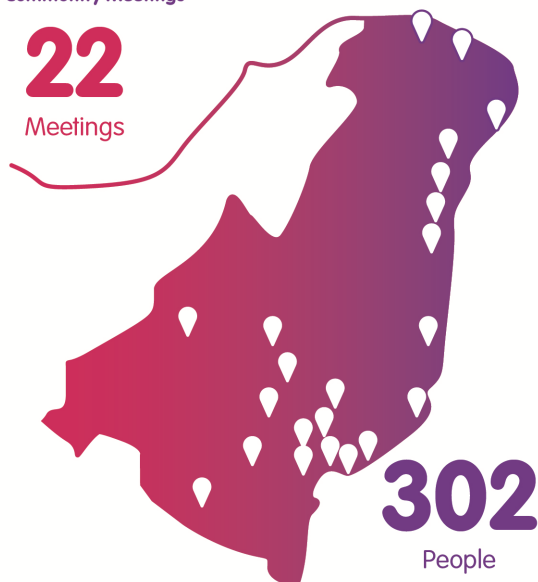
Council received a total of 347 submissions, with 65 submitters taking up the opportunity to present a hearings. The hearings were held for the Long Term Plan, concurrently with the Waste Minimisation Plan and the Regional Land Transport Plan.

## LTP Community Engagement

### Community Meetings

**22**

Meetings



### Attendance

Hicks Bay	12	Matawai	15
Te Araroa	13	Makauri	16
Waimata	12	Ngatapa	25
Whātātutu	9	Kaiti	11
Te Karaka	12	Tikitiki	19
Manutuke	9	Ruatoria	12
Whangara	5	Waipiro Bay	12
Tolaga Bay	17	Te Puia	9
Tokomaru Bay	27	Tiniroto	11
Wainui	24	Waerenga-o-Kuri	11
City	12	Patutahi	9

### Radio Ads



**6** Stations

**6** Week Campaign

**2k<sup>+</sup>**

Ads Aired

### Hui-a-Iwi

**112**

**183** People

### Presentations

**6** **144**  
People

### Websites



**4,065** LTP Webpage Views  
**150** Submissions

**1,959** Website Views  
**80** Submissions



### Digital Ads

**9,824** Impressions  
**155** Click Throughs

**3x**  
Average Rate\*

### Print



**6**  
Newspaper Advertisements



**1,380**  
WTF Consultation Documents



**52**  
Posters and Flyers

### Facebook Posts



**36.5%**  
Rates

**23.1%**  
Roads

**14.3%**  
Wastewater

**7.3%**  
Olympic Pool

**6.6%**  
DrainWise



**4.1%**  
Rep Review

**4%**  
Public Transport Plan

**2.6%**  
WTF reminder

**0.9%**  
Have Your Say

**0.6%**  
Transport Plan

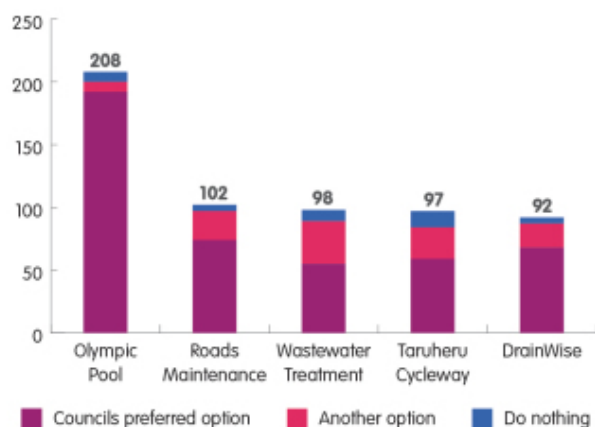
\* This means our digital ads had a 'click through rate' (amount of time people click on the advert to go to the website) that was 3 times more than the average for most ads.



## What you said

For the key issues, submitters strongly supported Council's preferred options:

Submissions on key issues



- roads maintenance - there was clear support for increasing the amount of funding for road maintenance and renewals, with the preferred option of an affordable renewals focus
- the DrainWise project was given high priority by submitters. Council's preferred option to focus on public property, and enforce private was supported. However, there was also concern for affordability. Investigating alternative funding options for the private property owners was suggested
- for the city's wastewater treatment options, the majority of submitters (54%) supported completing Phase One (which includes clarification, solids removal and UV disinfection) within ten years. But there was also significant support for the alternative option which would see Phase Two (a wetland) also completed in the ten years, with an increase in cost. Support for the further investigation of Alternate Use and Disposal (AUD) options was common to both the preferred and alternative options
- the proposed Olympic Pool redevelopment generated a very high number of submissions - 94% of which were in favour of Council's preferred option, which includes continuing to provide a 50m pool
- most supported Council's preferred option to complete the Taruheru cycleway in 2021-2024 with 100% external funding. Those opposed to the preferred option generally suggested that Council should invest some money to enable the project to be completed sooner.

Other topics and issues raised by submissions included:

- concern with rates affordability and the fair distribution of rates increases

- ensuring Council makes adequate provision for the recently adopted Community Facilities Strategy
- biodiversity enhancements including at the Waingake Reserve
- several submissions asked that the Tokomaru Bay Wharf be restored
- partnering with iwi
- community opposition to linking two cul-de-sacs – Ruth Street and Gwyneth Place.

## How we responded

The feedback received at community meetings, online and in formal submissions meant we were much clearer on what our communities consider as priorities.

- Council's preferred option was approved for all of the key issues (Road maintenance, DrainWise, wastewater treatment, Olympic Pool and Cycleways).
- The debt ceiling was increased above what was indicated in the Consultation Document. It is now \$85m in years 1-3 (up from \$80m) and \$105m in years 4-10 (up from \$100m). The increase in debt is required as a result of a deficit in previous years and to allow for project carryovers.
- The average rates revenue will increase by 4.95% (up from 4.89% as stated in the Consultation Document). The increase will be used to pay for the ongoing investigation into alternative use and disposal options for the city's wastewater. This has increased the wastewater toilet pan by \$2 for those properties who are connected to the wastewater network, when compared with the consultation document.
- Additional funding from NZTA has been confirmed for Land Transport. The extra money will be held in reserve until roading needs are assessed in year one. Some funding will also be used to reduce debt.
- In response to concerns with water supply, wastewater and flood control the following projects were approved:
  - Waingake Reserve - \$100k in year 1, then \$50k per year for the Waingake restoration project
  - a project in year one to investigate the feasibility of water tanks being provided to private property owners
  - a water quality monitoring project for Hamanatua Stream in year one
  - Willows Road Drainage Scheme - \$100k in year 1 to progress the resource consent and planning for

- the proposed stop bank and associated pumping works
  - alternative Use and Disposal (AUD) - \$50k in years 1 and 2, then \$75k per year for further investigation into AUD for wastewater treatment.
- Partnerships were further encouraged with Council agreeing to:
  - engage with Ngai Tamanuhiri and Rongowhakaata around developing potential relationship agreements
  - engage with Te Runanganui o Ngati Porou to identify resourcing needs and options regarding Waiapu Koka Huhua and the Joint Management Agreement.
- The Waste Management Minimisation Plan 2018 – 2024 was adopted, with Council supporting the consideration of using wheelie bins for kerbside waste and recycling.
- Community groups and facilities were supported through:
  - Community Facilities Strategy – \$33k per year for business planning and \$25k per year for resourcing implementation of the Strategy
  - Crematorium - \$50k in year 1 to upgrade the crematorium
  - Whakarua Park - \$30k to be brought forward from township planning budget for Business Case development
  - Surf Life Saving NZ - \$4.5k per year increase to current funding levels.
- Fees and charges - changes to Regional Monitoring and Science charges (RMA s36 charges) were made in response to forestry industry concern.
- Development Contributions policy
- Significance and Engagement policy
- Tairāwhiti Piritahi – Fostering Māori Participation in Decision Making
- Revenue and Financing policy
- Liability Management policy
- Investment policy
- Fees and Charges
- draft Regional Land Transport Plan 2018-2028
- draft Gisborne Regional Public Transport Plan 2018-2021
- draft Waste Management Minimisation Plan 2018-2024
- Representation Review.

## Other Council documents

We coordinated consultation on other proposed plans with the LTP consultation process. When we consulted with you also heard, about other plans and were encouraged to have a say. If a submission related to transport, it helped to inform the Regional Land Transport Programme.

Strategies, plans and policies consulted on with this LTP were our:

- draft Financial Strategy 2018
- draft Infrastructure Strategy 2018
- Rating Remission, Postponement and Penalty policies



## Tairāwhiti at a glance

We are a region of firsts locally, nationally and globally.



This LTP outlines the activities and services Council is planning to provide over the next 10 years. It states the vision for the district, the community outcomes, the services and activities Council is planning to undertake to contribute to those outcomes, and the costs of providing those services and activities to our community.

New Zealand is divided into sixteen regions for local government purposes. Eleven are administered by regional councils and five are administered by unitary authorities, which are territorial authorities that also perform the functions of regional councils. Gisborne District Council is a unitary authority, New Zealand's first unitary authority, created as part of a major nationwide reform of local government in 1989. It replaced previous city and county councils, water boards, catchment boards, harbour boards and pest, noxious plant and recreation authorities.

The Gisborne District (which is also a region) covers a land area of 8,265 square kilometres located in the north-eastern corner of the North Island. This is approximately 5% of New Zealand's total land area.

The estimated population of the district is 47,900<sup>(1)</sup>, which equates to 1% of New Zealand's total population. Gisborne has the lowest ratio of population to land area of all North Island regions and the fifth-lowest of New Zealand's 16 regions. Three quarters of the population lives in Gisborne City, which had an estimated population of 36,100 in 2016<sup>(2)</sup>.

Other settlements are small, with the largest population being in Tolaga Bay (840), followed by Ruatoria (840), Te Karaka (550) and Tokomaru Bay (410).<sup>(3)</sup>

Gisborne has the highest proportion of Māori of all regions, with 49% identifying as Māori in the 2013 census; compared to 16% nationally. From the southern boundary of the district, the iwi of Te Tairāwhiti are Ngāi Tāmanuhiri, Rongowhakaata, Te Aitanga-ā-Māhaki, and Ngāti Porou.

Ngāti Porou is the most numerous iwi affiliation among Gisborne Māori, with just over 12,000 people in the district identifying with that iwi. Pacific people make up 4% of the local population, with 2% identified as Asian in the 2013 Census. In 2013, around 6,240 Gisborne district residents reported being able to hold a conversation in te reo Māori (almost 16% of the district's population – four times the national percentage).

It is also important to note that the region has a high population of those aged under 15 years (24.6%) when compared to all of New Zealand (20.4%). Gisborne has the second highest total fertility rate in New Zealand (2.4 births per woman)<sup>(4)</sup>.

The district scores highly on the social deprivation index. Income levels are below national medians, with a median household weekly income of \$1,400 in 2017 for both Hawkes Bay and Gisborne combined, compared to \$1,578<sup>(5)</sup> nationally. This highlights rates affordability as a particular concern and focus for Council.

The district's population is forecast to grow by almost 1,500 persons (3%); from 47,900 in 2018 to 49,390 in 2028. By 2043 the forecasted population is 52,065; a growth of 4,170 persons (8.7%) over 25 years.

The way we interact with each other and the world is shaped by our bi-cultural heritage, landscape, location and way of life. We are committed to preserving and growing the unique attributes of the people of Tairāwhiti.

Our arts, heritage, language achievements and celebrations are locally, nationally and internationally renowned.

The city's facilities include a library, theatre and museum.

Our region has been developing its infrastructure over the years to match the growth. Gisborne Airport recording 156,146 passenger movements mainly between Gisborne, Auckland and Wellington. The airport is owned by Council and operated by the Eastland Group by lease agreement.

Port Gisborne can handle vessels of up to 190m in length and a draught of up to 10.5m. The export wharf has a modern fleet of cargo-handling equipment, a bulk handling installation and cold storage facilities.

For manufacturing and food processing, we provide an efficient, reliable supply of quality water. Gisborne is well served with a high-capacity network of electric power lines and sub-stations covering the entire region.

Virtually the whole of the urban area, including the industrial estate, is reticulated with natural gas. Real estate prices present good opportunities. Commercial and industrial space is available at extremely moderate rates compared with those in other areas. We have a very capable local building industry.

Agriculture has been the most important industry in the Gisborne District since earliest settlement. However, agriculture has diversified over the years and now forestry, viticulture, horticulture and industries such as food processing are becoming increasingly important.

Gisborne-based enterprises have shown innovation and excellence in a variety of areas including cheese, beer, wine, cider, meat, popcorn, truffles, hosiery, surfboard production, cashmere fibre production, honey, organic farming and oil extraction for perfume and health products from the native Manuka tree.

1 Statistics New Zealand Subnational Population Estimates for Regional Authorities, as at 30 June 2016  
 2 Statistics New Zealand Subnational Population Estimates for Gisborne Urban Area, as at 30 June 2016  
 3 Statistics New Zealand Subnational Population Estimates for Area Units, at 30 June 2016  
 4 Calculated using live births over a three-year period centred on the 2013 census year  
 5 Statistics New Zealand, Household income by region, household type and source of household income





## Our direction

This section outlines the vision and community outcomes of Gisborne District Council. In the sections to follow we explain what we are going to do, why we are doing it and how we will cover the costs.

Council aims to achieve these in order to promote the social, economic and cultural wellbeing of Gisborne Tairāwhiti's current and future communities, together with maintaining and enhancing the quality of our environment.

Our plan is all about going back to basics while still making our communities proud. Through consultation we've asked our community to make decisions on what's important to them and they have told us. We aim to work in partnership with others to identify ways that Council can support our community to thrive. That's why our plan for the next ten years is to:

- focus on building, renewing and maintaining critical infrastructure by increasing our borrowing to a sensible level
- deliver on work programmes that address what the community identifies as priorities – roading, water, wastewater, stormwater and flood control, environmental regulation, and important community facilities
- find additional sources of income, enabling us to keep rates affordable through grants and dividends, partnerships and some increases to user pays systems.

Our big picture plans are summarised in the LTP. These are interrelated and help to set a platform for all of Council's planning and service delivery including the major projects described here.

## Vision

### Tairāwhiti First!

**Tairāwhiti Tangata First to see the light**  
**Tairāwhiti Taonga First choice for people and lifestyle**  
**Tairāwhiti Wawata First choice for enterprise and innovation**  
**First place for the environment, culture and heritage**

Our vision speaks of our region of firsts; locally, nationally and globally. We are the first city in the world to see the rising sun.

A place where people want to be and are proud to live. A place that is home to productive and innovative businesses and where our agriculture and natural resource strengths are leveraged into value-added job rich opportunities. A place where we care for our environment as an integral part of our lifestyle. A place rich in history that celebrates and keeps alive its language, culture and traditions.

Working together over the last three years, on many important strategic projects, the diversity of our communities has truly sounded in Council's ears. We have heard your views on the Community Facilities Strategy, Regional Economic Action and Māori Economic Development Plans, a Regional Freshwater Plan and an application to the New Zealand Geographic Board to potentially change our name to Turanganui a Kiwa – Poverty Bay, and many more!

We would like all our communities to succeed and to benefit from the many opportunities that our District provides and are working hard to make that a reality.

We think that our vision fits well with the purpose of Local Government, which can be summarised as:

- enabling democratic and effective local decision-making and action by, and on behalf of communities
- meeting the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Note: The purpose of Local Government as described in the Local Government Act is under review at the time of writing.

## Community outcomes

Our three community outcomes reflect our vision. They present an over-arching view of Council's activities that encourages integrated thinking and action across Council activities. They also keep us focused on what is important.

- **Tairāwhiti Tangata (our people)**

Gisborne's greatest asset is its people. We are a cohesive, connected, culturally rich and creative community. We have access to and celebrate those things that foster our wellbeing including quality arts, recreational, cultural and educational opportunities; strong health; infrastructure and good jobs.

- **Tairāwhiti Taonga (our environment, culture and economy)**

Gisborne is blessed with many natural assets. Our rich coastline, fertile soils, warm climate and abundant freshwater are key to our community's well-being and prosperity. Our unique cultural heritage is a source of enduring pride. We celebrate our dual heritage and collaborate for a healthy future.

- **Tairāwhiti Wawata (our aspirations realised)**

Gisborne is a district where we achieve our aspirations, not only locally, but nationally and globally. We are a district that leads and advocates for itself. Citizens are actively involved in community life and Council engages the community in its decision making to achieve our aspirations.

The activities and proposed expenditure in the Long Term Plan 2018-2028 supports Council's vision and community outcomes.

## Strategic priorities

Council has developed strategic priorities aligned to our vision and community outcomes. These sharpen Council's focus on its sphere of influence and where its activities can be most effective. These priorities are reflected in the LTP's projects and activities.

- **Tairāwhiti Wai**

Improve the wellbeing of our waterways and coastal environments, including protection of healthy soils.

- **Intelligent infrastructure**

Invest in existing and future core infrastructure needs, with a focus on cost efficient and effective designs.

- **Intelligent investment**

Make sensible, long term decisions on investments and borrowing, and always seek the best value for community money.

## Achieving our goals and plans

Our work is driven by strategies, policies and plans that guide Council in achieving our goals and articulate what we intend to do.

Some of our strategies and plans are required by statute; such as the:

- Financial Strategy and Infrastructure Strategy - Local Government Act 2002
- Regional Land Transport Strategy - Land Transport Act 1998
- Tairāwhiti Resource Management Plan - Resource Management Act 1991
- Waste Management and Minimisation Plan - Waste Minimisation Act 2008.

Others are direct strategic responses to matters Council considers as local priorities, as long as they meet the purpose of the Local Government Act 2002, for example the Community Facilities Strategy and Township plans.

We've highlighted the main components of some of these here, and a full list can be viewed on Council's website under the heading Forms & Documents:

## Financial Strategy 2018

(The full 'Financial Strategy' 2018 is on page 2 under section 2).

The overarching aim of our Financial Strategy is to meet our critical infrastructure needs in a way that is affordable for our community.

This Financial Strategy outlines Council's approach to financial management for the next ten years, including sources of revenue to fund capital and operational costs and the impacts on rates, debt, levels of service and investments. It guides the Council's future funding decisions and, along with the Infrastructure

Strategy, informs the capital and operational spending for the 2018-2028 Long Term Plan.

This Financial Strategy 2018 supersedes the Financial Strategy adopted in 2015 and sets out six inter-linked key strategic directions:

- focus on the critical activities and infrastructure, which meet the community's needs during the LTP period and beyond
- keep rates as affordable as practical while recognising the need to fund critical activities and infrastructure and keeping the region functioning well
- increase alternative revenue streams through partnerships, targeted contributions and investment income
- increase maximum debt levels still within prudent levels as per the Investment Policy, the Liability Management Policy and the Revenue and Finance Policy
- ensure users and those who benefit from Council activities and infrastructure pay for them
- grow the rating base through economic activity without the need to trigger more additional capital works projects or grow Council's infrastructure footprint.

## Infrastructure Strategy 2018

*(The full 'Infrastructure Strategy' 2018 is on page 4 under section 3).*

The purpose of the Infrastructure Strategy is for Council to look beyond the ten year horizon and consider any significant issues that we might face; how this may impact on the assets we have; the services we provide and how we will manage these issues, risks and costs.

Council has infrastructure assets of \$2.04bn. This includes the roading network, community facilities, water infrastructure and Council's investment in Gisborne Holdings Limited, a Council Controlled trading Organisation that is 100% owned by Council.

The 2018 Infrastructure Strategy provides a 30-year view of these assets for Council to provide the community and businesses with infrastructure at agreed levels of service, cost effectively, and within an acceptable level of service delivery risk. The Strategy articulates the options that we have for managing 'the most likely scenario' and sets out the major issues, risks, uncertainties and projects for each of the following activities: wastewater, stormwater, transport, urban water supply, solid waste and rivers and flood control.

## Community Facilities Strategy 2018

The Community Facilities Strategy will drive the delivery of some significant changes to the way we provide community facilities across Tairāwhiti.

These changes will occur over time, and include:

- viewing facilities as part of a network encompassing provision across a range of providers and geographic areas rather than viewing facilities in isolation. This reduces the likelihood of duplication and of under or over supply of facilities
- ensuring the provision of facilities is in response to a clear and demonstrated community need that cannot be met through the existing facility network. This ensures the facility is worth its investment in light of scarce resources
- developing a network that is financially sustainable, that is affordable for the provider as well as the user and considers the whole of life costs of facilities. This means decisions consider the full costs of facilities for everyone.

## The Urban Development Strategy 2015

The Urban Development Strategy 2015 (UDS 2015) is Council's main strategy for making sure that the land in the Gisborne urban area and its surrounding rural and industrial areas get used in ways that create plentiful opportunities for our communities to live well and prosper.

The key priorities for achieving the strategy are:

- protecting the elite soils of the poverty bay flats
- reorienting the city to strengthen its connection to the coast and rivers
- providing integrated and efficient core infrastructure.

The UDS will be due for review in line with the next LTP (2021-2031). We expect that these priorities will hold true at least through the next three years as we continue to carry out:

- reviews of the Taruheru Block structure plan and Lloyd George Road zoning and infrastructure provision
- public place improvements in the inner harbour, CBD and riverside walkways
- spatial planning project and quarterly monitoring of market indicators to make sure we have enough development capacity to meet the needs of our community
- continuous improvements in the quality and quantity of the information we collect about all Council assets.

## Environmental Strategy

Our natural environment is the foundation of our community's wellbeing and prosperity. All natural resources – air, land, water and indigenous biodiversity – are taonga that we must safeguard and restore, for current and future generations.

We have an opportunity to consider the state of our environment and create an integrated, region-wide strategy that is aspirational, collaborative and forward-thinking.

We will explore the following core components of our environment: atmosphere and climate, freshwater, the coastal environment, and land. We will also consider the linkages with other council functions, like the role of transport and urban form.

The Environment Strategy for Tairāwhiti Gisborne will aspire to:

- ensure future development supports a healthy natural environment
- define outcomes for our natural environment and consider how to achieve the outcomes
- support resilient community development and planning in response to climate change
- increase our collaboration with the community and partners to achieve good environmental outcomes
- provide a shared vision of what council, our community and our partners want to achieve for our environment.

The Environment Strategy is planned for development within the ten-year window of this Long Term Plan.

## Tairāwhiti Piritahi: Fostering Māori Participation in Council Decision-Making Policy 2018

*(The full Tairāwhiti Piritahi policy is included on page 'Tairāwhiti Piritahi: Fostering Māori Participation in Council Decision-Making')*

'Tairāwhiti Piritahi' is Council's framework and strategy for fostering Māori participation in Council decision making.

It guides staff towards a working knowledge of Council's legislative obligations under the Treaty of Waitangi and the Local Government Act 2002 to provide opportunities for Māori to contribute to decision making processes, and to take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, values flora and fauna and other taonga.

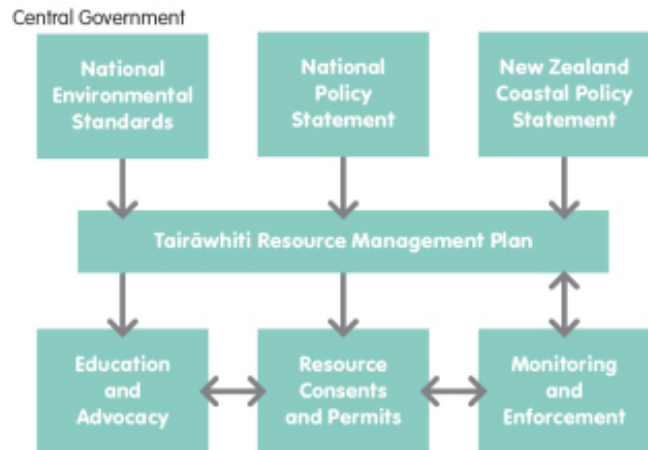
Through 'Tairāwhiti Piritahi' Council seeks to build effective relationships with Māori to help us to perform the core Council role of leading and representing our communities.

## The Tairāwhiti Resource Management Plan

Council manages air, soil, water, the coastal environment, as well as land use in our urban centres, rural land use, and open spaces on behalf of the district.

The Resource Management Act (RMA) establishes a framework for management of the district's natural and physical resources. The diagram below shows responsibilities of various levels of government under the RMA.

### Resource Management Act Responsibilities



Since the 2015-2025 LTP, Council has simplified and streamlined its RMA plans by creating a unitary plan, now known as The Tairāwhiti Resource Management Plan (the Tairāwhiti Plan).

The Tairāwhiti Plan integrates the various Regional and District planning requirements into one plan. The merging and rationalisation of Council's resource management plans into one document is a major step towards making the plan more accessible.

Even though the format of the Tairāwhiti Plan is new, much of the content is due or overdue for review according to Resource Management Act time frames.

The complete review of the Tairāwhiti Plan is likely to take several years to complete. Council has started this review and is focussing on priority projects including:

- reviewing zones of urban areas and where development should occur
- catchment planning for the Motu and Waiapu catchments
- updating the plan to recognise and provide for tangata whenua values and the role of Māori in plan and decision-making
- reviewing how we manage our coastal areas
- updating natural hazards information and how we manage hazards to create a more resilient community.

## Transport Plans

The law requires councils to describe how we plan to manage transport in the District. Council's land transport business unit, Tairāwhiti Roads, is responsible for management of the roading network, walking and cycling provision and passenger transport. As a joint venture between New Zealand Transport Agency and Gisborne District Council, the business unit is also responsible for the management of the state highways.

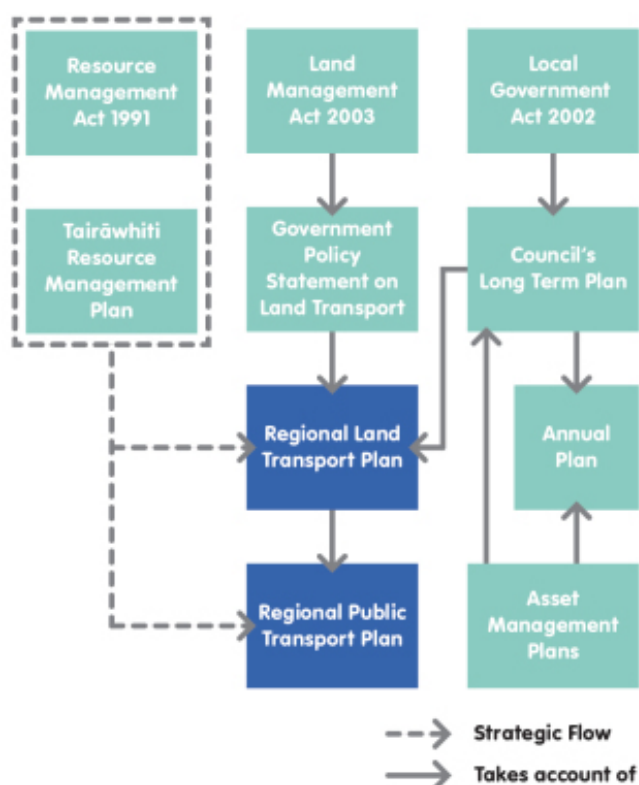


Council is required by law to deliver two main Transport Plans: the Regional Land Transport Plan (RLTP) and the Gisborne Regional Public Transport Plan (the Public Transport Plan).

The framework below shows the legislation that requires all councils to prepare these plans, and the important ways that they are used in day-to-day council business i.e. the Tairāwhiti Plan and the Long Term Plan.

Both Transport Plans have been recently reviewed and were consulted upon in parallel with the consultation on the 2018-2028 LTP.

## Strategic policy framework for Regional Land Transport Plans



## Regional Land Transport Plan 2018-2028

The key purpose of the Regional Land Transport Plan (RLTP) is to represent the combined intentions of the Transport Agency and the Council for the next ten years.

The Regional Land Transport Plan for Gisborne identifies:

- key transport issues in the Gisborne region and how the activities, proposed in the programme, will address these issues; and
- a prioritised delivery programme of transport services and activities (nationally funded) that will be undertaken between 2018 and 2021.

The Plan is an important tool for getting central government funding for our priority transport activities. The NZ Transport Agency can only allocate funds to activities listed in an RLTP.

## Gisborne Regional Public Transport Plan 2018-2021

Council provides the public transport service to the Gisborne urban area. This includes the urban bus service known as Gizzy Bus, Waka Kura (school buses) and the Total Mobility Scheme for people with disabilities. These services are provided under contract and are subsidised by Council.

The Public Transport Plan provides Council with the strategic framework for making decisions around public transport services. It identifies:

- the public transport services available in the Gisborne region and the agents responsible for delivering these services
- the current levels of service and patronage
- the ways that public transport services support the transport disadvantaged.

Importantly, the Public Transport Plan articulates Council's vision for these services, which is "To provide an efficient, accessible and financially sustainable public transport network that supports the needs and wellbeing of our communities."

## Managing and minimising our District's waste

The law requires councils to also describe how we plan to manage waste in the District. Council's Solid Waste Management activity is responsible for effectively and efficiently managing the district's solid waste activities. Part of this involves leading the implementation of the priorities and actions described in the Waste Management Minimisation Plan.

## Waste Management Minimisation Plan 2018-2024

Having a Waste Management Minimisation Plan (WMMP) is a statutory requirement of all New Zealand councils. It sets out what we intend to do over the next six years to make sure we manage our waste as best we can for the benefit of our community, our local economy, and our environment.

Since 2015, there has been an increase in the amount of waste our community sends to landfill. Over the same time, the amount of material we recycle has also dropped slightly. This matches a national trend in increasing waste to landfill and declining recycling tonnage.

To address these trends Council has revised the 2012 WMMP, making the most of our waste resources, fostering innovation and maximising the opportunities that can be created from resource recovery.

This WMMP 2018-2024 sets out goals, objectives and targets to guide us towards waste avoidance, reduction and recovery. Thirty-three activities are detailed and will be carried forward

into Council's LTP and Annual Plans to help ensure the resourcing is available to deliver on the WMMP.

The WMMP is reviewed every six years.

## Township Plans

In the face of population decline in rural areas we are challenged to find ways to continue to provide and improve infrastructure for rural areas and small towns. Council is developing the Township Plan programme that guides us in planning for the future development of specific rural towns in the Gisborne district. We believe that our rural towns contribute social and economic benefits to the district as a whole. We also recognise their existence as valuable to the continuation of communities connected to traditional rohe.

The plans are non-statutory planning documents and are owned by each community. Through this programme Council stages engagement with each of its major communities. Each Township Plan will be delivered over two years. A budget of \$100,000 will be used for planning and seed funding for external funds in the first year. \$500,000 is allocated every second year for improvement projects identified through the engagement. These projects often focus on building a sense of place through, for example, streetscape improvements.

Major improvements from Township Plans will be coordinated with other Council activities included in this plan to improve efficiencies and cost-effectiveness. Our regular maintenance programmes for rural communities will continue.

## Regional Economic Action Plans

Council and the Eastland Community Trust (ECT) have a Memorandum of Understanding that guides how we work together to deliver economic transformation in the Gisborne district in the interests of the people of Tairāwhiti.

Our work programme involves targeted actions in key areas. These are described as the Tairāwhiti Economic Action Plan (TEAP) and Tairāwhiti Māori Economic Development Report, which were both published in February 2017.

Council and ECT contributed to the development of the TEAP, alongside Gisborne Chamber of Commerce, Eastern Institute of Technology, local big businesses, Iwi Trusts and and Kimihia He Oranga (KHO).

The two documents have many synergies, outlining key priorities for stimulating economic growth and both viewing collaboration as being key to growing the capacity of our people and creating the optimal pre-conditions for capital investment in Tairāwhiti.

Actions are to be implemented by regional groups, industry groups, local businesses and iwi, with support from Central Government through the Regional Growth Programme and Tourism Infrastructure Fund.

## Council activities

The activities and services used to put our plans into action are organised into groups. Each group of activities sets out the levels of service that our community can expect.

Council has nineteen groups of activities clustered under six groupings:

Liveable Communities	Environment Services and Protection	Governance and Support	Infrastructure Services	Planning and Development	Commercial Operations
Cultural Activities	Resource Consents	Governance	Urban Stormwater	Customer Engagement	Commercial Operations
Recreation and Amenity	Enforcement	Democracy	Wastewater	Emergency Management	
	Science	Support Services	Water Supply	Strategic Planning and Performance	
	Environment Health		Land, Rivers and Coastal		
	Building Services		Tairāwhiti Roads		
			Solid Waste		

Our new organisational 'hub' structure supports working together in a collaborative environment organised around partnerships, respect and helpfulness. It reinforces our purpose of delivering

on the outcomes that the elected members and our community expect from us, to 'provide support to elected members to deliver on the goals and aspirations of the community that we serve'.





This section outlines how Council plans, over the next ten years, to deliver major projects that will help ensure the Gisborne district remains a great place to live and do business.

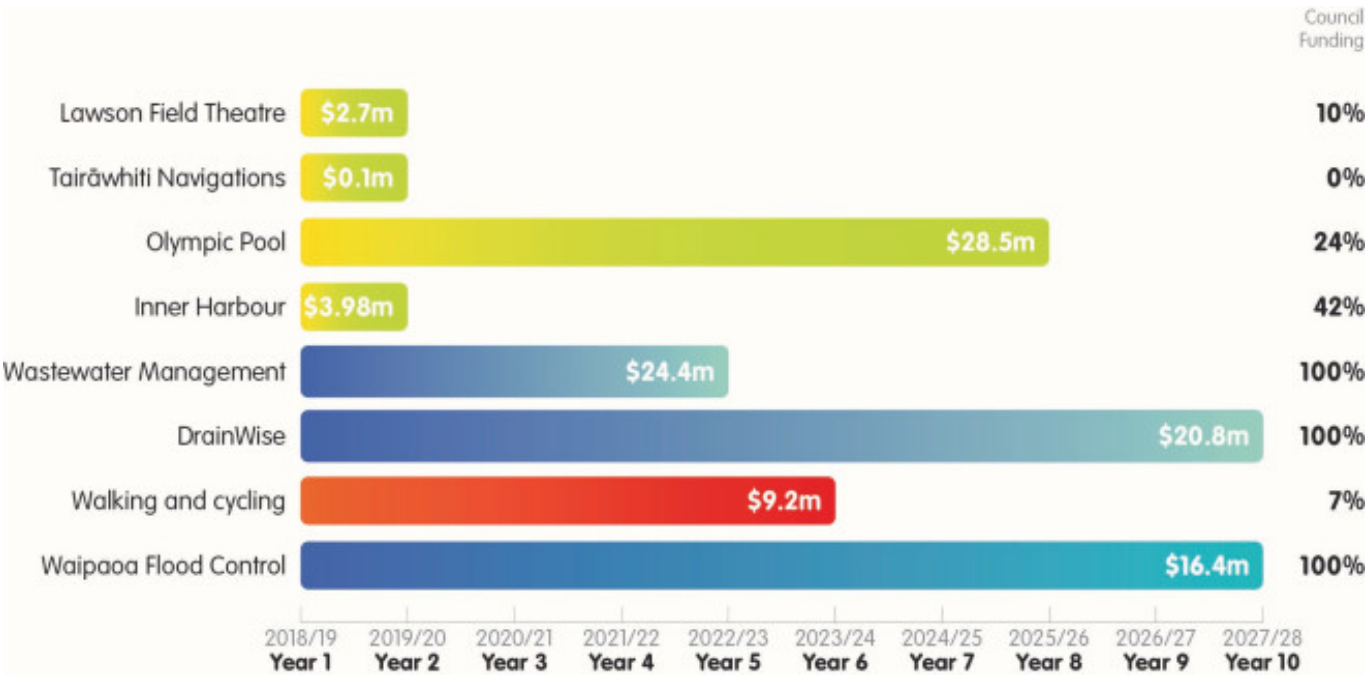
The major projects listed are not new. They have been discussed and endorsed by the community through informal and formal engagement since 2012 up to the most recent 'What's the future Tairāwhiti?' community consultation campaign in 2017/18.

What is a major project?

A major project has a significant capital investment or community impact.

Major projects at a glance

Our major projects are listed in the graph below along with the timeframe and cost. (For all the major projects from 11 to 30 years please refer to the Infrastructure Strategy section on page 4)





# Making it Happen - Our Major Projects

## The major projects identified in the 2015-2025 Long Term Plan that have been completed successfully are:

- HB Williams Memorial Library extension - reopened on 16 April 2018
- New Council administration building in Fitzherbert Street - reopened on 15 January 2018
- Oneroa walkway and link at Beacon Street, Wilson Street to Rutene Road cycleway, as well as Bright to Derby streets
- Whatatutu, Te Karaka and Tokomaru Bay township upgrades
- Titirangi pine harvesting, replanting of 57,000 natives and upgrades to walking tracks
- Wainui Lions Junior Cycle Park at the Adventure Playground.

The plan before you includes some projects we've talked about before and are now entering the next phase of the project life. We also have new additions that have been prioritised for inclusion in the LTP.

## A Summary of Major Projects

### Walking and Cycling



Improving our cycle links and creating safe cycling routes are key priorities in developing our cycle network. More people are choosing to ride, scoot, walk and skate – enjoying the routes we've built along our rivers, beaches and connecting Wainui to Kaiti.

From 2015-2018 the primary focus of delivery has been the Urban Cycleway Project (UCP). This will build a spine of protected cycleway routes designed to separate riders from motor vehicles. An additional amount was contributed by the Highway Network Operations Divisions of NZ Transport Agency to complete work on SH35.

The planned cycleway improvements to connect Wainui and Kaiti to the city will go ahead in 2018.

The second half of the spine will be achieved with the delivery of the Taruheru River Cycle and Walkway, an off road shared path that will run along the river from the CBD to Campion College. In 2017 we investigated the feasibility of the Taruheru River Cycle and Walkway. We consulted on a couple of options with this LTP, with submitters supporting Council's preferred plan - to see this cycleway completed over 2021 - 2024 for a cost of \$9.2m. We need to secure 100% of the funding from external sources to get it done. If we don't get the funding, we will have to revisit funding options in 2021 and push out the timeframe for completing the project.

We've also set aside \$1.85m in this Long Term Plan for maintaining and making safety improvements to the existing on and off-road cycle routes, and projects we've committed to.

### Lawson Field Theatre



Built in 1982, Lawson Field Theatre was closed in October 2016 when seismic investigations showed it was earthquake prone.

Council committed \$1.1m to the project through the 2015-2025 Long Term Plan. However, after more detailed estimates were presented, we needed to raise additional funding to complete the upgrades.

As well as strengthening work, the project will include significant renovations. The exterior auditorium wall and the entire roof will be replaced. The back stage area, toilets, Rose Room and foyer will be updated and infrastructure services such as lighting and rigging will be replaced.

We have successfully secured funding from the Regional Culture and Heritage Fund (\$417k), the Lotteries Commission Community Facilities Fund (\$350k) and the New Zealand Community Trust (\$400k). The War Memorial Theatre Trust gained a further \$1.0m grant from the Eastland Community Trust and continues to fundraise for this project.

Council has now given the green light to proceed with the \$2.7 million upgrade, with the rate payers contributing \$1.1m of the cost. Construction is likely to begin in July 2018 and estimated to take 13 months to complete.

## Olympic Pool Upgrade



Our Olympic Pool complex was built in 1974, and while it's been expanded and improved since then, the facility is showing its age.

We undertook a business case in 2017 to assess the level of investment needed. Extensive consultation has now also been completed. The community was surveyed in November 2017 on their preferred upgrades. The options were then consulted on, alongside the other key Council projects, through the LTP. A large number of people responded, with resounding support for Council's preferred option. This includes a fully enclosed indoor 50m pool, a learn-to-swim pool and spa zone, a new administration centre and changing rooms.

The upgrades of the indoor and outdoor pools will be phased and we will still seek external funding to make any upgrades affordable. The indoor component of the redevelopment is scheduled for years one to three at an estimated cost of \$21.6m. The outdoor component is programmed for years seven to eight, for an estimated cost of \$6.9m. The design for the redevelopment is somewhat flexible and allows components of the overall redevelopment to be added if and when funding becomes available.

Delivery of the project is subject to securing external funds, with a Council contribution of \$5.65m. Council also agreed that a charitable trust be set up to assist with fundraising for the external funding component.

## Tairāwhiti Navigations



As part of the The Tairāwhiti Navigations programme, Council is responsible for delivering five projects in partnership with iwi and key stakeholders. Sites of significance, located around the Turanganui River initially, are woven together through storytelling and design to reflect our region's unique culture and heritage of first arrivals and great navigators. Iwi, Eastland Group, and others are also delivering projects that complement and enhance the Tairāwhiti Navigations story (e.g. Gisborne Airport upgrade, Hawaiki Turanga).

Together we are delivering the Tairāwhiti Navigations programme so that we can tell our region's story about dual heritage and arrival and ensure our unique history and culture is accessible to locals and visitors. This will provide an experience that is unique to our place, and who we are. Council's programme budget for 2018/19 is currently \$3.9m and includes the following projects: Historical Interpretations, Inner Harbour revitalisation, Cook Landing Site, Titirangi Restoration, and Titirangi Summit. The programme will be delivered by October 2019 and in time for sestercentennial commemorations.

The current budget for 2018/19 may increase by approximately \$6m following the outcome of currently lodged external funding applications. The Cook Landing Site and Titirangi Summit projects are almost 100% reliant on these external funds although they will still be enhanced as key sites for the Historical Interpretations project installations, including a trail maker and view shaft.

# Making it Happen - Our Major Projects

## Waipaoa Flood Protection Scheme



The Waipaoa River Flood Control Scheme (the scheme) was designed in 1949 and was completed in 1969. The scheme is considered to be one of Council's most valuable assets. It protects some 10,000 hectares of fertile floodplain land and has increased the amount of land being used for high yield horticultural purposes. The scheme includes 64km of stopbank and associated assets which is the length of the Waipaoa River between the Te Karaka Township and the river mouth.

The project will improve the capacity of the existing scheme and:

- address riverbank erosion. This will be through either providing rock protection or acquiring land in order to widen the existing river berm
- increase the width of the existing stopbanks to have a 4m crest-width and increase the crest height by around one metre
- maintain flood protection for a one-in-100-year flood event accounting for climate change out to the year 2090.

Construction to increase the resilience of the scheme to build up our stopbanks will go ahead as planned. It'll be completed by 2030, which is \$16.4m of our budget over the next ten years.

## Wastewater Management



Our wastewater treatment plant, constructed in 2010, was the first step in improving water quality that is pumped through the outfall pipe into the bay. A condition of our resource consent for the Wastewater Management Options project (previously known as Wetlands) requires us to implement further treatment, investigate options for alternative use and disposal, and to make every effort to meet cultural objectives to remove wastewater from the bay.

High-level community consultation took place in November 2017 on five potential wastewater treatment and disposal options. Of the five options, Option 3 was the one that most matched resident's priorities. To make this option more affordable we proposed to build it in two phases and consulted on this approach through the LTP. Most submitters supported the phased project.

Between 2020 and 2023 we will implement Phase One which includes clarification, solid removal and UV disinfection. This will meet all water quality standards in the consent and bring the treatment of our wastewater up to par with most wastewater disposal systems in the country. It will be safe to swim relatively close to the ocean outfall and have a very low chance of contamination to shellfish on the beach. It will not satisfy the cultural objective of stopping treated wastewater flowing out of the marine pipe into the bay.

We'll take on debt to fund the full cost of Phase One (\$24.4m) and increase rates to pay it back over time starting from 2023. The wastewater will still go into the bay until a viable alternative for use or disposing of the water can be identified for implementing Phase Two.

Implementing Phase Two, which consists of a wetland that would remove more contaminants (pharmaceuticals and pathogens that can't be removed through a conventional treatment system) and largely address cultural concerns. This would then take our wastewater treatment to above average. This phase has not been budgeted to be completed in the next 10 years, but would be completed within 30 years.



## DrainWise



The reduction of wastewater being discharged into our rivers and onto people's properties during heavy rain periods has been on Council's priority list since the 2015-2025 Long Term Plan. Council has focused largely on improving its ageing wastewater network and the capacity of its stormwater network, but the reduction in overflows is still not at a level we all want. We will continue to focus on the reduction of this occurrence.

For the last three years Council has also been completing inspections in the worst-affected neighbourhoods to identify where there are issues and working with homeowners to get their drainage fixed.

Our plan, as supported through the consultation process, is to replace 54km of old wastewater pipes in the public network, staged over the next 30 years. In the next ten years that'll mean an investment of \$15.6m for renewals. We'll also increase network performance with \$4m for additional jetting maintenance and surveillance for blockages to help the system to cope with extra water (and help prevent overflows in dry weather too).

As private property flooding is the main reason for sewage overflows, we will invest \$6m (40% of the estimated total cost) over 10 years to reduce flooding on private properties. This investment would be limited only to properties that are the worst contributors.

We'll take on debt to fund the work each year, and increase rates to pay it back over time. And, we'll also look for alternative funding of \$7.8m to do more. We'll continue inspections in the worst affected areas, assisting homeowners where we can. This option means we'll continue to rely on homeowners to make and pay for repairs. While this option is a lower cost to ratepayers, it means it could take longer to achieve any substantial reductions in overflows.

## Managed Aquifer Recharge (MAR)



The stage 1 trial has proved the feasibility of MAR and we are moving to a stage 2. A trial will be conducted to provide the information needed to develop a full recharge scheme and ensure appropriate environmental safeguards are in place. It is proposed to run the stage 2 trial over two years – injecting up to 360,000m<sup>3</sup>/year (depending on river flows).

The information gained in the Stage 2 trial will be used to develop a full MAR scheme and enable greater water security for the horticultural sector.

Resource consent has been granted to construct two new monitoring bores. A resource consent variation under Section 127 of the RMA has been lodged to increase the volumes of water abstracted from the Waipaoa River and inject it into the Makauri Aquifer. The application was lodged on 1 March 2018. The application is subject to limited notification and a hearing will be required. Resource consent is not now expected before 1 September 2018.

Looking ahead:

- June 2018: Prepare for a resource consent to be notified and a possible hearing
- September 2018: Undertake condition assessment of existing monitoring bores.



**Te Rautaki Pūtea**  
**Our Financial**  
**Strategy**



## The Strategy in a nutshell

Council has some intense challenges in funding infrastructure over the next six years. The city needs new infrastructure for wastewater management to meet legal requirements. Added to this, there is insufficient funding in financial reserves (from depreciation) to meet the substantial renewals programme for other critical infrastructure such as roading, drainage systems and the Olympic Pool Complex.

Council cannot simultaneously complete the infrastructure needed as well as replenishing financial reserves while keeping rates affordable. However, over the course of the Long Term Plan, all of these matters can be addressed so that after ten years, the financial situation is more resilient.

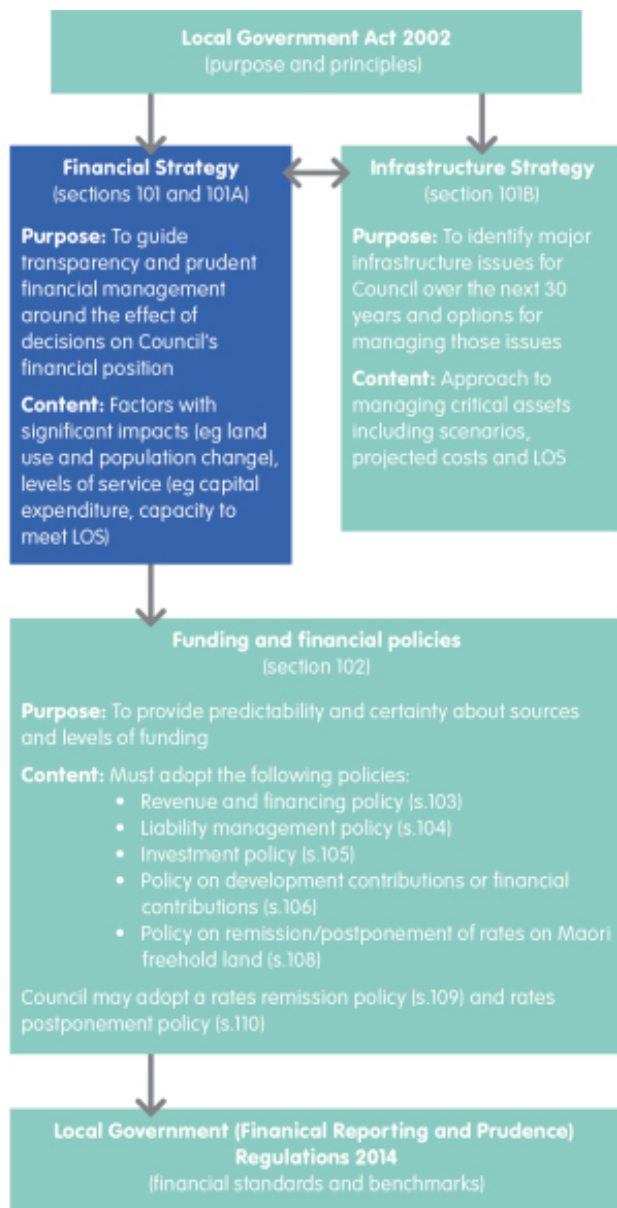
The final strategy proposes an initial spend in the early years of the Long Term Plan on critical infrastructure and increasing debt levels to enable this. Once over the “infrastructure hump”, Council needs a concerted effort to reduce debt and replenish reserves.

It is important to note that the approach proposed in this strategy requires a longer-term commitment for the benefits to come to fruition. This is particularly the case with the interplay between debt, reserves (from depreciation) and rates income levels.

## 1. Introduction

Council has a broad role in our community. Alongside responsibilities for ensuring local democratic decision-making, it is the primary provider of major local infrastructure such as roads and water and wastewater networks. Council is one of the few organisations with the statutory ability to require its residents to pay for the services and infrastructure networks it provides. With this comes a responsibility to do this in a transparent and accountable way. The various local government acts and regulations set out the conditions for wielding these powers.

Under the Local Government Act 2002, Council must prepare a strategy that outlines how we will manage the assets of the region in a financially sustainable way - how it will fund its activities and how it will manage prudently any funds it collects. It must align closely with our Infrastructure Strategy. Council must also prepare several funding and financial policies (e.g a Revenue and Financing Policy) and ensure its approach meets regulatory standards and benchmarks.



This Financial Strategy (the Strategy) outlines Council's approach to financial management for the next 10 years including sources of revenue to fund capital and operational costs and the impacts on rates, debt, levels of service and investments. It guides the Council's future funding decisions and, along with the Infrastructure Strategy, informs the capital and operational spending for the 2018-28 Long Term Plan (the LTP). It supersedes the Financial Strategy adopted in 2015.

## About Tairāwhiti - the Gisborne District

The Tairāwhiti region covers a land area of 8,265 square kilometres - approximately 5% of NZ's total land area.

In 2016 the estimated population was 47,800<sup>(1)</sup>, (or 1% of NZ's population). Gisborne has a low ratio of population to land area and 75% of the population live in Gisborne city (36,100 in 2016<sup>(2)</sup>). Other smaller settlements are Tolaga Bay (840), Ruatoria (840), Te Karaka (550) and Tokomaru Bay (410)<sup>(3)</sup>.

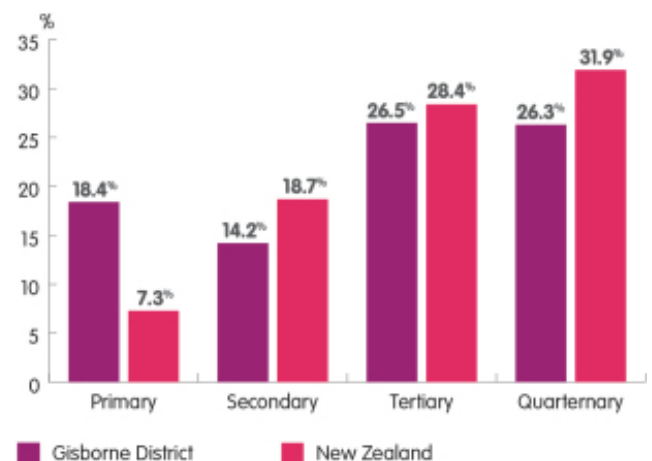
Gisborne has the highest proportion of Māori of all regions, with 49% identifying as Māori in the 2013 census, compared to 16% nationally. The region has a high population of those aged under 15 years (24.6%) when compared to all of New Zealand (20.4%). Gisborne has the second highest total fertility rate in New Zealand (2.4 births per woman)<sup>(4)</sup>.

The district scores highly on the social deprivation index<sup>(5)</sup>. Income levels are below national medians, with a median household weekly income of \$1,400 in 2017 for both Hawkes Bay and Gisborne combined, compared to \$1,578 nationally<sup>(6)</sup>.

The industrial structure of the Gisborne district's economy is shown in the graph below.

Figure 1: Industrial Structure of the Gisborne Economy<sup>(7)</sup>

### Industrial Structure of the Gisborne Economy



The district has the largest comparative advantages in primary industries (forestry and logging, agriculture and horticulture).

## 2. Our overall strategic direction

The Strategy aims to give effect to Council's strategic direction.

1 Statistics New Zealand Subnational Population Estimates for Regional Authorities, as at 30 June 2016  
 2 Statistics New Zealand Subnational Population Estimates for Gisborne Urban Area, as at 30 June 2016  
 3 Statistics New Zealand Subnational Population Estimates for Area Units, at 30 June 2016  
 4 Calculated using live births over a three-year period centred on the 2013 census year  
 5 NZDep 2013 index, <http://www.otago.ac.nz/wellington/departments/publichealth/research/hirp/otago020194.html>  
 6 Statistics New Zealand, Household income by region, household type and source of household income  
 7 Infometrics, 2016 Annual Economic Profile Gisborne District

## Council's vision

### Tairāwhiti First!

**Tairāwhiti Tangata** First to see the light

**Tairāwhiti Taonga** First choice for people and lifestyle

**Tairāwhiti Wawata** First choice for enterprise and innovation

**First place for the environment, culture and heritage**

## Council's community outcomes

### Tairāwhiti Tangata

Gisborne's greatest asset is its people. We are a cohesive, connected, culturally rich and creative community. We have access to and celebrate those things that foster our wellbeing including quality arts, recreational, cultural and educational opportunities; strong health; infrastructure and good jobs.

### Tairāwhiti Taonga

Gisborne is blessed with many natural assets. Our rich coastline, fertile soils, warm climate and abundant freshwater are key to our community's well-being and prosperity. Our unique cultural heritage is a source of enduring pride. We celebrate our dual heritage and collaborate for a healthy future.

### Tairāwhiti Wawata

Gisborne is a district where we achieve our aspirations, not only locally, but nationally and globally. We are a district that leads and advocates for itself. Citizens are actively involved in community life and Council engages the community in its decision making to achieve our aspirations.

## Council's strategic priorities

Council has developed strategic priorities aligned to its strategic direction. These sharpen Council's focus on its sphere of influence and where its activities can be most effective. The three strategic priorities for Council for this LTP are:

### Intelligent Infrastructure

Invest in the existing and future core infrastructure needs, with a focus on cost efficient and effective designs.

### Intelligent Investment

Make sensible, long-term decisions on investments and borrowing, and always seek the best value for community money.

### Tairāwhiti Wai

Improve the wellbeing of our waterways and coastal environments including protection of healthy soils.

## 3. Issues and opportunities

The approach defined in the Strategy is based on addressing some key issues and opportunities:

- high emergency expenditure
- rates affordability
- investment in critical infrastructure
- insufficient reserves for renewals
- historically low debt levels
- legacy of low rates increases
- supporting Māori economic development
- vulnerability to natural hazards and climate change.

These are described in more detail below.

### High-emergency expenditure

Unplanned expenditure in 2016/17 has led to a \$4.6m deficit in roading budgets. This is due to emergency repairs (following storms) as well as an increase in the cost of renewals. Council has had to borrow to cover this expenditure and it has led to a higher opening debt position for Council for the new LTP. Alongside spending on infrastructure and activities for the new LTP, Council will need to collect rates to cover principal repayments on these emergency loans.

Unplanned emergency repairs for infrastructure, especially due to severe weather events, is likely to continue. Council will need to reconsider how it can build further financial resilience.

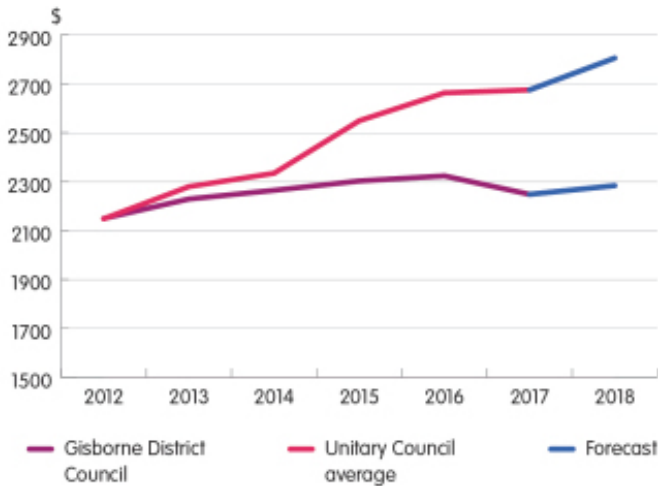
### Rates affordability

Tairāwhiti has a low socio-economic demographic. The region scores highly on the social deprivation index and annual personal income levels (\$24,400) are well below the national median (\$28,500). Population projections show that the working age population (15 – 64 years) is declining compared with the non-working age population.

Rates affordability is a key issue for the Tairāwhiti community which is not well placed to absorb significant rates increases and/or spikes in rates. Council needs to continue to operate within a fiscal envelope that meets our needs over the next ten years and matches the community's ability to pay. Alternative sources of revenue, outside rates need to be leveraged.

The graph below shows the average rates paid per rating unit compared with that of other unitary councils. Council has gone from being on par with unitary council averages in 2012 to being about 15% lower than the unitary council average in 2016. (The red lines indicate projections for average rates per rating unit.)

## Average rates per rateable unit



## Investment in critical infrastructure

The investment required in Council's infrastructure is significant. There are a number of critical projects that need to be completed within the next 30 years to ensure our core infrastructure continues to serve the community<sup>(8)</sup>.

### Water and wastewater

Water and its management will be the major challenge for this region over the next ten years and beyond. This includes ensuring our infrastructure can provide enough clean water for our people and industries, to keep us safe from flooding and to manage our wastewater to protect our communities and environment. Council needs to decide how to meet wastewater requirements and the timing for the capital works to keep rates affordable and even across the LTP.

### Land transport

Land transport is vital to our economy with roads being the main transport method for forestry, horticulture and tourism. The frequency of logging trucks to Eastland Port has increased from 153 per week in 2005 to 1,010 per week in 2015. Based on future logging forecasts, the frequency of logging trucks to the Gisborne Port is projected to increase further in the coming ten years. Our state highways and local roads are also the most expensive in the country to maintain. Crucially, we will see an increase of funding from the NZ Transport Agency to support the resilience of our regions land transport network.

### Community facilities

Community facilities provide major opportunities to enhance the social and cultural quality of life for our community. They also provide opportunities to experience the natural environment and the potential to enjoy economic returns. Community facilities help to make Gisborne district a great place in which to live, work and play.

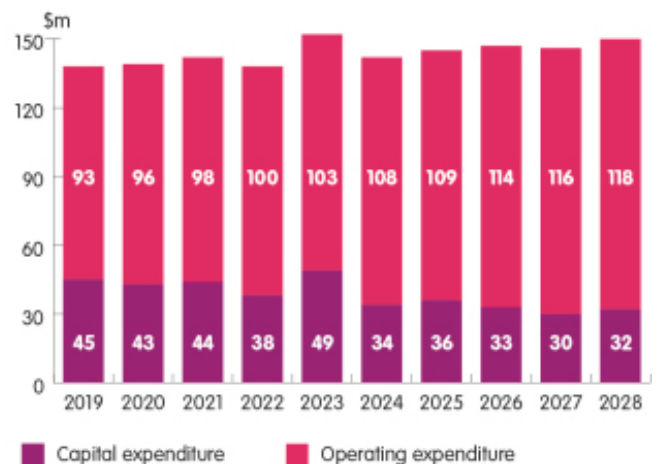
8 Core infrastructure includes: water supply network; wastewater; stormwater and drainage; flood and coastal protection and river control works; land transport; and some community facilities

9 When Council builds new infrastructure from scratch due to growth this is funded through loans and development contributions

## Projected expenditure

The graph below shows the total projected expenditure of Council over the next 10 years. The capital expenditure includes investment in new infrastructure and renewals of existing infrastructure. The operating expenditure is the cost of running and maintaining all activities across Council (including the infrastructure).

### Total projected expenditure 2018-2028



## Insufficient reserves for renewals

Council's capital renewal programme (not including new infrastructure like the wastewater treatment plant) is set to increase by \$100m (or 36%) to \$379m over the life of the LTP.

There are insufficient reserves (from depreciation) to cover the renewals programme in full. It is likely that some of the renewals programme will need to be funded by debt and/or grant funding.

There are two types of capital expenditure:

- investment in renewal of existing assets once they reach end of life e.g. existing roads
- capital investment for new projects that are stimulated by growth and new needs e.g. the new wastewater treatment plant.

Assets need to be maintained to maximise their useful lives and replaced to avoid asset failure. Provided assets are renewed when needed, they will continue to meet levels of service.

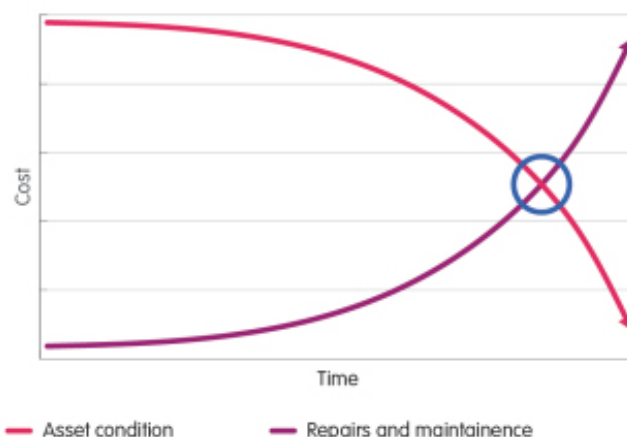
As new infrastructure is built, Council starts to collect rates for depreciation. This goes towards future funding for the renewal of that infrastructure.<sup>(9)</sup>

It is important that Council keep on top of its renewals for critical infrastructure:



- assets need to be maintained to maximise their useful lives and replaced to avoid failure
- as infrastructure ages, maintenance costs increase and can rapidly accelerate as infrastructure reaches its end of life pushing operational costs up significantly.

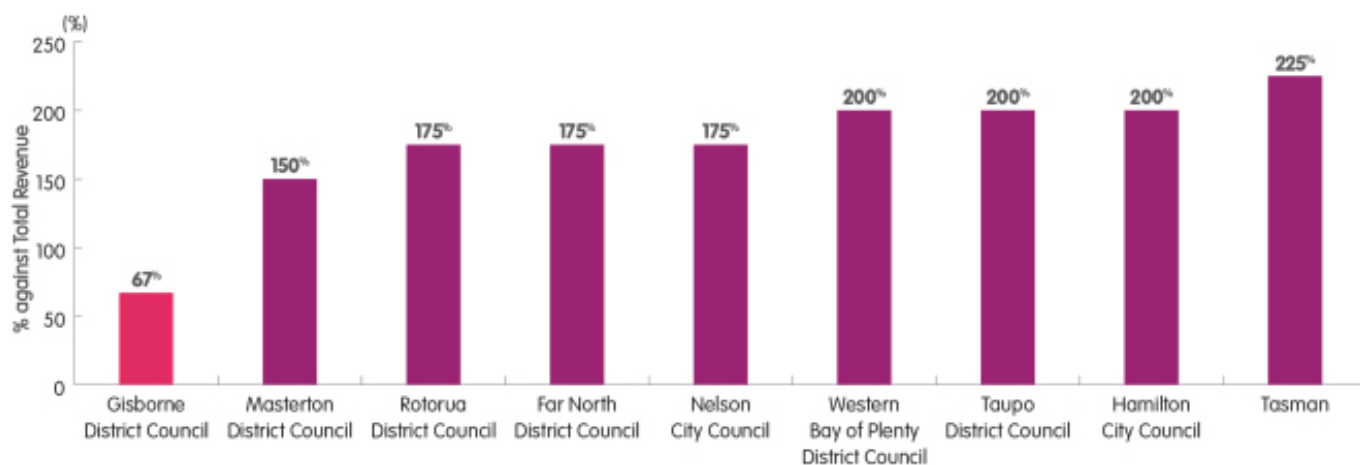
**Asset maintenance costs over an asset's life**



## Historically low debt levels

Debt has been traditionally lower in comparison to other councils. The table below shows our debt levels in comparison with those of other similar councils. We have room to extend borrowing.

**Current net debt set by councils**



The implications of low debt levels are:

- there is a heavier reliance on other revenue sources, particularly rates collection and grant funding, to meet capital and operational costs
- the cost of servicing the debt (i.e. interest payments) is lower.

Currently Council is spending about 50% less of its total revenue on financing costs compared to similar councils. However, the projected expenditure requirements to meet the critical infrastructure projects are unlikely to be able to be funded from rates and grants alone.

The challenge is to identify a level of debt that balances the ability to complete critical infrastructure projects with the cost of servicing that debt.

## Legacy of low rates increases

Over the last ten years Council has kept rates increases to a minimum. In the last three years rates increases have been at 2%. Continuing to hold rates increases at 2% is not sustainable as it will not be sufficient to help fund critical core infrastructure or maintain levels of services at current levels.

Council has a large programme of capital works outlined in the final Infrastructure Strategy. For every \$1 million of capital expenditure, Council's operational costs increase by \$100,000 with interest, depreciation and operational costs.

## Supporting Māori economic development

Key legislation governing Council's functions, emphasise the significance of Māori cultural values in resource management and participation in its decision-making. Tairāwhiti has the

highest proportion of Māori of all regions, with 49% identifying as Māori in the 2013 census; compared to 16% nationally.

Tairāwhiti has a high proportion of Māori freehold land comprising about 28% of the region's land area, a significant proportion. Some of this land continues to have its challenges in terms of productivity and development.

Local iwi identify that the critical issues facing Māori freehold land productivity include:

- infrastructure support (e.g. East Cape roading and digital connectivity)
- landlocked Māori freehold land (3,233 titles)
- Māori freehold land with no governance entity (1,945 blocks)
- trustee/committee member training for new governance entities (at least 400 per year)
- coordinating lands less than 5 hectares
- investment in industries on Māori freehold land (subject to land owner support)
- investment in industries on Māori freehold land (subject to land owner support)
- coordinating Māori freehold lands, with the appropriate approvals of land owners, less than 2 hectares which have absentee land owners
- data assessment of all lands to build on the report and fine tune the productivity elements for Māori freehold land.

Council needs to consider how it will support the development of Māori freehold land and other emerging enterprises to help grow whanau and hāpu, encourage economic growth, build rural communities which will in turn help grow the Council's rates revenue base.

### Vulnerability to natural hazards and climate change

The Gisborne District is subject to a wide range of natural hazards. Hazards such as earthquakes, tsunami, drought and land instability will add pressure to future financial planning. Climate change projections for the Gisborne District predict a combination of warmer average temperatures, decreases in average rainfall, potential increases in storm intensity and sea level rise to exacerbate natural hazard threats. Time spent in drought is expected to increase; flooding may become more frequent; coastal flooding will impact greater areas of land due to higher base sea levels; and rising sea levels will generally cause increased coastal erosion and shoreline retreat.

The challenge is to plan for these events better and to ensure there is enough money committed to budgets for repairs and maintenance, particularly Council reserves.

## 4. Key strategic directions

Council wants to get back to its core activities and do the basics well. The focus in the Strategy is on meeting our critical infrastructure needs in a way that is affordable for our community.

To achieve this while being financially sustainable and prudent the Strategy sets out a suite of six inter-linked key strategic directions:

1. Focus on the critical activities and infrastructure which meet the community's needs during the LTP period and beyond.
2. Keep rates as affordable as practicable while recognising the need to fund critical activities and infrastructure and keeping the region functioning well.
3. Increase alternative revenue streams through partnerships, targeted contributions and investment income.
4. Increase maximum debt levels still within prudent levels as per the Investment Policy, the Liability Management Policy and the Revenue and Finance Policy.
5. Ensure users and those who benefit from Council activities and infrastructure pay for them.
6. Grow the rating base through economic activity without the need to trigger more additional capital works projects or grow Council's infrastructure footprint.

Note: All financial projections are within the bounds required in the Local Government (Financial Reporting and Prudence) Regulations 2014.

### Key direction 1: Focus on critical activities and infrastructure

The Council intends to focus on delivering and maintaining essential services and infrastructure at levels that are appropriate to meet community needs.

The critical infrastructure projects to be funded through the course of the LTP are:

- improvements to treatment of Gisborne city wastewater including investigating alternate use and disposal options and potential removal of treated domestic waste from the marine outfall
- reduction measures for stormwater infiltration, including wet weather overflows
- continuing the staged approach for the Waipaoa Flood Control Scheme
- future water storage options for the City water supply

- water metering, installation and charging
- continued resourcing of the Managed Aquifer Recharge (MAR) Project
- investment to improve suitability of roads for heavy vehicles
- continued renewals of the roading network
- redeveloping the Olympic Pool Complex.

As shown in the table below, Council intends to spend an average of \$30m per annum on core capital works over the next ten years. This covers infrastructure renewals and smaller capital projects. It is quite evenly spread across the course of the LTP.

Council also intends to spend an average of \$8m per annum on major projects. This covers significant projects such as the wastewater treatment plant, Waipaoa flood control scheme, Olympic Pool redevelopment and walking and cycling infrastructure. The timing of major projects expenditure has been carefully staged to avoid massive expenditure spikes.

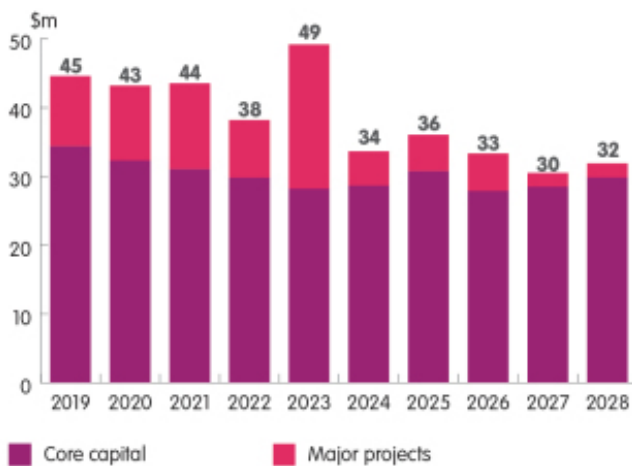
## Forecast capital expenditure 2018-2028 (\$m)

Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Average
Core capital	34	32	31	30	28	29	31	28	28	30	30
Major projects	10	11	13	8	21	5	5	5	2	2	8
Total	45	43	44	38	49	34	36	33	30	32	38

The graph below shows the capital expenditure spikes that align largely with timing of major projects.

to increase the overall rates revenue above 5% without affecting the incidence of rates.

## Expenditure on core capital and major projects 2018-2028



## Projected rates revenue increases and total rates revenue 2018-2028



## Key direction 2: Keep rates as affordable as practicable

Council is conscious of the impacts of rates increases on our community. We know the community wants to maintain or enhance current levels of service while making sure we are getting the basics right. Critical infrastructure projects will be prioritised. Other capital works will be delayed or deferred to later years to prevent massive expenditure spikes.

### Set a limit on increases to rates revenue

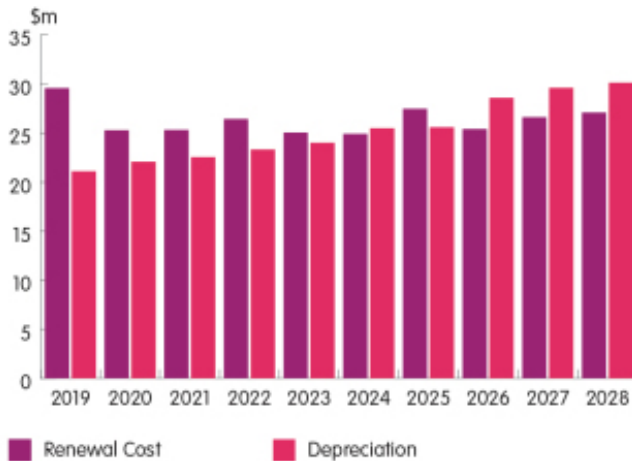
Total rates revenue increases will be set at a maximum of 5% (plus growth). It is important to note that this is an average number and increases in individual property rates may vary with some paying more than 5% and others less. There may also be growth in the rating base over time, which will enable Council

### Balance reserves over time

Depreciation reserves are used to fund the capital renewals programme as well as principal loan repayments. Current reserves are at \$32m. In the early years of the LTP, capital renewals will be more than depreciation. For instance, roading renewals have significantly increased, going from \$10m to \$12.5m (25% increase). There will be insufficient reserves to cover the proposed capital works programme. However, from year seven of the LTP, the reserves build back up to \$34m. This will be achieved through increasing the amount of roading depreciation that is funded through rates and rating for principal repayments separately. The graph below illustrates.



**Relationship between renewals and depreciation 2018-2028**



The revenue collected to fund depreciation will initially be used to repay the debt and then to finance new and replacement assets. Any unused depreciation will be separately accounted for in the appropriate depreciation reserve. It is essential these reserves build up sufficiently to fund the debt and finance the replacement of assets.

The Strategy suggests a long-term view to building the health of reserves. Council is unable to simultaneously complete the capital works needed as well as replenishing financial reserves. This would require a further increase in rates revenue negatively impacting on rates affordability.

Council will move, over time, to a position where the funding for each activity is sufficient to fund debt repayments and to complete renewal work in the Asset Management Plans.

Council will also retain the option of not funding depreciation on certain assets. The Revenue and Finance Policy includes this option as “a strategy in certain circumstances where Council may not replace assets at end of useful their life”.

The other focus for keeping rates affordable include increasing alternative revenue streams.

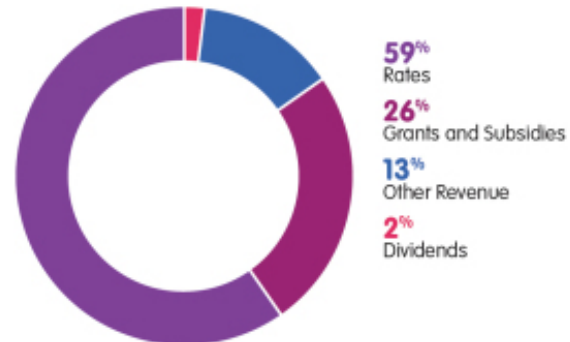
## Key direction 3: Increase alternative revenue streams

Alternative sources of revenue, other than rates and loans, are critical to help fund Council's activities. They help lessen the financial burden on ratepayers.

Council aims to increase revenue across all streams, including rates. However there will be a concerted effort to increase targeted revenue from grants and subsidies (forecast increase from 22% to 25%) and from dividends from investment (forecast increase from 1% to 2%).

The graph below shows the proposed proportions of revenue sources averaged across the life of the LTP.

**Forecast proportions of revenue sources 2018-2028**



## Funding streams from ECT and GHL

Grants and revenue from Eastland Community Trust and Gisborne Holdings Limited will be crucial to help meet the funding challenge for Council. The LTP needs to provide clarity about the best Council investments for these funds and seek firm commitment of the funding. Predictable and stable revenue is critical.

### Other revenue

This revenue source includes fees and charges and development contributions. Refer to key direction 5 for more details.

### Strategic partnerships

In the longer term, Council will need to think beyond conventional ways of funding activities and look at leveraging community partnerships to deliver a wide range of community services.

Council will review how our services are currently delivered and how they can be provided in the most efficient and effective way. Potential opportunities to explore include:

- partnership with ECT, looking at what each party does, to maximize community benefit
- review of options for commercial arrangements and models
- partial sale of land
- creation of CCOs to deliver services
- other service delivery models.

Council will also work with other councils for specialist services or mutually beneficial outcomes.

## Key direction 4: Manage debt prudently

Council will prudently manage debt within the constraints of Council's financial management policies (which include policies on Investment, Liability Management and Revenue and Financing). Council takes into account the following when considering the level of debt to take on:

- possible impacts on Levels of Service (LOS)
- Council's ability to service and repay borrowing
- deferred maintenance
- use borrowings as a means to achieve intergenerational equity
- ensure any borrowing is undertaken efficiently and within set limits
- long term sustainability of Council and its activities.

## Increase debt levels

Note: Net debt is defined as financial liabilities less financial assets (excluding trade and other receivables) and less lease debt arising from CCTO arrangements.

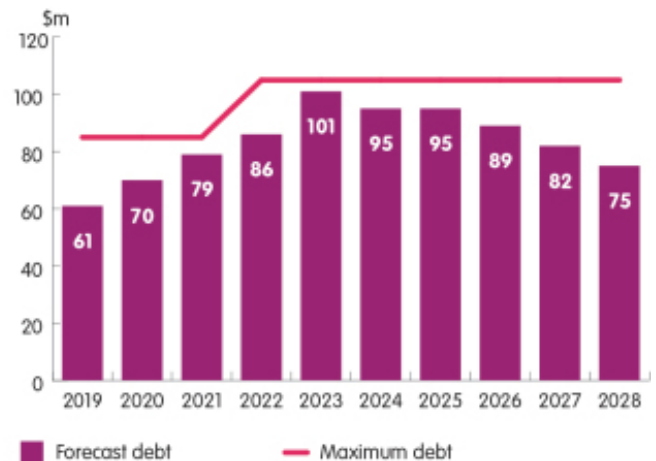
Debt levels at Council are currently low relative to the value of the asset base and the organisation's ability to generate revenue streams.

Borrowing generally occurs to support the capital expenditure programme. To meet the capital costs of critical infrastructure Council will raise the debt ceiling which currently sits at \$55m.

The Strategy assumes an interest rate of 5% across the life of the LTP. At this 5% level, the subsequent impact on operational costs, due to the costs of servicing loans, is outlined in the table below. We are looking at a jump to \$5m in interest to get Council through its infrastructure hump tapering back to \$4m by the end of the LTP.

Council anticipates raising debt limits to \$85m in the first three years, rising to \$105m in the remaining years of the LTP. Debt will peak in 2023 at \$101m with the funding of the wastewater management options reducing over the remainder of the LTP. The graph below illustrates.

Forecast accumulated debt 2018-28



Debt levels will be limited by Council's ability to service loans and finance costs.

Interest payable (\$m)										
Interest rate	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
5%	2.97	3.65	4.11	4.53	5.27	5.02	5.02	4.76	4.31	4.02

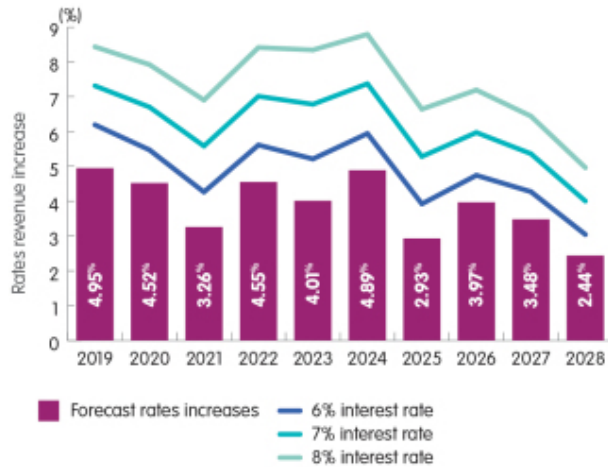
The key risk associated with debt increases is the potential for interest rates to increase more than forecast. This would drive up operational costs of servicing loans and affect capital investment decisions and the financial feasibility of some projects.

The table below shows the impact of higher interest rates on interest payable as part of operating expenditure.

Interest payable (\$m)										
Interest rate	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
5%	3.0	3.6	4.1	4.5	5.3	5.0	5.0	4.8	4.3	4.0
6%	3.7	4.2	4.7	5.2	6.0	5.7	5.7	5.3	4.9	4.5
7%	4.3	4.9	5.5	6.0	7.1	6.7	6.7	6.2	5.7	5.2
8%	4.9	5.6	6.3	6.9	8.1	7.6	7.6	7.1	6.5	6.0

A 1% increase in interest rates will result in additional interest costs of about \$550k (year 1) to \$970k (year 5). The graph below shows the effect of higher interest rates, specifically on the effect on rates increase.

Effect of interest change on rates increases 2018-2028



To reduce and mitigate the effects of interest rate risks, council takes an active role in interest rate risk management. This includes converting the uncertainty of floating interest rates into fixed rate borrowing, through forward rate agreements, interest rate swaps and interest rate options.

## Pay debt off earlier

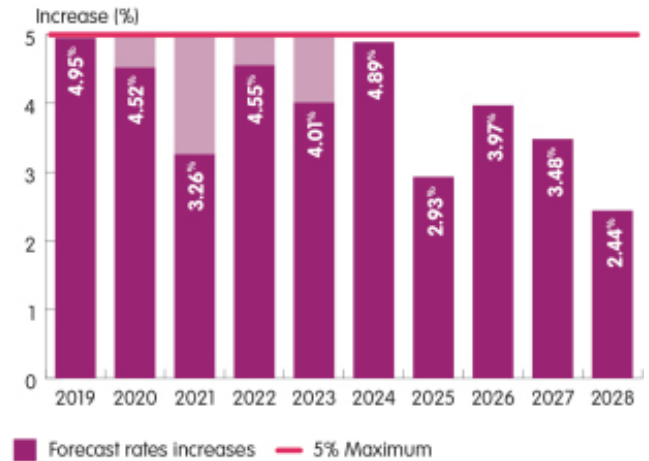
Paying off debt earlier means that a greater portion of assets and infrastructure is paid for by current ratepayers over the next ten years, rather than pushing all the costs out to future generations. The Council must carefully consider the intergenerational equity of apportioning costs between current and future generations. Different assets will have different loan terms to recognise this issue.

Paying off debt earlier also means the region's vulnerability to external or unexpected financial events such as interest rate rises is reduced. It enables more borrowing capacity in the event of natural disasters, a higher than expected level of renewals and other unplanned events. Where appropriate, Council will look to reduce debt where and when it can.

Active management of lowering debt from its peak in year 6 of \$101m, has occurred in years 7 to 10 by rating for principal payments. Council also has the flexibility where there is some surplus earlier in the LTP to use this to pay back loans even earlier and/or to start to replenish its reserves. This would be the most prudent approach.

The graph below highlights the potential for earlier payback of debt (see light purple tint).

Opportunities for earlier debt repayment and replenishment of reserves 2018-2028



## Key direction 5: Ensure beneficiaries of services pay the costs

Council services are funded by a variety of rating tools. These are:

- general rates pay for Council activities which the community requires and has available to them but no identifiable person or property benefits. How much you pay depends on the capital value of your property
- Uniform Annual General Charge (UAGC) also pays for Council activities that everyone benefits from. Every ratepayer pays the same amount wherever they live in the district
- targeted rates. The majority of our rates are based on the services you receive or have access to – like drainage, public transport, water, stormwater, wastewater, roads and rubbish collection.

How Council uses these rating tools will impact on the incidence of rates across our district.

Council aims to ensure that those who benefit from the services and infrastructure Council provides pay the costs associated with the provision of those services and infrastructure.

Council has a number of tools to make this happen.

## Financial management policies

The Revenue and Finance Policy helps determine how Council will fund its operations. The policy sets out which funding sources are used and how they are used.

The Council's preference is to recover costs that provide private benefits to members of the public or specific organisations through user fees and charges. These fees and charges (in the Fees and Charges Policy) are reviewed regularly and normally adjusted for inflation and increases in costs.

Council aims to ensure that activities that stimulate the need for infrastructure growth (particularly where this is an extension of Council's infrastructure footprint) bear the costs of that growth. Depreciation reserves will not be used to fund new growth related infrastructure as existing ratepayers should not be paying for growth related infrastructure.

Council's Investment Policy sets out how Council plans to manage its investment portfolios to optimise investment value and returns in the medium to long term while balancing risk and return considerations. The Investment Policy describes Council's approach to managing investment risk (through investment mix and regular monitoring of the performance of our Council-Controlled Trading Organisation (CCTO), Gisborne Holdings Ltd (GHL), of which Council is the 100% shareholder.) It also sets out expectations about the way income from investments will be used and about maximising group tax efficiencies.

## Council's Developer Contributions Plan 2018

Development contributions provide an alternative to rates to fund capital projects. Other mechanisms could also be used as an alternative to rates (e.g. targeted rates on specific beneficiaries of projects, contractual arrangements). Development contributions have the advantages of a simple 'fixed sum' calculation; enforcement mechanisms for future development; and processes for implementation and tracking of contributions.

It is estimated that about \$11m of capital expenditure in the 2018-28 Long Term Plan may be funded through development contributions.

Council will be undertaking a wholesale review of these policies in this next LTP round.

## Key direction 6: Growing the rating base

Council will look to grow our rating by supporting economic activity without the need to trigger more additional capital works projects. Organisations will be supported to assist in growing the region's economy. This will include:

- ensuring long-term sustainable water for horticulture through the Managed Aquifer Recharge project and other sustainable water use initiatives
- working with Activate Tairāwhiti to develop a compelling regional brand to attract talent, capital and visitors to Tairāwhiti
- growing our tourism sector through fit-for-purpose facilities and exciting tourism offerings building around the Tairāwhiti Navigations project
- provide infrastructure to attract businesses to our region and encourage existing businesses to expand
- improving the productivity of Māori freehold land

- advocating for better transport connections, particularly State Highways 35 and 2
- provide community infrastructure that will attract people to live, work and play here.

## 5. Implementation

These directives are supported and implemented through a series of policies and plans which make up the LTP, specifically:

- Investment and Liability Management policies
- Revenue and Finance Policy, which sets out how the specific activities undertaken by Council will be funded
- Activity Management Plans, which summarise the work programme that Council plans to undertake and the impact of these activities on budgets
- Asset Management Plans, which define the levels of service provided by Council's key assets, and the costs to maintain those assets
- Funding Impact Statement, which translates the rating requirements into the rating factors to be applied to properties in the region
- Investment Policy and Liability Management Policy, which set out how Council will manage its investments and borrowings
- Rates Remission Policies, which set out the criteria that Council will consider when remitting rates charged.

Council will monitor the Financial Strategy regularly through quarterly financial reporting to Council through the Finance & Audit Committee. The Financial Strategy may be reviewed at any time if circumstances change. The strategy will be formally reviewed at three-yearly intervals as part of the LTP process.

**Te Rautaki Kei Roto**

**Our**

**Infrastructure**

**Strategy**



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## 1. Introduction



This is Gisborne District Council's second 30-year Infrastructure Strategy (the Strategy). It forms part of Council's Long Term Plan 2018-2028 (LTP) and supersedes the Infrastructure Strategy adopted in 2015.

The purpose of the Strategy, as required by the Local Government Act 2002 (the Act), is to identify the significant infrastructure issues for Council, the principal options for managing these issues and the implications of the options. In this regard it is intended to bring infrastructure management issues, and their consequences, to the attention of the Council and its communities. Its 30 year focus assists to make explicit the longer term options faced by the district and consequences of investment and service level decisions.

The Strategy focuses on the following types of Council infrastructure:

- water
- wastewater
- stormwater and drainage
- flood and coastal protection and river control works
- land transport
- community facilities.

Assets associated with the above infrastructure classes comprise 89% of Council assets, in terms of their book value. Given the importance of agriculture to our district's economy, we have taken a wider interpretation of water infrastructure than that required by the Act to capture potential future irrigation schemes; not just reticulated drinking water. Community facilities are also optional but have been included because they relate to core services of Council under the Act. The strategy does not include

the airport or community housing, both of which are considered strategic assets under Council's Significance and Engagement Policy. These may be considered for inclusion in later reviews of the Strategy.

The strategy should be read alongside the Council's Financial Strategy, which provides context and guidelines against which to consider Council's proposed expenditure. Funding sources are not the focus the Strategy. Rather, detail about how Council intends to fund its activities can be found in the Revenue and Finance Policy. Other useful sources of information include the Activity Summaries in the LTP and Council's asset management plans, which contain further detail about specific assets.

## 2. About Tairāwhiti – The Gisborne District

The Gisborne District (which is also a region) covers a land area of 8,265 square kilometres located in the north-eastern corner of the North Island. This is approximately 5% of New Zealand's total land area.

In 2016 the estimated population of the district was 47,900<sup>(1)</sup>, which equates to 1% of New Zealand's total population. Gisborne has the lowest ratio of population to land area of all North Island regions and the fifth-lowest of New Zealand's 16 regions. Three quarters of the population live in Gisborne city, which had an estimated population of 36,100 in 2016<sup>(2)</sup>.

Other settlements are small, with the largest being Tolaga Bay (population 840), Ruatoria (population 840), Te Karaka (population 550) and Tokomaru Bay (population 410)<sup>(3)</sup>. The district's low population density with long distances between small settlements and larger centres presents a challenge for providing affordable infrastructure.

Gisborne has the highest proportion of Māori of all regions, with 49% identifying as Māori in the 2013 census; compared to 16% nationally. Key legislation governing Council's provision of infrastructure – the Local Government Act 2002 and Resource Management Act 1991 – emphasise the importance of Māori values and participation in decision-making. But this is perhaps particularly important in the Gisborne region with its high proportion of Māori and communities that maintain strong ties to iwi and marae.

It is also important to note that the region has a high population of those aged under 15 years (24.6%) when compared to all of New Zealand (20.4%). Gisborne has the second highest total fertility rate in New Zealand (2.4 births per woman)<sup>(4)</sup>.

The district scores highly on the social deprivation index<sup>(5)</sup>. Income levels are below national medians, with a median household weekly income of \$1,400 in 2017 for both Hawkes Bay and Gisborne combined, compared to \$1,578 nationally<sup>(6)</sup>. This highlights rates affordability as a particular concern and focus for Council.

The industrial structure of the Gisborne district's economy is as follows:

**Industrial Structure of the Gisborne Economy**

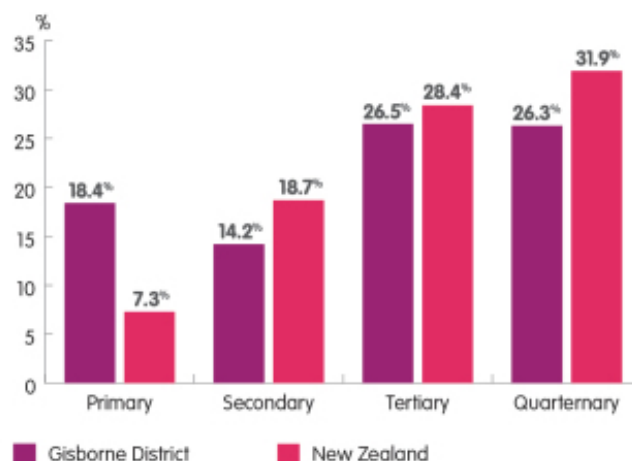


Figure 1: Industrial Structure of the Gisborne Economy<sup>(7)</sup>

The district has the largest comparative advantages in primary industries (forestry and logging, agriculture and horticulture). This has implications for infrastructure priorities now and in the future that support these industries – for example irrigation, hazard protection schemes and rural roading.

Gisborne District Council is the local government for the district. It was New Zealand's first unitary authority (with the functions of both a regional and district council), created as part of a major nationwide reform of local government in 1989. It replaced previous city and county councils, water boards, catchment boards, harbour boards and pest, noxious plant and recreation authorities<sup>(8)</sup>. Much of the Council's infrastructure was inherited from the previous bodies.

1 Statistics New Zealand Subnational Population Estimates for Regional Authorities, as at 30 June 2016

2 Statistics New Zealand Subnational Population Estimates for Gisborne Urban Area, as at 30 June 2016

3 Statistics New Zealand Subnational Population Estimates for Area Units, at 30 June 2016

4 Calculated using live births over a three-year period centred on the 2013 census year

5 NZDep 2013 index, <http://www.otago.ac.nz/wellington/departments/publichealth/research/hirp/otago020194.html>

6 Statistics New Zealand, Household income by region, household type and source of household income

7 Infometrics, 2016 Annual Economic Profile Gisborne District

8 The Local Government (Gisborne Region) Reorganisation Order 1989" (PDF). New Zealand Gazette. 9 June 1989. pp. 2328 ff. Retrieved 5 June 2014.

## 3. The Strategic Context

The Strategy aims to give effect to Council's strategic direction.

### Council's vision

#### Tairāwhiti First!

**Tairāwhiti Tangata** First to see the light

**Tairāwhiti Taonga** First choice for people and lifestyle

**Tairāwhiti Wawata** First choice for enterprise and innovation

**First place for the environment, culture and heritage**

### Council's community outcomes

- **Tairāwhiti Tangata**

Gisborne's greatest asset is its people. We are a cohesive, connected, culturally rich and creative community. We have access to and celebrate those things that foster our wellbeing including quality arts, recreational, cultural and educational opportunities; strong health; infrastructure and good jobs.

- **Tairāwhiti Taonga**

Gisborne is blessed with many natural assets. Our rich coastline, fertile soils, warm climate and abundant freshwater are key to our community's well-being and prosperity. Our unique cultural heritage is a source of enduring pride. We celebrate our dual heritage and collaborate for a healthy future.

- **Tairāwhiti Wawata**

Gisborne is a district where we achieve our aspirations, not only locally, but nationally and globally. We are a district that leads and advocates for itself. Citizens are actively involved in community life and Council engages the community in its decision making to achieve our aspirations.

### Council's strategic priorities

Council has developed strategic priorities aligned to its strategic direction. These sharpen Council's focus on its sphere of influence and where its activities can be most effective. The three strategic priorities for Council for this LTP are:

- **Intelligent Infrastructure**

Invest in the existing and future core infrastructure needs, with a focus on cost efficient and effective designs.

- **Intelligent Investment**

Make sensible, long-term decisions on investments and borrowing, and always seek the best value for community money.

- **Tairāwhiti Wai**

Improve the wellbeing of our waterways and coastal environments including protection of healthy soils.

## 4. Council's Infrastructure

This section provides an overview of Council's infrastructure assets. More detailed information can be found in Council's Asset Management Plans (AMPS).

### 4.1 The Asset Base

Council's fixed assets have a total book<sup>(9)</sup> of just less than \$1.97bn. Gisborne Holdings Limited (GHL), a 100% Council-owned subsidiary, owns a further \$65m in fixed assets for commercial operations and the municipal buildings; giving total value of fixed assets of \$2.04bn.

Land Transport (roading) assets represent, by far, the largest component of Council's assets at \$1.45bn or 72% of the total book value. Over half of the land transport assets value is attributed to the land, which is valued at \$746m.

The water activities (water, wastewater, stormwater, rivers and land drainage and flood control) comprise about 15% of the total assets.

Council's community facilities are conservatively valued at \$23.9m. However, the current projected replacement cost of community facilities assets is estimated at \$99.9m<sup>(10)</sup>.

<sup>9</sup> Often calculated as depreciated replacement value (DRV)

<sup>10</sup> This calculation is indicative and subject to peer review and confirmation

Table 1: Gisborne District Council Fixed Assets Value (including GHL assets).

Asset	Replacement Cost	Book value (Depreciated Replacement Value)
Water Supply	\$191m	\$99m
Wastewater	\$161m	\$90m
Stormwater	\$85m	\$50m
Land Drainage, River and Coastal Protection and Control Works	\$63m	\$59m
Land Transport	\$1.7bn	\$1.45bn
Community Facilities <sup>(11)</sup>	\$100m	\$24m
GHL fixed assets	-	\$65m
Other	-	\$227m
<b>TOTAL</b>	<b>-</b>	<b>\$2.04bn</b>

## 4.2 Assets Descriptions

Following is a brief summary of Council's infrastructure assets for each group considered in the Strategy. Some of the groupings comprise several separate Council activities in terms of how Council classifies assets for asset management planning; this is also explained.

### 4.2.1 Water Infrastructure

Council has three separate water supplies:

- Gisborne city. With a depreciated replacement value of \$98 million, this network comprises 99% of the value of the water supply assets. It serves a population of about 31,700 primarily in Gisborne city, but also in communities adjacent to the Waingake bulk water including Manutuke and Papatu Road. Water is sourced from the Te Arai River, Mangapoike dams and Waipaoa River.
- Te Karaka. This is an augmented supply – it provides a top-up to private rainwater. It services about 500 people and has a depreciated replacement value of about \$770,000. Water is sourced from bores and treated.
- Whatatutu. This is another augmented supply, serving about 280 people with treated bore water. It has a depreciated replacement value of about \$80,000.

The possibility of Council infrastructure for agricultural irrigation is considered in this Strategy but, aside from minor assets for the Makauri aquifer recharge trial, we do not currently own irrigation assets.

### 4.2.2 Wastewater Infrastructure

The Gisborne city network comprises about 98% of the wastewater assets, with a depreciated replacement value of \$158 million. Its wastewater biological trickling filter treatment plant, constructed in 2010 with a depreciated replacement value

of \$29.6 million, comprises 19% of the value of this network. Treated wastewater is discharged through the marine outfall into Poverty Bay.

Council provides a separate wastewater network for Te Karaka, serving about 500 people. Its depreciated replacement value is \$2.6 million. Wastewater is treated in oxidation ponds and discharged into the Waipaoa River.

We also own and administer septage disposal sites at Te Araroa, Tikitiki, Ruatoria (Waipapu) and Te Puia.

### 4.2.3 Stormwater and Drainage Infrastructure

This infrastructure grouping is treated as two separate activities in our activity management planning: stormwater and land drainage.

#### Stormwater

Council's stormwater activity manages infrastructure in Gisborne city and 12 rural townships. Nearly 95% of the assets are within the Gisborne city area. The networks are largely piped with some assets associated with open drains (such as culverts and retaining walls).

The infrastructure was primarily developed to reduce flooding and facilitating drainage. However, the role of stormwater infrastructure to reduce levels of pollutants into waterways is now recognised and will be a greater focus for the future.

### 4.2.4 Rivers and Land Drainage

This infrastructure grouping relates to four Council activities: flood control, river control, coastal assets and land drainage.

#### Flood Control

Under the Flood Control activity the Council provides two flood control schemes (Waipaoa and Te Karaka) and a river improvement scheme (Turanganui-Taruheru).

<sup>11</sup> This value is conservative. Work is underway to update the figures in Council's financial system to accurately reflect recent developments (such as War Memorial Theatre upgrade) and the full stock of assets (such as sports parks and fixtures)



Constructed in the 1950s along the lower reaches of the Waipaoa River, the Waipaoa Scheme enabled horticultural development in the Poverty Bay Flats, an area historically prone to major flooding. It now protects over \$1bn of property and has a replacement value of \$39m. Originally designed for a 200 year annual return interval (ARI) storm (0.5% chance each year), it is now estimated to provide protection up to a 100 year ( +/-15%) ARI storm (1% chance each year). The scheme is now in year three of a fifteen year project to upgrade the stopbanks to meet a 100 year ARI storm allowing for climate change effects out to 2090.

The Te Karaka Scheme primarily protects the township. In 2002 its stopbanks were raised 600mm to achieve protection up to the level of a 200 year ARI storm. This needs reviewing to confirm this level of service. The replacement value of the scheme is \$1.1m.

The Turanganui/Tarheru River Scheme consists mainly of bank protection in and around the harbour and city and became a focus of Council activity following flooding on those rivers from Cyclone Bola. The replacement value is \$2.7m.

## River Control

The river control activity includes the management of several river control schemes for the protection of land, properties and roads from erosion. Groyne assets in the Ruatoria scheme have a replacement value of \$650k. Assets in the remainder of the schemes, such as culverts, drains and rock rip-rap have a replacement value of \$680k.

## Coastal Assets

The major component of Council's coastal assets activity is its management of the Wainui and Okitu beach protection scheme. There are also some minor assets on the eastern end of Waikanae Beach.

The Wainui and Okitu scheme includes a mixture of sloping rock revetment, rock filled gabion baskets, steel groynes and a wooden groyne. There is no defined level of protection for the scheme.

## Land Drainage

The land drainage activity covers the construction, administration and maintenance of a network of open drains across private farmland. They provide drainage to Poverty Bay flats and other specific areas. A total of 277km of drains are maintained, spanning 17 drainage districts. Assets include the drains, culverts, some erosion protection structures such as gabion baskets and flood control weirs.

## 4.2.5 Land Transport

Council's land transport business unit, Tairāwhiti Roads, is responsible for management of the roading network, walking and cycling provision and passenger transport. As a joint venture between NZ Transport Agency (the Transport Agency) and Gisborne District Council, the business unit is also responsible for management of the state highways. However, the state highway infrastructure is not considered in the Strategy, which focuses on Council functions and infrastructure.

Council's land transport asset portfolio has a replacement cost of \$1.7bn. This includes \$746m for land (44%), \$400m for formation (23%), \$181m for sealed pavement (11%) and \$128m for bridges and major culverts (7%).

## 4.2.6 Community Facilities

Community facility assets are spread across the district on council owned land. There are a wide variety of asset types. The major assets are listed in the table below along with Council's role and the asset value.

Asset type	Description	Council's role	Asset value
Aquatic facilities	Olympic Pool Complex with seven lane 50m pool (heated and covered with canopy structure), 33m recreation pool, 98m hydroslide, therapy pool, diving pool, toddler pool, offices, changing rooms and kiosk	Own and operate	\$9.1m
Art in public places	10 Graeme Mudge murals; 14 sculptures; monuments and cenotaphs	Own and maintain. Usually on public land. Trust secures funding	\$662k Note: Many art pieces not assigned a value
Arts facilities	HB Williams Memorial Library	Own and operate	\$9.96m
	War Memorial Theatre	Own and operate	\$8.3m
	Lawson Field Theatre	Own and operate	\$5.2m
	Gisborne Soundshell Theatre	Own and operate	\$10k
	Tairāwhiti Museum and Art Gallery	Own and maintain structure. Trust operates facility	\$11.7m

Asset type	Description	Council's role	Asset value
Cemeteries	Taruheru Cemetery and Crematorium  12 rural cemeteries (2 closed)	Own and operate, Lease for crematorium building	\$1.7m (excluding land value)
Parks and open spaces	Total area of 5,798,419m <sup>2</sup>	Own and operate	No information
Play spaces	Total area of 15,747m <sup>2</sup>  59 playgrounds; 11 skateparks; 7 basketball half courts	Own and operate	\$3.8m (excluding land)
Public conveniences	75 conveniences – 31 Gisborne city, 26 rural and 18 available as part of sports and event bookings	Own and operate	\$3.81m (excluding land)
Sports facilities	30 sports parks	Own and maintain 21 parks remainder owned and maintained by community groups. Sports codes operate most facilities	\$16.3m (excluding land)
Street trees and gardens	4,000+ street trees  2,500m <sup>2</sup> street gardens	Own and maintain	No information

## 4.3 Quality of Asset Information

The quality of asset data to support asset management decisions is variable; and improving asset data has been a focus over the last three years. Most assets have been captured into a consolidated asset management system. However, there remain some gaps. These include community facility building assets. Limited data about the condition and performance of assets exists for many asset groups. Criticality data (that considers the consequence of failure of each asset) is another area where improvement is sought.

Asset management plans will include improvement plans to identify where asset management practice can be improved. Given limited Council resources, these actions will be prioritised against other AMP actions.

## 5. Managing the Major Trends and Challenges

This section describes the major trends and challenges that will be key considerations for the management of Council's infrastructure over the next 30 years. We also discuss our general approach to their management.

This section provides background to the strategic issues identified for each type of infrastructure in section 7, as the issues are generally a result of the trends and challenges discussed.

## 5.1 Population Growth and Decline

### 5.1.1 Population and Household Trends

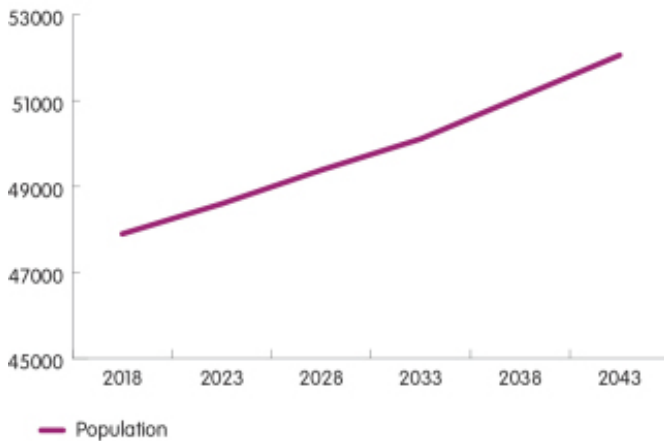
#### District Trends

Council commissioned updated population, dwelling and household forecasts for the district in 2017<sup>(12)</sup>.

These forecasts are built from small areas up, taking into account migration patterns, fertility rates and death rates by sex and age group and the potential availability of housing in the area for any population growth. The forecasts extend to 2043, just short of the period of the Strategy.

In the first ten years of the Strategy the district's population is forecast to grow by almost 1,500 persons (3%); from 47,900 in 2018 to 49,390 in 2028. By 2043 the forecasted population is 52,065; a growth of 4,170 persons (8.7%) over 25 years.

**Forecast population of the Gisborne District**



## Growth in the Gisborne Urban Area

Population growth is centred in and around Gisborne city (the Gisborne urban area), which is forecast to grow by 1,850

persons (5.1%) in the first ten years of the strategy; from 36,360 in 2018 to 38,200 in 2028. By 2043 the forecasted population for this wider Gisborne urban area is 40,940; a growth of 4,580 persons (12.6%) over 25 years.

An additional 900 dwellings are forecast in the Gisborne urban area between 2018 and 2028. In the 25 years from 2018 to 2043 an additional 2,220 dwellings are forecast.

Riverdale is forecast to receive the greatest number of new dwellings. With an additional 616 dwellings between 2018 and 2043, this locality accounts for 28% of the urban dwelling growth over the 25 years. The majority of the new dwellings in Riverdale (477) are assumed to occur in the greenfield development area known as the Taruheru Block; with most of these built in the first 15 years of the strategy.

Gisborne Central experiences the second highest growth over the 25 years, with 334 new dwellings forecast (15% of the total dwelling growth). The majority of this growth occurs after 2033, as greenfield areas are taken up. Wainui-Okitu (including Sponge Bay), Makaraka-Matokitoki and Kaiti South also experience higher growth.

**Table 2: Forecast Dwellings by Locality in the Gisborne Urban Area**

Locality	2018	Year 2028	2043	Growth 2018-2028	Growth 2018-2043
Gisborne Airport - Awapuni	1,042	1,062	1,092	20	50
Gisborne Central	1,501	1,596	1,835	95	334
Kaiti North	1,548	1,566	1,626	18	78
Kaiti South	1,021	1,117	1,202	96	181
Makaraka - Matokitoki	654	753	873	99	219
Mangapapa	1,683	1,728	1,833	45	150
Riverdale	1,078	1,428	1,694	350	616
Tamarau	757	767	831	10	74
Te Hapara	1,829	1,858	1,952	29	123
Wainui-Okitu	821	925	1,073	104	252
Whataupoko	1,585	1,622	1,729	37	144
<b>Total</b>				<b>903</b>	<b>2,221</b>

Traffic volumes have also been increasing steadily on some urban roads. For example, the estimated daily traffic movements on Wainui Road increased by 16% between 2005 and 2015. These trends will need to be monitored.

## Declining Rural Areas

Population in the remainder of the district declines by 355 persons (3.1%) in the first ten years of the strategy and 412 persons (3.6%) over 25 years.

## 5.1.2 Responding to Population and Household Growth and Decline

We plan to manage the implications of population and household growth and decline on our infrastructure by:

### a) Ensuring Infrastructure Capacity

Council will continue to commission detailed population and household forecasts. We will also consider updating our industry/economic projections with the next Long Term Plan. These forecasts inform the design and upgrade of new infrastructure. For our complex water and wastewater networks we use detailed network models to help identify capacity issues.

We need to do further modelling to better understand the pressures of population growth (as well as climate change and potentially reticulation extension to Wainui/Makaraka) on Gisborne city's water sources.

## b) Encouraging a Compact Urban Form

Council's Urban Development Strategy (2015) encourages a compact urban form. This is intended to protect the elite soils of the Poverty bay Flats while maximising the efficiency of core

infrastructure. We continue to support this approach and plan to embed it in the review of the Tairāwhiti Resource Management Plan.

Although recent population forecasts show higher growth than that anticipated in 2015, we believe there is sufficient greenfield land within the reticulated services boundary for the next 15 to 20 years. But to ensure this development can be realised, Council has an important role in facilitating the provision of supporting infrastructure. We will continue to monitor the city's capacity for urban development.

## c) Coordinating Infrastructure in Greenfield Development Areas

The Taruheru Block is our largest area of undeveloped residential land. We use a structure plan and rules in the Tairāwhiti Resource Management Plan to help to coordinate infrastructure across multiple properties. The structure plan will be reviewed to reflect new stormwater requirements under the Freshwater Plan. We also plan to provide the following infrastructure projects to support development of the block, with funding assistance from development contributions:

Table 3: Capital Projects to Support Taruheru Block Development

Project		Timeframes	Costs (incl infl.)
<b>Roading</b>	Ruth Street capacity upgrade	Year 3	\$522,000
	Linking Potae Avenue to Nelson Road	Years 1 - 2	\$765,000
	Cameron Road and other Taruheru Block links	Years 7 - 10	\$726,159
<b>Wastewater</b>	Campion Road pump station and rising main	Years 1 - 2	\$1,100,000
	Moss Road pump station and rising main	Years 1 - 2	\$460,000
	Cameron Road pump station and rising main	Years 5 - 6	\$618,000
<b>Water</b>	Staged programme of improvements including ring-maining around the block (year 3) and contribution to water reticulation network	Years 3 - 10	\$1,697,000
<b>Storm-water</b>	Stormwater infrastructure to be confirmed through structure plan	Year 1 - 2	\$1,037,000

We also plan to provide a wastewater pump station upgrade in year 10 (2028/29) to support new industrial development in Aerodrome Road.

## d) Requiring Development Contributions

We plan to continue requiring development contributions to assist with the funding of infrastructure to support growth.

## e) Using Township Plans to Target Investment

In the face of population decline in rural areas we are challenged to find ways to continue to provide and improve infrastructure for rural areas and small towns. Supporting these rural communities can be argued important for multiple reasons: for social outcomes, for maintaining the region's competitive advantage in primary industries; and for the continuation of communities connected to traditional rohe.

Council is developing the township plan programme to target support for rural towns. Through this programme Council stages engagement with each of its major communities. A small budget (around \$ \$50,000 to \$70,000) is allocated every second year for improvement projects identified through the engagement.

These projects often focus on building a sense of place through, for example, streetscape improvements.

## 5.2 Population Structure

### 5.2.1 Population Structure Trends

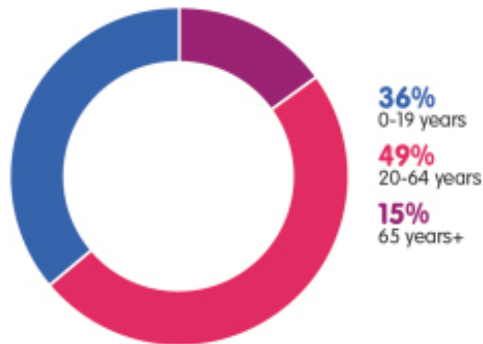
Youth (0-19 years old) are forecast to decline by 1,700 persons (10%) over the 25 years from 2018 to 2043. However, as Gisborne has a high proportion of youth compared to all of New Zealand and a high fertility rate, youth are expected to remain a high proportion compared to the New Zealand average. Meanwhile the older population (65+ years old) will increase by 3,280 persons (44%)<sup>13</sup>. Those aged 85 years will nearly double between 2018 and 2043 from 766 to 1,514 persons.

Changing age demographics bring changing needs particularly for community facilities. It is likely that we will see increased demand for facilities that support older people's needs while younger people's recreation needs still remain quite high relative to the rest of New Zealand.

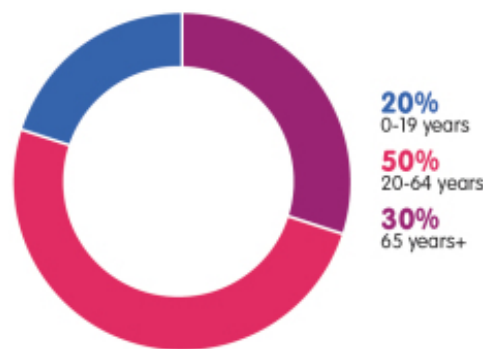
13 For the purposes of population forecasts, please refer to Council website

Māori are expected to remain a high proportion of the district's population.

**Gisborne Population Age groups 2018**



**Gisborne Population Age Groups 2043**



## 5.2.2 Responding to the Population Structure

Council is committed to providing community facilities that meet the needs of all members of our community. To do this well, we need to be aware of the demographic makeup of our community and what they need for public spaces and places to recreate, socialise, play, learn and grow. Understanding the ages, ethnicities and abilities of community members helps us to provide the right facilities in the right places.

Mana whenua in the region have an enduring commitment to Tairāwhiti and take the role of kaitiaki seriously. Co-management arrangements with mana whenua (for example, around parks and open spaces) are increasingly a focus as a way to support the expression of kaitiakitanga.

## 5.3 Forestry Growth

### 5.3.1 Forestry Harvest Trends

Over the last ten years the district has seen a dramatic rise in the transport of logs harvested from plantation forests. Between 2005 and 2016 harvests tripled, from about 0.7 to 2.1 million cubic metres<sup>(14)</sup>. The most recent forecasts project harvests to more than double again, reaching 4.5 million cubic metres around 2020, then peaking at over 5.5 million cubic metres by about 2029. Volumes are expected to then decline to around

current levels before gradually increasing for the next harvest cycle<sup>(15)</sup>. At the time of publication these figures were under review, particularly the region's capacity to extract logs at the peak volumes forecast, with the resources available.

### 5.3.2 Responding to the Increased Forestry Harvest

We expect roading infrastructure to be the most impacted by the increasing harvest volumes. There is demand to upgrade roads to allow products to be transported more efficiently and the heavy vehicles are causing more wear and tear on the roads. Our communities are also concerned about conflict between heavy vehicles and other users, and the impact of heavy vehicles on amenity values (noise, dust).

We plan to manage these pressures by:

#### a) Targeted Road Upgrades

We propose to upgrade the rural roading network to improve the efficiency for heavy vehicles and reduce wear and tear. However, given funding constraints, not all the identified improvements can be undertaken and work must be heavily prioritised to the improvements that will bring the most benefit, as discussed in section 7.

#### b) Shared Funding Arrangements with the Forestry Industry

We are working with the Forestry Industry to identify options for shared funding. Given the many financial pressures on Council, we see this as critical to achieving the levels of service sought by the industry.

#### c) Network Optimisation Investigation

Council also plans to undertake a network optimisation study to identify heavy vehicles routes to the Port as well as the best routes for traffic movement to and within the city.

#### d) Providing Safe Urban Cycleways

Council has committed to prioritise its cycleway programme to commuters, especially where it creates safe access for school children. Alongside the Transport Agency, we are constructing a spine along the length of the city, known as the Urban Cycleways Project. Half of the spine, linking the central business district to Wainui, was the first priority and should all be complete or under construction by the beginning of the Strategy. It addresses conflict between the large number of heavy vehicles on Wainui Road and cyclists. The next priority is development of the second half of the spine from the central business district north to Campion School. The local share of these projects is expected to be funded externally.

14 Statistics New Zealand, Forestry by regional council statistics, last accessed September 2017.  
15 Eastland Port Review of Regional Log Availability, April-May 2016.



## 5.4 Freshwater Management

### 5.4.1 Freshwater Management Reform

Tairāwhiti Wai is one of Council's three strategic priorities. It communicates our intention to focus on improving the wellbeing of our waterways.

Our focus on water is not just a Council priority, but also reflected in reforms across New Zealand to freshwater management. Locally, the reforms have resulted in Council's adoption of the Gisborne Regional Freshwater Plan and associated Waipaoa Catchment Plan (now both incorporated in the Tairāwhiti Resource Management Plan). These introduce a tougher regulatory environment for water quality and water allocation, therefore impacting on water sources, stormwater discharges and wastewater discharges in particular. By reducing the allocation of water extracted from rivers and aquifers for irrigation, the plans also drive a growing demand for Council involvement in irrigation.

The regulation of coastal water quality has not seen the same degree of local reform. However, the New Zealand Coastal Policy Statement 2010 now provides strong direction regarding the discharge of wastewater into the coastal environment, requiring consideration of alternative methods and sites for undertaking the discharge, and that the management of the discharge is informed by tangata whenua values. These changes are reflected in the resource consent requirements to improve the quality of wastewater discharges from the Gisborne city outfall and investigate alternative disposal options.

### 5.4.2 Responding Freshwater Management Reform

The key ways that Council is seeking to improve the wellbeing of waterways and responding to the freshwater management reform are summarised below. These responses describe the new requirements on Council and how we will assist our communities to adapt.

#### a) Planning for Increased Pressure Gisborne City Water Supply Sources

The Freshwater plan seeks to avoid river water takes during low flows, when takes can have the most impact on ecological values. We are already responding in our management of the Gisborne city water supply by reserving dam water during spring, in order to avoid taking water from the Waipaoa River in summer.

We are also beginning to plan ahead for further reductions on river water takes as water permits are renewed and climate change potentially reduces river levels. We will consider implementing household water metering in several years' time to reduce demand. We also signal the possibility of constructing additional water storage for the city water supply in the later years of the Strategy.

#### b) Reducing Council's Own Demands on Water

Regular water restrictions in Gisborne city in summer months have affected the ability to irrigate public parks and sports

grounds when they need it most. Council will investigate environmentally sustainable solutions to irrigating these public spaces to ensure levels of service can be maintained. This includes looking at rainwater harvesting and storage options and artificial and alternative surfaces.

#### c) Investigating Options to Improve Availability of Water for Agricultural Irrigation

Council is trialling a managed recharge of the Makauri Aquifer. It is hoped that this could reverse the declining levels of the aquifer and the need to reduce irrigation water takes under the Freshwater Plan. In the longer term we see a possibility of Council involvement in other water storage schemes for irrigation.

#### d) Developing Further Treatment of Gisborne City Wastewater

A top priority for Council is the development of additional treatment for Gisborne city wastewater in order to meet consent requirements. We plan to implement clarification, solid removal and UV disinfection by year 6 of the Long Term Plan, to meet all water quality standards in the consent and bring the treatment of our wastewater up to par with most wastewater disposal systems in the country.

We continue to support the use of a wetland for treatment, which would remove additional contaminants and viruses. A wetland would also store wastewater for alternative use that could potentially avoid discharge into the Bay, thereby addressing cultural concerns. This has been budgeted outside the ten years of the Long Term Plan to allow time to identify alternative uses.

#### e) Reducing the Risk of Discharges of Untreated Wastewater into Waterways

Another of Council's top priorities in the short term is to reduce the risk of overflows of untreated wastewater into waterways caused by either the overwhelming of the system by rainwater (wet weather overflows), or blockages/system failure (dry weather overflows). Our management of these risks will be scrutinised through Freshwater Plan consents.

#### f) Developing Integrated Catchment Management Plans for Stormwater

The Freshwater Plan and Waipaoa Catchment Plan seek to improve degraded water bodies including the Taruheru River and Waikanae Stream in Gisborne city. Given the complexity of addressing stormwater's contribution to this water degradation, the Freshwater Plan requires Council to develop Integrated Catchment Management Plans for our stormwater networks by 2025. Ultimately, we expect implementation of the plans will result in investment in infrastructure to improve stormwater quality and our draft financials budget \$255,000 per year from year 11 (inflation adjusted).

## g) Reviewing Stormwater Planning in the Taruheru Block Infrastructure Plan

We will review the Taruheru Block infrastructure plan in light of the new stormwater requirements in the Freshwater Plan. The structure plan is intended to provide certainty for developers and coordinate solutions across multiple properties to manage the quantity and quality of stormwater runoff.

## h) Reviewing the Engineering Code of Practice

We are also reviewing our Engineering Code of Practice, which will help provide guidance and certainty for new developments about how they can meet the stormwater requirements of the Freshwater Plan.

## 5.5 Natural Hazards and Climate Change

### 5.5.1 Natural Hazard Risks

The Gisborne district is subject to a wide range of natural hazards:

- **Earthquake** – The Gisborne district is located alongside the Hikurangi subduction zone and is, therefore, tectonically active. Much of our flat land is highly susceptible to liquefaction during a large earthquake.
- **Tsunami** – The tsunami hazard along our coastline is high due to the earthquakes generated in the adjacent Hikurangi subduction zone and other fault lines around the Pacific Ocean.
- **Volcanic** – We are also down-wind of active volcanoes in the central volcanic plateau, one of the most volcanically active locations in the world.
- **Meteorological** – Weather events are a key threat, with periodic remnants of decaying tropical cyclones and storms causing high rainfall, winds and high seas. These events can result in flooding, coastal flooding by the sea, coastal erosion and landslides.
- **Drought** – Droughts are also not uncommon in the east of the North Island.
- **Instability** – We are also known for our land instability, which is due to steep topography, fractured geology, dominance of young and soft sedimentary rocks and deforestation.

### 5.5.2 Climate Change Trends

Climate change trends expected for the Gisborne district include<sup>(16)</sup>:

- warmer average temperatures and a greater number of hot days when temperatures exceed 25°C

- generally, a small decrease in average rainfall across the district; but with local and seasonal variations in the level of change experienced
- potential increase in storm intensity (wind extremes and rainfall)
- sea level rise ranging from 0.5m by 2120 (relative to 2000 levels) under a severe global emission reduction scenario, to as much as 1.4m by 2120 under a continued high emissions scenario.

Many of these trends will exacerbate existing natural hazard threats. Time spent in drought is expected to increase; flooding may become more frequent; coastal flooding will impact greater areas of land due to higher base sea levels; and rising sea levels will generally cause increased coastal erosion and shoreline retreat.

### 5.5.3 Promoting Resilience to Natural Hazards and Climate Change

With our exposure to such a wide range of natural hazards, resilience is important for the wellbeing of our communities. Our long term infrastructure planning must also promote resilience to the effects of climate change: it is critical to our mandate under the Act to meet the future needs of communities.

We intend to promote resilience in the following ways:

#### a) Providing Protection Infrastructure

We will continue to provide flood protection schemes. The level of service of our most important scheme – the Waipaoa flood control scheme – will be increased. It protects a large part of the Poverty Bay flats and is critical to the district's economy.

Our long term role in providing protection from coastal hazards is more complex. Coastal erosion schemes generally protect fewer properties, are difficult to consent, and maintaining protection levels is likely to be costly with rising sea levels. Council's management of the Wainui scheme is guided by the Wainui Beach Erosion Management Strategy, which proposes only limited replacement hard protection works. Movement of property back from the shoreline is considered the long term approach for the beach.

However, we do see the possibility of an increased role for infrastructure to protect the city and possibly other areas against increased coastal flooding during storms and increasing tsunami risk, due to rising seas. This requires further investigation.

#### b) Commissioning Research

We will continue to commission local research on natural hazards and climate change to inform our infrastructure planning. We will partner with other agencies, using external funding where possible to reduce costs.

<sup>16</sup> Ministry for the Environment, Climate change projections for the Gisborne and Hawke's Bay region, <http://www.mfe.govt.nz/climate-change/how-climate-change-affects-nz/how-might-climate-change-affect-my-region/Gisborne>

## c) Incorporating Climate Change into Infrastructure Planning and Design

We incorporate the effects of climate change into infrastructure planning and design, for example the rainfall assumptions that inform stormwater design. Developing a better understanding of the potential impacts of climate change on Gisborne city water supply sources is an area identified for improvement.

Where infrastructure is at risk from increasing natural hazards due to climate change, considerations of relocation will be made early and/or as part of any proposed redevelopment plans. For instance the location of the Lawson Field Theatre and Museum site will be reviewed within 30 years in light of new climate change projections<sup>(17)</sup>.

## d) Participation in Civil Defence and Emergency Management and Lifelines

Our infrastructure staff participate in Civil Defence and Emergency Management planning and events.

The Civil Defence Emergency Management Act requires essential infrastructure providers (lifelines) to work collaboratively to promote resilience and effective responses to natural disasters. Tairāwhiti Lifelines Group have produced a report 'Lifeline Utilities Vulnerability Study', which identifies risk areas for each utility. Further work is needed to use the results to improve awareness of interdependencies and coordinate responses during an emergency.

## e) Insurance

Council transfers (or shares) the financial risk of adverse events occurring through a range of insurances. We recently increased the declared value our insured assets as a result of revaluations and an improved understanding of our assets. The declared value is also informed by the lessons learnt in Christchurch about the high replacement costs experienced after a natural disaster.

In a natural disaster, central government will currently pay up to 60% of the costs of restoring underground infrastructure. However, government is reviewing this assistance and could potentially limit assistance to the most extreme events. This may result in increased insurance premiums, but no allowance has yet been made in our financial estimates.

## f) Financial Resilience

Our budgeting allows for emergency roading repairs each year. We have increased the amount budgeted of \$2m to \$3m in years

1-3. In the future we could also develop emergency work funds for other types of activities, or put away savings to build up our own disaster recovery fund. This requires further consideration and, at present, we have focused on external insurance.

## g) Risk Management Framework

We are currently working to improve our management of risk across the organisation. We plan to focus on mitigation options for the key risks identified in each asset management plan. We are also developing or improving business continuity plans for each activity.

## 5.6 Infrastructure Renewals

### 5.6.1 The Challenge of Infrastructure Renewals

With assets valued at several billion dollars, knowing when to replace the assets and planning how to fund the replacement is complex.

Council's past approach to renewals often targeted to issues that had arisen; and assets often remained beyond the estimates of their remaining useful life. While the reactive approach has prolonged the life of assets and potentially resulted in short-term capital cost savings, it has increased maintenance spend. As the facilities have aged and use extended beyond the life of the asset, the maintenance costs of these old assets has increased (see figure 5 below).

Asset maintenance costs over an asset's life

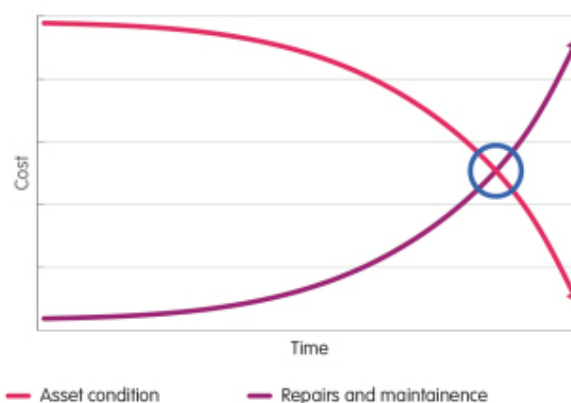


Figure 5: Asset maintenance costs over an asset's life  
We have a large proportion of old assets that are likely to require renewal in the short term, as shown in the large value of assets due for renewal in the first year of the LTP in figure 6 below. The major component of this 'peak' are clay sewer mains. The peak also reflects, to a lesser extent, assets recently captured and due for renew.

**Estimated Renewal Period and Annual Replacement Value**



**Figure 6: Estimated Renewal Period and Annual Replacement Value of Council Assets (excludes Land Transport)<sup>(18)(i)</sup>**

Particular issues that we will face in regards to asset renewals over the period of the Strategy and beyond include:

- **Increased requirement for roading renewals**

We have greatly improved our asset data over the few years, which allows us to better estimate renewal requirements. However, this work also indicates that funding requirement are significantly more than recent budgets.

- **Peak in wastewater renewals**

By year 5, \$19m of the wastewater reticulation network will have reached the end of its estimated useful life. Most of this consists of clay sewer main and associated manholes, much of which has already passed its estimate of useful life. This creates a significant peak in renewal requirements.

- **Other renewal peaks**

Water supply renewal requirements peak around 2039, as \$14m of cast iron water mains reach the end of their expected life. However, many of these mains were lined in 1990s, which may extend their useful life and allow staged renewal over a period. Beyond the period of the

Strategy there are also significant spikes in wastewater in years 41-45 (\$28.4m replacement value) and increasing stormwater renewal requirements from about year 40.

- **Renewal Profiles**

Figures 7 to 9 below compare the projected renewal requirements from our asset data to our forecast budgets for water supply, wastewater and stormwater. The stormwater figure only addresses pipes, which comprise the majority of depreciated assets. These figures show good alignment, considered over the long term, between the expected requirement for asset renewal and our renewal budgets.

We have not included a figure for community facilities assets, at this stage, because we lack data for some asset classes (particularly building assets, which comprise over 50% of the assets). Neither has a figure been included for Land Transport. A lack of construction date data meant the changing renewal requirements over time could not be forecast. Nor have we included a figure for flood or coastal protection or river control. A large proportion of these assets (including storm channels, drains and much of the coastal protection works) are assumed to be managed through maintenance rather than renewal, and are not depreciated.

30 Year Water Supply Renewal Requirements

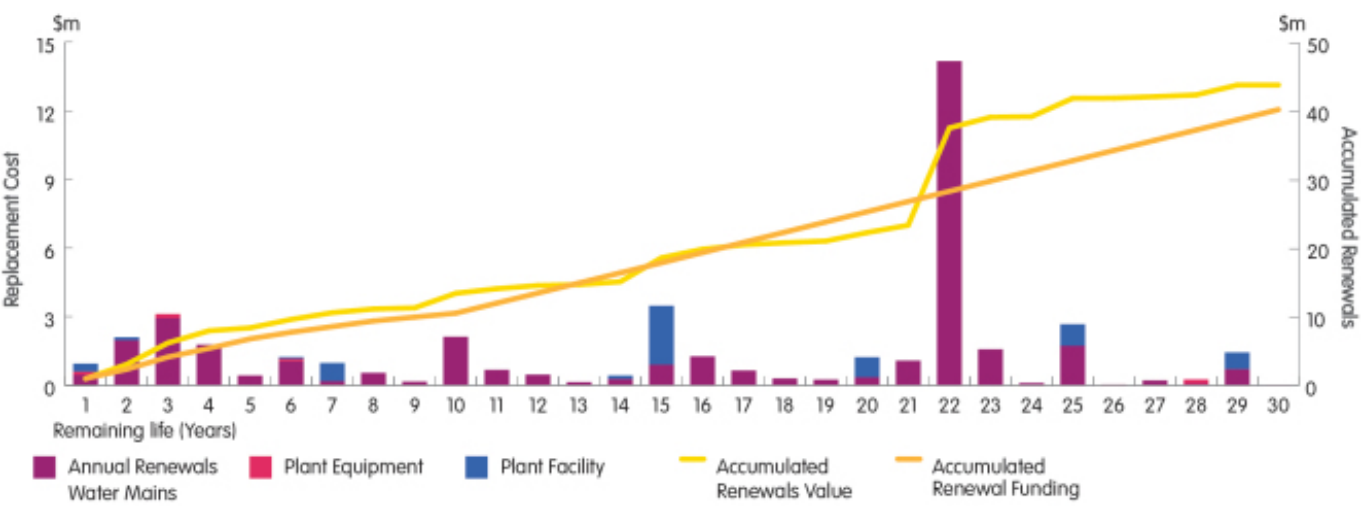


Figure 7: 30 Year Water Supply Renewal Requirements

We expect the deficit shown in the accumulated water supply renewal funding will reduce with further condition assessments of the cast iron water mains.

30 Year Wastewater Infrastructure Renewal Requirements

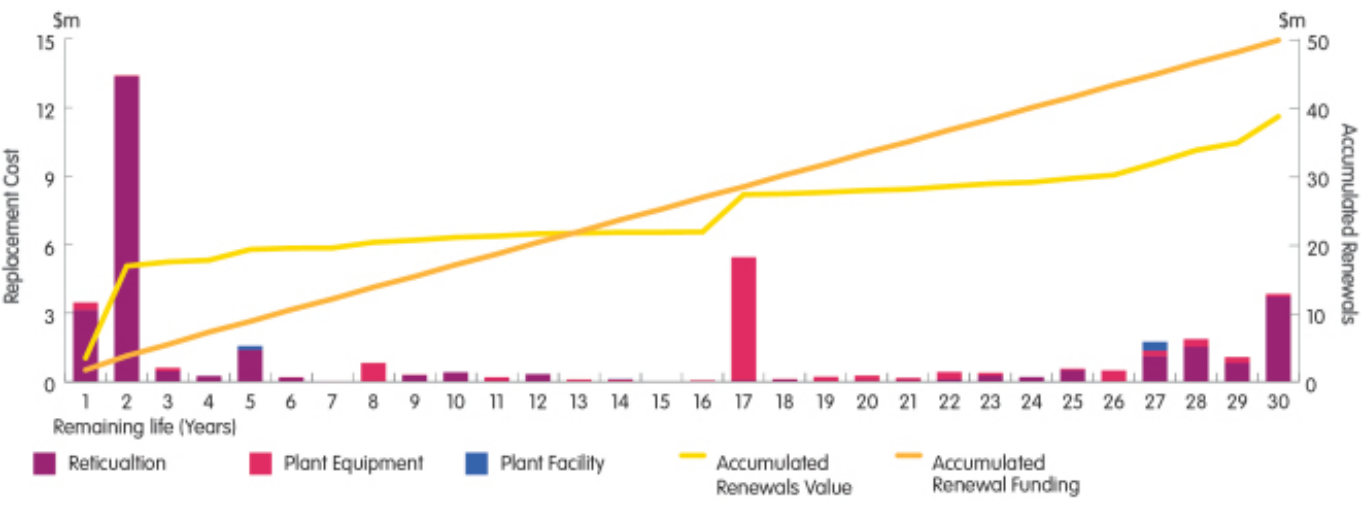


Figure 8: 30 Year Wastewater Renewal Requirements

Figure 8 above illustrates that wastewater renewal funding could potentially be reduced towards year 30 of the strategy; which will be considered closer to the time. As mentioned above, another peak in renewal requirements occurs around years 41-45. Note – figure 6 and figure 8 show the peak in different years due to the treatment of assets that have already reached the end of their estimated useful life.



## 30 Year Stormwater Renewal Requirements

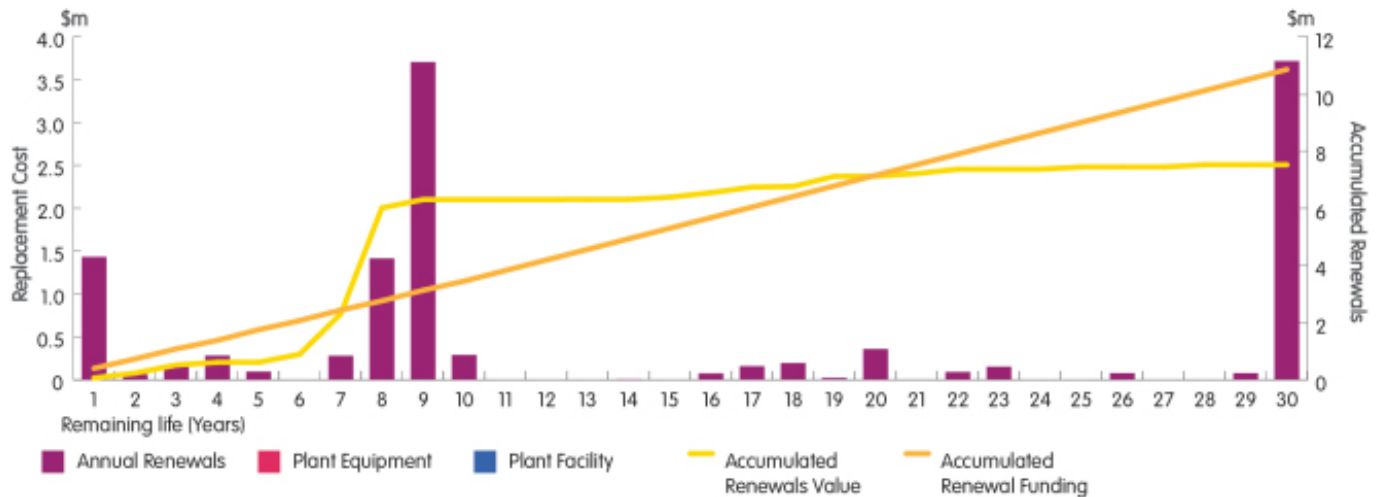


Figure 9: 30 Year Stormwater Renewal Requirements (Pipes)

### 5.6.2 Responding to the Challenge of Infrastructure

#### Renewals

Summarised below are some key ways that we plan to respond to asset renewal challenges over the period of the Strategy:

#### a) Improving Asset Management Maturity

We have focused on improving our asset management across Council over the last three years. Data for most assets has been consolidated into one asset management system. We have also assessed the maturity of asset management practice and identified actions to bring practice in line with an appropriate level of maturity for each activity. We anticipate that these improvements will help optimise renewal investments. However, significant work remains to capture information about some asset classes. Given pressures on operational expenses, this work must be prioritised against other projects.

#### b) Staged Renewal of Clay Sewers

We will stage the renewal of the clay sewers over 30 years to reduce the financial impact. A risk-based approach will be taken, prioritising work to the most critical components of the system and increasing our use of condition assessments.

#### c) Increasing Roading Budget

The need to increase our renewal budgets for roading cannot be avoided and we plan to significantly increase funding.

Depreciation reserves are insufficient to cover the renewals programme in full over the first years of the Strategy. It is likely that some of the renewals programme will need to be funded by debt and/or grant funding. Council will move, over time, to a position where the funding for each activity is sufficient to fund debt repayments and to complete renewal work in the Asset Management Plans.

### 5.7 Affordability

#### 5.7.1 The Affordability Challenge

Managing affordability in the context of the intense infrastructure challenges Council is facing and the District's comparatively low income levels and high social deprivation scores is extremely complex.

#### 5.7.2 Responding to the Affordability Challenge

The following key responses are proposed. Council's Financial Strategy should be referred to for more detail:

- Focus on the critical activities and infrastructure.
- Keep rates as affordable as practicable while recognising the need to fund critical activities and infrastructure and keeping the region functioning well.
- Increase alternative revenue streams through partnerships, targeted contributions and investment income.
- Increase maximum debt levels still within prudent levels as per the Investment Policy, the Liability Management Policy and the Revenue and Finance Policy.
- Ensure users and those who benefit from Council activities and infrastructure pay for them.
- Grow the rating base through economic activity without the need to trigger more additional capital works projects or grow Council's infrastructure footprint.

## 6. Significant Infrastructure Issues

This section sets out the significant infrastructure issues Council anticipates it will face over the 30 year period of the Strategy.

Options for managing each issue are discussed. For some of the issues the options presented are mutually exclusive alternatives. In other cases multiple options can be pursued to address the issue. A 'most likely scenario' is also described for each issue. Although significant decisions about which options to pursue have yet to be made for many issues, Council is required to set out a most likely scenario in order to produce indicative financials.

Funding sources are not the focus of the Strategy and are addressed in Council's Revenue & Finance Policy. However, funding issues are noted for some issues where funding sources is considered an area of uncertainty or potential focus for community engagement.

The estimated costs of the options provided are for 2018 and do not include inflation, unless otherwise stated. Inflation is, however, allowed for in our budgeting for the most likely scenario.

### 6.1 Criteria

The focus of an Infrastructure Strategy is on the significant – not every issue is included. The following criteria have been used to identify the significant issues, which are based on advice

from the Society of Local Government Managers and Council's Significance and Engagement Policy:

- cost involved – the larger the cost involved, the higher the degree of significance
- impact on levels of service – the bigger the impact, the higher the degree of significance
- the degree of risk involved in, or arising from, the issue – what's the risk if the issue is not addressed, how big is that risk, and how significant are the consequences if that risk materialises
- impact on achievement of your local authority's priorities – how important is resolution of the issue to the achievement of your Council's priorities
- the extent of the impact – how much of the district is affected?
- the extent of the impact on individuals or specific communities
- the level of public interest.

In the case of land transport, the issues also mirror the problem statements agreed by the Regional Transport Committee, which informed the strategic direction of the Regional Land Transport Plan.

### 6.2 Water Issues

#### 6.2.1 Sufficient Water Sources for the Gisborne Water Supply

##### Issue:

The combination of regulatory changes, climate change and population growth will result in greater difficulties meeting demand from current core water supply sources. Therefore, more frequent water restrictions are likely, which has implications for industry and our economy.

Changes to the freshwater regulation have impacted on how much water Council can take from current sources to supply Gisborne city. Demand management planning has already resulted in Council extracting more water from the Waipaoa River during high flows in order to conserve dam water and reduce pressure to take river water during low flows. By 2026 Council will operate under new resource consent for the Te Arai River take. Under this consent the volume of water Council can take, particularly during dry weather and low flows, will likely reduce. But the city water supply is expected to still have priority extraction rights in a declared drought.

Any extension of the water reticulation network to include more users (such as Wainui) would also add to the issue.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b>  Change the operational regime: use Waipaoa for base supply	Historically, water from the Waipaoa River (treated at the Waipaoa treatment plant) was used only for emergency supply, when water from the Waingake treatment plant could not meet demand. Council has now begun to use Waipaoa water as a base supply, in order to conserve dam water and avoid river takes during low flows. But because Waipaoa water is more expensive to supply, it only makes sense to use it for a limited time in late spring to early summer, when the dams are full and rivers are high, but dry weather is expected.	Costs will fluctuate but an average of \$100,000 per year additional operating costs for running the Waipaoa treatment plan more often is estimated.

Main Options	Explanation and Implications	Cost Estimates
	The increased use of Waipaoa treatment plant results in increased operational costs.	
<b>Option 2</b>  Reduce demand through water metering and charging	Metering water use and charging on the basis of consumption has proven successful in other locations such as Kapiti and Tauranga for changing behaviour and reducing demand. (Kapiti Coast achieved a 26% reduction in water use). It would require installation of backflow prevention devices at about 50% of the city's residential connection points. The devices are future-proofed with capability for fitting a meter. A charging policy would be developed to consider the costs and benefits of different charging approaches, particularly for the economically disadvantaged.	\$3.9m for installing backflow prevention devices with water metering capability at remaining residential properties; and  \$2m for adding meters.
<b>Option 3</b>  Greywater reuse and/or private rainwater collection for non-potable use	<p>Encouraging an increased uptake of private rainwater tanks (e.g. through education or financial incentives) could potentially help reduce pressure on water sources. However, unless tanks are large, this option is not expected to make a major difference to demand at the most critical times because tanks can be quickly emptied during dry weather.</p> <p>Encouraging grey water reuse by residential properties is another potential option. Water saved could be used for non-potable sources such as gardening and cleaning, but there may be negative impacts on the wastewater network to consider.</p> <p>Potentially rules could be developed in the Tairāwhiti Resource Management Plan to requiring the uptake of these options, say for new houses.</p>	<p>Installation of private rainwater tanks is around \$3,000 to \$8,000 per property depending on the size and plumbing required. Council's costs would depend on the extent of the assistance provided to homeowners.</p> <p>A change to the Tairāwhiti Plan would also have operational costs.</p>
<b>Option 4</b>  Sang Dam remediation	<p>The Sang Dam, which is one of three dams in the Mangapoike Dam catchment, has slumped and can only be filled to about 50% capacity. At full capacity the Sang Dam equates for about 10% of potential dam storage capacity. In other words, total dam storage capacity is now reduced by 5%. The loss of storage reduces resilience to cope with dry weather events and increases the likelihood of water restrictions, which have economic impacts. It also puts greater reliance on river water sources. There are also competing uses and values impacted by the river take.</p> <p>Remediation would restore capacity.</p>	\$1.5m for remediation, with savings each year of \$10,000 - \$15,000 on the marginal operating cost of operating the Waipaoa treatment plant more often.
<b>Option 5</b>  Increase the capacity of the Sang Dam	At the same time as the Sang Dam is remediated its capacity could be increased to reduce pressure on other water sources. This would need careful consideration given that the dam is situated on a fault line.	\$4.5m for remediation and capacity increase.
<b>Option 6</b>  Additional water sources	Other additional water sources could be developed. For example another dam. Any new water source is likely to require significant capital investment and also significant environmental and cultural considerations.	\$30m for construction of an additional dam plus additional costs for conveyance.
<b>Most likely scenario assumed</b>	<p>Council intends to continue running the Waipaoa treatment plant more often (option 1). An average operational cost increase of \$100,000 is allowed until year 8 when the increase reduces to \$50,000 with demand reductions as a result of water metering. A reserve fund will be investigated to allow for fluctuating costs.</p> <p>Investigation of water demand and supply issues including demand modelling and the impacts of climate change on sources is expected during years 1 to 3. This will also include</p>	

Main Options	Explanation and Implications	Cost Estimates
	<p>investigation of the merits of private rainwater tanks and greywater reuse (option 3). However, no budgets are currently provided for these options and any Council assistance is expected to be limited.</p> <p>A decision on Sang Dam is expected for the 2021-2031 Long Term Plan and strengthening of the dam is assumed to occur in year 4 (2023/24), \$1.6m is allowed. At this stage we consider it unlikely that its capacity will be increased given its location over a fault line.</p> <p>A decision will be made with the 2021-2031 Long Term Plan about whether to pursue water metering (option 2) to delay investment in additional water sources (option 4) and reduce the frequency of water restrictions. Water metering and charging is assumed to be in place by year 9, with Council installing meters from years 6 to 8 (2023-2025).</p> <p>Over \$61m for construction of an additional water source (including inflation) is signalled for year 30 (2048/2049).</p>	
Main driver/s (growth/LOS/renewal)	<p><b>Levels of Service:</b> Maintaining Levels of service in the face of climate change and stricter regulatory environment.</p> <p><b>Growth:</b> Increased demand from population and industry growth and the potential extension of service to new areas.</p>	
Other notes	Further research is needed to on the impacts of climate change, growth and potential reticulation extensions to better understand when supply becomes critical and the potential frequency of water restrictions.	

## 6.2.2 Meeting Peak Demand for Water

### Issue:

On days of peak demand the use of water exceeds the flow into the network from water sources. This results in the drawing down of reservoirs. If high demand continues for several days and reservoir levels continue to drop Council must implement water restrictions to bring demand in line with supply. Restrictions have implications for industry (particularly the processing of primary products) and the economy. During times when reservoirs drops there is also reduced resilience to cope with a disruption in supply, as reservoirs are intended to provide emergency water storage.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Education campaigns and water restrictions	Education campaigns and water restrictions are already used to reduce demand. Water restrictions have implications for the level of service provided and also for the economy. Council has a stepped approach, targeting residential garden use first and avoiding restrictions on commercial and industrial water users for as long as possible. Without the use of other options, we can expect restrictions will become more frequent with population growth.	Several thousand dollars operational costs each time water restrictions are declared for advertising and education.
<b>Option 2</b> Water metering and charging	Reducing demand through water metering and charging has been shown to curb peak demand that occurs in dry weather, therefore reducing the times when reservoirs are drawn down because extraction exceeds water entering the supply. This would help to avoid water restrictions and its economic implications.	\$2m for meters, if backflow prevention devices already installed to provide meter fitting, plus additional costs for developing and implementing the charging policy.
<b>Option 3</b> Increase flows through capital improvements	Increasing flows into the city would reduce the times when demand exceeds supply. This would require capital investment at treatment plants to increase the volumes of treated water, plus an additional booster pump to increase flows into the city. Other infrastructure upgrades may also be required. This option best ensures the potential to service residential growth and any additional industry or new reticulated areas.	(\$20 m) \$15m for upgrading the treatment plant and \$5m for additional booster pump. There would also be some additional operational costs.
<b>Option 4</b>	Building additional storage in the city would help buffer times when demand exceeds supply, but is unlikely to reduce the	\$10 - \$15m capex.

Main Options	Explanation and Implications	Cost Estimates
Additional reservoir	frequency of water restrictions as successfully as increasing the flow of water.	
<b>Most likely scenario assumed</b>	Council plans to continue to using water restrictions but also pursue water metering and charging to reduce peak demand. Water metering is assumed to be in place by year 9 (2026/2027). Investigation of water demand and supply issues is expected during years 1 to 3. With inflation, \$38.5m is signalled for year 25 (2043/2044) to increase water flows.	
Main driver/s (growth/LOS/renewal)	Growth: impact of population and industry growth, as well as the potential additional reticulated areas, on meeting peak demand.	
Other notes	Reducing demand through water metering would also reduce pressure on water sources (see above).	

## 6.2.3 Safety of the Gisborne City Water Supply – Reducing Risks

### Issue:

The following are two significant areas of improvement identified in Council's Water Safety Plan, which was recently approved by the Ministry of Health's Drinking Water Assessor:

(1) Reducing the risk of protozoa contamination – The municipal water supply is currently compliant with treatment and monitoring requirements for protozoa. However, if protozoa is detected in 5-yearly raw water samples, additional treatment must be installed. The risk of detection of protozoa is considered reasonable given the land uses and discharges in the water source catchments. Protozoa is considered a greater risk in the Waipaoa River and this source is now being used more often. Protozoa treatment is also considered an area where national regulation will become stricter, requiring additional protection through treatment.

(2) Reducing the risk of contamination from backflow – this can occur if pressure in the network drops and water flows back from the property into the network. Non-residential connections are already fitted with backflow prevention devices, which are considered an effective means of addressing the risk. Only about 50% of residential connections are fitted.

Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Reduce Protozoa risk through UV treatment	UV treatment at each treatment plant is considered the only feasible option for reducing the risk of protozoa contamination. Waipaoa is considered the first priority.	\$ 650,000 to install UV treatment at Waingake and \$500,000 at Waipaoa. (There would also be additional operational costs).
<b>Option 2</b> Reduce backflow risk through backflow devices	This option would accelerate the installation of the remaining backflow residential devices for residential connections as a programme, rather than waiting on renewal/replacement of connections.	\$3.9m for installing remaining devices.
<b>Most likely scenario assumed</b>	Council proposes to install UV treatment at Waipaoa in year 1 (\$500,000) and at Waingake in year 5 (\$715,000 with inflation), following a decision whether to proceed with the adoption of the LTP. The remaining residential backflow prevention devices are installed from year 1 to 7 (2018-2023) with \$4.2m budgeted.	
Main driver/s (growth/LOS/renewal)	<b>LOS:</b> Further reducing the risk of backflow into the network and protozoa contamination.	
Other notes	The devices installed at connection points to prevent backflow into the network also provide a fitting for future water metering.	

## 6.2.4 Access to Safe and Affordable Water in Areas Outside the Municipal Water Supply

### Issue:

Council recognises that access to safe and affordable water is critical for all people. Most households outside the Council supply source water from their roof and store it in tanks. In general terms, the water quality is poor, due to biological contamination from wind-born organic matter and birds (although many households also value their control over the supply and the lack of treatment additives). Furthermore, the roof area of many dwellings is often too small to provide a sufficient year-round supply. As trucking top-up water is expensive (over \$800 for the communities furthest from the suppliers) we expect inadequate water supplies in many households, particularly during summer.



There are also various private community water supplies in the region that service multiple properties. These are often run by volunteers and present a risk of less stringent design and maintenance programmes.

For Wainui and Makaraka, which are located at the edge of Council's reticulated water and wastewater services, proximity raises a question of extension to service these areas (much of Makaraka is already reticulated for water but not for wastewater). Provision of reticulated water and wastewater for Wainui was considered in 2007 and rejected, but should be considered again as part of Council's duty to assess water and sanitary services for its communities from time-to-time.

Council is also beginning to explore the implications of increased population and household projections for Gisborne city. This may raise questions about extending reticulation to support an increased development density in some areas. However, this is unlikely to be required in the shorter term of the LTP.

Options	Explanation and Implications	Cost Estimates			
<b>Option 1</b>  Reticulation Schemes	Reticulation schemes could be constructed for various rural communities, using the best local water source and treatment plants designed for each specific water source. (Certainty of supply has not been investigated with the future impact of climate change).	In 2007 the cost of extending full mains pressure water to Wainui was estimated at approx. \$6,000 per lot. This is used as an indicative cost for both Wainui and Makaraka households but is thought on the low-side.			
		Indicative costs of reticulating other communities, as estimated in 1995 and updated for inflation for 2017 are:			
		<b>Community</b>	<b>Construction (\$)</b>	<b>Opex/year (\$)</b>	
		<b>Tokomaru Bay</b>	1,283,912	203,680	
		<b>Tolaga Bay</b>	1,921,096	326,040	
		<b>Te Puia</b>	135,350	17,250	
		<b>Te Araroa</b>	453,840	170,240	
		<b>Hicks Bay</b>	496,400	84,360	
		<b>Ruatoria</b>	914,400	169,480	
		<b>Matawai</b>	422,300	65,360	
		<b>Tikitiki</b>	453,840	70,680	
<b>Muriwai</b>	549,600	85,120			
Other options	<p>A wide range of other options also exist for improving access to safe and affordable water, such as:</p> <ul style="list-style-type: none"><li>• increased education on private treatment and risk reduction</li><li>• financial support for increasing water storage and improving gutters to capture the water</li><li>• financial support for cleaning gutters and rooves</li><li>• assistance with cheaper resupply options (e.g. from Council-managed community water tanks)</li><li>• Securing of cheaper materials for private upgrades through bulk buying by Council and reselling to property owners.</li></ul>	<p>\$3,000-\$10,000 per property for increasing water storage and/or improving gutters.</p> <p>Education could have a range of costs, depending how extensive the programme. It could potentially be funded from reprioritising existing resources.</p> <p>Community water tanks for cheaper resupply: \$400,000 - \$800,000 for installation, depending on the size of the community. There would also be ongoing costs for operation and renewal.</p>			

Options	Explanation and Implications	Cost Estimates
<b>Most likely scenario assumed</b>	<p>Consideration of water services for these communities should occur alongside consideration of wastewater services. A decision on Wainui and Makaraka not expected until year 10 in order to provide time for:</p> <ul style="list-style-type: none"> <li>Further research on water demand and supply</li> <li>Realising potential demand savings as a result of water metering, which may be important if new areas are serviced</li> <li>Reducing stormwater inflow/infiltration into the wastewater network, which is important for providing capacity to service new areas.</li> </ul> <p>Investigation of water and wastewater issues for Wainui and Makaraka is expected in years 7 to 9 (2024-2027) (including a review of the sanitary assessment for these communities). \$17.5m in year 15 is allowed as a placeholder for implementation of water and wastewater reticulation in one of the communities. Other external funding would be necessary to complete the project.</p> <p>Council has assumed it will review its water and sanitary services for other rural communities in years 5 and 6 (2022 to 2023). No additional budgets are provided at this stage for implementation of any capital or operational improvements as a result of these plans.</p>	
Main driver/s (growth/LOS/renewal)	<b>LOS:</b> new services could be considered for some communities.	
Other notes	<p>Council is required to undertake assessments of its provision of water and sanitary services for from time to time. These assessments provide a framework to consider the issues and options.</p> <p>There may also be some firefighting benefits with some options.</p>	

## 6.2.5 Water for Irrigation in the Poverty Bay Flats

### Issue:

Climate change, the declining aquifers and the changing regulatory environment could potentially increase demand for a Council to introduce an irrigation scheme for agriculture. Across the Poverty Bay flats water resources are fully allocated with no capacity for irrigation available.

The Makauri aquifer has been in decline for decades. It provides irrigation for 2,000 ha of land with consent to take water. The Freshwater Plan sets a target to reduce total allocation by 2020 by 75%, with further reductions planned for 2025. An economic study indicates that a reduction in water available for irrigation would result in a substantial loss of return for growers and potentially a loss of employment<sup>(19)</sup>. The Plan also requires a reduction in allocation in the Matokitoki aquifer and a review of the total allocation from all Poverty Bay aquifers in 2025. Cuts in allocation from the Waipaoa River are also required.

Over the longer timeframe, sources of irrigation water will generally become more variable and harder to predict with climate change. The most likely projection for levels in the Waipaoa river (the most significant source of irrigation water) is a small decline by 2040 and 2090; but there is much uncertainty with significant declines or even an increase in low flow levels possible. Recharge of groundwater sources from land is also expected to reduce with climate change<sup>(20)</sup>. Meanwhile, hot days over 25°C and drought are expected to increase, increasing crop water requirements.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b>  Managed Aquifer Recharge (underground storage), potentially with reticulation to users	Council has begun work to trial a managed aquifer recharge project (MAR). It injects water from the Waipaoa during high flows into Makauri aquifer in the hope of stopping the decline in levels and the need to reduce water takes. It is possible the project could even allow an increase in water takes, but it is early days for considering its potential as well as the complex issues of management, funding and access.	<p>\$1m capital costs for stage one. No conveyance costs as it is assumed users are located above the aquifer. \$250,000 operational costs.</p> <p>\$2m capital costs for stage two – this excludes any conveyance costs, which</p>

19 M.E Research, Regional Economic Impacts of the Makauri Managed Aquifer Recharge Scheme, 29 June 2017  
20 NIWA, Gisborne District Water Resources Under Climate Change, prepared for Gisborne District Council, June 2012

Main Options	Explanation and Implications	Cost Estimates
	Two stages are proposed. The first stage is to establish two bores and associated infrastructure to enable levels in the aquifer to stabilise under current irrigation demand. A second stage could include four more bores and infrastructure to expand the amount of water available for irrigation.	would be additional. Opex costs may be in the range of \$500,000 per year but are assumed to be privately funded.
<b>Option 2</b> Use of treated wastewater from Gisborne city for irrigation	Treated Gisborne city wastewater could potentially be used for irrigation. A key constraint is the lack of suitable land in close proximity to the city. Therefore, any scheme is expected to require a substantial investment in conveyance to users (reticulation). It is also unlikely that irrigation alone could present a solution to disposal of Gisborne city wastewater, particularly during wet weather when demand for irrigated water is low.  However, there could be greater demand in the future with less predictable rainfall and pressure on water resources as a consequence of climate change.	The costs of conveying water to users (reticulation) are expected to be significant but have not been formally estimated.
<b>Option 3</b> Above-ground water storage, potentially with reticulation to users	Water could also be stored above ground in a large dam and conveyed to multiple users. Large dams have significant construction costs and environmental and cultural considerations. Increased use of small scale private storage is also a likely option.	Construction of a new dam is thought to cost, roughly, in the order of \$30m, with likely additional costs for conveyance.
<b>Most likely scenario assumed</b>	Construction and operation of MAR is assumed to be entirely externally funded and its construction and operation are not included in the financials.  Over \$61m (with inflation) has been signalled in year 30 (2048/2049) as a placeholder for development of an additional water source for the city water supply. There may be the potential to develop this as dual water source, which also provides water for irrigation.  At present the most likely scenario does not include the use of treated wastewater from Gisborne city for irrigation. However, we would support further investigation if a potentially feasible and affordable option were identified. Ideally any irrigation scheme would be funded by the users that benefit from the water sources.	
Main driver/s (growth/ LOS/renewal)	<b>LOS:</b> Maintaining the availability of water for irrigation (although it may not be a Council-provided service), potentially providing a reticulation scheme.	
Other notes	Projects to deliver water storage for agriculture could possibly be combined with delivery of additional water storage for the Gisborne city water supply, but this would require further investigation.  Council v private construction and management of MAR and the associated funding considerations will be an issue to resolve in the coming years.	

## 6.3 Wastewater Issues

### 6.3.1 Stormwater Inflow and Infiltration in the Gisborne City Wastewater Network (Wet Weather Overflows)

#### Issue:

Several times each year, during times of wet weather, large volumes of rainwater enter the wastewater network overwhelming the system. Council then reluctantly opens relief valves that allow untreated sewage to discharge into waterways, in order to avoid overflowing sewage onto properties. But by 2020, Council must obtain resource consent for these wet weather overflows. The consenting process will consider the impact of the overflows and the measures proposed to reduce the risk. These Freshwater Plan requirements, combined with iwi and wider public concern over the overflows, is driving the reconsideration of measures taken to reduce the overflows. Council will be subject to 6-yearly review of its consent.

Our research suggests the direct inflow of stormwater from private property into the system (draining straight into gully traps, or being piped from flooded areas or roofs into gully traps/wastewater laterals) contributes the greatest volume of rainwater entering the system. Therefore, resolving or significantly reducing on-property flooding is essential to reducing wastewater overflows. The options below focus on tackling this contribution to the issue.

Leaky private laterals between homes and the main network are thought to be contribute the next greatest volume.

Leaks in Council's wastewater system are thought to contribute a smaller volume to the issue. The 54km of brittle earthenware pipes that are reaching the end of their useful life are thought to be a focus area.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Council Funds Flood Reduction Projects	This option assumes that Council coordinates and funds all projects to address private property flooding that impacts directly on the wastewater network. This option provides the greatest certainty of reducing inflow.	\$13.2m capital improvements funded by Council.
<b>Option 2</b> Medium Level of Council Funding of Flood Reduction	Council would coordinate and fund projects to address flooding under limited conditions: there is insufficient capacity in the public network, a lack of suitable stormwater connection in the vicinity or where development has been allowed in low areas with no suitable drainage solution.  Council could also use enforcement/regulation to encourage landowners to address flooding that contributes to stormwater inflow, providing partial subsidies.	\$8.4m capital improvements funded by Council.
<b>Option 3</b> Lower level of Council involvement focused on public drains	Council would coordinate and fund public drain projects to address flooding in the limited conditions as above.  Council could also use enforcement/regulation to encourage landowners to address flooding. No subsidy would be provided for the project considered 'private'.  This option provides the greater risk of delays in achieving reductions.	\$5.4m capital improvements funded by Council.
<b>Most likely scenario assumed</b>	Given the other competing financial pressures we have signalled a budget based on option 3. However, we will continue to explore the possibility of public-private partnerships and external funders.  Renewal of the 54km of earthenware pipes will be staged over 30 years to reduce the financial impact.	
Main driver/s (growth/ LOS/renewal)	<b>LOS:</b> Improving drainage and meeting level of service standards; reducing the risk of wet weather overflows.  <b>Growth:</b> Minor contribution expected through infill development and increased impervious surfaces.	

## 6.3.2 Dry Weather Overflows

### Issue:

The discharge of untreated wastewater can also occur during dry weather, without the system being overwhelmed by rainwater. For example, because of a pipe blockage, operational error, or failure of system component. Often, these 'dry weather overflows' are to land and the environmental impact is limited. However, if overflows enter waterbodies the contaminants are more concentrated than during wet weather overflows. Dry weather overflows to waterways are a non-complying activity under the Freshwater Plan for which Council has no consent.

Dry weather overflows have been formally catalogued since 2015/16. Twelve occurred in 2015/16, of which 3 went to waterways. Nine occurred in 2016/17, of which 2 reached waterways.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Increasing surveillance	Implementing a programme of manhole inspections to actively identify pipe blockages before overflows occur would help reduce the risk. Increased surveillance of trade waste compliance would also assist to reduce blockages.	\$50,000 operational costs per year for manhole inspections and disposal of solids; \$50,000 for increased trade waste compliance inspections.
<b>Option 2</b> Jet cleaning	Gisborne's wastewater network relies on gravity but is built with low grades and comparatively few pump stations. This makes it particularly vulnerable to blockages. An increase in pressurised cleaning of pipes to remove debris and fat build up would help to reduce the risk of overflows. However pressurised cleaning presents a risk to the 54km of brittle earthenware pipes. This will need to be monitored closely.	Increased cleaning - \$100,000 per year for reticulation and \$100,000 per year for interceptors.
<b>Option 3</b> Emergency storage and pump stations	Pump station failure is considered a focus area for risk reduction - overflows have a high risk of entering waterways since pump stations are located in low points, often next to waterways/drains. A risk assessment was undertaken to identify which pump stations present the greatest risk. Eight pump stations were identified that present a high risk – being located near waterways and currently providing less than one hour of storage before overflow would occur.	\$500,000 construction costs for each pump station on average.
<b>Option 4</b> Education	Education could help reduce the disposal of fat and rubbish into the wastewater system that cause blockages.	
<b>Most likely scenario assumed</b>	Additional operational costs will be allowed for jet cleaning interceptors and the reticulation network; \$ surveillance to detect blockages and increased trade waste surveillance. Renewal of the earthenware pipes is assumed to occur over thirty years.  Given the other infrastructure challenges Council faces, emergency storage at pump stations will not be prioritised in the ten years of the Long Term Plan.	
Main driver/s (growth/ LOS/renewal)	<b>LOS:</b> Reducing overflow frequency.  <b>Growth:</b> Addressing inflow and infiltration is also important to provide capacity for additional households or extension of the reticulation network to new areas.	

## 6.3.3 Treatment and Disposal of Gisborne Wastewater

### Issue:

Conditions on the consent to discharge the city's wastewater through the marine outfall into the ocean require Council to improve treatment of the wastewater, to investigate alternate use and disposal options, and to undertake best endeavours to meet cultural objectives of removal of treated domestic waste from the marine outfall.

Five options have been identified that achieve a higher water quality standard, but each vary in the extent of cultural, social, economic and environmental benefits. The wastewater treatment system would be constructed in stages as determined by the preferred option.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Water quality very good	Involves removing the solids from the wastewater and addressing most human health concerns by killing the 'bad bugs' with ultraviolet light. This option results in very good wastewater quality and it would be safe to swim quite close to the outfall. The risk of the outfall affecting shellfish on city beaches would be very low. The seabed around the outfall could be impacted, but only in very close proximity. Treated wastewater would continue to be	Capital: \$23.4m, Operational: \$1.45m.  Additional cost to households - \$250 per year, or about \$21 per month.



Main Options	Explanation and Implications	Cost Estimates
	discharged into the ocean and Council would continue trying to find alternatives.	
The other four options below all build on Option 1, and below we describe the benefit gained for the additional cost relative to Option 1.		
<b>Option 2</b> Water quality high	This is Option 1 plus an extra biological trickling filter, which reduces nutrients in the wastewater. This improves water quality, but does not meaningfully increase the benefits provided by Option 1. It would, however, have operational benefits (redundancy in the case of mechanical failure or maintenance) and reduce the effects on the seabed around the outfall. Treated wastewater would continue to be discharged go into the ocean and Council would have to continue trying to find alternatives. This option would put Gisborne's wastewater treatment on par with most wastewater disposal systems in NZ that discharge to the ocean.	Capital 34.5m, Operational: \$1.57m. Additional cost to households - An extra \$41 per year more than option 1 (\$291 per year, or \$24 per month).
<b>Option 3</b> Water quality very high	A key change with this option is that it includes a wetland, which significantly reduces risks from viruses and emerging contaminants (improving conditions for swimming, fishing and shellfish gathering). It also offers the potential for ultimately stopping all domestic wastewater from going down the marine outfall into the ocean because the wetland provides storage for potential future use of the treated water. As options 1 and 2 don't offer storage, only partial removal of wastewater from the outfall is feasible (wastewater could still be intercepted for alternative use, but without storage there is no way to buffer fluctuations in flows in and out so marine discharge would still be required). For this reason, a wetland better addresses cultural concerns. This option would take Gisborne's wastewater treatment to above average when compared with most wastewater systems in NZ that discharge to the ocean.	Capital: \$39.1m Operational: \$1.76m. Additional cost to households - An extra \$74 per year more than option 1 (\$324 per year, or \$27 per month).
<i>The key benefits of following options is their improved ability to remove emerging contaminants and 'harder to kill' bugs. Emerging contaminants are things like pharmaceuticals, and other harmful substances that are not necessarily treated by conventional wastewater treatment methods. Some can accumulate in the environment, and may present long term environmental and health risks. 'Harder to kill bugs' include some viruses, bacteria, and other organisms that can also survive conventional wastewater treatment systems.</i>		
<b>Option 4</b> Water quality extremely high	This option adds woodchip filters and a wetland onto Option 1. The woodchip filters further treat nutrients, emerging contaminants, and 'bad bugs' – this means we get an extremely high water quality (further improving conditions for swimming, fishing and shellfish gathering). The wetland has the benefits of storage for potential future use of the wastewater (as described for option 3).	Capital: \$42.1m, Operational: \$1.80m. Additional cost to households - An extra \$92 per year more than option 1 (\$342 per year, or \$29 per month).
<b>Option 5</b> Water quality exceptionally high	This option adds another Biological Tricking Filter, woodchip filters, and a wetland onto Option 1. Compared to Option 4, the key benefit is further nutrient removal, although this is not required from a water quality perspective. It would however help with operational aspects at the treatment plant (redundancy in the case of mechanical failure or maintenance) and reduce risks. The wetland has the benefits of storage for potential future use of the wastewater (as described for option 3).	Capital: \$53.1m, Operational: \$1.90m. Additional cost to households - An extra \$133 per year more than option 1 (\$383 per year, or \$32 per month).
<b>Most likely scenario assumed</b>	Option 3 is the preferred option, delivered in two phases. Phase 1 includes clarification, solids removal, UV disinfection, as discussed for option 1, progressed over years 1-5 at a cost of around \$24.3m (with inflation). Council has allocated funding through years 1-10 to support further investigation of alternative use and disposal (AUD) options. Phase 2, comprising the wetland, will be pursued once an affordable sustainable and viable use	

Main Options	Explanation and Implications	Cost Estimates
	for the treated wastewater is identified and developed. Around \$34.5m (with inflation) phase 2, over years 11 to 16.	
Main driver/s (growth/ LOS/renewal)	<b>LOS</b> – Consent requirements, based on higher water quality requirements as well as social, economic, and cultural aspects.	
Other notes	At present, no industry or agricultural activity has shown an interest in using treated wastewater as a potential source of water, and sustainable alternative disposal options have not been confirmed.	

## 6.3.4 Wastewater Services for Wainui and Makaraka

### Issue:

For Wainui and Makaraka, which are located at the edge of Council's reticulated water and wastewater services, proximity raises a question of extension to service these areas. Provision of reticulated water and wastewater for Wainui was considered in 2007 and rejected. It should be considered again as part of Council's duty to assess water and sanitary services for its communities from time-to-time.

The environmental benefits for reticulation are contested. Our monitoring suggests private onsite systems (such as septic tanks) have caused contamination in the lower catchment of the Wainui Stream. However, evidence of contamination in the upper catchment has also been found, assumingly from the Gisborne city network. Monitoring to understand the environmental impacts of onsite systems on groundwater has begun.

Council is also beginning to explore the implications of increased population and household projections for Gisborne city. This may raise questions about extending reticulation to support an increased development density in some areas. However, this is unlikely to be required in the shorter term of the LTP.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Extension of Reticulated Services	A range of different types of reticulated wastewater systems are possible, including a traditional gravity and pump station system and various types of pressurised or vacuum systems. Each have advantages and disadvantages.	Cost estimates in 2007 ranged from \$13,000 per lot to \$19,000 per lot, depending on the system. This is used as an indicative cost for both communities.
<b>Option 2</b> Enhanced monitoring and compliance	Enhanced monitoring of private wastewater systems and stricter enforcement for compliance with standards is another option. This seeks to reduce the health and environmental impacts of system failure.	
<b>Most likely scenario assumed</b>	<p>Consideration of wastewater services for these communities should occur alongside consideration of water services. A decision is not expected until year 10 in order to provide time for:</p> <ul style="list-style-type: none"> <li>Further research on water demand and supply</li> <li>Realising potential demand savings as a result of water metering, which may be important if new areas are serviced</li> <li>Progressing the reduction of stormwater infiltration into the wastewater network, which is important for providing capacity for servicing new areas.</li> </ul> <p>Research of water and wastewater issues for Wainui and Makaraka (including a review of sanitary assessment for these communities) is planned for years 7 to 9 (2024-2027).</p> <p>\$17.5m is allowed in year 15 as a placeholder for implementation of wastewater reticulation in one of the communities.</p>	
Main driver/s (growth/ LOS/renewal)	<b>LOS</b> – potential extension of Council services to new areas.	

Main Options	Explanation and Implications	Cost Estimates
Other notes	Extension of the reticulated Council wastewater supply to Wainui and/or Makaraka would have implications for wet weather overflows, adding flows to the network and potentially increasing the frequency of overflows. There is insufficient capacity in the interceptor that would receive the wastewater but capacity may be improved by addressing stormwater inflow and infiltration.	

## 6.4 Stormwater and Land Drainage Issues

### 6.4.1 Impact of Climate Change on the Effectiveness of Stormwater / Land Drainage Infrastructure

#### Issue:

Climate change is likely to reduce the level of service (that is the effectiveness) of stormwater and drainage infrastructure due to the possibility of increased intensity storms; and because raising sea levels raise ground water levels and decrease hydraulic gradients.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Capacity Upgrades	Capacity upgrades may be required to maintain levels of service. However in most cases the upgrades are likely to be required regardless of climate change impacts.	Costs of upgrading the network to cater for climate change is unknown but marginal costs are expected to be minimal, with work being incorporated into planned upgrades and renewals.
<b>Option 2</b> Do nothing	The other principal option is not to design for climate change and accept a decrease in level of service (more frequent flooding).	
<b>Most likely scenario assumed</b>	In 2010 we commissioned updated rainfall assumptions that incorporate climate change impacts. We will continue to size all stormwater pipe renewals and upgrades to cater for these rainfall assumptions. Detailed stormwater network modelling has been completed for Kaiti to identify problem areas, taking into account the climate change impacts. We also plan to model other areas of the city. From this work capacity upgrades are being identified and we have allowed \$6.7m over ten years to implement the work (including \$2.6m for Rutune Road works). The majority of this work relates to existing issues and would be required regardless of climate change.  In the land drainage activity we plan to undertake a level of service review with the beneficiaries of the schemes, which will consider the impacts of climate change. No specific capital works are planned at this stage.	
Main driver/s (growth/ LOS/renewal)	<b>LOS</b> – maintaining LOS for drainage.	
Other notes	The stormwater upgrades also help to address inflow/infiltration of rainwater into the wastewater network by improving the capacity of drains that receive stormwater from private property.	

### 6.4.2 Reducing the Impacts of Stormwater Discharges on Waterways

#### Issue:

The new Freshwater Plan requires Council to improve its understanding of how stormwater discharges affect water quality and to better manage these impacts. Because of the complexity involved, the Plan has taken a holistic planning approach, requiring Council to develop integrated catchment plans for the public stormwater system by 2025. While no specific capital or operational improvements are yet identified, we can expect a movement towards treatment of stormwater to remove contaminants in order to improve degraded water bodies such as the Taruheru River and Waikanae Stream.

Main Options	Explanation and Implications	Cost Estimates
Options	A wide range of stormwater treatment options may potentially be identified through the integrated catchment management plans, such as the replacement of piped infrastructure with swales and the installation of stormwater detention and treatment areas.	A wide range of costs are possible, depending on the options pursued. There will implications for both capital and operating expenses.
<b>Most likely scenario assumed</b>	The integrated catchment management plans will be developed over years 1 to 7, with resourcing from redeployment of staff and existing operational budgets. \$2,550,000 of capital improvements per year (inflation adjusted) is assumed from year 11.	
Main driver/s (growth/ LOS/renewal)	<b>LOS</b> – improvements to environmental outcomes.	

## 6.4.3 Stormwater Inflow and Infiltration into the Gisborne City Wastewater Network

(Refer to 6.3.1 above)

## 6.5 Flood and Coastal Protection, and River Control Works Issues

### 6.5.1 Waipaoa Flood Control Scheme – Project Timeframes

#### Issue:

Council began a project to upgrade the Waipaoa Flood Control Scheme in 2014. It aims to increase the level of protection to a 1 in 100 year event (1% AEP), allowing for the effects of climate change out to 2090. It will also increase freeboard up to 0.6-0.9m to account for uncertainty in the design. This involves raising the stopbanks where necessary (up to 1m in places). The width of the stopbanks is also being increased to 4m to improve resilience against bank erosion. An issue Council has considered with this LTP is over how long to stage the upgrade.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> 10 years	Complete the project by 2024/25. The scheme protects over \$1 billion of assets and speeding up the project would provide increased flood protection to the Poverty Bay Flats sooner. However, it would also increase pressure on Council's debt levels.	\$28.4m total project cost.
<b>Option 2</b> 15 years	Complete the project by 2029/30. This would mean the higher level of protection will take longer to achieve but there would be less impact on Council's debt levels.	\$29.9m total project cost.
<b>Most likely scenario assumed</b>	Council has assumed the project will take place over 15 years for its financial planning, with a final decision to be made with adoption of the LTP.	
Main driver/s (growth/ LOS/renewal)	<ul style="list-style-type: none"> <li><b>LOS</b> – increasing level of flood protection and resilience to erosion during a flood event.</li> <li>Renewal.</li> </ul>	

### 6.5.2 Works to Protect Communities from Coastal Hazards

#### Issue:

As sea levels rise, communities including Wainui, Anaura Bay, Tokomaru Bay, Te Araroa and Hicks Bay will be increasingly exposed to coastal hazards of erosion and flooding by the sea during storms and tsunamis. Therefore, we can expect an increasing demand for coastal protection works (and also an increase in illegal works by property owners).

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Hard coastal protection works	Structures such as revetments, sea walls and groynes can be used to reduce erosion of the shoreline and the risk to properties from coastal hazards. Any such works raise questions about funding and impacts on other values such as natural character, surf breaks and beach access. The New Zealand Coastal Policy Statement discourages hard	Tuahine Crescent rock wall replacement in front of 2.5 properties: \$350,000 - \$450,000 incl consent, design and construction (2015 LTP allocated \$210,000).

Main Options	Explanation and Implications	Cost Estimates
	<p>protection structures and it can be difficult to obtain resource consent.</p> <p>The majority of buildings exposed to erosion in the next 50 years are located at Wainui Beach. The Wainui Beach Erosion Management Strategy suggests replacement of a structure north of the groyne near Tuahine Crescent with a more robust structure. But movement of property back from the shoreline is considered the long term approach for the beach.</p>	
<b>Option 2</b> Soft protection works	<p>'Soft' protection works that help to reduce erosion risk include dune planting and the establishment of starter dunes to assist with the recovery after storms.</p> <p>Land contouring could potentially also be used in some areas to provide a continuous dune ridge to provide protection against coastal flooding and tsunamis.</p>	Costs depend on the extent of involvement provided.
<b>Most likely scenario assumed</b>	<p>For Wainui/Okitu: \$262,000 is signalled for the replacement structure near Tuahine Crescent in 2020/21, subject to resource consent approval. Minor budgets are also allowed for maintenance of the Wainui scheme and monitoring erosion data. At this stage, no budgets are allowed for beach scraping to create starter dunes. While this approach is promoted in the Wainui Beach Erosion Management Strategy, it would require extensive monitoring to ensure the effects on the wider beach are acceptable. Council may revisit this approach in the future.</p> <p>Around \$10,000 per year is allowed for dune care throughout the region.</p> <p>From years 16 to 30, \$288,000 of new capital works each year (inflation adjusted) is signalled. At this stage it is thought the funds will primarily address coastal flooding and tsunami, rather than new erosion protection works.</p>	
Main driver/s (growth/LOS/renewal)	<b>LOS</b> – maintaining protection to failure for existing erosion protection works.	
Other notes	Funding of the revetment extension identified in the Wainui Beach Erosion Management Strategy is a consideration given the small number of properties protected.	

## 6.6 Land Transport Issues

### 6.6.1 Suitability of the Roading Network for Increased Vehicles, especially Heavy Vehicles

#### Issue:

The increasing forestry harvests is causing increasing demands on local roads. Around 57 local roads will be used for transporting the harvest. Many are unsealed and classified for low volume traffic. Transporting the harvest along parts of these roads will be difficult due to issues such as pavement surface, drainage issues or difficult alignment for long vehicles. Heavy vehicles also create a high level of wear and tear on unsealed roads and, if not addressed through frequent maintenance, lead to poor surface conditions and pot holes, which exacerbates access difficulties.

Of the 101 bridges along known forestry routes around 70 are incapable of supporting heavier 'High Productivity Motor Vehicles' (HPMVs). Several bridges are even incapable of transporting loads that can usually be carried as-of-right and have specific signposted load restrictions. The lack of provision for heavier permitted vehicles across bridges increases costs for the forestry industry. Alternative routes must be sought for carrying heavy harvest equipment; equipment dismantled into parts; or rivers forded. It also means forestry and other rural freight cannot be transported as efficiently in larger loads. These increased costs also create a risk of non-compliance with load restrictions; which can damage the bridges. Inspection of bridge defects suggests that this may already be occurring.

There has also been significant general traffic growth on some key urban routes. Population growth and the potential for increased economic activity is likely to cause a continuation of these trends. Waiting times at roundabouts at peak times across the city can be expected to grow.



Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Upgrade forestry roads to improve efficiency	Efficiency of the roads for the forestry industry could be improved by upgrading the roads – improving the surface in locations, widening and improving drainage. Seal extensions would also improve efficiency. (Sealed roads are more expensive to construct than unsealed roads but the whole of life costs can potentially be cheaper).  Work could be prioritised e.g. on the basis of traffic counts and projected harvest tonnage.	Rough order costs of over \$20m were estimated in 2016 <sup>(21)</sup> for upgrading roads to a standard that would readily allow forestry access. This excludes seal extension work, which was costed separately at over \$30m in 2016 for priority forestry routes <sup>(22)</sup> .
<b>Option 2</b> Upgrade bridges to cater for heavier loads	Upgrading bridges to cater for heavier loads would reduce costs for the forestry industry. It would also benefit agriculture, which also uses heavy vehicles. e.g. for transporting stock.  There are options over how much to invest in the programme, i.e. how quickly to prioritise the upgrades.	Costs vary but are estimated at \$350,000 - \$500,000 per bridge. Around \$25-30m for all 70 bridges.
<b>Option 3</b> Increase monitoring and surveillance of loads on bridges	Council could undertake surveillance to discourage non-compliance with bridge load restrictions. This could reduce the risk of damage to bridges, but would not improve efficiency of transport.	Minor capital and operational costs.
<b>Option 4</b> Network optimisation study	A network optimisation study would consider the best routes for trucks to get to Port as well as best routes for traffic movement to and within the city. It could also help to inform future planning around issues or urban form and function.	\$250,000+
<b>Most likely scenario assumed</b>	Our investment in improving the roading network for increased vehicles is constrained by what we can afford.  \$10 million is allowed for the upgrading bridges to HPMV capability over the period of the Long Term Plan. A government funded integrated Transport Priority Project may potentially consider funding of the remaining bridges.  \$1.9 million is allowed for minor improvements on local roads over the LTP period, some of which will improve the roading network for heavy vehicles. The funding is higher in the first six years. Minor improvements also allow \$350,000 for widening of Arakaihi Road (a forestry route) in year 1 (2018-2019). The local share of this project will be privately funded.  The Transport Agency plans to undertake a network optimisation investigation and has allowed over \$1m for implementation in relation to state highways.	
Main driver/s (growth/LOS/renewal)	<ul style="list-style-type: none"> <li>• <b>Growth</b> (increased number of heavy vehicles).</li> <li>• <b>LOS</b> (potential changes to LOS to reflect maintenance efficiencies; changes in LOS to benefit the forestry industry).</li> </ul>	
Other notes	Council continues to investigate funding arrangements with the forestry industry. Options currently under consideration are a forestry levy, targeted rates and revision of forestry roading rating differentials. The Transport Agency is expected to continue to provide significant subsidies as per the FAR rates (over 64%) for the costs.	

## 6.6.2 Unforgiving Local Roads

### Issue:

National statistics on road casualties suggest roads classified for low volume traffic generally have a higher level of personal risk than roads classified for higher traffic volumes. Nonetheless, Gisborne's low volume roads scored comparatively higher for personal

21 Opus, Report on Proposed Rural Roads Upgrade – Future Logging Demand on Roding Network Gisborne District, June 2016 Update

22 Opus, Seal Extension Programme estimates for Tairāwhiti Roads, February 2016

risk compared to a group of 'peer' authorities and the national average for low volume roads<sup>(23)</sup>. Narrow seal, lack of passing opportunities and tight alignment is thought to contribute to higher than normal incidents of death, serious injury and loss of control in rural areas.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Improve road alignment	Widening and straightening roads to improve visibility, passing opportunities and reduce the severity of corners could help to address safety concerns. Some improvements can be incorporated into routine minor improvement work.	Costs vary according to the extent of the work.
<b>Option 2</b> Install additional passing bays	Additional passing bays would help to improve the lack of passing opportunities, which is thought to contribute to safety risks in rural roads.	Approximate cost for constructing a passing bay: \$50,000 for an unsealed road and \$300,000 for a sealed road assuming sufficient width and no stability concerns.
<b>Option 3</b> Address other hazards and safety concerns	A range of other factors can contribute to safety concerns on rural roads including non-compliant guardrails, vegetation that obscure visibility, rough pavement and pot holes.	There is a wide range of costs for addressing these issues.
<b>Most likely scenario assumed</b>	<p>\$11.9m is allocated to minor improvements to local roads over the LTP period. This will allow for reactive improvements to identified safety issues. It will also fund proactive improvements, including a programme to rebuild guardrails.</p> <p>The following local roads are on the priority list for widening under the minor safety improvement budget in the first three years of the Long Term Plan. They are also potential candidates for passing bays, subject to feasibility investigations:</p> <ul style="list-style-type: none"> <li>• Mata Road (Upper) from Takau Road turn off to Waitahiia Road junction.</li> <li>• Tauwhareparae Road.</li> <li>• Waitahiia Road.</li> </ul> <p>Safety improvements will also occur through the funding of maintenance and renewal, such as improvement in surfaces and removal of pot holes.</p> <p>Resilience work will also, in some cases, improve the safety of the roads, e.g. where it involves side benching which also straightens bends.</p>	
Main driver/s (growth/LOS/renewal)	<b>LOS</b> : (providing an acceptable level of personal safety).	
Other notes	NZTA is expected to continue to provide significant subsidies as per the FAR rates (over 64%) for planned budgets.	

## 6.6.3 Road Security and Resilience

### Issue:

The road network is susceptible to surface flooding, landslides and weather degradation. This leads to road closure, poor road condition, excessive wear and tear on vehicles and resultant economic loss (in 2016 there were 40 road closures due to flooding and landslides). The community has an expectation that the network will be restored at a fast rate when weather related events cause closures.

Expenditure on emergency works in the last seven years averaged \$3.2 m per year, far exceeding the budget of \$2 million per year. The shortfall and forms part of the activity deficit to be funded by Council over the coming years without NZTA subsidy.

In the future, the frequency of storm events and damage to the network could potentially increase with climate change.

23 Personal risk is a measure of the danger to each individual using the road being assessed. Risk ratings were developed by the New Zealand Road Assessment Programme (KiwiRAP – a partnership between the Automobile Association, the Transport Agency, Ministry of Transport, ACC and the NZ Police)

Coastal roads will also become more vulnerable as the rising sea level drives shoreline retreat and increases the risk of coastal flooding. Coastal roads vulnerable to erosion and flooding in the next 50 years include:

- Makorori Road
- The access to Waihou Bay
- Kaiaua Beach
- The access to Nuhiti Beach from Anauro Bay
- Waima, Tokomaru Bay
- Beach roads at Waipiro Bay
- The East Cape Road.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Increase funding for emergency work funding	Funding for emergency work could be increased to align with average expenditure in recent years. This would reduce the risk that the region is left to fund a deficit without NZTA subsidy. More realistic funding levels will also help ensure Tairāwhiti Roads can respond quickly to events and not have to request additional funding.	Around \$3m per year is needed to match recent expenditure.
<b>Option 2</b> Undertake identified improvements to increase resilience	<p>\$8m of projects identified for resilience improvements (that would reduce the vulnerability of roads to closure and degradation) have yet to be completed.</p> <p>The most expensive resilience project identified is reduce the susceptibility of East Cape Road to coastal erosion. This includes realignment of a section near the middle of the road away from the coast. Although the road only supports about 150 vehicle movements per day, is an important tourist route.</p> <p>Stabilisation of the bluff along Waihou Bay Road (to Loisel's beach) is another large resilience project identified. Although traffic volumes are very low, it is considered because the steep cliffs and narrow road create a high perceptions of safety concerns.</p>	Over \$8 million of resilience projects are currently identified. This includes \$2.5m for East Cape Road and \$1.5m for Waihou Bay Road. Additional projects are likely to be identified in the future.
<b>Option 3</b> Reduce service or seek alternative routes	Consideration could also be given to reducing service to areas that are affected by frequent closures or where repair work is very expensive or seeking alternative works.	
<b>Most likely scenario assumed</b>	<p>\$3m for emergency works is allowed for the first three years of the LTP (2018-2021), then dropping to \$2m, as it is assumed resilience improvements will reduce expenditure.</p> <p>Funding for resilience improvements is assumed to remain consistent with current levels and forms part of the budget for minor improvements – local roads. We propose to focus on forestry routes, bypass routes and areas with a recurrence of road closures. Additional specific funding is allowed for East Cape Road (\$2.5m years 1 to 3) and Waihou Bluffs (\$1.6m years 4 to 6 (2021-2024)).</p> <p>Over the longer term Council will need to consider levels of service and potentially abandoning service or finding alternative routes for some sections of road.</p>	
Main driver/s (growth/LOS/renewal)	<b>LOS:</b> Maintaining LOS in the face of climate change and natural hazard events.	
Other notes	NZTA is expected to continue to provide significant subsidies (over 64%) for resilience and emergency work budgets.	

## 6.6.4 Conflict between Active Modes of Transport and Heavy Vehicles

### Issue:

Conflict between active mode users of transport and heavy vehicles results in increased personal risk to active mode users. The perception of this safety risk on the main roads of Gisborne city is identified as a major barrier to the uptake of cycling<sup>(24)</sup> Increasing forestry traffic on routes to the port and processing plants is exacerbating the issue.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Infrastructure investment that provides separation of active users (cycleways)	Dedicated cycle routes that are partially or fully segregated from motor vehicles reduces or removes the safety concerns. We have identified a network of potential routes in our strategic planning for active transport priorities, connecting through a spine running the length of the city.	The 2016 high level costing of cycle routes in the active transport priorities programme that have yet to be funded was \$13.6m.
<b>Option 2</b> Education	Education programmes are another option – they target behaviour that contributes to the risk. Education is not considered a solution on its own, just as infrastructure cannot be a solution on its own. They are both needed to ensure the benefits are derived for the investment.	Education programmes have relatively minor costs and are often funded or co-funded by other parties.
<b>Most likely scenario assumed</b>	Having recently delivered several recreational routes (the Oneroa Cycleway, Taruheru River Cycleway and Motu Trails) Council decided in 2015 that the focus of its investment should be on commuter cycling, with a particular focus on secondary school children. One half of an active transport spine along the length of the city (from Wainui to the central business district) will be complete by the beginning of the Long Term Plan. We continue to support this focus. However, given financial constraints, we are proposing a reduction in active transport funding levels from that provided in the last LTP, reducing funding from \$11.8m over ten years to \$8.3m. \$7.3m of this is for the Taruheru walkway/cycleway, which would complete the second half of the active transport spine. We need to secure all of the funding from external sources.  The remainder of the funding (\$1m over ten years) is provided for small walking and cycling improvement projects.  An annual operational budget of \$343,000 (inflation adjusted) is allowed for road safety, including but not limited to active transport issues.	
Main driver/s (growth/LOS/renewal)	<ul style="list-style-type: none"> <li>• <b>Growth</b> (increased number of heavy vehicles).</li> <li>• <b>LOS</b> (providing an appropriate level of personal safety).</li> </ul>	
Other notes	NZTA is expected to continue to provide significant subsidies as per the FAR rates (over 64%) for planned budgets.	

## 6.6.5 Need for Increased Maintenance and Renewal of the Network

### Issue:

Roading budgets have tended to be managed on a reactive basis due to budget and asset data constraints and asset condition has generally deteriorated. This contributes to inefficiencies in the road network and difficulties accessing some areas.

In the last few years Tairāwhiti Roads has been working to develop systems and data to better forecast renewals and maintenance. However this proactive approach suggests the need for a large increase in maintenance and renewal budgets. It has also resulted in the capture of minor assets (e.g. guardrails, retaining walls and footbridges) that have not previously been maintained, further compounding the requirements for additional funding.

Bridges are a particular issue with many reaching the end of their life or that require significant maintenance: an estimated \$5.25m of unfunded maintenance and renewal work required presently.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> (Status Quo) Maintain similar budget levels to 2015-2018	If current funding levels are maintained only about 52% of the maintenance and renewals identified as required in the next three years can be completed. These funding levels are considered inadequate and will lead to further deterioration of asset condition.	\$9.4m for maintenance. \$8.1m for renewals of local roads.
<b>Option 2</b> Increase investment in renewal and maintenance, with highest investment in the short term to reduce in the longer term	Budgets could be increased to allow maintenance and renewal of assets according to the optimal timeframes required by applying asset management approaches. This would best reduce the risk of asset failure and reductions in levels of service. Over the long term this approach should also avoid escalating maintenance costs of maintaining levels of service, which occur when assets are not renewed at an optimal time. However, the local share of the budgets required is considered unaffordable for our community, even when alternative funding models are considered.	Annual maintenance / operation budgets peak at \$16-18m for the first three years and reduce to \$13-\$14m for the remaining years of the LTP. Annual renewal budgets peak at \$11-\$13m for the first three years and reduce to \$8.8m and \$9.4m for the remaining years of the LTP.
<b>Option 3</b> Undertake a greater mix of reactive and proactive maintenance and renewal, with more modest budget increases	This option would also address backlog with increased maintenance and renewal funding, spread relatively evenly across the ten years of the Long Term Plan. Budgets are at reduced levels from that identified in option 2 to reduce the impact on rates and debt.	Annual local road maintenance budgets increase by \$4m. Renewal budgets increase by \$11.8m.
<b>Most likely scenario assumed</b>	Option 3 (refer above).	
Main driver/s (growth/LOS/renewal)	<b>LOS:</b> Maintaining LOS.  <b>Renewal:</b> Funding asset renewal according to good asset management practice to reduce the risk of failure and escalating maintenance costs.	
Other notes	<p>The Land Transport Activity Management Plan also presents an option 4, which involves staggering of other capital investment. This option is not included as the issue focus renewal and maintenance budgets only.</p> <p>NZTA is expected to continue to provide significant subsidies as per the FAR rates (over 64%) for resilience and emergency work planned budgets.</p>	

## 6.7 Community Facilities Issues

### 6.7.1 Access to quality public aquatic facilities in Tairāwhiti

#### Issue:

Swimming is the third most popular recreation activity for Tairāwhiti people, in terms of participation<sup>(25)</sup>. This is consistent with national participation preferences. Sport NZ national benchmarks suggest a likely demand for three public pools in Tairāwhiti (1:15,000 people) based on population<sup>(26)</sup>. While there are 46 pools in Tairāwhiti, many are small school pools without heating and cover, only available in the summer at the discretion of the school. Compliance and health and safety concerns (mainly around lifeguarding) often rule out public provision. The Olympic Pool Complex (OPC) is the only public facility available year-round for a wide range of needs from lane swimming to water play to aquatic classes and training. Visits to the OPC have declined significantly in the past 5 years from over 150,000 visits per year to around 120,000 (with a particular decline noted in winter months)<sup>(27)</sup>. Some of this can be attributed to dissatisfaction with the current facility – not covered so cold in winter, poor access to changing rooms, lack of disability access and lack of water play space<sup>(28)</sup>. The facility is beyond its projected life and maintenance costs are starting to rise exponentially and there are major structural issues alongside the amenity issues<sup>(29)</sup>.

25 Gisborne District Council Community Facilities Survey June 2017

26 Sport NZ National Facilities Strategy for Aquatic Sports 2013.

27 Gisborne District Council annual reports

28 Gisborne District Council resident satisfaction surveys

29 Gisborne District Council Olympic Pool Redevelopment Business Case 2017



Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Do nothing	Continue to operate the OPC in its current form with routine maintenance only. The OPC would continue to decline and maintenance costs continue to rise leading to greater operational deficit. There would be no improvements in user experience or water safety. Eventually parts of the OPC would need to be shut down for health and safety reasons.	Increasing maintenance costs.
<b>Option 2</b> Do minimum	Continue to operate the OPC in its current form, with some small scale upgrades to fix immediate problems or address infrastructure failure as it occurs such as hydroslide leaks. The state of the OPC would continue to decline and maintenance costs continue to rise leading to greater operational deficit. There would be no improvements in user experience or water safety. Would eventually need to shut parts of the current OPC down for health and safety reasons.	Increasing maintenance costs
<b>Option 3</b> Targeted changes	Make targeted changes to the OPC to address outstanding issues, such as remediating pool surrounds, replacing the main pool roof at the end of its life and addressing hydroslide leaks and cosmetics. No major structural changes. This would likely address some of the cosmetic and amenity matters in the short-term with some improvement in user experience. However the structural problems would not be addressed resulting in continued increases in some operational costs. May need to close parts of the OPC over time as structural issues manifest and become health and safety risks.	\$1-5m.
<b>Option 4</b> Major upgrades	<p>Make wide-ranging changes to the complex to improve functionality, including altering the main pool structure, improving the pool surrounds and spectator areas, renovating the changing facilities, replacing the hydrotherapy pool, upgrading the recreation facilities and building a purpose-built learn to swim facility.</p> <p>An enclosed multi-use 50 meter pool has been recommended by staff and community as the preferred concept option.</p> <p>The goals of improved recreation experience and improved water safety can be met and participation rates are likely to rise as a result.</p>	Total estimated cost of \$28.5m with Council contributing \$5.65m.
<b>Option 5</b> New aspirational facility	Demolish the existing complex and replace it with a purpose built regional aquatic centre with multiple indoor pools, indoor hydroslide and recreational facilities, learn to swim and additional recreational and sporting facilities such as a café and gym. While an aspirational facility will meet all goals, the cost and complexity means it is unlikely to be affordable or be value for money to the community.	\$37m.
<b>Option 6</b> School partnerships for sub-regional facilities	Develop partnership agreements with specific schools for provision of sub-regional aquatic facilities. Level of service would be so that 90% of the residents are within a 30-minute drive of a publicly available pool for 6-weeks during the summer holiday period. Pool locations: 1 x western district; 1 x Kaiti; and 2 x East Coast. Harnesses existing assets within the district for community use by supporting schools with operational costs (lifeguards and pool chemicals). Supports learn to swim programmes and recreational swimming. Reduces travel time for community in rural areas to aquatic facilities.	\$60k per annum.

Main Options	Explanation and Implications	Cost Estimates
<b>Most likely scenario assumed</b>	Option 4, with a 50m pool and learn to swim facility is assumed, at a cost of around \$28.5m (with inflation). Grant funding of 80% is assumed. We also plan to pursue partnerships with other providers for sub-regional facilities (Option 6).	
Main driver/s (growth/ LOS/renewal)	<ul style="list-style-type: none"> <li>• <b>Renewal:</b> Asset beyond projected lifespan of 50 years.</li> <li>• <b>LOS:</b> Complex not meeting community expectations as seen in reduced satisfaction levels.</li> </ul>	

## 6.7.2 Filling a gap in provision of publicly available indoor sports court facilities

### Issue:

The district lacks publicly available indoor sports courts for both formal sports and informal play. While there are 15 indoor sports facilities in Tairāwhiti<sup>(30)</sup>, (one indoor court for every 3,113 people), most are owned by schools so are of limited public availability. The only fully publicly available facility, for both formal and informal sporting use, is the YMCA in Childers Road, Gisborne. So, in reality, there is one indoor court for every 46,700 people. National benchmarks recommend one facility for every 9,000 people<sup>(31)</sup>. This is the lowest rate of provision of public indoor courts in New Zealand including other similar provinces<sup>(32)</sup>. The YMCA has recently signalled it is considering redevelopment plans for its Childers Road site and, in the near future, may not provide an indoor court facility<sup>(33)</sup>. Around 51% of Tairāwhiti people rate indoor sports courts as important or very important<sup>(34)</sup>.

Indoor sports courts have shown rapid growth across New Zealand over the last five years: basketball (20,000 up 15%); volleyball (16,000 up 21%); and badminton (12,000 up 13%)<sup>(35)</sup>. Participation in indoor court sports is highest among those under 24 years of age. Despite a lack of publicly available facilities in Tairāwhiti, indoor court sports rate fifth highest in weekly participation numbers (in season)<sup>(36)</sup>.

Main Options	Explanation and Implications	Cost Estimates
<b>Option 1</b> Do nothing	Continue to not provide a public indoor court facility for community use.	
<b>Option 2</b> School partnerships	Involves working with schools to make facilities available for public use. Some funding to support operational costs such as cleaning and minor repairs would need to be agreed. Student use of facilities is the primary concern of schools. Some schools do allow the community to use facilities when the school is not using them. Schools such as Ilminster Intermediate are at capacity with community use and cannot accommodate more use in winter months. It is questionable whether the school network would have sufficient capacity to meet all community needs. Many of the school facilities also do not meet standards for dimensions, size and run-off area, so cannot be used for competition.	Not determined. Likely to be under \$50k per facility per annum.
<b>Option 3</b>	Council build and manage a regional level 3 court indoor facility in Gisborne City to meet indoor sports needs in an efficient hub. For the facility to be justified it needs to be of reasonable size to accommodate multiple courts and to be flexible enough to accommodate the range of potential activities. It is questionable whether Council is best placed to provide such a facility in light of Council's competing priorities and financial constraints but also in light of the benefits that a more collaborative approach to sharing resources could bring.	\$10m.

30 Source: Sport NZ National Facilities Database and Ministry of Education Facility stocktake

31 Sport NZ National Facilities Strategy for Indoor Sports 2014

32 Source: National Facilities Strategy for Indoor Sports 2014 <https://www.srknowledge.org.nz/research-completed/national-indoorfacilities-strategy/>

33 Source: YMCA, April 2017

34 Gisborne District Council Community Facilities Survey 2017

35 Source: The School Sport Environment 2013 <http://www.sportnz.org.nz/assets/Uploads/attachments/managing-sport/youngpeople/RSSS-Section-One.pdf>

36 Source: National Facilities Strategy for Indoor Sports 2014 <https://www.srknowledge.org.nz/research-completed/national-indoorfacilities-strategy/>

Main Options	Explanation and Implications	Cost Estimates
<b>Option 4</b>	A number of parties collaborate to build a regional level, 3-court indoor facility in Gisborne City to meet indoor sports needs in an efficient hub. Parties would include: Council; sports codes and clubs; Eastland Community Trust; Sports Gisborne Tairāwhiti. Provides for community needs for indoor court sports in a way that harnesses the resources of a number of partner agencies.	\$10m.
<b>Most likely scenario assumed</b>	Option 4 is seen as the most likely scenario, with Council contributing perhaps the site and/or project management assistance. Given our other infrastructure commitments, we have not been able to make allowance for funding construction of the facility.	
Main driver/s (growth/ LOS/renewal)	<b>LOS:</b> Current network of facilities not meeting community expectations and limited public indoor sports court facility available in Gisborne city.	

## 7. Financial Forecasts

This section provides estimates of projected capital and operating expenditure for each type of infrastructure. These are indicative and the reliability of the forecasts decreases beyond ten years and towards the thirty year planning horizon.

The estimates are consistent with the most likely scenarios identified for each significant infrastructure issue.

### 7.1 Capital Expenditure

The projected annual capital expenditure associated with infrastructure assets considered in this Strategy are graphically represented below:

**Annual Projected Capital Expenditure: Water supply (Inflated)**

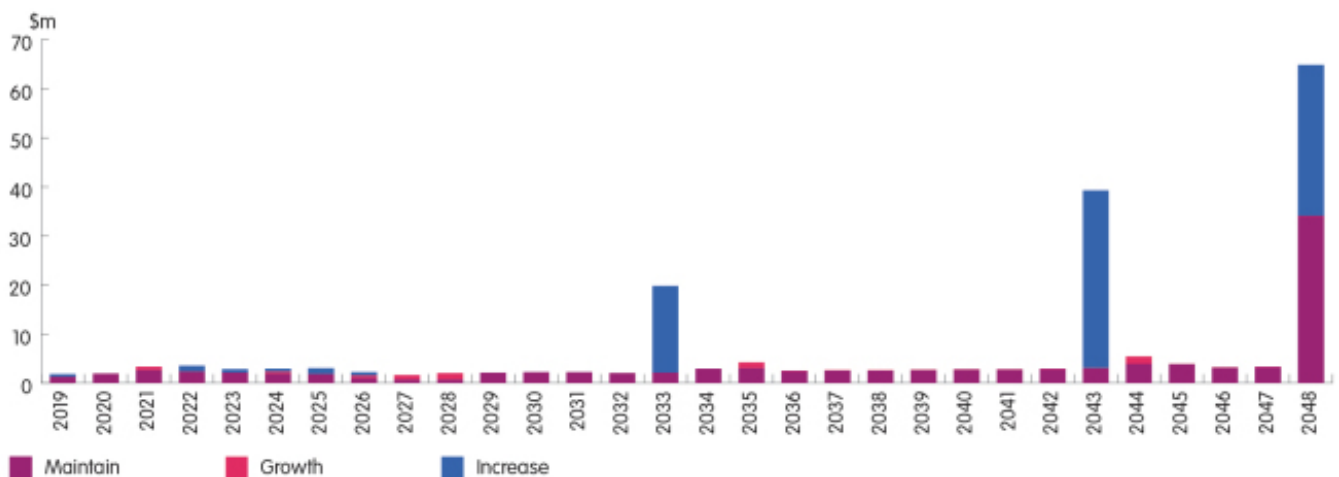


Figure 10: Annual Projected Capital Expenditure - Water (Inflated)

7.1.2 Wastewater

Annual Projected Capital Expenditure: Wastewater (Inflated)

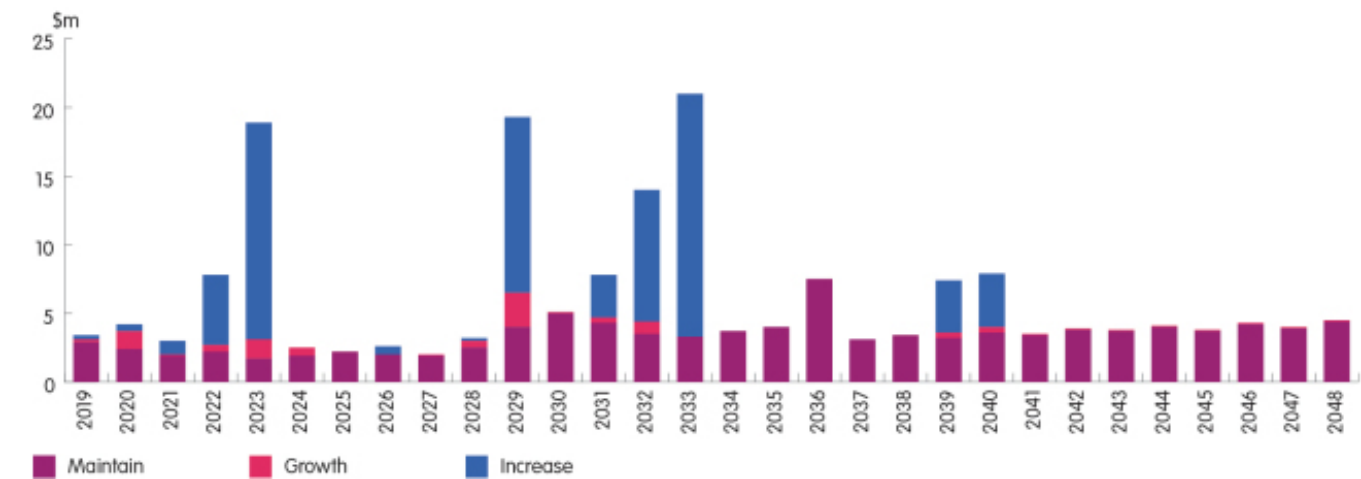


Figure 11: Annual Projected Capital Expenditure – Wastewater (Inflated)

7.1.3 Stormwater

Annual Projected Capital Expenditure: Stormwater (Inflated)

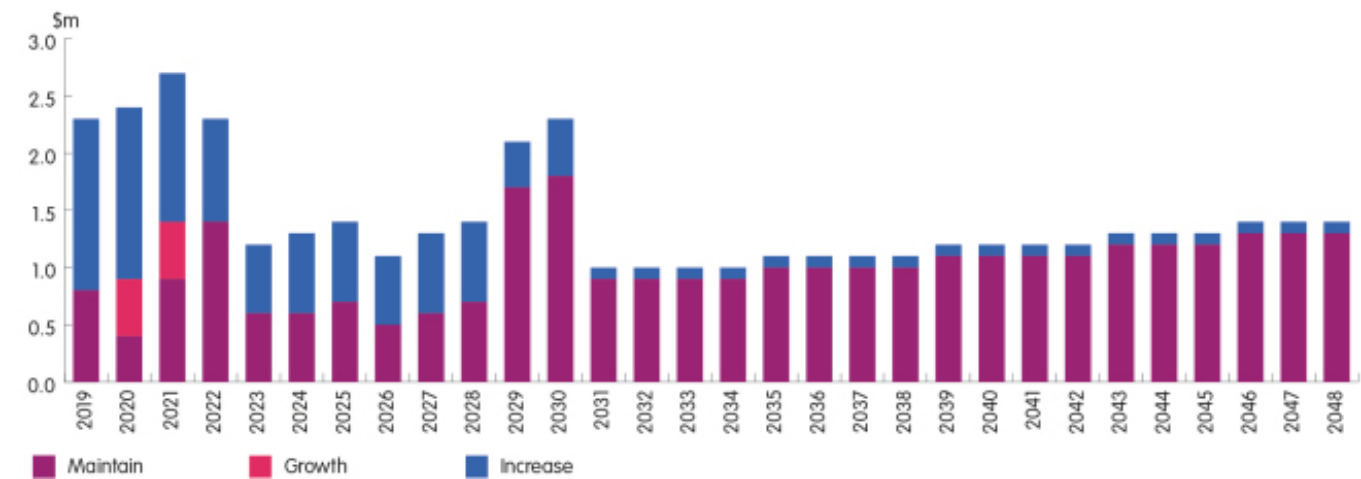


Figure 12: Annual Projected Capital Expenditure – Stormwater (Inflated)

## 7.1.4 Land Transport

Annual Projected Capital Expenditure: Land Transport (Inflated)

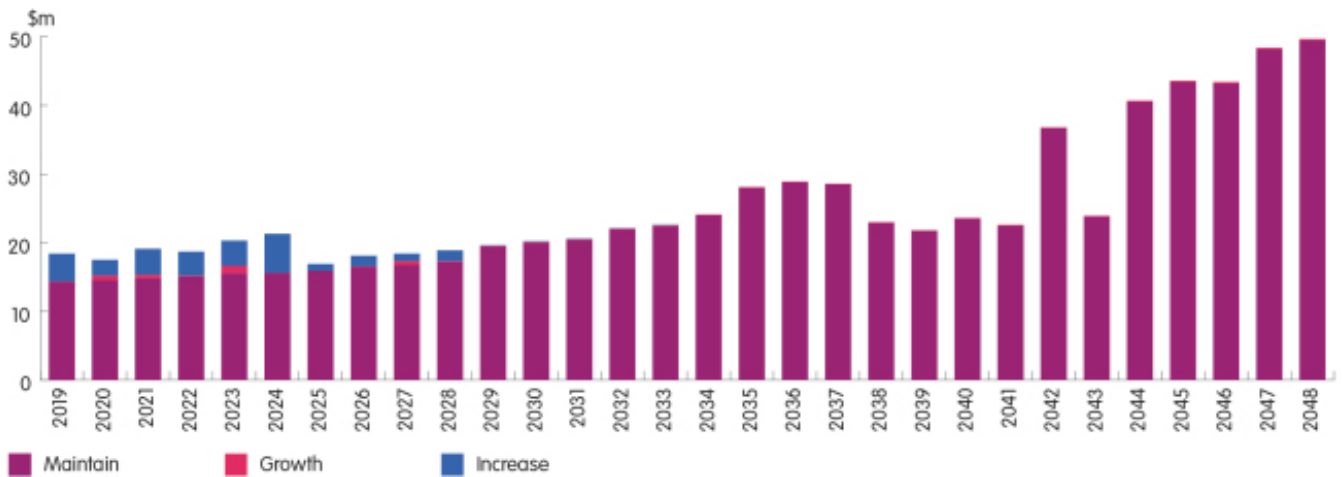


Figure 13: Annual Projected Capital Expenditure – Land Transport (Inflated)

## 7.1.5 Rivers and Land Drainage

Annual Projected Capital Expenditure: Rivers and Land Drainage (Inflated)



Figure 14: Projected Capital Expenditure – Rivers and Land Drainage (Inflated)



## 7.1.6 Community Facilities

Annual Projected Capital Expenditure: Community Facilities (Inflated)

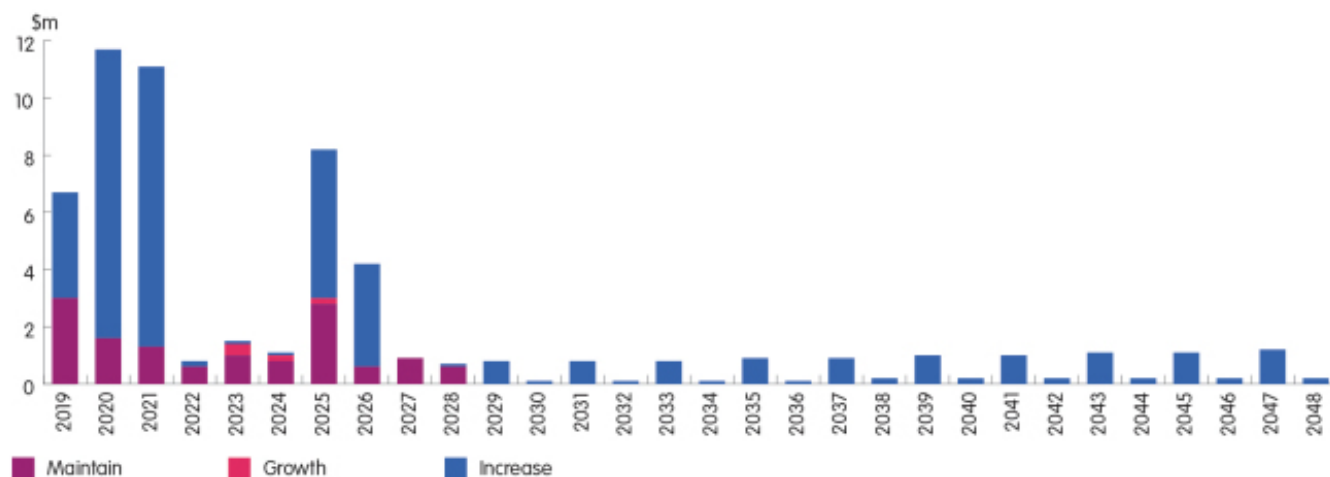


Figure 15: Annual Projected Capital Expenditure – Community Facilities (Inflated)

## 7.1.7 All Infrastructure Assets

Annual Projected Capital Expenditure: Infrastructure Assets (Inflated)



Figure 16: Annual Projected Capital Expenditure- Infrastructure Assets (Inflated)

## 7.2 Operating Expenditure

The projected annual operating expenditure associated with all infrastructure assets considered in the Strategy is graphically represented below:

**Annual Projected Operational Expenditure: Infrastructure Assets (Inflated)**

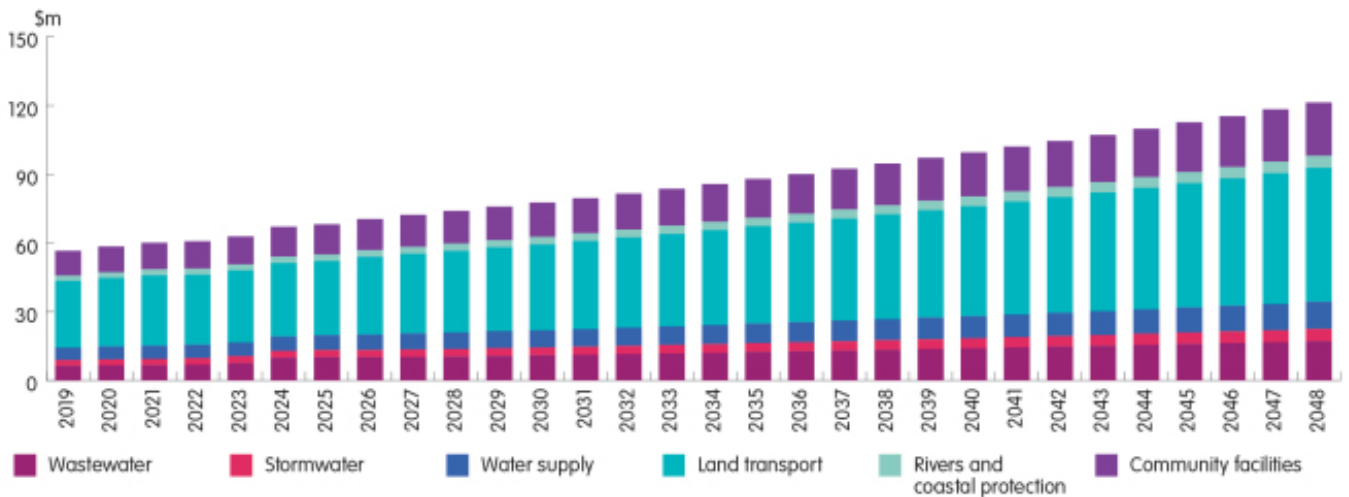


Figure 17: Annual Projected Operational Expenditure - Infrastructure Assets (Inflated)

## 8. Significant Infrastructure Decisions

Council anticipates we will need to make the following significant decisions in the management of our infrastructure over the next 30 years. We have identified a greater number of decisions in the short term than the long term because we become less confident the future we look into the future.

The Act only requires Council to identify the significant decisions about capital expenditure. However, we have taken a wider approach to significant decisions and also listed decisions that may be significant for other reasons in terms of Council's Significance and Engagement Policy, such as the level of public interest or impacts on individuals or communities.

Information about the principal options and the scale of the capital costs is summarised. Refer to section 7.0 for further information.

### 8.1. Key decisions made for the 2018-2028 Long Term Plan

Key Decision	Principal Options	Outcome	Scale of capital costs (excl infl)
How much to invest, on what and over what timeframe to reduce the risk of dry weather overflows.	Surveillance and monitoring; install pump station emergency storage; renewal of brittle clay pipes.	The approved Drainwise programme includes \$4m for new work to improve network performance (additional jetting maintenance and surveillance).	\$4m for new work (renewal of brittle pipes also tens of \$m).
What Gisborne City wastewater treatment and disposal option to progress.	Five options with varying cultural, social, economic and environmental benefits.	Council's preferred option (Option 3) approved, to be completed in two phases. Phase One (clarification, solid removal and UV disinfection) will be implemented 2020-23.	\$23 - \$53m.
How much to invest, on what and over what timeframe to reduce stormwater infiltration and the risk of wet weather overflows.	Varying levels of involvement in the reduction of onsite flooding – the major contributor to the problem.	Council's preferred option for Drainwise was approved including \$6m over 10 years to reduce flooding on private properties.	\$5.4m to \$13.2m.
Whether and how to address protozoa risk in the Gisborne city water supply.	Do nothing; install UV treatment.	Funding is included in LTP: - Waipaoa 2018/19 - Waingake 2022/23.	\$1.2m.
How to address backflow risk into the Gisborne city water supply.	Do nothing; install backflow prevention devices.	Plans to install 9,000 point of supply manifolds with check valves at residential connections over seven years are have been included in the LTP.	\$3.9m.
Over how long to stage the Waipaoa flood control scheme upgrades.	Ten year project; fifteen year project.	The flood control scheme is scheduled to be completed by 2030, with a budget of \$16.3m over the next 10 years.	\$16m.
Approach to funding maintenance and renewals for the roading network.	Varying levels of budget increases with consideration of external funding to meet the local (non NZTA subsidised) share.	An affordable renewals focus has been approved including increasing the renewals budget to \$11.8m and increasing the maintenance budget by \$4m.	No new capital, but significant budgets involved.
Whether to fund resilience improvements to East Cape Road.	Do nothing and accept reduced service/frequent maintenance; capital work.	Key resilience projects on rural roads including East Cape Road Bluff slopes stabilisation are included in years 1-3 of LTP.	\$2.5m but with NZTA subsidy.
Decide what the appropriate level of investment for Council is in the Olympic Pool Complex Redevelopment.	Varying levels of contribution to the capital upgrade.	Council approved the preferred option (including a 50m pool). The indoor component of the redevelopment is scheduled for years 1-3 at an estimated cost of \$21.6m, with Council's contribution being \$5.65m.	\$20-26m is the expected cost of the project, depending on the option pursued.

## 8.2 Other significant infrastructure decisions

Key Decision	Indicative Timeframe	Principal Options	Scale of capital costs (excl infl)	Significant Capital Investment Decision?
What to invest and over how long to improve suitability of roads for heavy vehicles.	Year 1 (2018/2019)	Bridge upgrades; pavement and drainage upgrades; seal extensions.	Up to \$80m but with NZTA FAR subsidies.	Yes.
What Te Karaka wastewater treatment and disposal option to progress.	Year 2 (2019/2020)	Various treatment options.	\$0.5m.	
Council's involvement in the Managed Aquifer Recharge (MAR) Project, including management of, access to the stored water for irrigation and funding for stage 2 investment.	Year 3 (2020/21)	Council funding; private funding; low to high council management involvement.	\$2m stage 2.	Yes if council funding considered.
Whether to reinstate the Sang Dam to its original storage capacity/increased capacity.	LTP 2021	Retain with reduced capacity; reinstate original capacity; increase capacity.	\$1.5 - \$4.5m.	Yes.
Whether to progress water metering and charging and installation of devices at connection points to allow this to occur.	LTP 2021	Progress water metering; or do not progress/delay.	2m if backflow prevention devices already installed.	Yes.
Services to be provided to support rural communities access safe and affordable water – Review of Water and Sanitary Services.	Year 5 (2022/23)	Public water sources and reticulation schemes; education and information support; financial or management support for private systems.	Generally tens of \$ thousands but with reticulation options costing up to several \$m for some communities.	
Development of the charging policy for metered water, in order to encourage a reduction in demand.	Year 6 (2023/24)	Charge by volume; charge high users above allocated volume; and many other variations.		
How to reduce the environmental impact of stormwater discharges – with adoption of Integrated stormwater catchment plans.	Year 7 (2024/2025)	Various treatment options possible.	\$2m to tens of \$m.	Yes.
Water and wastewater services to be provided to Wainui and Makaraka – Review of Water and Sanitary Services.	Year 10 (2027/2028)	Various options for reticulation.	Tens of \$m.	Yes.
Whether to progress capital upgrades to meet demand at peak times (increase water flows into the city / additional storage).	Years 11-25 (2028-2043)	Do nothing; water treatment plant and reticulation upgrades; additional reservoir.	\$10- 15m.	Yes.
Whether to progress an additional water source for the municipal water supply (with the potential for this also to be used for irrigation).	Years 16-20 (2034-2039)	Do nothing/delay; new dam; potential to combine with irrigation scheme.	Tens of \$m.	Yes.
Whether to pursue additional capital works to protect communities from coastal hazards, particularly coastal flooding and tsunami.	Years 16-30 (2034-2048)	Do nothing; coastal flooding and tsunami barriers; evacuation structures.	Tens of \$m.	Yes.

## 9. Assumptions

The most likely scenario presented in this Strategy in respect of the strategic issues, financial forecasts and significant infrastructure decisions is based on the following key assumptions:

Assumption	Level of Confidence (Low = High Uncertainty)	Impacts of High Uncertainty
<b>Life Cycle of Significant Assets</b>		
The life cycle of assets is consistent with the assumptions made in Council's asset management system.	Low	We have improved our asset data over the last three years, which allows us to better forecast the life cycle of assets. However, there remains gaps in some asset classes and the condition/performance data is often poor. This affects the reliability of future renewal forecasts.
<b>Growth and Decline in Demand</b>		
Population changes will be generally as forecast by .ID and summarised in this document.	Medium	
There will be no significant change to industrial/commercial demands on infrastructure (with the exception of the growth of heavy vehicles associated with forestry harvests).	Low	Infrastructure planning generally allows for some increase in industrial demand, but of a minor nature. More significant changes could impact upon the need for and timing of capital projects and operating costs.
There will be no significant changes in land use (with the exception of some greenfield development around the fringe of Gisborne city).	Medium	
Forestry harvest will be in line with the projections of the Eastland Wood Council, summarised in this document.	Medium	
<b>Levels of Service</b>		
Implementation of the integrated catchment management plans will require increased levels of treatment of stormwater.	High	
Water and wastewater reticulation is extended to either Wainiu/Okitu or Makaraka, but not both.	Low	We have allowed, as a placeholder in the financial forecasts, an indicative estimate of the capital cost of reticulating one community. This is intended only as a placeholder and will be reconsidered with future reviews of the strategy.
<b>Natural Hazards</b>		
Government assistance in the event of a natural disaster will remain the same as present.	Low	Government is reviewing the assistance for recovery of underground infrastructure and could potentially limit assistance to the most extreme events. This may require Council to respond with changes in its insurance or other actions. No allowance has yet been made in our financial estimates.
There will be no significant natural event (>1:100 annual return interval) within the period of the Strategy.	Low	There is a reasonable probability that such an event will occur with a 30 year period. Insurance is Council's primary response to infrastructure damage.
<b>Other</b>		
Climate change will be consistent with the trends summarised in this document.	Low	There is a range of projections corresponding to different emission scenarios. Some of the key impacts at the local level, for example on water resources, require further investigation.
Funding assistance for land transport provided by the Transport Agency will remain similar to current levels.	Medium	



Assumption	Level of Confidence (Low = High Uncertainty)	Impacts of High Uncertainty
External funding for projects, when stated, will be realised.	Low	Difficulties obtaining funding may result in reductions or delays in the capital works programme.
Asset valuations are accurate determinant of replacement costs.	Medium	

# Ngā Tūmahi Tomua **Our Activities**

## Our Activities - Contents

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## What we do

A brief description of what the activity involves.

## Why we do it

A brief description of why Council undertakes this activity, including the benefits to the community.

## Community Outcomes

A brief description of the Community Outcomes the activity contributes to. More information is explained in detail in the Together Tairāwhiti - Our Direction section on Page 15.

## Opportunities and challenges

The key opportunities and challenges Council faces in delivering the activity.

## Our progress and plans for the next 10 years

A table that explains the activities and services we are currently providing, an outline of what activities and services will be undertaken between years 1 – 10 and a list of the methods, strategies and policies we will employ to ensure we achieve our proposed plans. Our plans are broken down into activities occurring in Years 1 - 3 and those occurring in Years 4 - 10.

## Levels of Service and Performance Measures

A table showing the levels of service we seek to achieve, the performance measures we use to check our progress and results in 2016/17. For targets we have included changes and rationale to measures as we aim to reach our desired results.

## The significant negative effects of delivering this service

Under the Local Government Act 2002, councils are required to identify, in their long term plans, any negative effects their areas of activity could have on the social, economic, environmental, or cultural wellbeing of its community. These tables set out those potential negative effects and show how Council is working to address them.

## Financial summary

This section looks at the forecast activity cost statement as well as the capital expenditure of each activity for the next 10 years.

### Forecast activity cost statement

#### This table shows:

- **Net Cost of Service:** The amount of external income and expenditure for the activity.
- **Capital Expenditure:** The breakdown of capital projects proposed by the activity for each year of the plan broken down by levels of service.

#### The graphs show:

- **Total Capital Projects:** All capital projects proposed by the activity broken into levels of service.
- **Depreciation versus renewal of capital projects:** Compares the amount of depreciation set aside each year by an activity against how much is spent on renewals (replacing existing assets) for the activity.

## Capital Expenditure 2018 - 2028

Detailed list of capital projects proposed for the LTP show timing and values of projects year by year.

### Levels of Service

Capital expenditure levels of service (LOS) column indicates whether a project will deliver either growth, increase or maintenance as a result of the planned capital expenditure. Growth projects are new assets acquired to meet additional demand. Projects that have an increase to levels of service include improvements to existing assets to meet current levels of service. Projects that have a maintain level of service are replacements of existing assets. Some projects have a component of all three of the levels of service.

### Note

There may be some rounding differences within the finance tables throughout this section. It should not impact on the overall usefulness of the information supplied.

## Governance and Democracy Support



### What we do

#### Governance

The governance activity provides for:

- democratic local decision making
- advocacy at a national level on policy, issues affecting our local community, wider participation and representation
- support membership of Local Government NZ and participation in its sector groups
- protection of Council assets including those invested in Council Controlled Organisations
- supporting the relationship with Eastland Community Trust and meeting Council's obligations under the Trust Deed
- meeting Council's obligations to be a good employer.

#### Democracy support

The democracy and support services activity supports the elected members in their roles and ensures the purposes of the Local Government Act 2002 are met and principles in the Act are applied. As a council we are required to ensure that:

- the role of democratic governance and expected conduct of elected members is clear and understood
- governance arrangements are effective, open and transparent
- responsibility for decision-making for regulatory and non-regulatory matters is kept separate
- we are good employers
- the relationship between elected members and management is effective

- we provide a fair and active triennial election process for Gisborne District Council and Hauora Tairāwhiti that is compliant with the Local Electoral Act
- we comply with the Local Electoral Act - which also controls Representation Reviews
- resources are provided to the Office of the Mayor including administrative support, expert advice and the delivery of civic functions/events
- obligations of the Mayor and Councillors under the Local Government Act are met
- elected members' remuneration, allowances and expenditure processes are in line with Remuneration Authority determinations
- Local Government Official Information and Meetings Act requirements and processes to service Council and its committees are complied with
- official information requests are responded to within legislative timeframes and conform to best practice and legislative requirements
- executive support is provided to directors and specialist administration, including hosting and cleaning services for staff.

### Why we do it

#### Governance

- To provide for community representation in an open, democratically accountable way.
- To enable decision-making and action and to promote community wellbeing.
- To provide for the stewardship of Council's assets and to implement the laws that enable physical and natural resources to be allocated.

#### Democracy support

- By supporting elected members and staff we enable transparent local decision-making on behalf of the Tairāwhiti community.
- To support staff in their work.

### This activity contributes to the following Community Outcomes

- Tairāwhiti Wawata



## Opportunities and challenges

### Democracy support

#### Opportunities

- Establish and increase virtual public attendance of Council and Committee meetings.
- Streamline internal hosting services for Council, committees and staff.

## Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>• Conducted Citizenship Ceremonies.</li> <li>• Hosted Commemorative Civic Service on ANZAC Day.</li> <li>• Held Civic Awards ceremonies.</li> <li>• The Mayor hosted the Royal New Zealand Navy's 75th year celebrations in August 2016.</li> <li>• Council worked with Turanga iwi to establish a Local Leadership Body (LLB). A successful workshop was held in September 2017 and standing orders were drafted for the further development of the LLB.</li> <li>• Council and Te Runanganui o Ngāti Porou signed a Joint Management Agreement over the Waiapu Catchment.</li> <li>• Continued to grow relationships with strategic partners.</li> <li>• Moved into the new safe Awarua building, representing the bicultural nature of our county and setting the scene for the Te Hā 1769 Sestercentennial commemorations in 2019.</li> <li>• Council met all legislative requirements under the Local Government Official Information and Meetings Act 1987.</li> <li>• Completed Official Information Act requests.</li> <li>• Commissioned a minor boundary alteration in two wards in 2015.</li> <li>• Successfully conducted the 2016 local government triennial elections for Gisborne District Council and Tairāwhiti District Health Board (Hauora Tairāwhiti) on time and meeting all legislative and practical requirements.</li> <li>• Managed a successful transition to an alternative Council meeting venue without disrupting the meeting schedule.</li> <li>• Supported Council and its staff with hosting and cleaning services.</li> <li>• Provided specialist and executive administration support for the Mayor, Directors and report writers.</li> </ul>	<p><b>Governance: Years 1 - 3</b></p> <ul style="list-style-type: none"> <li>• Continue to grow the relationship with strategic partners.</li> <li>• Host the Te Hā 1769 national commemorations in the city in 2019.</li> <li>• Implement the Local Leadership Body (LLB).</li> <li>• Build on the existing Joint Management Agreement (JMA) work between Council and Te Runanganui o Ngāti Porou.</li> </ul> <p><b>Democracy support: Years 1 - 3</b></p> <ul style="list-style-type: none"> <li>• The Gisborne District Council is undertaking a review of its representation arrangements for the 2019 elections. It is likely that there will be some changes to the current representation of five wards and 13 councillors.</li> <li>• The Local Government Election will be held in October 2019.</li> <li>• Manage Council's proposals for representation for the 2019 elections.</li> <li>• Manage a fair and active election process for 2019.</li> <li>• Establish a business case for document assembly and improve the report approval process.</li> <li>• Together with the performance and planning team monitor and improve the quality of reports and their effect on good decision-making.</li> </ul> <p><b>Governance: Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>• Continue delivering and identifying opportunities for improving governance across the organisation.</li> </ul> <p><b>Democracy support: Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>• Manage a fair and active election process for 2022 and 2025.</li> <li>• Manage a Representation Review for the 2025 elections.</li> </ul>

# Governance and Support Services

What we have been doing	What we will do in years 1 - 10
<b>How we will achieve our plans:</b> <ul style="list-style-type: none"> <li>Resourcing the governance activity to ensure a fair and active election process each triennium.</li> <li>Resourcing the governance activity to ensure an effective representation review in 2025.</li> <li>Working within our means to deliver improved services through efficiency gains and refocusing resources on service delivery where any expectation gaps exist.</li> <li>Resourcing the democracy and support activity to ensure processes for producing and distributing meeting agendas, meeting notifications and official information requests meet our obligations under the Local Government Official Information and Meetings Act.</li> </ul>	

## Levels of Service and Performance Measures

### Governance

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
We provide for the representation of the community in open, democratically accountable decision making.	Approve the Statements of Intent for Council Controlled Organisation's (CCO's) in agreed time frames.	N/A	100%	100%

### Democracy support

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
We provide the mechanism for decision-making in an open, democratically accountable way.	Percentage of advice to Council that meets good practice standards when independently assessed.	100%	90%	95%
We manage the Local Government Official Information and Meeting Act requirements for meetings and agendas for Council.	Agendas for meetings (other than extraordinary meetings) of council and its committees are publicly available (either via the internet or in Council service centres or at Council libraries) at least two clear working days before advertised meetings.	100%	100%	100%
We manage the Local Government Official Information and Meeting Act requirements for information requests and complaints to the Ombudsman.	Number of complaints upheld by the Ombudsman.	0	0	0

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	0	61	0	0	65	0	0	70	0	0
Revenue From Exchange Transactions	15	15	16	16	16	17	17	18	18	19
Expenses	1,249	1,330	1,195	1,278	1,444	1,287	1,379	1,543	1,397	1,438
<b>Net Cost of Service</b>	<b>1,234</b>	<b>1,253</b>	<b>1,180</b>	<b>1,262</b>	<b>1,362</b>	<b>1,271</b>	<b>1,362</b>	<b>1,455</b>	<b>1,379</b>	<b>1,420</b>

## Financial commentary

**Expenses:** Expenses have increased and fluctuate due to tri-annual election costs.

## Support Services



### What we do

The following internal support services are provided to ensure the smooth running of Council activities:

- People and capability
- Legal services
- Information services
- Health and safety
- Finance

### Why we do it

#### People and capability

Our People and Capability team provides support, advice and solutions to the Central Organising Roopu (COR), managers and staff on all people-related matters to promote best practice. Activities include human resource advice and support, employment law compliance, performance management, learning and development, recruitment and induction, payroll and organisational development and change management.

#### Legal services

The Legal Services team provides clear, accurate and timely legal advice and support to elected members, COR and staff to manage Council's legal risk and ensure a high standard of statutory compliance.

#### Information services

The team in Information Services provides IT services, ongoing support, advice and business solutions that support Council's objectives to work smarter, better and simpler. Services include IT support, information management, land information services and business solution services.

### Health and safety

This activity provides a safe working environment for our staff and members of the public, while undertaking Council duties or while working on, or visiting, Council facilities and worksites. Activities include critical risk management, establishing a health and safety culture, ensuring compliance under health and safety legislation and the management of contractors.

### Finance

Finance services is required and mandated by statute including the Local Government Act 2002 or Local Government Act (Rating) Act 2002.

The finance activity consists of three sub-activities - financial services, risk and assurance and business intelligence. The Finance Services team supports Council in the effective and efficient running of the organisation by providing monthly reporting analytics, while maintaining routine tracking, financial and treasury management processes, and continuously looking at how we can make business improvements from a financial perspective.

The Business Intelligence team enables the analysis of Council's data, through the use of the latest technologies in data warehousing (data driven integration, analysis and modelling) to assist decision-makers in making informed business decisions in a timely manner.

The Risk and Assurance team also contributes to better decision making by giving assurance to management and the Finance & Audit Committee that effective risk management practices and strategies are applied at all levels across Council.

### This activity contributes to the following Community Outcomes

- Tairāwhiti Wawata
- Tairāwhiti Tangata

### Opportunities and challenges

#### Opportunities

- Leveraging digital technologies such as online services, mobile working and workflow automation can transform Council activities and processes to be quicker and more consistent with less overheads.

#### Challenges

- The main challenge with support services are providing fast and effective internal and external customer-facing services, while ensuring fiscal responsibility.

## Our progress and plans for the next 10 years

What we have been doing	What we will we do in years 1 - 10?
<ul style="list-style-type: none"> <li>Most aspects of support services are internally focused with emphasis on enhancing operational efficiencies and providing legal, employment, safety, technological and financial-related advice on a range of matters across Council.</li> <li>Digitally transformed key services and systems, resulting in fundamental changes to how we operate and how services are delivered, both internally and externally for example providing mobility solutions when our staff are working in the field.</li> <li>Aligned Council's Health and Safety framework with WorkSafe's and ACC's SafetyPlus rating scheme, which focuses on Risk Awareness and Management, and Leadership and Engagement.</li> <li>Actioned and completed the transfer of commercial assets to Gisborne Holdings Limited to increase financial performance and returns to Council.</li> <li>Developed an integrated financial scenario modelling solution, providing efficient balanced budget modelling, with project and rate impact analysis capability.</li> </ul>	<p><b>Years 1 - 3</b></p> <ul style="list-style-type: none"> <li>Ensure all support services continue to perform business-as-usual activities, and where possible, streamline business processes to improve practices, advice and services.</li> <li>Continuous digital transformation of Council services.</li> <li>Continue to develop a health and safety culture where engaged staff are accountable and are actively managing their own health and safety, while ensuring compliance under health and safety legislation.</li> <li>Ensure financial, internal controls, risk management and governance processes are in place as mandated by the Local Government Act 2002 or the Local Government (Rating) Act 2002.</li> <li>Improve efficiencies in financial reporting, cash flow management, debt forecasting, financial modelling and around the rating process.</li> <li>Deliver innovative, affordable and fit for purpose business intelligence solutions.</li> <li>Replace identified information services systems i.e. Enterprise Resource Planning, Enterprise Content Management.</li> <li>Develop an enterprise risk management programme.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Continue with business-as-usual activities across all support services.</li> <li>Continue to adapt to the changing workplace environment.</li> <li>Take further advantage of technological advancements to enable us to deliver effective and efficient support services to our internal and external customers.</li> <li>Complete the replacement of the core Enterprise Resource Planning system.</li> <li>Implement new revenue and financing policies.</li> </ul>
<p><b>We will achieve these plans by:</b></p> <ul style="list-style-type: none"> <li>Work in a collaborative way to deliver results that support Council's key objectives.</li> <li>Work within our means to deliver improved support services through efficiency gains and refocusing resources on service delivery where any expectation gaps exist.</li> <li>Make best use of new technologies to improve the customer experience and improve processes in the support services activity.</li> </ul>	



# Governance and Support Services

What we have been doing	What we will we do in years 1 - 10?
<ul style="list-style-type: none"> <li>Ensure our back-end systems are maintained to a standard that does not hinder the digital transformation of Council services.</li> <li>Deliver business intelligence solutions using the latest tools from Council's technology partner, and a structured/standardised framework for data transformation and delivery.</li> </ul>	

## Levels of Service and Performance Measures

### Finance

Levels of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
We support the organisation to deliver Council services and to provide good quality information to the public.	Percentage of residents satisfied with how rates are spent on services and facilities provided by the Council as found in the Resident Satisfaction Survey.	48%	90%	90%

## Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
Not applicable.	Not applicable.

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity. Capital expenditure: the breakdown of capital projects proposed by the activity for each year of the plan broken down by levels of service.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Revenue From Exchange Transactions	2,206	2,207	2,208	2,269	2,605	4,486	3,087	4,348	3,149	2,351
Expenses	13,889	14,965	15,961	16,345	17,043	16,797	17,043	18,683	18,916	18,784
<b>Net Cost of Service</b>	<b>10,683</b>	<b>11,758</b>	<b>12,754</b>	<b>13,076</b>	<b>13,438</b>	<b>11,311</b>	<b>12,956</b>	<b>13,335</b>	<b>14,767</b>	<b>15,433</b>

CAPITAL EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve level of service	575	72	77	79	80	82	81	83	85	87
- to replace existing assets	1,959	2,063	2,308	2,977	1,675	1,213	1,534	1,446	2,375	2,537
<b>Capital Projects</b>	<b>2,534</b>	<b>2,135</b>	<b>2,385</b>	<b>3,056</b>	<b>1,755</b>	<b>1,296</b>	<b>1,614</b>	<b>1,529</b>	<b>2,460</b>	<b>2,624</b>

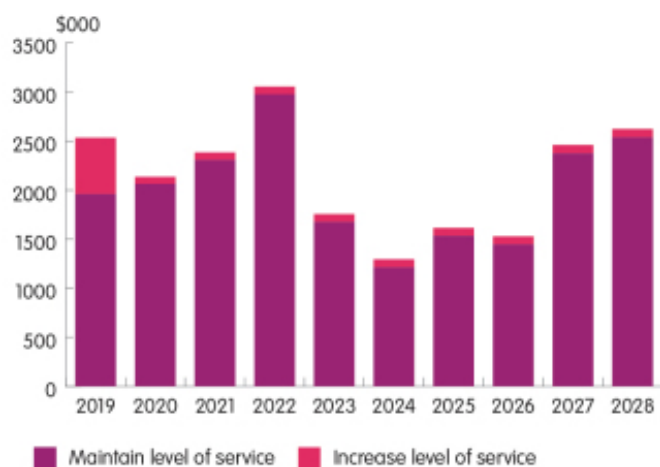
## Financial commentary

**Revenue:** Revenue includes penalties income, which is forecast to remain at static levels. It also includes dividends from GHL and petroleum tax income.

**Expenses:** No significant change to levels of service. Expenses are at similar levels to prior years.

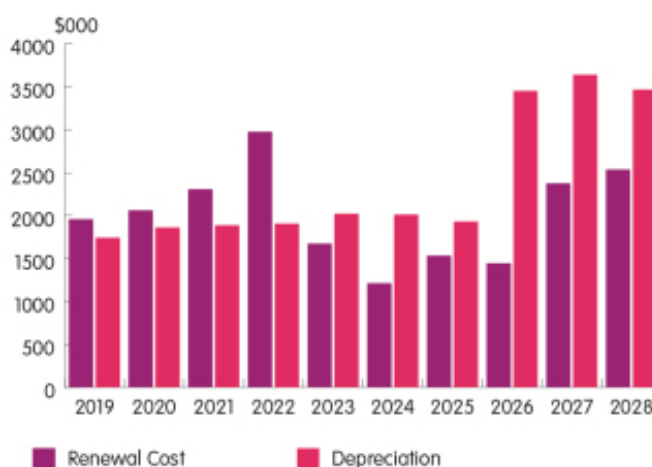
The graph below shows all capital projects proposed by the activity broken into levels of service.

**Total Capital Projects**



We collect the depreciation on existing assets in rates revenue and use this to fund our renewals. So it is showing the relationship between the two.

**Depreciation v Renewal Capital Projects**



The graph below shows the portion of capital projects that are renewals against the depreciation expensed on existing assets.

## Forecast capital expenditure 2018-2028

Within the table below we explain the type of levels of service. Growth: to meet additional demand. Increase: improve the Level of Service. Maintain: replace existing assets.

FORECAST CAPITAL EXPENDITURE (\$000)	Level of Service	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Support Services</b>											
Business Analytics	INCREASE / MAINTAIN	151	144	154	157	161	164	162	165	170	174
Orthophoto Regeneration - Aerial Photography	MAINTAIN	45	46	47	48	49	50	51	52	54	55
Existing Core Hardware Renewal	MAINTAIN	383	425	357	551	373	476	345	377	661	451
Issp Capex	INCREASE	500	0	0	0	0	0	0	0	0	0
Software Renewals & Upgrades	MAINTAIN	950	1,020	1,301	1,859	814	500	682	524	1,192	1,528
Vehicle Replacements	MAINTAIN	475	485	495	425	326	89	341	393	348	398
Minor Plant Renewals	MAINTAIN	30	15	31	16	33	17	34	17	36	18
<b>Grand Total</b>		<b>2,534</b>	<b>2,135</b>	<b>2,385</b>	<b>3,056</b>	<b>1,755</b>	<b>1,296</b>	<b>1,614</b>	<b>1,529</b>	<b>2,460</b>	<b>2,624</b>

## Resource Consents



### What we do

Council provides regulatory rigor and undertakes legislative duties under the Building Act 2004, Local Government Official Information and Meetings Act 1987 and the Resource Management Act (RMA) 1991. Duties under the RMA include land use, subdivision, air discharge and wastewater to land discharge resource consents and other national planning instruments such as any relevant National Planning Standards (NPS) and National Environmental Standards (NES).

### Why we do it

We do this activity to:

- manage the district's natural and physical environment now and into the future as detailed in the Tairāwhiti Resource Management Plan and the Freshwater Management Plan
- provide business and regulatory certainty and value to holders of resource consents for economic development and community wellbeing
- ensure a fair process for decision-making on the use of the district's natural and physical resources
- ensure Council's regulatory responsibilities are met for the environment and community
- support Gisborne's development and economic growth through resource use and development
- protect our district's heritage
- support the connection of iwi to their values and relationships with their sites of significance and taonga
- allow participants in resource consent processes to have their views heard and considered.

### This activity contributes to the following Council Outcomes

- Tairāwhiti Taonga
- Tairāwhiti Tangata
- Tairāwhiti Wawata

### Opportunities and challenges

The Government has made changes to the RMA including fast-track processing of consents, amended notification requirements and created discretion for permitted activities.

Compliance for the processing of consents with statutory time-frames since 2015 has been trending above 95%. This shows a consistently high level of attainment with legislative requirements. Council has an attitude of continual improvement where legislative changes and case law need to be adopted and applied, alongside general improvements and efficiencies to the consent process.

A key challenge is to ensure clear and useful information is provided to inform applicants of the consent process and the information they need to provide when submitting their application. This will ensure expectations are aligned and enable efficient processing of consents.

Many resource consents require input from other parts of Council and require a commitment from across Council to meet statutory time-frames and applicants' expectations. Collective commitment across Council to meeting expectations will ensure consents are responded to in a timely way.

#### Opportunities

- Making better use of technology, for example online consent applications.
- Improving consent documentation and application forms – easy to understand guidance on what to do and when, utilising brochures and websites.
- Clear guidance at the “front counter” when accepting resource consents, and ensuring that all consents have adequate information for processing.
- Improving customer access to plans including mapping, GIS and 'E-plans'.

#### Challenges

- Managing multiple large scale, complex and novel activity applications with high information needs within tight time-frames.
- In some cases, public dislike of environmental regulation and negative media may impact on public perception of proposed activities.

- Limited information provided with consent applications preventing Council undertaking a thorough assessment of effects associated with an activity.
- Public awareness of the consent process and information requirements.
- Meeting the 10-day requirement for RMA applications.

## Our progress and plans for the next 10 years

What we have been doing	What will we do in years 1 - 10?
<ul style="list-style-type: none"> <li>• Expanded to provide electronic consents.</li> <li>• Engaged a Development Engineer to assist with efficient processing of resource consents.</li> <li>• Taken a lead role in processing bundled consents and taken on the processing responsibility for air discharge and wastewater discharges to land consents.</li> <li>• Audited the quality of our consent decisions.</li> <li>• Applied Section 88 Engagement and Communication protocol with applicants.</li> <li>• Promoted pre-application meetings for complex consents.</li> </ul>	<p><b>Years 1 - 3</b></p> <p>We will focus on improving resource consent processing time-frames and customer service, including:</p> <ul style="list-style-type: none"> <li>• Developing guidance material for resource consent applicants to raise awareness of consent requirements.</li> <li>• Developing user-friendly processes to make it easy for the customer to engage with Council consent processes.</li> <li>• Evaluating service delivery from a customer perspective to promote ongoing improvements.</li> <li>• Promoting pre-application meetings to ensure applicants are aware of the information needed to process their consents.</li> <li>• Optimising the process for input from parts of Council to ensure timeliness of information.</li> <li>• Providing input into reviews of the Tairāwhiti Resource Management Plan.</li> <li>• Promoting an enhanced working relationship with iwi and Council consenting staff.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>• Process resource consents in accordance with the RMA 1991 and the District Plan.</li> <li>• Provide input into RMA Plan reviews to ensure that measures included are practical in implementation and able to be efficiently processed.</li> <li>• Develop and disseminate communications and information material around the RMA Plans and resource consent requirements.</li> </ul>
<p><b>How we will achieve our plans:</b></p> <ul style="list-style-type: none"> <li>• Proactively managing the resource consent process to ensure quality applications are lodged.</li> <li>• Monitoring and responding to legislative changes as relevant.</li> <li>• Taking greater advantage of technology as a way of making consent processing more efficient and transparent.</li> <li>• Developing means to better involve iwi input into resource consent processes.</li> <li>• Continuing to upskill staff and work across Council to ensure appropriate technical input to consents.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
Decisions on resource consent applications are made in a timely manner following a robust process.	Percentage of applications processed within statutory time frames ( <i>Resource Management Act</i> ).	91%	95%	95%
	Percentage of consents that meet good practice standards as set out in Quality Planning through Consent Decision Audit.	95%	92%	95%

Significant negative effects of delivering this service:

Potential negative effects	What we're doing about them
There are no negative effects from this activity.	Not applicable.

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	150	150	150	150	150	150	150	150	150	150
Revenue From Exchange Transactions	355	347	355	362	371	379	388	398	408	419
Expenses	1,050	1,076	1,092	1,110	1,128	1,147	1,167	1,176	1,198	1,221
<b>Net Cost of Service</b>	<b>545</b>	<b>579</b>	<b>588</b>	<b>597</b>	<b>607</b>	<b>618</b>	<b>629</b>	<b>629</b>	<b>640</b>	<b>652</b>

## Financial commentary

**Revenue:** Revenue has been increased to reflect expected fees and charges increases. This aligns to the Revenue and Financing funding policy.

**Expenses:** No significant change to levels of service. Expenses have increased due to the alignment of additional resource monitoring requirements.



## Building Services



### What we do

Council's building related activities are governed by the Building Act 2004 and the Local Government Official Information and Meetings Act.

Our work in this area provides:

- building consents, code compliance certificates (CCCs) and land information memoranda (LIMs)
- accurate and timely information on building consent processes
- monitors compliance of building warrants of fitness for commercial buildings
- responses to service requests relating to stormwater
- assessments and follow-ups for the strengthening of earthquake prone buildings
- swimming pool inspections to ensure pools are safely fenced.

### Why we do it

Our building services work is about ensuring buildings are safe for people to live and work in, and that people wanting to build or buy a property have access to the information they need.

### This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata

## Opportunities and challenges

### Opportunities

- We can improve our service by:
  - processing more than 95% of building consent applications within 20 working days
  - revising the five working day fast track building consent for smaller residential projects that meet certain criteria
  - improving public information on the building consent process.
- Develop a comprehensive online building consent application facility to make processing applications more efficient.

### Challenges

- Earthquake prone buildings now come under a national policy. All buildings with existing Section 124 notices must have a notice in a prominent place alerting the public to the building's status and potential risk.
- Due to changes to the Fencing of Swimming Pools Act, Council is required to inspect the safety of private swimming pool fences every three years.
- Gisborne's projected static and ageing population may lead to changes in the type of building consents sought, such as more applications for smaller new dwellings and residential village type accommodation. We may also see more applications for additions or alterations rather than new builds.

## Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Developing a digital consent processing system to improve efficiency and consent processing times, reduce paper handling and enable parallel processing of building consents. This is the first step towards a full digital acceptance, processing, issuing, and inspection process.</li> <li>Revising Council's Earthquake Prone Building Policy in response to legislative changes.</li> <li>Setting up a swimming pool fencing safety monitoring system in response to legislative changes.</li> <li>Continuing to provide input into the natural hazard redefinition project, with the emphasis this year on coastal inundation (wave run-up) and coastal erosion as well as liquefaction zones and their impact on building foundation requirements.</li> <li>Working with the stormwater team to limit the incidence of gully overtopping in storms. This is part of the wastewater reduction programme to limit the number of sewage overflows.</li> <li>Refining our public information brochures.</li> <li>Continuing to work towards our internal performance target of 75% of all building consents issued within 10 working days - half the statutory time-frame.</li> </ul>	<p><b>Years 1 - 3</b></p> <ul style="list-style-type: none"> <li>Set up a digital consent processing system to improve efficiency and consent processing times, reduce paper handling and enable parallel processing of building consents.</li> <li>Update Council's earthquake prone building register and implement the requirements of the 2017 legislation changes.</li> <li>Continue to monitor swimming pool fencing safety in response to legislation changes.</li> <li>Pursue further improvements for all building consent processes and services, including fast tracking building consents.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Maintain accreditation as a Building Consent Authority and continue to provide high standards of service.</li> <li>Work with the science team to define the hazard registers, particularly in liquefaction zones.</li> <li>Continue to review scope for fast track consents and general exemptions under Schedule 1 of the Building Act 2004.</li> </ul>
<p><b>How we will achieve our plans:</b></p> <ul style="list-style-type: none"> <li>Implement an electronic consent processing system.</li> <li>Maintain the earthquake prone building register and ensure compliance with the earthquake prone building policy timeframes.</li> <li>Maintain a swimming pool register and carry out inspections at the required intervals.</li> <li>Review fast track consents to determine additional building work categories to be made available under the fast track system.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
We will deliver a customer focused building consents and compliance monitoring service that meets statutory requirements.	Percentage of building consents processed within twenty working days (Building Act 1992).	99%	98%	98%
	Percentage of fast track building consents processed within five working days.	100%	100%	100%
	Percentage of Land Information Memorandums (LIM) processed within ten working days (Resource Management Act).	100%	98%	100%

## Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
Earthquake strengthening legal requirements may lead to some older buildings being demolished to ensure a safer central business district. This could impact the build heritage values of the CBD.	Demolition of heritage buildings listed in the District Plan requires a resource consent. Any application would need to be heard by a panel of commissioners with expertise in structural strengthening, heritage values, and Building Act and Resource Management Act legislation. A balanced decision between removing the danger by demolition and preserving the building will require this level of decision making.

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Revenue From Exchange Transactions	930	950	971	992	1,014	1,038	1,063	1,089	1,116	1,146
Expenses	939	979	975	1,015	1,011	1,054	1,051	1,097	1,095	1,145
<b>Net Cost of Service</b>	<b>9</b>	<b>29</b>	<b>4</b>	<b>23</b>	<b>(3)</b>	<b>17</b>	<b>(11)</b>	<b>9</b>	<b>(21)</b>	<b>(1)</b>

## Financial commentary

**Revenue from exchange transactions:** No significant change to levels of service. Revenue is at similar levels to prior years.

**Expenses:** Operational expenses fluctuate each year as the Accreditation Fee is paid bi-annually. In addition, they have been aligned to actual expenditure incurred.

## Enforcement



### What we do

The Enforcement activity consists of monitoring and enforcement, animal control, and parking and city watch sub-activities.

We maintain a consistent approach ensuring compliance with a variety of acts, regulations, bylaws and the District Plan. We do this by using a range of enforcement options that are selected with guidance from the Enforcement Policy and enforcement matrix. We also deliver some educational activities to inform the public.

The section monitors compliance and enforces the Resource Management Act, District Plan, Dog Control Act, Impounding Act, Land Transport Act, Land Transport (Road User) Rule 2004 and local bylaws. As a territorial authority, we are required to maintain compliance with this legislation and to use enforcement to do so.

### Why we do it

#### Monitoring and enforcement

The monitoring and enforcement sub-activity promotes the sustainable management of natural and physical resources, manages the way people use land and how those uses affect the environment. For example, noise, new subdivisions, historic building protection, native bush etc. We also enforce non-compliance with the Resource Management Act and District Plan.

#### Animal control

This service promotes education with dog owners, maintains compliance with central government legislation regarding the control of dogs, and investigates and enforces non-compliance of the Act and dog attacks on both animals and people.

#### Parking and city watch

This service promotes traffic safety, helps traffic to flow for businesses and retailers, and holds a presence in the Central Business District by assisting Police and retailers.

### This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata

### Opportunities and challenges

#### Monitoring and enforcement

##### Opportunities

- Monitoring district and regional resource consents (as required under legislation).
- Implementing a cost recovery programme.
- Educating key stakeholders on compliance and enforcement issues.
- Prosecuting serious or repeat offences.

#### Animal control

##### Opportunities

- Review the Dog Control Bylaw and Policy.
- Maintain pound facilities to a high standard and ensure technology is used to help the team do their job effectively and efficiently.
- Better service could be provided with more staff, i.e. rural property checks for unregistered dogs and fencing compliance for roadside paddocks holding stock.
- Better compliance from dog owners, and better monitoring of dangerous and menacing dogs.
- Improve the public's understanding and perception of Animal Control activities through improved communication and education.
- Further community education to dissuade people from choosing dogs from menacing breeds and increase dog owners' knowledge of menacing dog ownership requirements.
- Mobile computing offers an opportunity to maximise time spent working in the field and reduce time spent on administration and office-based activities.

## Parking and city watch

### Opportunities

- We are developing a Parking Policy that balances the cost charged for parking against the availability of parking, to guide future infrastructure spending. The policy will outline things like the location and number of paid parking spaces, availability of disabled parking spaces and parking restrictions on areas outside the CBD.
- Mobile technology for monitoring parking could save time, money and effort.
- Opportunity to upgrade parking meters to allow for different ways to pay.

### Challenges

- The stand-alone pay and display parking meters are 20 years old and it will be difficult to find parts if any of them break down.
- More 'big box' retailers may provide their own free customer parking and this will put pressure on parking fees.

## Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10
<b>Monitoring and compliance</b> <ul style="list-style-type: none"> <li>• Monitoring all district resource consents.</li> <li>• Responding to district complaints (RFS).</li> <li>• RMA enforcement for both district and regional issues.</li> <li>• Advising and training other departments in best practice on warrants and other enforcement related issues.</li> <li>• Monitoring summer and freedom camping.</li> <li>• Communicating with and educating stakeholders on the responsibilities of being a resource consent holder.</li> <li>• Investigating non-compliance with District Plan and RMA.</li> <li>• Charging for monitoring inspections.</li> </ul>	<b>Years 1 - 3</b> <ul style="list-style-type: none"> <li>• Continue to provide a safe community by maintaining effective dog control compliance.</li> <li>• Promote traffic safety and ensure traffic flow by continuing to provide enforcement of Council's traffic and parking bylaws as well as stationary vehicle offences under the Land Transport Act 1998.</li> <li>• Review the Health and Safety Plan every three years and ensure all health and safety requirements are in place.</li> <li>• Promote the sustainable management of natural and physical resources by compliance monitoring and enforcement, by managing the way people use land and how those uses can affect the environment.</li> <li>• Develop a Parking Policy that balances fees charged for parking with the availability of parking. This will consider a range of potential options. It will also consider the range of potential metering technology options.</li> <li>• Review the Dog Control Bylaw 2010 in 2020.</li> <li>• Explore opportunities to use technology to make work more efficient, including the use of mobile technology.</li> <li>• Ensure all health and safety requirements are in place.</li> </ul>
<b>Animal control</b> <ul style="list-style-type: none"> <li>• Increasing animal control patrols in targeted areas with zero tolerance for aggressive dogs.</li> <li>• Focusing on proactive and consistent enforcement with infringements issued to all dog owners who failed to register their dogs. Infringements are also issued for other moderate offending.</li> <li>• Reviewing and updating our standard operating procedures as well as Health &amp; Safety procedures for Animal Control.</li> <li>• Issued new equipment to officers - body-worn cameras, stab vests, bite sticks and dog sprays.</li> </ul>	<b>Years 4 - 10</b> <ul style="list-style-type: none"> <li>• Provide a high quality animal control service for animals, their owners and the wider community.</li> <li>• Review the Health and Safety Plan every three years and ensure all health and safety requirements are in place.</li> <li>• Ensure a sustainable approach to land use and development.</li> <li>• Parking meters will be replaced (phased over a three-year period starting 2026).</li> </ul>



# Environment Services and Protection

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Increasing menacing and dangerous dog classification compliance.</li> <li>Continued to develop our education programme with more visits to schools and other organisations.</li> <li>Reviewing the Stock Control Bylaw.</li> <li>Increasing stock control monitoring.</li> </ul> <p><b>Parking and city watch</b></p> <ul style="list-style-type: none"> <li>Progressed development of a Parking Policy, including public engagement.</li> <li>Reviewed potential metering technology.</li> <li>Reviewed health and safety for parking activities.</li> <li>Issued new equipment to officers and new electronic infringement devices, as well as body worn cameras.</li> </ul>	
<p><b>How we will achieve our plans:</b></p> <ul style="list-style-type: none"> <li>Effective business planning, project management and reporting.</li> <li>Developing a professional development framework for staff.</li> <li>Clear and accurate communications around the activities in the business plan.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
Parking Services - Council provides on and off-street parking facilities; to provide sufficient parking to meet reasonable public expectations; to ensure equitable sharing of parking resources and to ensure safe and effective passenger vehicle flow.	Council car park (on and off street) occupancy in the CBD as surveyed within business hours.	40%	Range 60% -90%	Range 60% -90%
Animal Control - Council monitors and enforces compliance with legislation intended to protect its citizens from threats to their safety from animal nuisance.	Percentage of residents satisfied with Council's efforts in controlling dogs and stock as found in the Resident Satisfaction Survey.	57%	50%	60%
	The percentage of routine requests for dog or stock control issues responded to within 2 days.	94%	90%	90%
	The percentage of urgent requests for dog or stock control, responded to within 30 minutes.	83%	90%	90%

## Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
There are no significant negative effects from this activity.	Not applicable.

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity. Capital expenditure: the breakdown of capital projects proposed by the activity for each year of the plan broken down by levels of service.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	954	970	987	1,005	1,024	1,043	1,064	1,086	1,109	1,133
Revenue From Exchange Transactions	1,505	1,538	1,571	1,606	1,642	1,680	1,720	1,762	1,807	1,855
Expenses	1,914	1,930	1,980	2,009	2,040	2,085	2,132	2,153	2,204	2,244
<b>Net Cost of Service</b>	<b>(544)</b>	<b>(578)</b>	<b>(578)</b>	<b>(602)</b>	<b>(626)</b>	<b>(638)</b>	<b>(653)</b>	<b>(695)</b>	<b>(712)</b>	<b>(745)</b>

CAPITAL EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
- to replace existing assets	35	10	10	11	11	11	11	321	328	0
<b>Capital Projects</b>	<b>35</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>321</b>	<b>328</b>	<b>0</b>

## Financial commentary

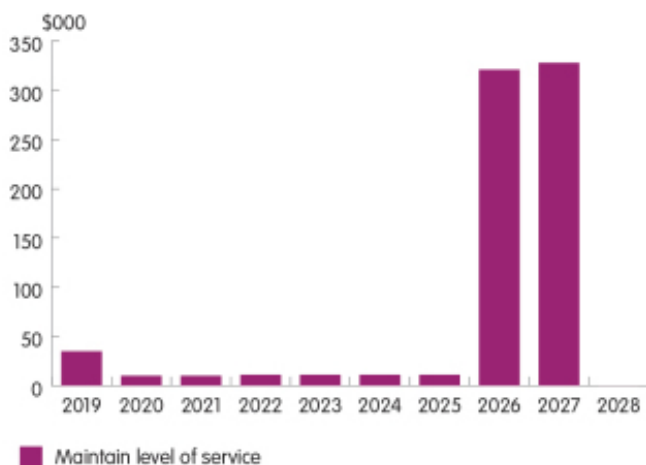
**Revenue from non-exchange transactions:** New Zealand Transport Agency (NZTA) subsidy for stock control has increased significantly from prior years.

**Revenue from exchange transactions:** Revenue has been increased to reflect expected fees and charges increased. This aligns to the Revenue and Financing funding policy.

**Expenses:** Increased stock control expenditure offsets additional revenue received from NZTA.

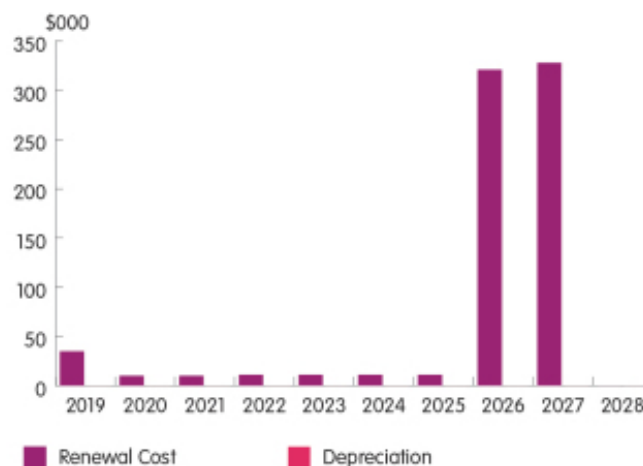
**Capital:** Radio replacements for parking officers are scheduled for year 1, with parking meter renewals planned for in years 8 and 9.

Total Capital Projects



The graph above shows all capital projects proposed by the activity broken into levels of service.

Depreciation v Renewal Capital Projects



The graph above shows the portion of capital projects that are renewals against the depreciation expensed on existing assets. We collect the depreciation on existing assets in rates revenue

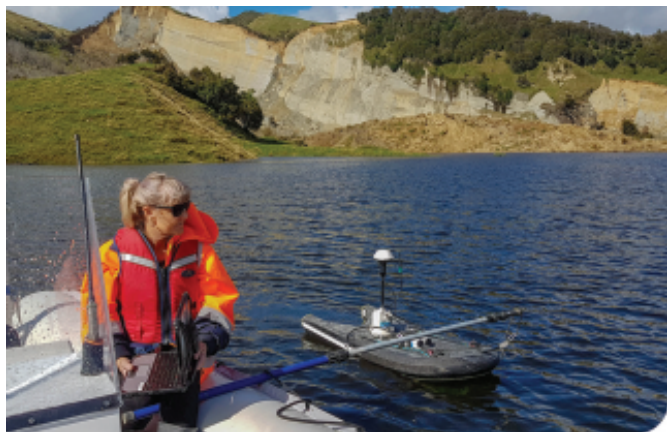
and use this to fund our renewals. So it is showing the relationship between the two.

## Forecast capital expenditure

Within the table below we explain the type of levels of service. Growth: to meet additional demand. Increase: improve the Level of Service. Maintain: replace existing assets.

FORECAST CAPITAL EXPENDITURE (\$000)	Level of Service	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Enforcement</b>											
Parking Meter Renewals	MAINTAIN	10	10	10	11	11	11	11	321	328	0
Radio Replacement For Parking Wardens. Roading	MAINTAIN	25	0	0	0	0	0	0	0	0	0
<b>Grand Total</b>		<b>35</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>321</b>	<b>328</b>	<b>0</b>

## Science



### What we do

We carry out regulatory, non-regulatory and science-based services that relate to our regional council function. The science activity consists of four sub-activities: biosecurity, environmental monitoring, land and soil, and water and coastal.

We provide information, assist, regulate, monitor and report on animal and plant pest management, and sustainable land and water resource management. Some direct control of animal pests is carried out.

The science activity supports economic and environmental prosperity, by:

- preserving soil quality and productive capacity
- preserving natural environments, biodiversity and ecosystem function
- protecting freshwater and marine environment values.

### Why we do it

To manage the use, development and protection of our natural and physical resources, now and into the future. This activity enables Council to give effect to Statutory Plans and responsibilities under the Biosecurity Act 1993, Resource Management Act 1991 (RMA) and Soil Conservation and Rivers Control Act 1941.

### This activity contributes to the following

#### Community Outcomes:

- Tairāwhiti Taonga
- Tairāwhiti Tangata

## Opportunities and challenges

### Biosecurity

#### Opportunities

We are refocusing on the delivery of new pest programmes identified in the Regional Pest Management Plan (RPMP), and will prioritise some activities as a result. Successful implementation of all of the RPMP includes providing additional funding for education/advocacy and site-led programmes.

#### Challenges

There is a continual threat of new pests or diseases arriving in the region, requiring rapid interventions to try to eradicate or contain them.

Responding to changes in the environment such as droughts, storm events and floods. These can have a substantial impact on pest levels.

### Water and coastal resources

#### Opportunities

We will be focusing our resourcing on delivering statutory functions, implementing the regulatory aspects of the Freshwater Plan and contracting co-funded projects.

We will be seeking additional external funding to enable us to provide education and advocacy to support farmers and industry to comply with requirements, such as Farm Environment Plans and Stormwater Management Plans in the Freshwater Plan. The Managed Aquifer Recharge Trial will continue but no funding is provided for a Council contribution to a full scheme.

#### Challenges

Deadlines for Freshwater Plan compliance are tight. To meet these, a high level of upskilling of some landowners and businesses will be required to achieve compliance requirements and good environmental outcomes.

Collaborating with tangata whenua on resource management issues of cultural importance and giving effect to Tiriti o Waitangi/Treaty of Waitangi settlements through the implementation of Council's Resource Management Act plans.

Responding to changes in the environment such as droughts, storm events and floods. These can have a substantial impact on water resources.

### Land and soil resources

#### Opportunities

We will be focusing our resourcing on delivering statutory functions while undertaking our soil conservation function.

#### Challenges

The Erosion Control Funding Scheme (ECFP) expires in 2021. To access this funding and maximise uptake for erosion

management and soil conservation, fast action is needed on the most difficult sites with complex land tenure.

The National Environmental Standards for Plantation Forestry (NES-PF) introduces new complexity to managing the forestry harvest process, and the need for careful monitoring of Permitted Activities to ensure that adverse environmental effects do not occur.

## Environmental monitoring and hydrology

### Opportunities

We will be focusing our resourcing on delivering statutory monitoring requirements and maintaining our monitoring systems.

### Challenges

Government direction from changes to the National Policy Statement for Freshwater Management (Freshwater NPS) creates significant new requirements for Council to both monitor and report on water quality and quantity.

We will be focusing on improving how we share science information with the community. This includes making our information much more available and accessible on internet-based platforms such as the Land Air Water Aotearoa (LAWA) website for water quality monitoring.

## Our progress and plans for the next 10 years

What have we been doing?	What will we do in years 1 - 10?
<ul style="list-style-type: none"> <li>• Provided the technical information required to complete the Regional Freshwater Plan and Waipaoa Catchment Plan.</li> <li>• Implemented the Resource Management (Measurement and Reporting of Water Takes) Regulations.</li> <li>• Reviewed monitoring programmes for freshwater quality and quantity creating opportunities for community monitoring of freshwater parameters.</li> <li>• Set limits and allocation caps for surface and groundwater takes in key aquifers and rivers.</li> <li>• Undertook Freshwater Plan catchment projects to improve water quality, native fish passage and riparian planting in places like Te Arai, Rere and Waikanae Stream.</li> <li>• Assisted property owners with Farm Plans to address soil erosion and continued work with Waiapu Kōkā Hūhua.</li> <li>• Developed a new Regional Pest Management Plan.</li> <li>• Began scoping the Waingake Bush restoration programme.</li> <li>• Undertook a trial for a managed recharge in the Makauri aquifer.</li> <li>• Conducted more environmental monitoring in-house and undertook aquatic ecosystem state of the environment monitoring for the first time.</li> <li>• Developed more efficient water quality and quantity data and data storage.</li> <li>• Continued making data available online at Land Air Water Aotearoa (LAWA).</li> </ul>	<p><b>Years 1 - 3</b></p> <ul style="list-style-type: none"> <li>• Implement the Regional Pest Management Plan.</li> <li>• Implement the Freshwater Plan and Waipaoa Catchment Plan. This will include: <ul style="list-style-type: none"> <li>◦ Progressively review water take resource consents to ensure reduction targets in the Waipaoa Catchment Plan are met</li> <li>◦ Work with industry, discharge consent holders and landowners to improve water quality in waterways identified as degraded in the Waipaoa Catchment Plan.</li> </ul> </li> <li>• Develop water allocations and caps for water bodies in the Waiapu, Motu, Uawa and Waimata catchments and recommend storage options for the region.</li> <li>• Work with the forestry industry to implement the NES for Plantation Forestry and associated GDC forestry regulation in the Tairāwhiti Plan.</li> <li>• Develop an Environmental Monitoring Plan that meets the requirements of the National Policy Statement for Freshwater.</li> <li>• Undertake 'State of the Environment' reporting, with a strong focus on providing a good understanding on the state of freshwater resources.</li> <li>• Implement the joint MFE-funded Wharekopae Catchment Restoration Project to improve water quality and aquatic ecosystem health values in the Wharekopae River.</li> <li>• Work with Ngati Porou and MPI on the Restoring the Waiapu 100-year project.</li> </ul>

What have we been doing?	What will we do in years 1 - 10?
<ul style="list-style-type: none"> <li>Continued working with the Wastewater Technical Advisory Group, ESR and NIWA to investigate the feasibility of a wetland to further process our wastewater.</li> <li>Council's Land and Soil Resources staff members have been involved in grant applications to the erosion control funding programme. Applications were for over 500 ha for managed reversion in the 2016 funding round with a similar area applied for in 2017.</li> <li>Involved in the national working party for the National Environmental Standard (NES) for Plantation Forestry. Forestry has been established on steep land areas and eroding land where careful management of harvesting, earthworks and replanting are essential. The NES was due for gazettal in August 2017.</li> <li>Completed fish passage enhancement on structures owned by the Council on the Te Arai River.</li> <li>Implemented the Proposed Gisborne Regional Freshwater Plan. Forty-six landowners cooperated by completing farm Environment Plans and horticultural growers with irrigation consents completed Irrigation Management Plans. As water permits for the taking of water were renewed, irrigators surrendered large amounts of previously allocated water.</li> <li>Completed a comprehensive pest management programme near the border with Hawkes Bay. Three sites have had very good results reducing possum numbers below a 10% bite sample when outcomes have been monitored.</li> <li>Monitored Mediterranean Fanworm that was found in the water of Eastland Port. Numbers are reducing and eradication is close to being achieved.</li> <li>Upgraded equipment at river and weather sites to improve the prediction of rainfall events and the resultant flooding. A new river flood level warning system has been developed and has now been launched on the Council's website.</li> <li>Upgraded rural fire weather station sites across the region to better represent our fire risk.</li> <li>Continued with LAWA upgrades, particularly recent deployment of the 'Can I Swim Here' module showing Gisborne sampling data.</li> </ul>	<ul style="list-style-type: none"> <li>Progress implementation of erosion plans and plantings on the most severely eroding land in the district through the ECFP.</li> <li>Undertake a second stage trial of the Managed Aquifer Recharge of the Makauri Aquifer.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Develop a next stage for better management of erosion in the Gisborne District.</li> <li>Undertake research and provide science and data analysis to assist in developing new catchment management plans. All Catchment Plans must be in place by 2025.</li> <li>Implement the joint MFE-funded Wharekopae Catchment Restoration Project to improve water quality and aquatic ecosystem health values in the Wharekopae River.</li> <li>Undertake priority research and provide science and data analysis to support the review and implementation of other statutory plans.</li> <li>Provide science and technical input to the implementation of the Restoring the Waiapu Catchment Project.</li> <li>Develop water allocations and caps for water bodies in the Uawa, Waimata Northern, Southern and Coastal catchments.</li> <li>Undertake 'State of the Environment' reporting, with a strong focus on providing a good understanding on the state of freshwater resources.</li> <li>Review coastal water quality classifications and discharge standards to implement the New Zealand Coastal Policy Statement.</li> </ul>
<b>How we will achieve our plans:</b>	
<ul style="list-style-type: none"> <li>Assembling cross-Council teams to ensure appropriate expertise is used to manage and implement projects.</li> <li>Working collaboratively with landowners, water users, iwi and the community to achieve desired outcomes for water resources and to implement non-regulatory projects.</li> <li>Take a proactive approach to compliance and monitoring to ensure the sustainable use of natural and physical resources.</li> </ul>	



## What have we been doing?

- Collaborate with adjacent regional councils with similar issues and pool resources where possible to deliver high value research and science to inform the implementation of Council's Regional Council functions.
- Seeking new funding opportunities from central government as a result of policy changes from the 2017 election.

## What will we do in years 1 - 10?

## Levels of Service and Performance Measures

Level of Service	Performance measure	Result	Targets	
		2016/17	Years 1 - 3	Years 4 - 10
Biosecurity -Pest animals and pest plants are controlled to minimise their adverse effects on biodiversity, production, amenity and cultural values.	Percentage of Exclusion Programme pests found established in the district for the first time visited and all animals controlled as defined in the RPMP ( <i>Regional Pest Management Plan (RPMP) and Biosecurity Act 1993</i> ).	100%	100%	100%
	Percentage of known Eradication Programme pest (as defined by RPMP) sites visited and all pests controlled ( <i>RPMP and Biosecurity Act 1993</i> ).	86%	95%	95%
	Area of Protection Management Areas subject to specific animal and pest control operations per year ( <i>RPMP and Biosecurity Act</i> ).	New	295 ha	600 ha
	Percentage of monitoring sites in the Hawkes Bay buffer zone assessed post possum control that achieve 10% residual trap catch ( <i>RPMP and Biosecurity Act 1993</i> ).	New	95%	100%
Land and Soil - We will work with iwi, landowners and the community to reduce soil erosion risk and remediate severe erosion within the district.	Percentage of total overlay 3A severely erodible land treated with effective tree cover ( <i>Tairāwhiti Plan &amp; Resource Management Act (RMA)</i> ).	87%	Year 1 88% Year 2 89% Year 3 90%	≥91%
	Total overlay 3A severely erodible land covered by a draft or final overlay 3A work plan or an Overlay 3A resource consent ( <i>Tairāwhiti Plan &amp; RMA</i> ).	43,567 ha	Year 1: 44,000 ha Year 2: 44,500 ha Year 3: 45,000 ha	≥ 45500 ha
Water and Coastal - We manage natural water resources, river and lakes and coastal areas to conserve natural values and sustain consumptive usage.	Number of farm properties where a farm environment plan has been prepared per year ( <i>Freshwater Plan &amp; RMA</i> ).	46 plans	40 plans	40 plans
	Percentage of monitored freshwater sites where the Macroinvertebrate Community Index (MCI) monitoring result indicates good water quality or where the sites are showing a trend of improvement ( <i>National Policy Statement (NPS) for Freshwater Management &amp; RMA</i> ).	51%	51%	51%
	Proportion of consents for water takes from the Makauri aquifer being managed for the efficient water use	0%	50%	100%

Level of Service	Performance measure	Result	Targets	
		2016/17	Years 1 - 3	Years 4 - 10
	as outlined in the freshwater plan ( <i>Freshwater Plan &amp; RMA</i> ).			
	Percentage of monitored freshwater swimming sites where the water quality is being maintained or showing a trend of improvement for E.coli.	New	TBC	TBC
	Percentage of monitored ground water wells in shallow unconfined aquifers where water quality is being maintained or showing a trend of improvement for:  - Nitrate levels - Salinity levels ( <i>NPS for Freshwater Management &amp; RMA</i> ).	78% 92%	78% 92%	78% 92%
Environmental Monitoring and Hydrology - We will collect and manage environmental data to support good resource management decisions and enable a clear understanding of the state of our environment.	The number of hits received on environmental data pages on the Council Website ( <i>NPS for Freshwater Management &amp; RMA</i> ).	60,000	30,000	30,000

## Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
There are no significant effects from this activity.	Not applicable.

## Financial summary

### Forecast activity cost statement

Within the table below we explain the type of levels of service. Growth: to meet additional demand. Increase: improve the Level of Service. Maintain: replace existing assets.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	400	425	410	404	322	215	216	217	218	219
Revenue From Exchange Transactions	844	880	899	919	939	961	984	1,008	1,034	1,061
Expenses	4,527	4,664	4,808	4,890	4,910	4,904	4,991	5,113	5,210	5,342
<b>Net Cost of Service</b>	<b>3,283</b>	<b>3,359</b>	<b>3,499</b>	<b>3,567</b>	<b>3,649</b>	<b>3,729</b>	<b>3,791</b>	<b>3,888</b>	<b>3,959</b>	<b>4,062</b>

CAPITAL EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
- to improve level of service	280	286	208	213	218	223	228	233	239	245
- to replace existing assets	374	302	292	304	404	352	343	352	458	395
<b>Capital Projects</b>	<b>654</b>	<b>587</b>	<b>501</b>	<b>517</b>	<b>622</b>	<b>575</b>	<b>571</b>	<b>585</b>	<b>697</b>	<b>640</b>

## Financial commentary

**Revenue from non-exchange transactions:** The main change to revenue is the inclusion of grants for special operational projects. These projects will be undertaken during the first four years of the plan. In addition, revenue has been increased to reflect funding received from Ministry for Primary Industries for the Erosion Control Funding program.

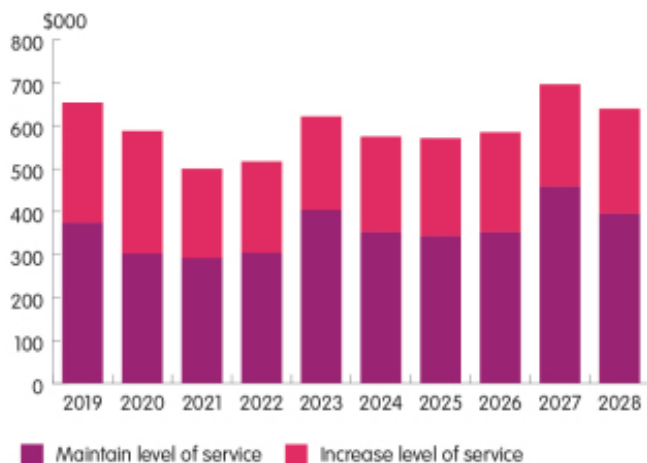
# Environment Services and Protection

**Revenue from exchange transactions:** Revenue will increase as part of fees and charges increased across these activities.

**Expenses:** Expenses have been increased for the Erosion Control program and for the pest control for the Waingake Restoration project.

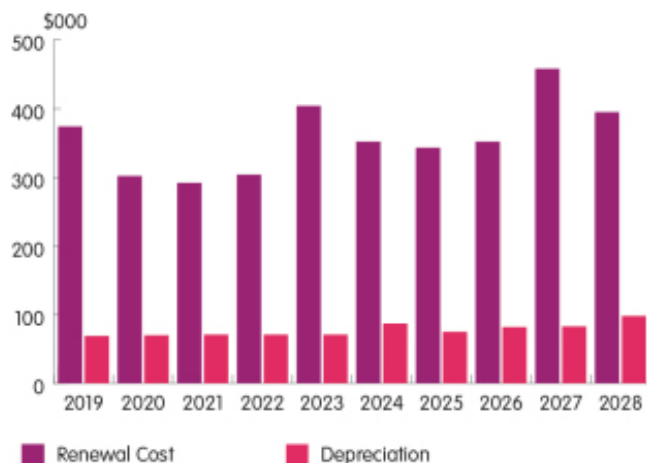
**Capital:** A number of new capital projects have been included in this Long Term Plan for Land Remediation, Bore renewals and Air Quality equipment.

**Total Capital Projects**



The graph above shows all capital projects proposed by the activity broken into levels of service.

**Depreciation v Renewal Capital Projects**



The graph above shows the portion of capital projects that are renewals against the depreciation expensed on existing assets. We collect the depreciation on existing assets in rates revenue and use this to fund our renewals. So it is showing the relationship between the two.

## Forecast capital expenditure

Within the table below we explain the type of levels of service. Growth: to meet additional demand. Increase: improve the Level of Service. Maintain: replace existing assets.

FORECAST CAPITAL EXPENDITURE (\$000)	Level of Service	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Science</b>											
Landfill And Contained Land Remediation	INCREASE	200	204	208	213	218	223	228	233	239	245
Bore Renewal And Maintenance	MAINTAIN	200	204	208	213	218	223	228	233	239	245
Mar: Further Aquifer Recharge Trials	INCREASE	80	82	0	0	0	0	0	0	0	0
Telemetry And Hydrological Equipment	MAINTAIN	94	77	84	91	99	107	116	119	122	125
Air Quality And Noise Monitoring Equipment	MAINTAIN	80	21	0	0	88	23	0	0	97	25
<b>Grand Total</b>		<b>654</b>	<b>587</b>	<b>501</b>	<b>517</b>	<b>622</b>	<b>575</b>	<b>571</b>	<b>585</b>	<b>697</b>	<b>640</b>

## Environmental Health



### What we do

The environmental health activity consists of healthy living, environmental protection and Harbourmaster sub-activities.

We provide a diverse range of services that are underpinned by our role in helping to keep our community and environment healthy and safe. These range from education, administration, enforcement and monitoring of:

- food outlets, liquor, premises, and disease control
- living conditions such as drinking water supplies, insanitary housing and on-site wastewater systems
- environmental protection, including air quality and noise control
- waste management and hazardous substances
- local bylaws such as navigation regulations, and control of the use of public places.

Alcohol licensing are also part of the services that we provide, along with serving as Harbourmaster under the Maritime Transport Act.

### Why we do it

All the sub-activities under environmental health contribute to a healthy and safe Tairāwhiti, where people live and do business while contributing to quality of life for current and future residents and visitors to our district.

### This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

### Opportunities and challenges

- Maintaining a skilled and experienced team is essential for responding effectively to changes in laws and controls for the wide range of environmental, public health and safety tasks we provide.
- This is an area where new requirements from central government frequently arise, so programmes need to be flexible to accommodate increased statutory requirements.
- This is also an area that impacts on many community organisations and fundraising activities – particularly around food safety and liquor licensing. Our challenge is to maintain balance between a fair and efficient administration of Council's bylaws and other statutory requirements, while working to ensure community activities still happen.
- Proactive advocacy and educational initiatives to ensure improvement for environmental and health protection guide our regulatory interventions.

## Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10?
<ul style="list-style-type: none"> <li>• Assisted food service businesses with implementing changes required under the new Food Act 2014.</li> <li>• Scoped gaining third party accreditation to provide verification services of the Food Act 2014.</li> <li>• Completed the review of the Alcohol Control Bylaw to incorporate changes requested by Police for the R&amp;V Festival alcohol ban areas.</li> <li>• Developed and adopted a Local Alcohol Policy for Tairāwhiti and continued to work with Police, Health, Fire Service and ACC to tackle the effects of alcohol</li> </ul>	<p><b>Years 1 - 3</b></p> <ul style="list-style-type: none"> <li>• Undertake a comprehensive background air quality monitoring programme during the wood burning season of 2018.</li> <li>• Implement the Quality Management System approved by the Ministry of Primary Industries (MPI), to be used to implement the new Food Act 2014.</li> <li>• Co-regulatory focus with MPI for implementation of the Food Act 2014.</li> </ul>

# Environment Services and Protection

What we have been doing	What we will do in years 1 - 10?
<ul style="list-style-type: none"> <li>abuse on the community through licencing, liaison and education.</li> <li>Processed and considered applications for alcohol-related licensing under the Supply of Alcohol Act 2012.</li> <li>Facilitated administration for events and monitored events and festivals.</li> <li>Registered and monitored food businesses, camping grounds, hairdressers, alcohol-licensed premises and other registered premises.</li> <li>Licensed and monitored mobile traders under Mobile Shops and Other Traders Bylaw 2014.</li> <li>Increased the use of social media to raise awareness and inform the public and iwi when wastewater discharges have occurred during high rainfall.</li> <li>Responded to pollution incident call-outs.</li> <li>Responded to illegal dumping complaints.</li> <li>Managed noise complaints.</li> <li>Signed a Memorandum of Understanding with Hauora Tairāwhiti for environmental health responses to emergency events and contamination outbreaks.</li> <li>Initiated collaborative working arrangements with event organising agencies before and after larger festivals and events, with the aim of working together to ensure festivals are successful and compliant.</li> <li>Reviewed the Gisborne Port and Harbour Safety Management System.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with Police and health agencies to ensure compliance with the Sale and Supply of Alcohol Act 2012.</li> <li>Maintain relationships with agencies for improved alcohol licensing for large-scale events.</li> <li>Maintain the Gisborne Port and Harbour Safety Management System that is consistent with the National Code. Carry out regular audits.</li> <li>Deliver a responsive and effective customer service that meets customer demand and expectations.</li> <li>Embrace emerging technology that creates opportunities to improve service delivery.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Continue the rolling review of bylaws to comply with the statutory requirement to review them every 10 years.</li> <li>Fully implement the Food Act 2014 with all relevant food activities working under a new regime.</li> <li>Review the ambient noise environment within the Gisborne district.</li> <li>Administer change in environmental regulations and National Environmental Standards with reference to air quality and contaminated land.</li> </ul>
<p><b>How we will achieve these plans:</b></p> <ul style="list-style-type: none"> <li>Effective business planning, project management and reporting.</li> <li>Developing a professional development framework for staff.</li> <li>Clear and accurate communications around the activities in the business plan.</li> <li>Collaborating with partners to leverage funding opportunities.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
We regulate commercial operations and respond to environmental health issues in the interest of protecting public and environmental health.	Percentage of applications for liquor licences and food certificates processed within target timeframes ( <i>Food &amp; Alcohol Act 2014</i> ).	100%	97%	97%
	Percentage of noise complaints to be assessed within half an hour of	85%	90%	95%

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
	receiving a complaint ( <i>Health &amp; Safety Act 2016</i> ).			
	Percentage of registered and licensed premises that undergo an environmental health compliance inspection annually.	100%	100%	100%
	Percentage of reported pollution incidents with Council response initiated within 30 minutes.	94%	100%	100%

## Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
There are no significant effects from this activity.	Not applicable.

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Revenue From Exchange Transactions	424	433	443	453	463	473	485	497	509	523
Expenses	1,338	1,391	1,429	1,465	1,486	1,525	1,548	1,592	1,617	1,665
<b>Net Cost of Service</b>	<b>914</b>	<b>957</b>	<b>986</b>	<b>1,013</b>	<b>1,023</b>	<b>1,052</b>	<b>1,063</b>	<b>1,095</b>	<b>1,108</b>	<b>1,142</b>

## Financial Commentary

**Revenue from exchange transactions:** Revenue has increased as a result of Food Act changes.

**Expenses:** No significant change to levels of service. Expenses are at similar levels to prior years.



## Urban Stormwater



### What we do

Stormwater is rain that runs off hard surfaces such as roofs, paved streets, driveways and roads. Council owns and operates the public stormwater systems for Gisborne City including Makaraka and Wainui/Okitu, and urban areas in 12 rural communities from Hicks Bay to Matawai.

Stormwater systems carry away surface water overflow from heavy rains, protecting properties from flooding and protecting the environment and public health by reducing pollutants

discharged into natural waterways. Our stormwater system is made up of:

- The primary stormwater system comprising piped reticulation, open drains, swale drains, sumps and channels.
- The secondary stormwater system, which kicks in during significant heavy rain. This includes stormwater flow-paths through reserves, private properties and along road corridors.
- A range of measures that reduce the level of pollutants discharged into natural waterways, including swale drains, green infrastructure, sumps with sediment traps, gross pollutant traps, and education.

The stormwater network includes 162km of stormwater pipes, most of which are reinforced concrete, around 32km of channels and swales, and assets across the city and townships. The network was built 30-60 years ago and based on the estimated remaining life of the pipes, 140km of pipes are in good condition.

### Why we do it

To protect people, dwellings, private property and public areas from flooding by managing the collection and disposal of stormwater, in a way that protects the environment and public health.

### Stormwater Asset Summary

Asset Summary	Length (m)	Replacement Cost	Depreciated Replacement Cost
<b>Storm Main</b>			
Perforated, gravel trench	790	\$240,412	\$204,138
Reticulation mains	151,194	\$78,540,307	\$48,646,102
Sewer overflow pipe/retic	1	\$347	\$347
Sub-soil drain	3,076	\$775,944	\$483,948
Unknown	7,025	\$2,933,917	\$1,315,295
<b>Storm Main Total</b>	<b>162,087</b>	<b>\$82,490,927</b>	<b>\$50,649,830</b>
<b>Storm Miscellaneous</b>			
Concrete channel	31	\$179,574	\$123,615
Concrete headwall	162	\$114,552	\$71,261
Concrete lining	879	\$467,029	\$239,999
Culvert	0	\$229,337	\$226,844
Drop structure	203	\$646,880	\$258,757
Gabion wall	176	\$145,821	\$41,027
Rail iron & timber wall	595	\$357,986	\$45,876
Rain-gard	0	\$170,674	\$133,572
Timber & timber wall	146	\$77,697	\$2,380
Unknown	0	\$84,001	\$80,450
<b>Storm Miscellaneous Total</b>	<b>2,191</b>	<b>\$2,473,551</b>	<b>\$1,223,781</b>

## This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

## Opportunities and challenges

### Opportunities

- Develop an integrated hydraulic model for the remainder of the city's stormwater system to identify any under capacity or network performance issues that need upgrading.
- Use a model for defining secondary flow paths - where the stormwater goes if the pipes are full or blocked.
- Use all our tools, such as Rain on Grid, modelling and IPS8, to ensure we are spending money efficiently.
- Update the Engineering Code of Practice with Low Impact Design to improve water quality as part of the Integrated Catchment Management Plans required in 2025.
- Improve our asset data to better manage the network and optimise performance.
- Develop a communication plan around identifying and fixing private property flooding.
- Implement the DrainWise Plan, which targets the removal of stormwater from the wastewater network.

### Challenges

- Climate change. Our design standards are already accounting for the predicted changes to future rainfall patterns and intensities from climate change, however, the implications of changes in sea level rise on coastal communities needs further consideration. Council's approach regarding the asset management of current and future infrastructure located in inundation areas over an asset life of 100 years needs to be clarified.
- Freshwater Plan. Discharges from stormwater outlets are currently permitted. In order to improve water quality under the plan, there are significant financial implications due to the high number of outlets.
- Significant heavy rains continue to pose a substantial risk until network optimisation from the network model is complete, and private property flooding is reduced.
- Limited information on asset condition to support asset valuations and renewal forecasts.
- Modelling may show additional upgrades not currently budgeted for.
- Population growth is projected to increase above the 5% threshold – this will mean more peak stormwater flows and contaminants to manage.
- Greater focus required on critical assets and risks including maintenance, asset failure and health and safety risks.
- Unclear ownership of, and responsibilities for maintaining some assets, such as streams and creeks through private property.

## Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>• Continued the renewal and upgrade of stormwater infrastructure within the city and rural townships.</li> <li>• Completed investigative, design and upgrade work to address known stormwater capacity restrictions in the Hapara Stream and Reynolds Drain.</li> <li>• Completed investigation and design work to address known stormwater capacity restrictions in Stanford Crescent.</li> <li>• Completed investigations and design for stormwater improvement work to address known stormwater capacity constraints near the end of Lloyd George Road and Douglas Street (Wainui).</li> </ul>	<p><b>Years 1-3</b></p> <ul style="list-style-type: none"> <li>• DrainWise will be a major focus. Option 3 of the DrainWise Plan has been adopted, which is a combination of Council funded upgrades and private property enforcement.</li> <li>• Complete investigative, design and upgrade work to address known stormwater capacity restrictions in Stanford Crescent and Rutene Road (Stage 1).</li> <li>• Begin investigations, design and installation of stormwater infrastructure in Parkinson Street, Tolaga Bay (Stage 1).</li> <li>• Growth related upgrades in the Taruheru block.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>• Continue with the renewal and upgrade of old stormwater infrastructure within the city and rural townships.</li> </ul>

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Continued work with residents to identify and exclude unwanted stormwater from residential and commercial property entering the wastewater system.</li> <li>Realigned and installed new pipes in Parau Street and connections into Crawford Road to improve stormwater issues in the area, and to increase the capacity of the stormwater pipes.</li> <li>Completed stormwater upgrades in Steele Road and Foster Street to allow further connections from private properties, where they were affected with stormwater ponding issues and where gully traps were at risk of being flooded.</li> <li>Renewed stormwater pipes in Bowling Green Road in Ruatoria and Peneha Street in Whatatutu.</li> <li>Replaced old stormwater pipes in Matawai Township near Matawai School to increase stormwater capacity.</li> <li>Upgraded existing culverts in Hapara Stream to allow for recent and future growth and development in the wider catchment, including stream widening to increase stream capacity.</li> <li>Developed an integrated computer model using LiDAR (digital terrain mapping technology) and pipe infrastructure to understand system hydraulic capacity, secondary flow paths and ponding issues within the Kaiti catchment. We plan to do this work for the remainder of the city over the next two years.</li> <li>Stormwater upgrades in Turenne Street to enable drainage from properties to reduce gully trap inundation and stormwater flowing into the wastewater system. The work addressed significant flooding issues across several properties.</li> <li>Installed sediment management bunds and improvements to the existing stormwater infrastructure behind Te Poho o Rawiri Marae to mitigate hillside stability risks and stormwater runoff issues to the marae and residential properties in Cambridge Terrace and Ranfurly Street.</li> </ul>	<ul style="list-style-type: none"> <li>Continue work with residents to identify and exclude unwanted stormwater from residential and commercial property entering the wastewater system.</li> <li>Gather information to address ponding issues on private property through enforcement and education.</li> <li>Investigate and prepare integrated catchment management plans for 2025.</li> </ul>
<b>How we will achieve our plans:</b> <ul style="list-style-type: none"> <li>Lifecycle asset management – plan for the long term and ensure assets are managed sustainably.</li> <li>DrainWise programme – more proactive Council involvement in private property drainage, including enforcement.</li> <li>Understand the network through accurate asset data, condition assessments and stormwater modelling.</li> <li>Progressive renewals and upgrades to address performance issues identified by customers and through catchment planning.</li> </ul>	

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Review water quality monitoring and treatment as required by consents.</li> <li>Review Code of Practice to incorporate low impact design to ensure alignment with the Freshwater Plan.</li> <li>Design new assets to meet forecasted growth and climate change implications.</li> <li>Data improvement programmes, including clarification of ownership.</li> <li>Review asset criticality and risk, for use in prioritising inspection, maintenance and renewal programmes.</li> <li>Focus on asset data accuracy to ensure an efficient and effective network.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measures	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
We provide high quality infrastructure and ensure a healthy community through the removal of stormwater and contaminants.	Customer Satisfaction: The number of complaints received by a territorial authority about the performance of its stormwater system per 1000 connections to stormwater system ( <i>Department of Internal Affairs</i> ).	8.43	<15	<15
	Compliant with the Tairāwhiti Plan for discharge from its stormwater system, measured by the number of: a) abatement notices b) infringement notices c) enforcement orders, and d) convictions. received by the territorial authority in relation to those resource consents ( <i>Department of Internal Affairs</i> ) .	0	Obtain a Resource consent for the discharge of stormwater by 2025	Obtain a Resource consent for the discharge of stormwater by 2025 (year 7)
	Percentage of residents satisfied with the district's urban stormwater services as found in the Resident Satisfaction Survey.	63%	50%	60%
	Response Times: The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site ( <i>Department of Internal Affairs</i> ) .	N/A	30 min	30 min
	System and Adequacy: a) The number of flooding events that occur in a territorial authority district ( <i>Department of Internal Affairs</i> ).	0	2 or less	2 or less
	System and Adequacy: b) For each flooding event, the number of habitable floors affected ( <i>Department of Internal Affairs</i> ).	0	<0.2	<0.2

## Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
Gisborne City stormwater is significantly affected by high levels of private property flooding entering the wastewater system. This results in wastewater being discharged onto private property and into	DrainWise Plan.

Potential negative effects	What we're doing about them
<p>the river. Stormwater upgrade projects have been major Council commitments and are expected to continue along with enforcement.</p> <p>Insufficient control of secondary flow paths will cause flooding on private property, inundating houses and buildings during heavy rains.</p> <p>Under capacity of the stormwater network in industrial and residential areas will be a deterrent to developers if they have to pay more to upgrade the capacity of stormwater infrastructure downstream of their proposed development.</p>	
The amount of pollutants discharged into the environment from the stormwater system, such as bottles, plastics, rubbish, hydrocarbons and other products.	Integrated Catchment Management Plans.

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity. Capital expenditure: the breakdown of capital projects proposed by the activity for each year of the plan broken down by levels of service.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Revenue From Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Expenses	2,487	2,642	2,764	2,887	2,981	3,032	3,102	3,173	3,245	3,302
<b>Net Cost of Service</b>	<b>2,487</b>	<b>2,642</b>	<b>2,764</b>	<b>2,887</b>	<b>2,981</b>	<b>3,032</b>	<b>3,102</b>	<b>3,173</b>	<b>3,245</b>	<b>3,302</b>

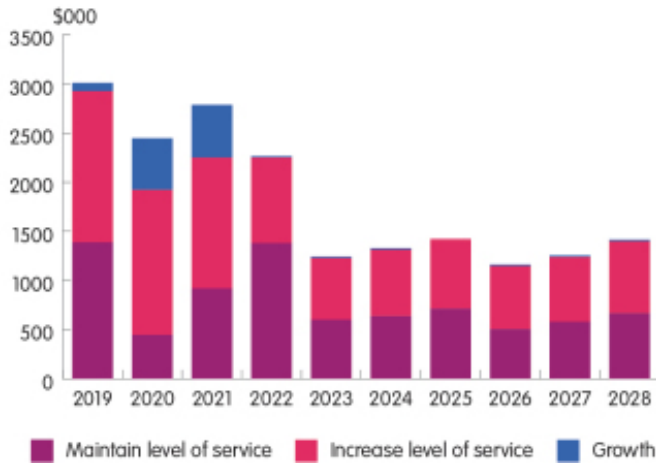
CAPITAL EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
- to meet additional demand	84	526	538	14	15	15	16	16	16	17
- to improve level of service	1,540	1,476	1,332	870	627	676	694	641	658	733
- to replace existing assets	1,387	447	919	1,381	601	638	713	506	581	666
<b>Capital Projects</b>	<b>3,010</b>	<b>2,450</b>	<b>2,789</b>	<b>2,266</b>	<b>1,242</b>	<b>1,330</b>	<b>1,422</b>	<b>1,163</b>	<b>1,255</b>	<b>1,415</b>

## Financial commentary

**Expenses:** Forecast expenditure levels are set to focus on delivering the DrainWise project.

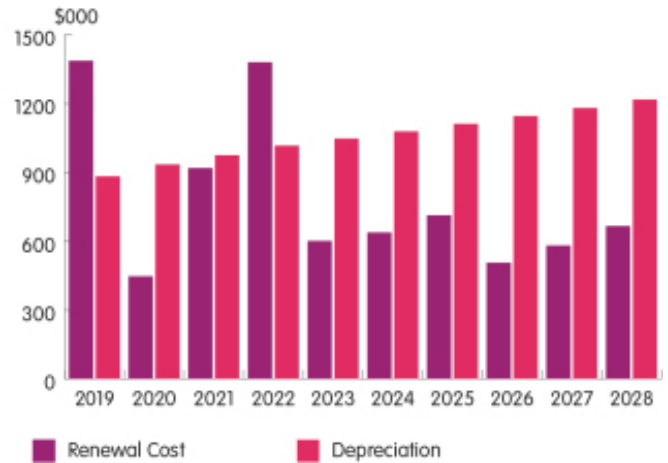
**Capital:** The implementation of the DrainWise project has been a significant increase in the capital works program for the 2018-2028 LTP with a total of \$17.4m over the 10 years. Year 1 includes carryover from 2017/18 financial year for Douglas Street Stormwater Upgrades.

**Total Capital Projects**



The graph above shows all capital projects proposed by the activity broken into levels of service.

**Depreciation v Renewal Capital Projects**



The graph above shows the portion of capital projects that are renewals against the depreciation expensed on existing assets. We collect the depreciation on existing assets in rates revenue and use this to fund our renewals. So it is showing the relationship between the two.

## Forecast capital expenditure 2018-2028

Within the table below we explain the type of levels of service. Growth: to meet additional demand. Increase: improve the Level of Service. Maintain: replace existing assets.

FORECAST CAPITAL EXPENDITURE (\$000)	Level of Service	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Stormwater</b>											
Stormwater Pipeline Renewals	MAINTAIN	350	338	315	322	352	361	370	380	390	401
Stormwater Renewals For Rural Townships	MAINTAIN	50	0	52	0	55	0	58	0	61	0
Stormwater In Drain Structures	MAINTAIN	45	46	47	48	49	51	52	53	55	56
Stormwater Localised Urban Upgrades	GROWTH / MAINTAIN	75	77	79	81	82	85	87	89	91	94
Taruheru / Waru / Haisman (stormwater Catchment)	GROWTH	0	513	524	0	0	0	0	0	0	0
Stanford Crescent Stormwater Catchment Upgrade	MAINTAIN	0	0	367	0	0	0	0	0	0	0
Douglas Street Stormwater Improvements	GROWTH / MAINTAIN	700	0	0	0	0	0	0	0	0	0
Tolaga Bay - Piping Of Existing Open Water Drains Along Parkinson Street	MAINTAIN	250	0	0	268	0	0	0	0	0	0
002 Graham/delatour Road	INCREASE / MAINTAIN	0	0	105	966	0	0	0	0	0	0
003 Rutene Road S1-3/kaiti	INCREASE	1,000	923	734	0	0	0	0	0	0	0
004 Whataupoko	INCREASE / MAINTAIN	0	0	0	0	110	225	231	0	0	0
005 Public Drains On Private Property	INCREASE	540	554	566	580	594	609	624	641	658	676
006 Elgin/cbd/te Hapara Upgrades	INCREASE / MAINTAIN	0	0	0	0	0	0	0	0	0	188
<b>Grand Total</b>		<b>3,010</b>	<b>2,450</b>	<b>2,789</b>	<b>2,266</b>	<b>1,242</b>	<b>1,330</b>	<b>1,422</b>	<b>1,163</b>	<b>1,255</b>	<b>1,415</b>



## Wastewater

### What we do

Gisborne City, including the western industrial area, and Te Karaka are reticulated by Council-owned and administered wastewater systems. We also own and administer the four septage disposal sites at Te Araroa, Tikitiki, Ruatoria (Waiapu) and Te Puia Springs.

Wastewater Piped Networks	Gisborne City	Te Karaka	Total
Population Served	32,579	550	33,129
# Connections	15,278	168	15,446
Mains [km]	225.6	5.4	231
# Manholes	2,856	62	2,918
Laterals [km]	91	0.8	91.8
# Pump Stations	40	5	45
# Treatment Plants	1	1	2
Treatment method	Biological Trickling Filter	Oxidation ponds	
Approx. ADWF [m³/d]	13,600	140	13,740
Replacement cost (\$'000)	157,705	2,637	160,342
Percentage of asset consumed	43%	48%	43%

The remaining communities in our district are served by non-Council administered private septic tank systems. The wastewater activity does not include the administration and monitoring of the on-site wastewater systems.

Council has facilities for the disposal of septage from private septic tank systems as detailed below:

Septage Disposal Location	Community Served
Te Karaka Oxidation Pond	Matawai Whatatutu
Gisborne Wastewater Treatment Plant	Muriwai, Manutuke, Patutahi, Makaraka, Wainui/Okitu, Makorori, Tolaga Bay
Te Puia Septage Site	Tokomaru Bay, Te Puia Springs, Waipiro Bay
Waiapu Landfill Septage Site	Ruatoria
Tikitiki Septage Site	Tikitiki
Te Araroa Septage Site	Te Araroa Hicks Bay

Within Gisborne city certain industries are served by a separate industrial wastewater network. This network discharges to the wastewater treatment plant and eventually the marine outfall, but the industrial wastewater does not go through the biological trickling filter.

Council regulates trade waste discharges to the Gisborne city wastewater systems (domestic and industrial) by means of the Trade Waste Bylaw and monitoring.

### Why we do it

- To protect public health by providing Gisborne City and Te Karaka with a reliable and efficient wastewater system.
- To move, treat and discharge wastewater in a way that minimises adverse effects on the environment and is compliant with resource consents.
- Water utilities are a core function of Council and an essential lifeline service. Preparing for natural disasters is integral to what we do, and we collaborate with other utility providers to identify interdependencies to build greater resilience.

### This activity contributes to the following Community Outcomes

- Tairāwhiti Taonga
- Tairāwhiti Tangata

### Opportunities and challenges

#### Wastewater Treatment Plant (WWTP)

- Council's plan for Gisborne City's treatment of wastewater must meet all consent requirements. Until consent has been granted, there is some uncertainty or risk to the overall activity budget and phasing.

#### DrainWise

- Inflow of stormwater from property flooding is largely contributing to overflows on private property and discharges to waterways during extreme wet weather. For more detail on DrainWise see the Stormwater activity summary.

#### Asset management and condition

- 54km of brittle earthenware (clay) pipe is reaching the end of its expected useful life and in many cases in very poor condition or nearing failure.
- A large portion of the piped network is relatively flat, resulting in a build-up of grit and increasing the risk of dry weather overflows.

- Deterioration rates of components at the Wastewater Treatment Plant are greater than expected, especially on the industrial line.
- Additional condition information is required on some asset types to improve confidence levels for asset valuations and renewal forecasts.
- Wastewater Treatment Plant resource consent requires additional treatment and sets out extra monitoring, studies and reviews to be carried out.
- A review of conditions for the Te Karaka oxidation pond is expected in 2020 and will include long-term treatment and disposal options, such as land disposal.
- An overall review of the septage sites needs to be carried out to ensure ongoing compliance.

## Compliance

- The Freshwater Plan makes dry weather overflows a non-complying activity and requires resource consent application for emergency discharges to waterways, which needs to be renewed every six years.
- Some pump stations don't have enough storage time to allow contractors to safely respond in an emergency, risking dry weather overflows.

## Growth and demand

- Forecast population growth will increase demand.
- More industrial demand will be generated in the west and in areas not currently serviced due to land use change.
- Increased intensity storms and potential for more sewer overflows due to climate change.

## Our progress and plans for the next 10 years

What we have been doing	What will we do in years 1 - 10
<ul style="list-style-type: none"> <li>• The DrainWise Plan has been produced to provide guidance on how to reduce overflows on private property and into waterways to one event every two years.</li> <li>• Comprehensive DrainWise inspections of private property throughout the Kaiti area are ongoing.</li> <li>• The annual renewals work was completed for sewer mains in Crawford Road, Barton Street, Childers Road, and Aberdeen Road, including the rising main from Steele Road pump station.</li> <li>• Renewal of sewer pump stations at Anzac Park and Steele Road including additional storage at Steele Road.</li> <li>• The Environment Court requires Council to undertake additional wastewater treatment by 2020 to meet high discharge standards. Options were developed and consulted on as part of this LTP.</li> <li>• The Freshwater Plan is active and planning is underway to meet its requirements.</li> <li>• Trade waste compliance has improved with major industries implementing waste plans that outline how they will comply and manage risks.</li> </ul>	<p><b>Years 1 - 3</b></p> <ul style="list-style-type: none"> <li>• Reduce overflows onto private property and into our waterways using the DrainWise plan to: <ul style="list-style-type: none"> <li>• fix and replace old private property sewer laterals</li> <li>• replace Council's old leaking earthenware pipes</li> <li>• improve network performance through more pipe cleaning and surveillance</li> <li>• inspect properties for stormwater illegally getting into wastewater pipes</li> <li>• improve network resilience (generators).</li> </ul> </li> <li>• Design and consent for further wastewater treatment in accordance with the option selected by the community (complete Phase One within 10 years).</li> <li>• Apply for resource consent for emergency discharges to waterways under the Freshwater Plan.</li> <li>• New infrastructure in the Taruheru Block to allow for future growth.</li> <li>• Complete improvements to septage sites subject to community consultation and resource consents.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>• Continue to implement the DrainWise plan.</li> <li>• Monitor and maintain network performance by:</li> </ul>

What we have been doing	What will we do in years 1 - 10
	<ul style="list-style-type: none"> <li>pipe cleaning</li> <li>renewing old pipes</li> <li>continuing surveillance.</li> <li>Ensure the continuation of trade waste compliance.</li> <li>Desludge the oxidation pond at Te Karaka.</li> <li>Investigate the feasibility of land disposal of wastewater from the Te Karaka oxidation pond and implement a feasible option.</li> <li>Update bylaws as required by the Local Government Act.</li> <li>Construct the second phase of further wastewater treatment in accordance with the option selected by the community.</li> </ul>
<b>How we will achieve our plans:</b> <ul style="list-style-type: none"> <li>Lifecycle asset management – plan for the long term and ensure assets are managed sustainably.</li> <li>Understand the network through better asset data accuracy, condition assessments and wastewater modelling.</li> <li>Review water quality monitoring and treatment as required by consents.</li> <li>Design new assets to meet forecast growth and climate change implications.</li> <li>Review asset criticality and risk and use in prioritising inspection, maintenance and renewal programmes.</li> <li>Complete all capital work on time, on budget.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measures	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
We provide a well-managed wastewater reticulation and treatment system which protects public health and the physical environment.	System and Adequacy: The number of dry weather sewage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system ( <i>Department of Internal Affairs</i> ).	0.61	1	0.6
	Management of environmental impacts: Compliance with resource consents for discharge from the wastewater system: Measured by the number of: a) abatement notices; b) infringement notices; c) enforcement orders; and d) convictions ( <i>Department of Internal Affairs</i> ).	0	0	0
	Response to wastewater system faults - attendance at wastewater overflows	0.08	1	0.5

Level of Service	Performance Measures	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
	resulting from a blockage or other fault in wastewater system:			
	a) Median attendance time: from the notification of the fault to the time that service personnel reach the site (hours).			
	b) Median resolution measured from the notification of the fault to the time that service personnel confirm resolution (hours) (Department of Internal Affairs).	3.43	12	6
	Customer Satisfaction: Complaints about odour; system faults; blockages; AND Council's response to issues with its wastewater system: The total number of complaints per 1000 connections received (Department of Internal Affairs).	10	15	13
	Percentage of residents satisfied with the Gisborne district's wastewater system as found in the Resident Satisfaction Survey.	65%	50%	60%
	The annual number of events where sewerage is discharged from Council's reticulation into rivers or streams (in a less than a 1 in 10-year rain event).	4	≤4	≤4

### Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
<ul style="list-style-type: none"> <li>Health and safety issues and property damage from overflows from gully traps onto private property.</li> <li>Contamination from controlled emergency discharge of wastewater into waterways.</li> <li>Treated discharges of wastewater to the ocean continue to be culturally offensive to Māori.</li> <li>Odours, visual effects and effects on groundwater from the septage disposal sites and oxidation pond.</li> </ul>	<ul style="list-style-type: none"> <li>DrainWise Plan.</li> <li>Wastewater management options (further treatment).</li> <li>Consult with iwi through the Wastewater Management Committee and through other consultation channels.</li> <li>Compliance with relevant resource consents and management plans.</li> </ul>

### Financial summary

#### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity. Capital expenditure: the breakdown of capital projects proposed by the activity for each year of the plan broken down by levels of service.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	17	0	0	0	0	0	0	0	0	0
Revenue From Exchange Transactions	357	365	374	383	392	402	412	423	434	446
Expenses	6,510	6,667	6,822	7,050	7,681	10,067	10,333	10,302	10,434	10,588
<b>Net Cost of Service</b>	<b>6,136</b>	<b>6,302</b>	<b>6,448</b>	<b>6,667</b>	<b>7,290</b>	<b>9,665</b>	<b>9,920</b>	<b>9,880</b>	<b>10,000</b>	<b>10,141</b>
CAPITAL EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028

- to meet additional demand	249	1,256	115	475	1,447	597	35	36	67	507
- to improve level of service	276	472	965	5,087	15,826	0	0	593	0	157
- to replace existing assets	3,615	2,429	1,914	2,169	1,704	1,944	2,197	2,046	1,919	2,474
<b>Capital Projects</b>	<b>4,140</b>	<b>4,156</b>	<b>2,994</b>	<b>7,731</b>	<b>18,978</b>	<b>2,541</b>	<b>2,232</b>	<b>2,675</b>	<b>1,986</b>	<b>3,138</b>

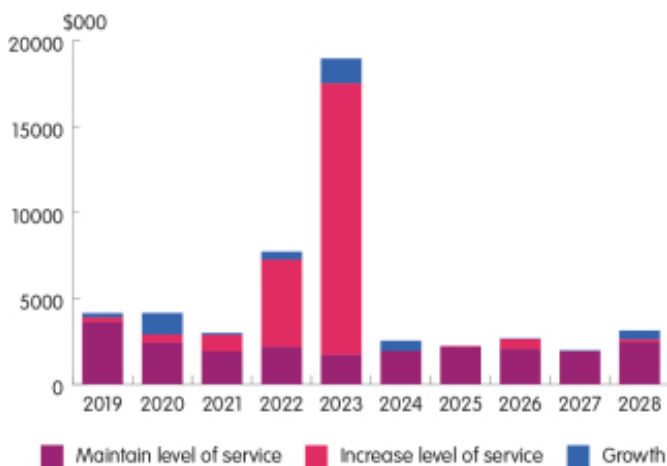
## Financial commentary

**Revenue from exchange transactions:** Revenue from the Trade Waste Charges incorporates provision for increase in fees, relating to the higher costs of providing this service.

**Expenses:** It is forecasted that Depreciation and Repairs and Maintenance costs will increase over the future years of the LTP. An operational project for Alternative Use and Disposal has now been incorporated.

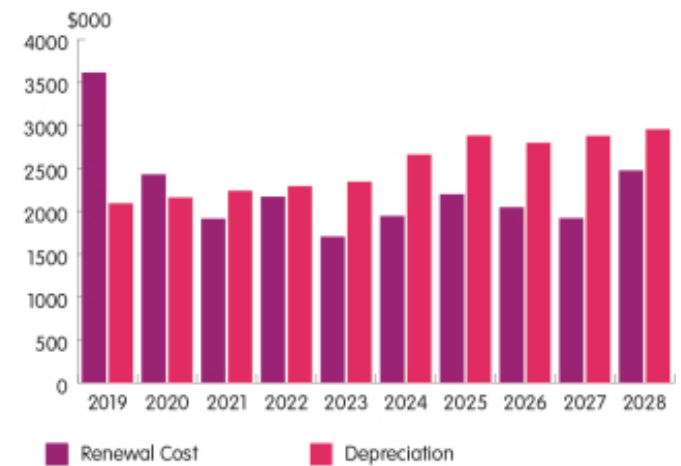
**Capital:** Significant investment in our infrastructure and assets is forecasted; in particular in our 2023 year where significant costs for the Wastewater Treatment Plant Further Treatment Project is indicated. \$775k of capital works not completed within 2017/18 financial year have moved into year 1 of the plan. This relates to upgrades of the network and pipelines.

**Total Capital Projects**



The graph above shows all capital projects proposed by the activity broken into levels of service.

**Depreciation v Renewal Capital Projects**



The graph above shows the portion of capital projects that are renewals against the depreciation expensed on existing assets. We collect the depreciation on existing assets in rates revenue and use this to fund our renewals. So it is showing the relationship between the two.

## Forecast capital expenditure 2018-2028

Within the table below we explain the type of levels of service. Growth: to meet additional demand. Increase: improve the Level of Service. Maintain: replace existing assets.

FORECAST CAPITAL EXPENDITURE (\$000)	Level of Service	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Wastewater</b>											
Localised Urban Upgrades	GROWTH	30	31	31	32	33	34	35	36	37	38
Wastewater Pump Station Renewals	MAINTAIN	100	282	105	295	110	310	116	326	122	344
Permanent Flow Loggers	MAINTAIN	0	123	0	129	0	0	0	0	0	0
Wastewater Pipeline Renewals	MAINTAIN	1,400	1,435	1,468	1,503	1,539	1,578	1,619	1,661	1,706	1,754
Wastewater Wainui Road New Pipeline	GROWTH / MAINTAIN	0	0	0	0	0	0	0	0	61	626
Upgrade Campion Road Pump Station And Rising Main	GROWTH / MAINTAIN	75	1,025	0	0	0	0	0	0	0	0
Taruheru Block New Pump Station 1	GROWTH	45	415	0	0	0	0	0	0	0	0
Taruheru Block New Pump Station 2	GROWTH	0	0	0	0	55	563	0	0	0	0
Wastewater Kaiti Pipeline Upgrades	MAINTAIN	150	0	0	0	0	0	0	0	0	0
Wastewater Mangapapa Upgrades	GROWTH / MAINTAIN	175	0	0	0	0	0	0	0	0	0
Wastewater Remaining Areas Upgrades	GROWTH / MAINTAIN	990	0	0	0	0	0	0	0	0	0
Wastewater Treatment Plant Further Treatment	GROWTH / INCREASE	300	513	1,049	5,530	16,987	0	0	0	0	0
Te Karaka Oxidation Pond Improvements	MAINTAIN	0	0	0	0	0	0	289	0	0	0
Tolaga Bay Septage Site	MAINTAIN	300	0	0	0	0	0	0	0	0	0
Septage Solids Removal	MAINTAIN	100	0	0	0	0	0	0	0	0	0
Wastewater Treatment Plant Upgrades & Renewals	MAINTAIN	200	154	157	161	55	56	58	59	61	63
Pump Station Emergency Storage	MAINTAIN	100	103	105	0	0	0	0	0	0	0
Wastewater Equipment Renewals	MAINTAIN	100	0	0	0	0	0	116	0	0	0
Pump Station Health & Safety Upgrades	MAINTAIN	75	77	79	81	0	0	0	0	0	0
Te Karaka Wastewater Land Disposal	INCREASE	0	0	0	0	110	0	0	593	0	0
Scada Repeater Relocation	INCREASE	0	0	0	0	88	0	0	0	0	0
Aerodrome Road Additional Pump Station And Reticulation	GROWTH / INCREASE	0	0	0	0	0	0	0	0	0	313
<b>Grand Total</b>		<b>4,140</b>	<b>4,156</b>	<b>2,994</b>	<b>7,731</b>	<b>18,978</b>	<b>2,541</b>	<b>2,232</b>	<b>2,675</b>	<b>1,986</b>	<b>3,138</b>



## Water Supply



### What we do

Council provides treated drinking water to Gisborne City and the communities of Te Karaka, Whatatutu, Makaraka and

Manutuke. We provide compliant water from four treatment plants at Waingake, Waipaoa, Te Karaka and Whatatutu to the water reticulation network, which includes reservoirs, pump stations and the connections from the street mains to all serviced property boundaries.

All other areas use non-reticulated, private supply systems sourced from roof catchments, ground water bores/springs or surface water and are not Council administered or owned.

We aim to effectively provide a quality, efficient and environmentally acceptable water supply system in a controlled and regulated manner.

Our public water supply provides:

- potable water for domestic, commercial and industrial purposes
- water for fire protection for Gisborne City
- water to public service providers and community facilities such as schools, hospitals, sporting facilities and grounds etc.

### Asset Summary Overview of the Public Water Supply System

Asset Summary – Water Supply				
Description	Gisborne City	Te Karaka	Whatatutu	Total
Population Served	31,660	493	280	32,483
# Service Connections	13,210	165	46	13,421
Length of Reticulation [km]	272.7	6.1	2.7	281.5
# Pump Stations	8	1	1	10
# Fire Hydrants	1,530	0	0	1,530
# Valves	1,848	12	0	1,860
Total H2O Production [m³/pa]	5.6m	36,500	11,960	5.75m
Total H2O Sold [m³/pa]	2.1m	0	0	2.1m
Avg. H2O production [m³/d]	15,500	142	33	15,675
Replacement Value [\$000]	189,523	827	737	191,087
Dep Replacement Value [\$000]	98,428	766	79	99,273

Safe drinking water has a significant health benefit to the community in both quality and quantity and the community agrees this is a significant activity for Council. To ensure the quality of our water, we treat water to New Zealand Drinking Water Standards and consistently meet this standard for Gisborne City.

We aim to deliver consistent flow and pressure. We also ensure there is enough water stored for our city's emergency fire-fighting services and emergency management in the event of natural or system emergencies.

### Why we do it

Council needs to provide a continuous, sustainable, safe water supply and provide assured availability of water for fire-fighting

purposes to the Gisborne City supply area and a supplementary water supply to the townships of Te Karaka and Whatatutu.

A safe public water supply also contributes to community health by eliminating the need for people to provide their own water system, which could have much higher health risks.

### This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

## Opportunities and challenges

### Water quality

- The finding from the national inquiry into the Havelock North drinking water contamination case calls for a far-reaching industry reform regarding mandatory changes to the quality controls to water treatment processes, changes to the National Environmental Standard on the protection of drinking water sources and significant changes in the regulatory space.
- The recently reviewed Gisborne Water Safety Plan identifies two critical areas:
  - improved treatment (UV) to further reduce the risk of protozoa contamination
  - installing point of supply manifolds with check valves at residential connections to reduce the backflow contamination risk. An estimated 3,000 out of 12,000 have already been addressed.

### Water quantity

- Increased frequency of water restrictions can be expected from climate change and population growth as we also compete for a finite amount of water with other users.

- Implementing the Freshwater Plan has led to operational changes and increased operating costs.
- Future water take consents will require efficient use of water and also may lead to greater restrictions on quantity that can be extracted.
- Increased frequency of water restrictions will have a greater impact on commercial and industrial users.

### Water demand

- Ensuring efficient water use is driving an increased need to manage water demand, especially peak summer demand driven by household irrigation.
- Demand management initiatives will delay the need for sourcing additional water but in the long-term additional water will be required either from dam storage and/or recycled water.

### Asset management and condition

- More condition information is required on some asset types to improve confidence levels for asset valuations and renewal forecasts.
- Additional operational and maintenance budget is required across the water activity, as a result of increased health and safety requirements, drinking water compliance and the Freshwater Plan.

## Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10
<b>Whatatutu Water Treatment Plant Upgrade [2016/17]</b> <p>The Whatatutu water intake and water treatment plant was upgraded extensively in 2016 and supported by a \$386k subsidy from the Ministry of Health. The total project cost was \$513k. Commissioning of the new treatment plant was completed in December 2016 and the official opening for the community took place in April 2017.</p>	<b>Years 1 - 3</b> <ul style="list-style-type: none"> <li>• Improve water treatment by installing UV reactors to further reduce the risk of protozoa contamination at the Waipaoa WTP.</li> <li>• Install 9,000 point of supply manifolds with check valves at residential connections to reduce the backflow contamination risk. This is a seven-year programme of work.</li> <li>• New infrastructure in the Taruheru Block to allow for future growth.</li> <li>• Additional operational and maintenance budget is required, as a result of increased health and safety requirements, drinking water compliance and the Freshwater Plan.</li> </ul>
<b>Te Arai Fish Passage Project [2015/16]</b> <p>A collaborative effort by Council staff, local experts, members of Rongowhakaata and landowners along the Te Arai River saw the construction of fish passage structures to allow fish passage over man-made barriers to help native fish migration. The Te Arai featured as the 'River of the month' in July 2017 by Land, Air, Water (Aotearoa) (LAWA).</p>	
<b>Water Demand Management Plans</b> <p>The implementation of the Regional Freshwater Plan in 2016 has had far reaching effects on how we operate water supply, in terms of both quality and quantity. As part of demonstrating compliance with the FWP, water demand management plans were prepared for the Waipaoa River take in 2016 and the Te Arai take respectively, with the aim</p>	<b>Years 4 - 10</b> <ul style="list-style-type: none"> <li>• Ongoing implementation of effective demand management initiatives.</li> <li>• Clapcott Dam face pipeline renewal.</li> </ul>

What we have been doing	What we will do in years 1 - 10
<p>to implement effective water demand intervention strategies during periods of extremely low river flows.</p> <p><b>Water Safety Plan updates</b></p> <p>The Gisborne City Water Safety Plan (WSP) was updated in August 2017. The purpose of the WSP is to ensure the safety of drinking water through the use of a comprehensive risk assessment and risk management approach that encompasses all steps in water supply from catchment to consumer. This was a timely exercise following the findings of the independent inquiry into water supply in Havelock North. The Gisborne City WSP was approved by the Ministry of Health appointed Drinking Water Assessor in September 2017.</p> <p><b>Waingake raw water pipeline refurbishment</b></p> <p>The refurbishment of the raw water pipeline between the Te Arai water intake and the Waingake Water Treatment plant is progressing well. Work includes above ground repairs and repainting the water pipeline and support structures. This project is a three-year programme that began in early 2017 and is 30% complete.</p>	<ul style="list-style-type: none"> <li>Renew the ageing Te Karaka and Whatatutu water supply networks.</li> <li>Improve water treatment by installing UV reactors to further reduce the risk of protozoa contamination at the Waingake WTP.</li> </ul>
<p><b>How we will achieve our plans:</b></p> <ul style="list-style-type: none"> <li>appropriate lifecycle asset management</li> <li>demand management – focus on driving efficiencies in further reducing network losses and curbing residential outdoor usage during peak demand periods</li> <li>understand the network through better asset data accuracy, condition assessments and hydraulic modelling</li> <li>an effective renewals programme with priority given to asbestos cement pipes. Asbestos cement pipes make up 29% (82km) of the total reticulation network</li> <li>new assets designed appropriately for the need to meet forecasted growth and climate change implications.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measures	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
We provide water supply infrastructure that meets the needs of our community now and into the future by delivering safe, clean water in a sustainable manner.	Resident Satisfaction Survey - The percentage of residents satisfied with the water supply system as found in the Resident Satisfaction Survey.	87%	70%	70%
	Demand Management - The average consumption of drinking water per day per resident within the territorial authority district ( <i>Department of Internal Affairs</i> ).	228 litres	308 litres	308 litres
	Customer Satisfaction - The total number of complaints received about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply, and	4.10	<20	<20

Level of Service	Performance Measures	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
	f) the Council's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system ( <i>Department of Internal Affairs</i> ).			
	Fault Response Times - Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:			
	a) attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	0.13 hours	Urgent 2 hours	Urgent 2 hours
	b) resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption	2.46 hours	8 hours	8 hours
	c) Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site, and	0.15 hours	Routine 8 hours	Routine 8 hours
	d) resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption ( <i>Department of Internal Affairs</i> ).	1.79 days	2 days	2 days
	Maintenance of the reticulation network - The percentage of real water loss from Council's networked reticulation system ( <i>Department of Internal Affairs</i> ).	14.5%	<15%	<15%
	Safety of Drinking Water - The extent to which the drinking water supply complies with:	Gisborne City: a) 100% b) 100%	Gisborne City: a) 100% b) 100%	Gisborne City: a) 100% b) 100%
	a) part 4 of the drinking-water standards (bacteria compliance criteria), and	Te Karaka: a) 100% b) 100% Achieved	Gisborne Rural: a) 100% b) 100%	Gisborne Rural: a) 100% b) 100%
	b) part 5 of the drinking-water standards (protozoal compliance criteria) ( <i>Department of Internal Affairs</i> ).	Whatatutu: a) 100% b) 100% Achieved	Te Karaka: a) 100% b) 100% Whatatutu: a) 100% b) 100%	Te Karaka: a) 100% b) 100% Whatatutu: a) 100% b) 100%

## Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
<b>Environmental</b> <ul style="list-style-type: none"> <li>Effects on the environment of discharges of chlorinated water from maintenance activities or pipeline failures.</li> </ul>	<p>Council mitigates these potential negative effects by a mix of asset management planning activities including:</p> <ul style="list-style-type: none"> <li>asset development work</li> <li>sound project management practice</li> <li>monitoring and testing</li> <li>demand management initiatives</li> <li>public education including water conservation programmes.</li> </ul>
<b>Social</b> <ul style="list-style-type: none"> <li>Health and safety risks associated with the construction, maintenance or operation of the water supply infrastructure. Property damage resulting from mains failures. Damage to some household hot water valves caused by corrosion by-products within galvanised iron rider mains and service connections.</li> </ul>	
<b>Cultural</b> <ul style="list-style-type: none"> <li>No potential significant negative cultural effects have been identified for the water supply activity.</li> </ul>	

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity. Capital expenditure: the breakdown of capital projects proposed by the activity for each year of the plan broken down by levels of service.

OPERATING REVENUE AND EXPENDITURE (\$'000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Revenue From Exchange Transactions	2,919	2,992	3,061	3,134	3,209	3,290	3,375	3,463	3,556	3,656
Expenses	5,404	5,609	5,696	5,839	5,980	6,153	6,395	6,708	6,964	7,172
<b>Net Cost of Service</b>	<b>2,485</b>	<b>2,617</b>	<b>2,636</b>	<b>2,705</b>	<b>2,771</b>	<b>2,864</b>	<b>3,020</b>	<b>3,245</b>	<b>3,408</b>	<b>3,516</b>

CAPITAL EXPENDITURE (\$'000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
- to meet additional demand	33	34	664	36	37	376	38	455	863	1,294
- to improve level of service	620	0	0	1,208	715	563	1,156	736	0	0
- to replace existing assets	1,227	1,878	2,560	2,300	2,069	1,882	1,757	973	694	714
<b>Capital Projects</b>	<b>1,880</b>	<b>1,912</b>	<b>3,224</b>	<b>3,543</b>	<b>2,820</b>	<b>2,821</b>	<b>2,952</b>	<b>2,163</b>	<b>1,557</b>	<b>2,008</b>

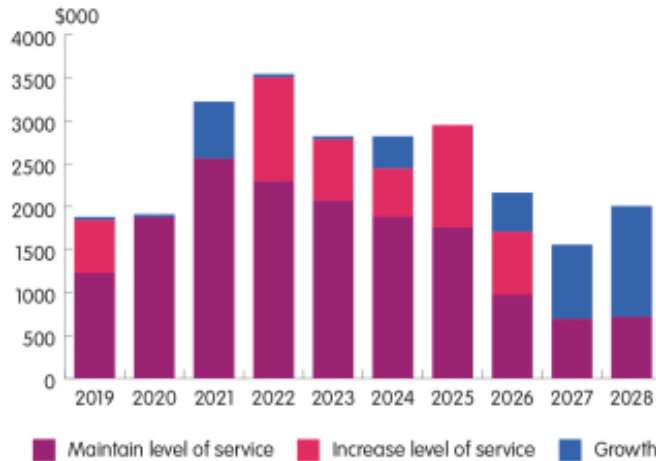
## Financial commentary

**Revenue from exchange transactions:** Water by meter charges for commercial users are the main drive for increases in revenue.

**Expenses:** Expenses have increased in line with increased use and treatment of water from the Waipaoa water treatment plant.

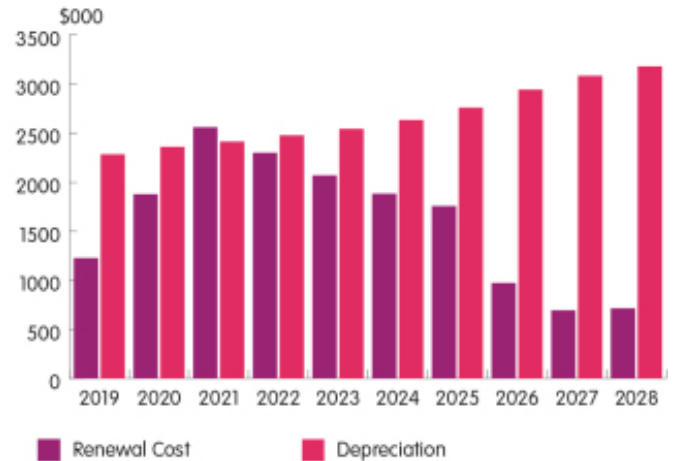
**Capital:** Significant increases in the capital works program has seen an increase from 2015-2025 LTP of \$14m to 2018-2028 LTP of \$22.8m. The main drivers for this is pipe renewals and back flow preventers.

**Total Capital Projects**



The graph above shows all capital projects proposed by the activity broken into levels of service.

**Depreciation v Renewal Capital Projects**



The graph above shows the portion of capital projects that are renewals against the depreciation expensed on existing assets. We collect the depreciation on existing assets in rates revenue and use this to fund our renewals. So it is showing the relationship between the two.

## Forecast capital expenditure 2018-2028

Within the table below we explain the type of levels of service. Growth: to meet additional demand. Increase: improve the Level of Service. Maintain: replace existing assets.

FORECAST CAPITAL EXPENDITURE (\$000)	Level of Service	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Water Supply</b>											
Distribution : Pipe Renewals [asbestos Main Replacement]	MAINTAIN	650	738	1,049	1,020	550	563	578	593	609	626
Distribution : Water Meter Renewals	MAINTAIN	50	51	52	54	55	56	58	59	61	63
Taruhuru Block Water Extension	GROWTH	0	0	629	0	0	338	0	415	0	313
Booster Station And Reservoir Supply Main	GROWTH	0	0	0	0	0	0	0	0	822	939
Local Urban Upgrades	GROWTH / MAINTAIN	35	36	37	38	38	39	40	42	43	44
Bulk Distribution - Waingake Trunk Main Refurbishment	MAINTAIN	150	513	524	0	0	0	0	0	0	0
Bulk Distribution:waingake Raw Water Pipeline Renewal	MAINTAIN	0	0	0	54	440	0	0	0	0	0
Bulk Distribution Telemetry Site Upgrades	MAINTAIN	25	26	26	32	33	20	21	21	22	23
Bulk Distribution: Cathodic Protection, Replacement Of Sacrificial Anode Beds Along Waingake Trunk Pipeline	MAINTAIN	0	36	37	38	0	0	0	0	0	0
Bulk Distribution: Waingake Trunk Main Air Valve Renewals	MAINTAIN	0	0	189	161	0	0	0	0	0	0
Leak Detection (was In Year 8) But May Need To Align Earlier	INCREASE	0	0	0	0	0	0	0	142	0	0
Waipaoa Treatment Plant Water Softening Renewal	INCREASE	120	0	0	0	0	0	0	0	0	0
Waingake T/plant Uv Installations	INCREASE	0	0	0	0	715	0	0	0	0	0
Waipaoa T/plant Uv Installations	INCREASE	500	0	0	0	0	0	0	0	0	0
Te Karaka Reticulation Renewal	MAINTAIN	0	0	0	0	440	451	0	0	0	0
Whatatutu Reticulation Renewal	MAINTAIN	0	0	0	0	0	0	289	297	0	0
Demand Management Initiatives	INCREASE	0	0	0	0	0	563	1,156	593	0	0
Residential Backflow Prevention	MAINTAIN	350	513	682	537	550	789	809	0	0	0
Sang Dam Slump Remedial Works	INCREASE / MAINTAIN	0	0	0	1,611	0	0	0	0	0	0



Grand Total

1,880	1,912	3,224	3,543	2,820	2,821	2,952	2,163	1,557	2,008
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## Land, Rivers and Coastal



### What we do

Council manages:

- the Waipaoa and Te Karaka Flood Control Schemes, including 68km of stopbanks
- 277km of land drains that support agricultural activity
- 303km of rivers and streams, including bank protection and channel clearance
- around \$0.8m of coastal assets in the Wainui Beach Coastal Scheme.

Our work in this area also involves rivers asset management, flood control schemes, land drainage schemes, Wainui Beach foredune protection and river channel maintenance. The total network replacement value is around \$65m.

### Rivers asset management

We are responsible for monitoring changes to the coast and river/stream channels that could affect our community for

specified rivers. We also advise stakeholders on preventative maintenance for rivers and streams, on issues such as flood control, coastal and land erosion protection, land drainage and foredune protection. River monitoring also provides timely flood warnings to the community for specified rivers.

### Flood control schemes

To protect land, buildings and infrastructure from flooding, we administer and maintain two flood control schemes, one river improvement scheme, and one river erosion protection scheme within the District:

- Waipaoa Flood Control Scheme
- Te Karaka Flood Control Scheme
- Turanganui-Taruheru Rivers Scheme
- Waiapu Erosion Protection Scheme.

Together these schemes include 47km of river channel, 68km of stopbanks, and 740 hectares of floodway land.

### Land drainage schemes

Council constructs, administers and maintains a 277km network of open drains across private farmland to provide land drainage for subsurface drainage of the Poverty Bay flats in specific areas (generally land drainage schemes). We do this work in response to landowner requests via legislation as required.

### Coastal property protection scheme

We maintain the existing foredune protection infrastructure in a defined area along Wainui Beach, in alignment with the Wainui Beach Management Strategy (adopted in 2014).

### River channel maintenance

Council provides essential river channel maintenance and infrastructure works for 303km of rivers and streams to protect land, properties and roads from erosion. We do this work in response to landowner requests via legislation as required.

### Asset summary table (from July 2017 valuation)

Description	Units	Flood Control Schemes		Taruheru River Scheme		Land Drainage and River Schemes		Wanui Foredune Protection and Waiapu Protection Works	
		Qty	Replacement Cost (RC)	Qty	RC	Qty	RC	Qty	Replacement Cost
Stopbank	km	67.3	\$28,122,833	0	\$25,192	81.2	\$1,097,240		
Maintained Channel	km	36.8	\$7,240,563	12.6		536	\$10,953,255		
Pump Stations	number			N/A		4	\$919,194		

Description	Units	Flood Control Schemes		Taruheru River Scheme		Land Drainage and River Schemes		Wanui Fore-dune Protection and Waiapu Protection Works	
		Qty	Replacement Cost (RC)	Qty	RC	Qty	RC	Qty	Replacement Cost
Other (culverts, rock, bridges, gabions etc.)			\$8,610,476	N/A	\$4,187,289		\$2,699,063		\$832,133
Sub Total			<b>\$43,973,872</b>		<b>\$4,212,482</b>		<b>\$15,668,752</b>		<b>\$832,133</b>
<b>Total</b>									<b>\$64,687,239</b>

## Why we do it

- To keep people and properties safe from flooding, river erosion and coastal erosion in identified areas.
- To maintain the design standards and levels of service for our district's land drainage, rivers, streams and coastal protection assets, using the most cost effective long-term asset management options.
- To provide advisory and investigatory service to mitigate flood risk and coastal erosion.

## This activity contributes to the following Council Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

## Opportunities and challenges

### Opportunities

- Resources available to extend in-house services to other Council departments and/or external clients, for example pruning and felling of trees and digging tasks.
- Review ownership of and responsibilities for maintaining some assets, including land drain structures and private stopbanks.

## Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>• Planned and prepared resource consent application, stakeholder engagement and Stage 1 and 2 detail design for the upgrade of the Waipaoa Flood Control Scheme (WFCS) to a 1:100 year event accounting for climate change out to 2090. Started year four construction of the WFCS upgrade, subject to resource consent.</li> </ul>	<p><b>Years 1 - 3</b></p> <ul style="list-style-type: none"> <li>• Continue to provide flood warning service.</li> <li>• Waipaoa Flood Control Scheme 15-year upgrade from a 1:100 year event flood protection level, to a 1:100 year event taking into consideration the effects of climate change out to 2090.</li> </ul>

### Challenges

- Aging assets requiring decisions around renewal, disposal or alternative solutions.
- Private assets impacting schemes.
- Climate change causing larger rain storms and sea level rise, reducing the level of protection by existing flood protection assets.
- River berm siltation gradually reducing the capacity of the flood control schemes.
- River channel aggradation reducing channel capacity.
- The 'managed retreat' approach to coastal assets will likely continue to be an area of debate.
- Reviewing our understanding of critical assets and risks such as asset failure and health and safety risks.
- Review ownership of and responsibilities for maintaining some assets, including land drain structures and private stopbanks.

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Replaced failing timber revetments on the Taruheru River near the Marina car park and Turanganui River retaining wall between the Railway Bridge and Watties Wharf/Reads Wharf. Completed investigations to widen the Taruheru River channel to increase capacity and improve river drainage. Completed investigations into effects of a weir on the Taruheru River.</li> <li>Replaced four Armco culverts under the Te Karaka stopbank that were at risk of failing.</li> <li>Implemented recommendations from the Wainui Beach Erosion Management Strategy. Repaired and upgraded the Hamanatua Stream river training groynes opposite Wainui Beach Surf Club, to stop the river eroding the adjacent beach dune. Prepared three resource consents for lodging in early July 2017 covering sand push-ups, rock sea wall replacement and emergency works on Wainui Beach.</li> <li>Condition assessments of four drainage pump stations and a report detailing renewal priorities.</li> <li>Reviewed the Flood Warning Manual and associated processes.</li> <li>Provided flood advice and information to Civil Defence day and night through our flood warning service, checking culverts and flood gates and clearing debris and damage.</li> <li>Improved health and safety processes. Staff passed the Construct Safe course, a new requirement for working in the road corridor.</li> <li>Implemented a mobile solutions project to give field staff access to asset management systems using Kern tablets. The tablets have continued to improve workflow efficiency.</li> <li>Maintained land drainage capacity (drain widening/deepening) for the numerous drains in the district to contain a one in five-year flood.</li> </ul>	<ul style="list-style-type: none"> <li>Review the levels of service for the Te Karaka scheme, which was originally designed for a 1:200 year event.</li> <li>Maintain the land drains to drain a 1:5 year rain event.</li> <li>Short-term renewal of the land drainage pump stations and retaining walls on the Tansley Road drain.</li> <li>Most of the asset value is in non-depreciable assets (stopbanks, channels). Long-term renewal requirements are a relatively low proportion of the overall budget but this needs to be confirmed as condition and life data improves.</li> <li>Ongoing inspections of assets, particularly critical structures.</li> <li>Surveys to capture coastal elevation data.</li> <li>Wainui Beach Erosion Management Strategy implementation.</li> <li>Beach erosion monitoring.</li> <li>Pump station upgrades.</li> <li>Respond to Council's Requests for Service (RfS) system to manage and track all requests that the public make.</li> <li>Review service delivery model to deliver more work ourselves instead of using contractors.</li> <li>Review weed spraying operations to find better ways, such as tractors with boom sprayers.</li> <li>Review how we do things compared to other similar teams across New Zealand.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Continue to provide flood warning service.</li> <li>Continue to upgrade Waipaoa Flood Control Scheme.</li> <li>Wainui Beach Erosion Management Strategy implementation.</li> <li>Beach erosion monitoring.</li> <li>River and waterway monitoring.</li> <li>Ongoing asset inspections, particularly critical structures.</li> <li>Continue to improve asset management.</li> <li>Improve fish passage.</li> <li>Establish willow nursery.</li> <li>Respond to Request for Services.</li> </ul>

What we have been doing	What we will do in years 1 - 10
<b>How we will achieve our plans:</b>	
<ul style="list-style-type: none"> <li>Lifecycle asset management - plan for the long-term and ensure assets are being managed sustainably (asset management and 30-year infrastructure plans).</li> <li>A risk-based approach to managing critical assets.</li> <li>Data improvement programmes to better understand condition, risk and long-term renewal requirements.</li> <li>Understand the network through regular inspections, surveys and hydrological modelling.</li> <li>A proactive maintenance programme to maintain protection levels. Maintaining a team of skilled and trained staff split between operations and technical services.</li> <li>Keep current with industry best practice and sharing knowledge with peers.</li> <li>Continue to use and develop technology to improve service delivery and asset management.</li> <li>Professional service agreement with Hawke's Bay Regional Council for technical engineering.</li> <li>Use contractors and engineering professional services to assist in delivering our annual work programme.</li> <li>Provide a 24-7 flood warning service.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measures	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
We manage the effects of coastal erosion and the drainage of rivers and streams to minimise flood risk.	Rivers and Land Drainage - Percentage of customers who rate Requests for Service responses as excellent/good.	96%	93%	93%
	Rivers and Land Drainage - Percentage of Requests for Service resolved within target time frames.	91%	80%	90%
	System adequacy and maintenance: The major flood protection and control works that are maintained, repaired and renewed to the key standard defined in the Council's Flood Control activity management plan. The standard is that 25% of flood control stopbank length is inspected annually and maintained to a 1 in 100-year protection standard	Achieved	Achieve	Achieve

## Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
Blockages during heavy rain and floodgate closure can cause ponding and flooding issues for land and property.	Continuous condition and performance monitoring of assets. Programmed maintenance. Monitoring and surveillance. Best practice asset management. Long term financial planning and strategies.

Potential negative effects	What we're doing about them
Construction of stopbanks artificially changes the landscape with an impact on recreational and cultural activities.	Early and ongoing stakeholder engagement.

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity. Capital expenditure: the breakdown of capital projects proposed by the activity for each year of the plan broken down by levels of service.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Revenue From Exchange Transactions	184	188	192	196	200	205	210	215	220	226
Expenses	2,344	2,497	2,626	2,716	2,797	2,893	2,999	3,014	3,118	3,235
<b>Net Cost of Service</b>	<b>2,160</b>	<b>2,310</b>	<b>2,434</b>	<b>2,520</b>	<b>2,597</b>	<b>2,688</b>	<b>2,789</b>	<b>2,799</b>	<b>2,898</b>	<b>3,008</b>

CAPITAL EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
- to improve level of service	155	651	273	64	11	293	69	12	317	75
- to replace existing assets	1,875	2,178	1,730	1,235	1,814	2,141	1,908	1,958	2,315	2,067
<b>Capital Projects</b>	<b>2,030</b>	<b>2,829</b>	<b>2,003</b>	<b>1,299</b>	<b>1,825</b>	<b>2,434</b>	<b>1,977</b>	<b>1,969</b>	<b>2,632</b>	<b>2,142</b>

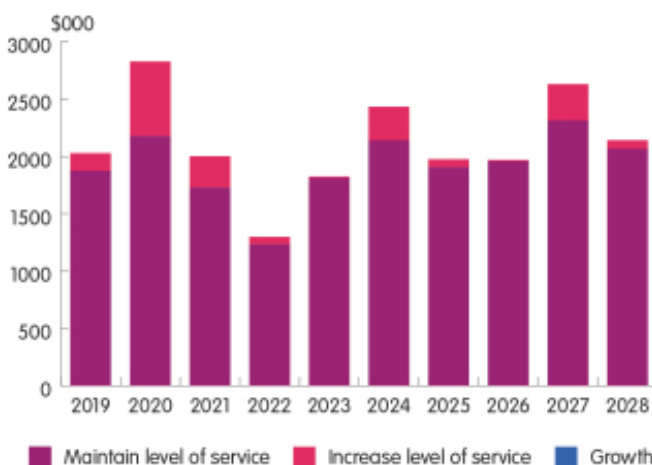
## Financial commentary

**Revenue from exchange transactions:** Revenue is mostly from river leases and continue to follow similar levels from prior years.

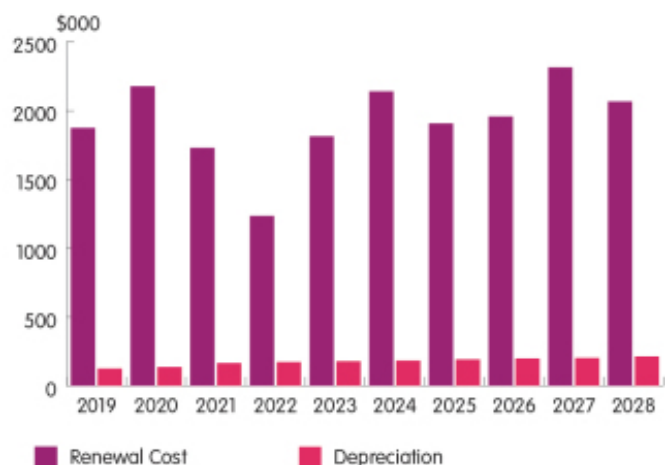
**Expenses:** Increased operating costs will be incurred as a result of the Waipaoa Flood Control capital project.

**Capital:** The Waipaoa Flood Control is a major capital project with total costs over the 10 years of \$16.4m.

Total Capital Projects



Depreciation v Renewal Capital Projects



The graph above shows all capital projects proposed by the activity broken into levels of service.

The graph above shows the portion of capital projects that are renewals against the depreciation expensed on existing assets. We collect the depreciation on existing assets in rates revenue and use this to fund our renewals. So it is showing the relationship between the two.

## Forecast capital expenditure 2018-2028

Within the table below we explain the type of levels of service. Growth: to meet additional demand. Increase: improve the Level of Service. Maintain: replace existing assets.

FORECAST CAPITAL EXPENDITURE (\$000)	Level of Service	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Rivers, Land and Coastal</b>											
Pump Station Renewals - Replace Components Of Land Drainage Pump Stations	MAINTAIN	150	154	0	0	0	0	0	0	0	0
Tansley Road Drain - Replace Failing Retaining Walls	MAINTAIN	400	0	0	0	0	0	0	0	0	0
Coastal Hazard Management	INCREASE	0	0	0	54	0	0	58	0	0	63
Bushmere Road Nursery	INCREASE	30	10	10	11	11	11	12	12	12	13
Waipaoa River Flood Control Scheme Resilience Improvements	MAINTAIN	1,150	1,179	1,206	1,235	1,814	1,860	1,908	1,958	2,010	2,067
Wainui Beach Management Strategy - Wall Replacement Groyne To Tuahine Access	MAINTAIN	0	0	262	0	0	0	0	0	0	0
Onepoto Bay Wooden Stormwater Flumes Renewal - Hicks Bay	MAINTAIN	50	205	0	0	0	0	0	0	0	0
Taruheru And Turanganui Rivers City Revetment Renewals	INCREASE / MAINTAIN	0	0	524	0	0	563	0	0	609	0
Tauwhatinui Detention Dam	INCREASE / MAINTAIN	250	1,281	0	0	0	0	0	0	0	0
<b>Grand Total</b>		<b>2,030</b>	<b>2,829</b>	<b>2,003</b>	<b>1,299</b>	<b>1,825</b>	<b>2,434</b>	<b>1,977</b>	<b>1,969</b>	<b>2,632</b>	<b>2,142</b>



## Tairāwhiti Roads



### What we do

Council's Land Transport Business Unit, Tairāwhiti Roads, manages the land transport activity. This includes all operational elements of road maintenance and renewals, capital projects, and walkways and cycleways. We also manage Gisborne City's two commuter and nine school bus services as well as our road safety education initiatives.

Our region has an extensive land transport network including 1,903km of road, with 238km in the urban area and 1,665km of rural roads. The land transport activity is Council's single largest

investment activity, providing critical infrastructure to support community connections and economic growth.

Key activities include:

- road asset maintenance and renewals
- road safety engineering and education
- traffic management
- road asset design and construction
- providing public transport
- providing walkways and cycleways
- providing parking.

The New Zealand Transport Agency (NZTA) is responsible for the State Highway network. Within our rohe (region) that includes State Highway 35 (SH35) through Gisborne City and to the north and State Highway 2 (SH2) both south to Napier and west to the Bay of Plenty and the rest of New Zealand. Council is responsible for the local road network, including the extensive rural road network and the urban road network. Tairāwhiti Roads is a collaborative venture between Council and the Transport Agency to manage our region's road network.

As a regional authority, we have a responsibility for regional land transport planning. This is carried out by strategic planning with Tairāwhiti Roads.

### Asset Summary

Asset	Units	Total	
		Quantity	Replacement Cost (\$)
Formation	km	1,903	400,188,338
Sealed Pavement Surface	km	617	42,644,828
Sealed Pavement Layers	km	865	180,507,218
Unsealed Pavement Layers	km	1,038	37,591,086
Drainage	no.	9,262	50,021,554
Surface Water Channels	km	280	41,163,812
Footpath	km	228	43,958,809
Traffic Facilities	no.	647	14,158,529
Minor Structures	no.	12	173,258
Signs	no.	6,578	1,494,281
Railings	m	38,156	6,531,039
Street Lights	no.	3,417	5,528,181
Car Parks	m <sup>2</sup>	38,231	1,774,870
Bridges and Major Culverts	no.	412	127,608,855
<b>Total</b>			<b>953,344,658</b>

## Why we do it

Land transport infrastructure is a key enabler of community connectivity and economic activity for our region. Agriculture, forestry and horticulture are major industries in Gisborne, and tourism is growing with great potential.

Significant growth in forest harvest is producing economic benefits and placing pressure on the region's land transport network. Linkages to both domestic and international markets are crucial for the region's economy and employment.

The Land Transport Management Act 2003 requires Council to have a Regional Land Transport Plan and a Regional Public Transport Plan. These plans are reviewed every three years.

## This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata

## Opportunities and challenges

### Opportunities

- The Regional Land Transport Plan provides the opportunity to review land transport budgets and address land transport priorities including road condition, resilience, safety and efficiency.
- Council has a strong collaborative working relationship with the Transport Agency.
- The Tairāwhiti Regional Economic Action Plan, launched in 2017, includes three business case processes led by the Transport Agency to progress our region's land transport needs:
  - The Gisborne Regional Integrated Transport Priority Plan, focusing on the efficient movement of freight and people
  - SH35 and connecting routes, focusing on safety, efficiency and resilience
  - SH2 Napier to Opotiki programme business case – our main connection to the rest of the country.
- Efficiencies in land transport investment have been achieved from Tairāwhiti Roads and the Network Outcome Contracts.
- Council is working with industry and investigating opportunities for greater industry funding to help pay for

the costs of maintaining and upgrading the local road network to enable logs to be transported.

- The Government has increased the Financial Assistance Rate subsidy from 58% to 67% to support local roads investment.
- A safe and efficient land transport system supports the region to achieve its economic potential.

### Challenges

- Affordability - a large road network and a relatively small population and rating base.
- Resilience – our region's highly erodible soils and frequent heavy rainfall events result in road closures, significant degradation and high network maintenance costs. Climate change may worsen this.
- Log freight transported to the Eastland Port has grown significantly in recent years and is forecast to grow further to 3–4 million tonnes by 2020, placing increased pressure on the network. In 2016 Opus estimated it would cost approximately \$28m over the next 10 years to upgrade local roads for log harvest.
- 70 of the region's 101 bridges are not High Productivity Motor Vehicle (HPMV) capable. Strengthening these bridges is costly.
- Urban traffic growth is an emerging issue with potential efficiency impacts for both freight and people movements if current general traffic route rates continue.
- Population is forecast to grow by 2,500 by 2028 with growth concentrated in the city and urban surrounds.
- Safety is a key concern for the region. Serious incidents relating to speed and alcohol and drug use are above the national average.
- Roads can be narrow, winding and steep with limited passing opportunities.
- With the growth in heavy vehicles, conflict between active mode users of transport and heavy vehicles results in increased personal risk to cyclists and pedestrians. Safety around schools has become a concern for the community.
- Potential sea level rise presents longer term challenges. Some routes such as SH35 by Waikanae Stream and SH35 Tatapouri to Pouawa are vulnerable to inundation if sea levels rise by more than 0.5m.
- Demand for tourism is increasing and with this comes potentially higher expectations for increased levels of service.

## Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Implemented the Tairāwhiti Roads business unit and applied long-term performance-based contracts.</li> <li>Implemented the One Network Roding Classification and improved asset management systems.</li> <li>Completed rural township upgrades for Whatatutu, Te Karaka and Tokomaru Bay.</li> <li>Completed LED street lighting upgrade for Te Karaka, Matawai, Motu, Muriwai, Ormond, Patutahi, Ruatorea, Te Araroa, Te Puia, Tikitiki, Tokomaru Bay, Waihirere, Whatatutu and Gladstone Road.</li> <li>Completed a wide range of minor safety improvements including guardrail installations on Tiniroto, Whatatutu, Anaura, Lottin Point and Tauwhareparae roads. There was also a range of improvements arising from the Truck Rollover project such as corner realignments and visibility improvements.</li> <li>Strengthened a large number of bridges to HPMV standard including Horoeke, Mata (Huiarua), Te Pahi, Gaddums, Omapere, Rakauora, Spaniards (Wharekopae), Haigs access, Wigan (Tauwhareparae), Oweka (Waikura) and Wharekopae bridges (Faulkner).</li> <li>Constructed the first stage of the Urban Cycleway Programme from Wainui to Gisborne and completed planning and design of the second stage through Kaiti to the Turanganui River bridge.</li> <li>Completed a range of slip repair and resilience improvements on rural roads including Anaura Bay, Mata, East Cape, Waiomatatini (Kaiinanga), Arakihi and Tauwhareparae roads.</li> <li>Constructed new slow vehicle passing bays on SH35 Wallis Hill completed in 2015/16 and SH2 Kopua Hill in the Whareratas with SH35 Panikau Hill due for completion in 2018.</li> <li>Commenced construction of SH2 Motu Bridge with completion expected in 2018.</li> <li>Undertook targeted road safety education programmes including driver training and mentoring and school road safety.</li> <li>Continued to support the Gizzy Bus, nine school buses and the free Kaiti School bus trial to help schools address truancy rates.</li> <li>Supported the Bikes in Schools programme.</li> <li>Continued ongoing renewal programme for unsealed roads (heavy metalling), resurfaced sealed roads (chip seals), roadside drainage renewal, road rehabilitation and minor improvements to roads with</li> </ul>	<p><b>Years 1 - 3</b></p> <ul style="list-style-type: none"> <li>Improve the condition of road assets that are below the desired levels of service.</li> <li>Address backlog of resilience and slip repair work on key routes.</li> <li>Increase emergency repair works to address damage from frequent heavy rainfall.</li> <li>Upgrade rural roads with industry and Transport Agency support, to enable log harvest.</li> <li>Key resilience strengthening projects on rural roads including East Cape Road Bluff slopes stabilisation.</li> <li>Continue to implement the recommendations of the Eastland Port Access Strategic case.</li> <li>Complete a Network Efficiency Investigation to consider best heavy vehicle routes.</li> <li>Safety improvements including guard railing and corner realignment in key risk areas.</li> <li>Local road improvements to support forest harvest including Arakihi Road widening and seal extensions to Waimata Valley, Tauwhareparae and Kanakanaia roads.</li> <li>Review speed management zoning including progressing safe school speed zones.</li> <li>Township upgrades for Manutuke and Muriwai.</li> <li>Continue street light upgrades.</li> <li>Increase bridge and retaining wall maintenance/renewal work.</li> <li>Monitor urban traffic growth trends including potential efficiency impacts on freight and people movements.</li> <li>Complete the Urban Cycleway Programme from Wainui through Kaiti to the Turanganui River including the Gladstone Road Bridge walkway.</li> <li>Complete transport upgrades to support the Inner Harbour redevelopment including safe pedestrian access to Titirangi (Kaiti Hill).</li> <li>Upgrade Titirangi Road to enable safer pedestrian use and improve car parking.</li> <li>Progress the Taruheru Cycleway with external funding.</li> <li>Complete the new Taruheru subdivision road link Potae Avenue to Nelson Road and Gwyneth Place parking improvements.</li> </ul>

What we have been doing	What we will do in years 1 - 10
<p>38km of local roads resealed in 2015/16 and 87km in 2016/17. About 40km of state highway was also resealed over the two years.</p> <ul style="list-style-type: none"> <li>The state highway renewals programmes included substantive work to SH35 at Tolaga Bay gorge descent, Loisels South, Beals culvert, B5 descent, Mangakuri and Pouawa and SH2 at Kopuaroa rest area, Waipaoa River roundabout and Trafford Hill descent.</li> <li>Reviewed the Regional Land Transport Plan and worked closely with the Transport Agency to make the case for increased Government support to address the region's land transport challenges.</li> <li>Assessed footpaths for possible defects, with 800 identified. The highest identified hazard risks have been addressed. Work is continuing on the ranked list and addressing new defects as they are identified.</li> </ul>	<ul style="list-style-type: none"> <li>Tourism upgrades including increased rest areas on SH35 and upgrades to East Cape Road.</li> <li>Continue to support the Gizzy Bus and the school bus service, the free Kaiti School bus and the SuperGold Card and Total Mobility schemes.</li> <li>Footpath and crossing renewals.</li> <li>Consider possible trial revegetation of State Highway road corridor site with native vegetation.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Improve transport connections to build capacity of the local road network to support regional economic development, through the Transport Agency led Integrated Transport Priority Plan.</li> <li>Support the Transport Agency led SH35 and connecting routes business case.</li> <li>Support the Transport Agency led SH2 Programme Business Case.</li> <li>Continue to implement the Active Transport Strategy including a comprehensive network of walkways and cycleways.</li> <li>Do a first principles review of the Gisborne public transport network to align with future needs.</li> <li>Work with Gisborne Holdings Ltd on the Aerodrome Road upgrade.</li> <li>Continue to invest in city car parking to ensure the service provides for forecast traffic growth and enables safe improvements where needed.</li> </ul>
<p><b>How we will achieve our plans:</b></p> <ul style="list-style-type: none"> <li>Increase investment in maintenance, renewals and resilience works to improve road condition and address the backlog of resilience and slip repair work.</li> <li>Progressively implement HPMV bridge-strengthening programme with industry and/or Government co-funding.</li> <li>Implement the One Network Road Classification system.</li> <li>Implement lifecycle asset management to ensure essential urgent repairs and regular routine maintenance are done when required, and programme maintenance and renewals at critical points of the assets' lifecycle.</li> <li>Increase the road emergency repair budget to align more closely with actual recent costs, and address damage caused by frequent heavy rainfall as it arises.</li> <li>Work with the Transport Agency to make the case for increased investment including through the ITPP, SH35 and SH2 business case processes.</li> <li>Address network defects and faults as early as possible to reduce network maintenance and renewal over time and achieve better value for money.</li> <li>Use decision making tools and cost effective techniques to improve performance of network, i.e. RfS, resident surveys, dTIMS analyses, traffic monitoring, deterioration modelling, pavement tests, skid resistance, rutting and roughness surveys, and surface treatment.</li> </ul>	

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Deliver a road safety education programme targeting high and medium risk road users as informed by the community risk register.</li> <li>Secure local share funding for the Taruheru Cycleway.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measures	Results 16/17	Targets Years 1 - 3	Targets Years 4 - 10
We ensure the roading network is designed and managed for safe use with low crash and injury rates.	Annual number of pedestrian and cyclist injury accidents.	17	Decrease	Decrease
	Percentage of residents who feel that riding a bicycle is unsafe as found in the Resident Satisfaction Survey.	35%	Maintain or Decrease from previous years	Maintain or Decrease from previous years
	Road Safety: The change from the previous financial year in the number of fatalities on the local road network ( <i>Mandatory measure</i> ).	5	Decrease	Decrease
We operate and maintain a reliable roading network that is in good condition and fit for purpose.	Percentage of residents satisfied with the condition of Council urban roads (excluding state highways) as found in Resident Satisfaction Survey.	48%	Urban 60%	Urban 70%
		36%	Rural 50%	Rural 60%
	Response to service requests - The percentage of customer service requests relating to roads and footpaths to which Council responds within the time frame specified in the Long Term Plan* ( <i>Mandatory measure</i> ).	78%	80%	80%
	Road condition: The average quality of ride on a sealed local road network, measured by smooth travel exposure ( <i>Mandatory measure</i> ).	84%	80% of sealed network to have NAASRA count of 150 or better	80% of sealed network to have NAASRA count of 150 or better
	Road maintenance: The percentage of the sealed local road network that is resurfaced ( <i>Mandatory measure</i> ).	11%	5%	4%
	Footpaths: The percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in the Pathways Asset Management Plan.	Not measured	60%	70%
We provide and maintain affordable and accessible transportation services that balance the needs of all users.	Percentage of residents using the walking and cycling networks as found in the Residents Satisfaction Survey.	66%	Increase from base set in year 1	5% increase on baseline by 2020
	Percentage of customers who rate the passenger transport system as excellent/good.	94%	80%	80%
	The number of bus passengers per annum.	142,373	145,000	145,000

*Service Request Type	Response Target (working days)	Service Request Type	Response Target (working days)
Complaint	3	Footpaths	2
Compliment	3	LTP/Future Improvements	3
Contractor Complaint	3	Passenger Transport	3
Customer Focus	3	State Highway	3
Drainage	2	Street Lighting	2
Faults	2	Weather Event	2

### Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
<ul style="list-style-type: none"> <li>Heavy vehicle traffic noise and vibration to properties adjoining roads.</li> <li>Potential for dust on unsealed roads to affect health.</li> <li>Potential for air pollution from traffic fumes including in high traffic areas.</li> <li>Construction of roads can have a significant negative effect on the environment and community, such as congestion and delays, air pollution, safety and water quality issues and disturbance of cultural sites during earthworks.</li> <li>Pests and weeds in the road corridor.</li> </ul>	<ul style="list-style-type: none"> <li>Progressive renewal programme to address road condition on key routes mitigating vibration impacts of uneven road surfaces.</li> <li>Network Efficiency Investigation to recommend best heavy vehicle routes considering efficiency, safety and community amenity.</li> <li>Road resealing and upgrades for key rural routes phased to when forests are due to be harvested. Resealing prioritised through Council's Dust Mitigation Policy.</li> <li>Regular monitoring of Gisborne's air quality.</li> <li>Implementing the new requirements of the Regional Freshwater Plan including identifying and protecting fish spawning and passage mitigations.</li> <li>Implementing new requirement of the Regional Pest Management Plan including weed control in the road corridor.</li> <li>Resource consent processes for planned major transport infrastructure upgrades.</li> <li>Adverse environmental effects are managed by the network contractors and their Environmental Management Plans.</li> </ul>

### Financial summary

#### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity. Capital expenditure: the breakdown of capital projects proposed by the activity for each year of the plan broken down by levels of service.

OPERATING REVENUE AND EXPENDITURE (\$'000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	13,068	13,173	13,199	13,113	13,386	13,667	14,087	14,406	14,745	15,249
Revenue From Exchange Transactions	46	46	47	49	50	51	52	53	55	56
Expenses	29,146	29,766	30,067	30,358	31,122	31,956	32,136	33,755	34,627	35,580
<b>Net Cost of Service</b>	<b>16,033</b>	<b>16,546</b>	<b>16,821</b>	<b>17,197</b>	<b>17,686</b>	<b>18,239</b>	<b>17,997</b>	<b>19,296</b>	<b>19,827</b>	<b>20,274</b>



CAPITAL EXPENDITURE (\$'000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
- to meet additional demand	50	715	522	52	1,061	0	0	59	605	62
- to improve level of service	7,454	2,121	3,570	3,407	3,577	5,637	918	1,442	966	1,513
- to replace existing assets	14,190	13,895	13,932	15,146	15,496	15,671	15,889	16,389	16,709	17,237
<b>Capital Projects</b>	<b>21,694</b>	<b>16,732</b>	<b>18,024</b>	<b>18,604</b>	<b>20,135</b>	<b>21,308</b>	<b>16,807</b>	<b>17,890</b>	<b>18,280</b>	<b>18,813</b>

## Financial commentary

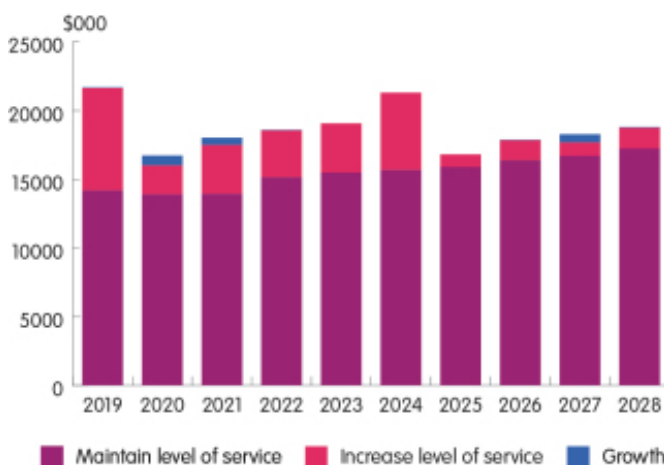
**Revenue:** An increase in NZTA subsidy reflects increases in operational maintenance expenditure. In addition, NZTA announced post-draft that the subsidised assisted rate increased to a flat rate of 68% throughout the plan.

**Expenses:** An overall increase of 23% has been proven for the roading maintenance network. In addition, in years 1-3 provision for emergency work has increased from \$2m to \$3m. Maintenance levels reflect the Regional Land Transport Plan (RLTP). This means Years 1 to 3 have the adjusted inflation levels to reflect the RLTP. From Year 4 to 10, BERL inflation factors have been used.

**Net Cost of Service:** Surplus funds arose post adoption of the draft LTP, which was a result of increased assisted rate of 68%. All surplus operation funds are transferred to a roading reserve. During the course of the LTP, an assessment of the roading network will be undertaken and application of the reserve funds will be reviewed.

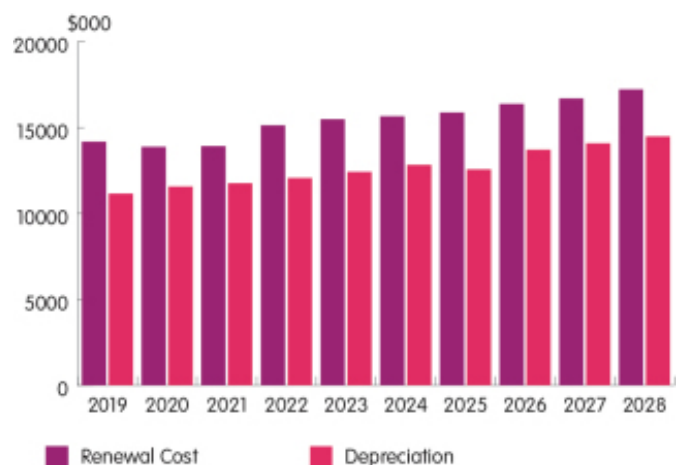
**Capital:** The capital expenditure program has increased significantly on prior years. Total capital over the LTP2018-2028 is \$187.3m compared to LTP2015-2025 of \$129.7m. Renewals have increased 25% over previous levels to accommodate reinstatement of the level of service to the roading network. Bridge upgrades allowing for strengthening for heavy vehicle has a program of work throughout the LTP2018-18. It is assumed that the non NZTA portion will be externally funded. Other increases mainly relate to inner harbour and walking and cycleways. It is assumed that inner harbour, walking and cycleways projects will all be externally funded.

**Total Capital Projects**



The graph above shows all capital projects proposed by the activity broken into levels of service.

**Depreciation v Renewal Capital Projects**



The graph above shows the portion of capital projects that are renewals against the depreciation expensed on existing assets. We collect the depreciation on existing assets in rates revenue and use this to fund our renewals. So it is showing the relationship between the two.

## Forecast capital expenditure 2018-2028

Within the table below we explain the type of levels of service. Growth: to meet additional demand. Increase: improve the Level of Service. Maintain: replace existing assets.

FORECAST CAPITAL EXPENDITURE (\$'000)	Level of Service	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Tairāwhiti Roads</b>											
Pavement Maintenance - Renewal	MAINTAIN	3,800	4,000	4,000	4,167	4,158	4,370	4,364	4,595	4,598	4,852
Roadside Drainage Renewals	MAINTAIN	642	515	410	438	449	459	471	483	496	510
Bridge Renewals (renewals Of Local Roads)	MAINTAIN	1,000	1,000	1,000	962	985	1,008	976	1,002	1,029	995
Bridge Replacements - Heavy Vehicle Bridge Strengthening	MAINTAIN	650	650	650	1,069	1,094	1,120	1,148	1,178	1,210	1,244
Resurfacing Of Roads (renewals Of Local Roads)	MAINTAIN	3,200	3,200	3,200	3,847	4,048	4,033	4,134	4,242	4,356	4,478
Rehabilitation Of Roads (renewals Of Local Roads)	MAINTAIN	2,800	3,000	3,400	3,099	3,173	3,249	3,330	3,417	3,509	3,608
Minor Improvements Projects	MAINTAIN	1,425	925	800	1,069	1,094	1,120	1,148	1,178	1,210	1,244
Resilience Improvement	INCREASE	700	700	700	748	766	784	804	825	847	871
Tararua Subdivision Road Links (potae Ave To Nelson Road)	GROWTH	50	715	0	0	0	0	0	0	0	0
Tararua Subdivision Road Area - Improvements Ruth Street/ Gwyneth Pl	GROWTH	0	0	522	0	0	0	0	0	0	0
Suburban & Township Upgrades	INCREASE	100	571	104	574	109	595	114	617	119	642
Bus Shelter Replacements	MAINTAIN	58	58	58	58	58	58	58	58	58	58
Gisborne City Carpark Facility	MAINTAIN	20	20	21	21	22	22	23	24	24	25
Drainage Renewals	INCREASE	0	0	0	0	0	0	0	0	0	0
Tararua River Walkway And Cycling	INCREASE	0	0	366	1,603	2,188	3,137	0	0	0	0
Traffic Service Renewals (renewal Of Local Roads)	MAINTAIN	280	205	190	166	148	129	132	136	139	143
Environmental Renewals	MAINTAIN	15	15	15	16	16	17	17	18	18	19
Streetlight Upgrades To Led	INCREASE	400	400	400	427	0	0	0	0	0	0
Walking And Cycling (intersection And Route Safety Improvements)	INCREASE	1,870	0	0	0	0	0	0	0	0	0
East Cape Slope Stabilisation	INCREASE	50	450	2,000	0	0	0	0	0	0	0
Inner Harbour Development	INCREASE	1,684	0	0	0	0	0	0	0	0	0
Waihou Bluffs Road Widening	INCREASE	0	0	0	53	492	1,120	0	0	0	0
Tararua Subdivision Road Links (cameron Road And Others)	GROWTH	0	0	0	0	0	0	0	59	605	62
Aerodrome Road Upgrade	GROWTH / INCREASE	0	0	0	53	1,094	0	0	0	0	0
Arakihi Road Widening	MAINTAIN / INCREASE	350	0	0	0	0	0	0	0	0	0
Inner Harbour Redevelopment 100% Nzta Funded	INCREASE	2,300	0	0	0	0	0	0	0	0	0
Footpath Replacements - Funded	MAINTAIN	300	307	188	235	241	84	86	59	61	62
<b>Grand Total</b>		<b>21,694</b>	<b>16,732</b>	<b>18,024</b>	<b>18,604</b>	<b>20,135</b>	<b>21,308</b>	<b>16,807</b>	<b>17,890</b>	<b>18,280</b>	<b>18,813</b>

## Solid Waste



### What we do

Council ensures sustainable management of our district's waste by minimising waste generation and maximising opportunities to use waste as a resource. Key activities include:

- rural and urban kerbside collection
- rural transfer operations
- waste minimisation and education
- recycling initiatives
- cleaning public places
- landfill operations and aftercare.

### Why we do it

Council is legally obliged to manage our district's waste under the Local Government Activity and Public Health Act 1956. The Waste Minimisation Act 2008 also requires all local authorities to adopt a Waste Management and Minimisation Plan (WMMP). We have a duty to ensure that this activity is managed effectively and efficiently.

### This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

## Opportunities and challenges

### Opportunities

- A community willing to be involved in waste minimisation efforts.
- Public partnerships to create local solutions.
- More behaviour change programmes to meet waste minimisation targets.
- WMMP consultation process and opportunity for strategic improvements.
- Collaboration with Wairoa District Council to share its disposal facility.
- Increasing innovation around contractor relationships to improve levels of service.
- Expiry of landfill resource consents.

### Challenges

- Meeting the targets of the WMMP 2018–2024, which is aspirational and will require targeted investment and innovation in the priority areas to be delivered successfully.
- Implementing the WMMP 2018–2024 actions that consider the waste hierarchy of Reduce, Reuse, Recycle, Recovery, Treatment and Disposal to help minimise waste going to landfill.
- Keeping the public engaged in waste minimisation through education and communication.
- Improving systems, contracts and engagement to provide better opportunities for waste reduction initiatives and innovations.
- Better control of the waste stream to influence good decision making around collection methods, transfer station management, landfilling and recycling options.
- Providing aftercare management solutions for the current solid waste landfill sites and improving relationships with landowners and iwi.
- Meeting our solid waste objectives within Council budgets.

## Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Invested in drainage and leachate control systems and continued to review future options for the Waiapu Landfill.</li> <li>Reviewed community caretaker solid waste contracts to include public toilet cleaning and maintenance and summer camping, including permits, compliance, waste disposal and septage dump stations.</li> <li>Rebranded rubbish and recycling trucks and information.</li> <li>Started a new waste management and minimisation contract for kerbside collections and illegal dumping.</li> <li>Reviewed the current Aftercare Management Plan for the Paokahu Landfill.</li> <li>Engaged Tonkin &amp; Taylor to provide an assessment of Paokahu Landfill management options. This will also include a new aftercare plan and potential options to deal with identified improvements.</li> <li>Relocated and enhanced the Rethink Centre. About 40 school groups visited the new centre during the last year. Thousands of school children have also learnt about waste minimisation through the 'Green Team' theatre performances that toured the district's schools.</li> <li>Investigated new waste diversion and disposal options through contractors such as waste oil and scrap metal.</li> <li>Replaced Council's litter bins and wastewater pumps along with fencing and safety rail installations.</li> <li>Implemented the WMMP 2012-18, which included: <ul style="list-style-type: none"> <li>second-hand Sunday</li> <li>plas-back bale wrap recovery</li> <li>composting workshops</li> <li>hosting an event management workshop</li> <li>launching plastic free initiatives</li> <li>supporting contestable waste fund initiatives, including Pare Kore Marae-based recycling.</li> </ul> </li> </ul>	<p><b>Year 1 - 3</b></p> <ul style="list-style-type: none"> <li>Maintain existing levels of service for kerbside collection, litter bins, transfer station management and waste minimisation. New opportunities for improvement and efficiency will be identified through the new WMMP and progress may be made in establishing shared services opportunities with Wairoa District Council.</li> <li>The Paokahu Landfill, which is acknowledged as having an environmental impact on the Awapuni lagoon waterways, will be a focus to minimise impacts and support tangata whenua aspirations for restoring the area for future generations.</li> <li>Implement the WMMP 2018–2024.</li> <li>Work on potential opportunities to collaborate with Wairoa District Council on regional solid waste opportunities.</li> <li>Health and safety review of solid waste and its contractors.</li> <li>Implement a waste management asset replacement programme.</li> <li>Public awareness programmes such as composting workshops.</li> <li>Monitor the effects of the introduced user pays system on rural transfer stations to track progress and identify any future waste minimisation needs.</li> <li>Decision to be made on the Waiapu Landfill closure.</li> <li>Implement additional spring cleaning/summer season services for the Central Business District street cleaning contract.</li> <li>Continue to support the Enviroschools programme.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Review implemented Council bylaws to comply with the statutory requirement to review them every five years.</li> <li>Implement the WMMP 2018–2024.</li> <li>Monitor waste streams in all rural community transfer stations.</li> <li>Implement a waste management asset replacement programme.</li> <li>Review and retender solid waste contracts.</li> <li>Continue to focus attention on minimising the impacts of the Paokahu Landfill to support tangata whenua</li> </ul>

What we have been doing	What we will do in years 1 - 10
	aspirations for restoring the area for future generations.
<b>We will achieve these plans by:</b> <ul style="list-style-type: none"> <li>Effective activity management planning and reporting.</li> <li>Developing a professional framework for staff.</li> <li>Developing a communications plan.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
Solid waste facilities are adequate and available to the community, including regular kerbside collection services and transfer stations.	Total waste received as illegal dumping.	27.58 tonnes	Decrease	Decrease
	Waste Management - Resident satisfaction with kerbside rubbish bag and recycling collections as found in the Resident Satisfaction Survey.	91%	90%	90%
Public information and programmes promote waste minimisation.	Waste Management - Resident satisfaction with Council's waste minimisation services and initiatives as found in the Resident Satisfaction Survey.	New measure	Baseline target to be set year 1	Will be determined from year 1 baseline
Waste is diverted from the landfill via waste minimisation methods.	Waste Management - Reduction in waste to landfill. Total kg of solid waste to landfill per head of population (kg).	289kg	285kg	275kg
	Increased ratio of recycling tonnage to landfill waste tonnage.	New Measure	30:70 initially with improvement in years 2 & 3	40:60
No adverse effects on the environment or human health from the Paokahu and Waiapu landfills.	Number of resource consent breaches for Waiapu and Paokahu landfills	New Measure	<5 pa	≤ 1 pa

## Significant negative effects of delivering this activity

Potential negative effects	What we're doing about them
<ul style="list-style-type: none"> <li>The most significant effect is on the environment, through depositing waste in landfills.</li> <li>Potential for odour, dust, vermin, litter and noise from waste minimisation facilities (e.g. landfills), which may affect neighbours and public health.</li> <li>Kerbside collections, if not done properly, can lead to public health and safety issues.</li> </ul>	<ul style="list-style-type: none"> <li>We'll continue to keep waste going to landfill to a minimum, through waste minimisation strategies and programmes.</li> <li>Continuing to educate residents on waste minimisation strategies.</li> <li>Monitoring and mitigated by operational management plans, monitoring site activities and</li> </ul>

Potential negative effects	What we're doing about them
<ul style="list-style-type: none"> <li>Refuse collection has potential negative effects from waste escaping from rubbish bags or bins and affecting the amenity of areas.</li> <li>Noise may be a factor for the city transfer station, when the stations are operated seven days a week.</li> <li>The user pays system can lead to some people dumping rubbish to avoid paying.</li> </ul>	<ul style="list-style-type: none"> <li>ensuring compliance with resource consent conditions.</li> <li>Monitored and mitigated through Council's request for service system to manage and track all requests that members of the public can make for Council services.</li> </ul>

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity. Capital expenditure: the breakdown of capital projects proposed by the activity for each year of the plan broken down by levels of service.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Revenue From Exchange Transactions	196	197	199	200	201	203	204	206	208	210
Expenses	3,831	3,891	3,995	4,061	4,074	4,102	4,164	4,264	4,333	4,419
<b>Net Cost of Service</b>	<b>3,635</b>	<b>3,694</b>	<b>3,796</b>	<b>3,861</b>	<b>3,873</b>	<b>3,899</b>	<b>3,959</b>	<b>4,058</b>	<b>4,125</b>	<b>4,209</b>

CAPITAL EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
- to improve level of service	10	246	179	10	12	0	14	12	0	0
- to replace existing assets	75	105	111	116	82	58	41	480	2	56
<b>Capital Projects</b>	<b>85</b>	<b>351</b>	<b>290</b>	<b>126</b>	<b>95</b>	<b>58</b>	<b>55</b>	<b>493</b>	<b>2</b>	<b>56</b>

## Financial commentary

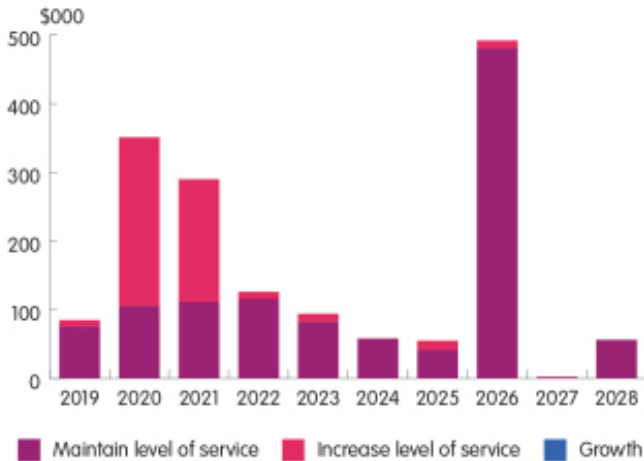
**Revenue from exchange transactions:** Revenue has remained consistent to levels in prior years, but includes movement for increase in fees. In particular, the fees relate to increase in refuse sticker collection.

**Expenses:** Expenses have remained consistent to levels in prior years.

**Capital:** The priority and timing of the capital works program has been updated from prior years. Total costs over the 2018-2028 LTP is \$1.6m. In 2026, stage 3 of the Waiapu Landfill will be completed.

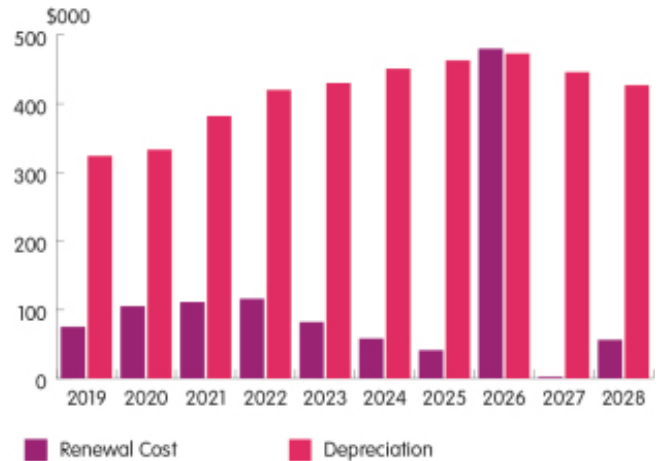


**Total Capital Projects**



The graph above shows all capital projects proposed by the activity broken into levels of service.

**Depreciation v Renewal Capital Projects**



The graph above shows the portion of capital projects that are renewals against the depreciation expensed on existing assets. We collect the depreciation on existing assets in rates revenue and use this to fund our renewals. So it is showing the relationship between the two.

## Forecast capital expenditure 2018-2028

Within the table below we explain the type of levels of service. Growth: to meet additional demand. Increase: improve the Level of Service. Maintain: replace existing assets.

FORECAST CAPITAL EXPENDITURE (\$000)	Level of Service	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Solid Waste</b>											
Waiapu Landfill - Stage 3	MAINTAIN	11	0	35	0	0	41	15	356	0	0
Paokahu Closed Landfill	INCREASE / MAINTAIN	13	308	224	12	16	0	17	15	0	0
Transfer Stations	MAINTAIN	42	0	0	49	52	0	0	62	0	0
Litter Bins	MAINTAIN	20	13	0	32	27	17	23	59	2	56
Retrofitted Container Offices 8 X 20ft Containers	MAINTAIN	0	31	31	32	0	0	0	0	0	0
<b>Grand Total</b>		<b>85</b>	<b>351</b>	<b>290</b>	<b>126</b>	<b>95</b>	<b>58</b>	<b>55</b>	<b>493</b>	<b>2</b>	<b>56</b>

## Cultural Activities



### What we do

Access to the arts and culture make a significant contribution to the social and economic life of our community.

#### Theatres

Council provides facilities, services and performing arts partnerships for the enjoyment of locals and visitors, as well as building pride in our people's talents and exposing audiences to a broad range of performing and craft arts that reflects the diverse cultures of our district's people.

#### Museum and public art

Council provides facilities, services and public art projects to create a sense of pride and local distinctiveness, and to reflect cultural diversity in our district. We own and maintain the Museum buildings but contract services to the Tairāwhiti Museum Trust.

#### HB Williams Memorial Library

Libraries provide a wide range of services and resources for the community. Council operates the HB Williams Memorial Library, serving Gisborne's urban and rural communities and visitors.

The library provides access to space and resources including professional staff, a relevant collection of materials including local histories, free internet, a digital e-library, and specialised programmes to inspire learning and civic participation.

#### Tairāwhiti Navigations

Tairāwhiti Navigations is a programme of five projects delivered together to ensure the full benefits - economic, tourism, place-making and community well-being - are realised through well connected and integrated design, landscaping and stories.

The programme includes the following projects: Historical Interpretations, Inner Harbour redevelopment, Cook Landing Site and Titirangi Summit (concept) and Titirangi Restoration (delivery). Each project involves a range of stakeholders to

deliver the work, ensuring a sense of community ownership once completed.

The project area encompasses Titirangi maunga, Gisborne's inner harbour area and Turanganui riverside walkway to Oneroa. All projects will be completed by May 2019. The key features will include place-based storytelling as told by local iwi through a series of interpretation media.

Site upgrades, landscaping, new light infrastructure and amenities will enhance sites of significance as well as local business, recreation and hospitality hubs.

### Why we do it

#### Theatres

To provide facilities, expertise and services that enable the public to experience and participate in performing and visual arts, corporate and community events. To provide a space for local, national and international events to enable our citizens to participate in a global arts environment.

#### Museum and public art

To provide facilities, services and art in public places that enable the public to experience and participate in the visual arts, and to house and support a regional museum to provide a safe repository for the district's taonga (treasures).

#### HB Williams Memorial Library

To contribute to our community's lifelong learning, literacy and education, as well as meeting intellectual, recreational, economic and cultural needs. This is a time of transformational shift where library services will focus on digital services, people and spaces and preserving local history for all.

#### Tairāwhiti Navigations

The Navigations projects will showcase our area to locals and visitors alike. There is potential for this activity to develop local and regional enterprise and foster ongoing working partnerships between Council and the community.

This programme aims to deliver a range of benefits that will add value to our community, economy and lifestyle from tourism, economic and environmental initiatives – along with an enhanced sense of place, pride and natural beauty.

### This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga
- Tairāwhiti Wawata

## Opportunities and challenges

### Theatres

#### Opportunities

- The increased number of people attending more events at War Memorial Theatre has created greater opportunity to widen audience development through marketing and a spill-over effect to other venues.
- Significant investment in facility upgrades (War Memorial and Lawson Field theatres), resulting in greatly improved user experience and expectations.

#### Challenges

- Theatre usage will be carefully managed to ensure it is affordable within the planned operating budget.

### Museum and public art

#### Opportunities

- Tairāwhiti Museum exhibition and storage space has been expanded and is able to host a greater range of exhibitions for public enjoyment.
- Proximity of C Company Memorial House and Gisborne Artists' Society at Lysnar House allows for productive partnerships with the Museum.
- A renewed appreciation of public murals provides an opportunity for community initiated murals on privately owned buildings.
- Improved balance of Māori and other public art, located in townships, walkways and facilities telling our stories, will create a visual transformation with a sense of local identity and pride.

#### Challenges

- Murals by celebrated artist Graeme Mudge painted on Council facilities are at risk of deterioration.
- Significant asset developments, which will have an impact on operational and depreciation costs (for example Navigations project).

### HB Williams Memorial Library

#### Opportunities

- Gisborne's public library is well regarded for its staff, collections and bicultural approach. It is perfectly located for the future as the 'community lounge', hub, and meeting place. It is unique in our area as it is the only public library in the district.

- Whilst already the most used Council community building, visitor numbers are expected to increase in the newly expanded library building. Over half of the Gisborne population are registered members of the library.
- Library customers are regular visitors, form close relationships with staff and feel connected to Council.

#### Challenges

- A challenge is to consider options to enable access for non-library users; those who live considerable distances from the city and to re-engage teenagers. Improved delivery of digital content and other initiatives will address some of these challenges. There are no dedicated library facilities outside of Gisborne city.
- Gisborne's library is a community and local history library that is a one-stop shop for residents. However, highly specialist materials are not purchased so may not meet some customer expectations for content.

### Tairāwhiti Navigations

#### Opportunities

- Showcase Tairāwhiti's rich history and culture through the development of a heritage trail that tells our amazing and unique stories as told by our Māori ancestors.
- Leverage significant value in linking together key community infrastructures in a recreational/heritage trail and create a focal point for civil and commercial activity in the city.
- Enhanced sense of place, identity and regional pride.
- Increased tourism opportunities and employment generation.
- Catalyst for commercial opportunities and investment.
- Increased educational opportunities.
- Enhanced natural beauty – creating urban spaces with unique landscape qualities.
- Increased recreational benefits and increased physical activity from walking and cycling.

#### Challenges

- Balancing expectations amongst multiple and often conflicting stakeholders.
- Working with multiple partners to deliver a cohesive and coordinated programme.
- Relying on external funding to successfully deliver the full programme.

- Availability of land in a densely developed urban environment.
- Fixed programme deadline - completion required for the

Te Ha Sestercentennial commemorations in 2019 and a Tier 1 National event 'Tuia First Encounters 250', an event of global significance.

## Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10
<b>Theatres</b> <ul style="list-style-type: none"> <li>• Completed operational reviews of the theatres.</li> <li>• Delivered a new War Memorial Theatre with high specification theatrical and mechanical services, dressing rooms, green room and proscenium arch auditorium.</li> <li>• Provided significant support and expertise to progress Council's major projects, including the initiation of the Lawson Field Theatre upgrade after it was closed in October 2016 for earthquake strengthening.</li> <li>• Developed a partnership with Tourmakers, an agency that enables large-scale productions to tour outside the main centres at reasonable cost.</li> <li>• Developed a communication programme with potential theatre visitors and a growing theatre audience through personal mail, social media, a 'meet-the-staff' event and print media.</li> <li>• Completed an agreed maintenance schedule for Patutahi Hall along with an Engineer's report on indoor balustrades and upgrade of outdoor escape stair.</li> </ul>	<b>Theatres: Years 1 - 3</b> <ul style="list-style-type: none"> <li>• Complete earthquake strengthening and improvement works at Lawson Field Theatre and re-open the theatre for community use.</li> <li>• Review all contracts and agreements with suppliers and theatre users and implement improvements.</li> <li>• Maintenance on Patutahi Hall fire escape and balustrades.</li> <li>• Increase revenue generation.</li> <li>• Upgrade ticketing services.</li> </ul>
<b>Museum and public art</b> <ul style="list-style-type: none"> <li>• Completed the task of packing and moving 12,000 items into their new collection store.</li> <li>• Hosted the major Iwi exhibition, Ko Rongowhakaata, which told the stories of Rongowhakaata through historic taonga and contemporary arts in 2017. The exhibition then moved to Te Papa.</li> <li>• Installed the much-loved 'Wal and Dog' statue at Marina Park for the public to enjoy before it was relocated to its permanent home in front of the upgraded library.</li> <li>• Digitised Graeme Mudge's 'Town Crier' mural and installed a reproduction adjacent to Lawson Field Theatre. A conservation report to assess the condition of these murals was completed. Working drawings for Mudge's murals were digitised and original work archived.</li> <li>• Continued work on the cultural monuments of Hawaiiki Turanga, Ruapani and Fire and Emergency's historic fire bell belfry.</li> <li>• Moved 'Wal and Dog' Statue to Library site.</li> </ul>	<b>Museum and public art: Years 1 - 3</b> <ul style="list-style-type: none"> <li>• Complete an Arts Plan for the district to be linked with the Community Facilities Strategy.</li> <li>• Install Hawaiiki Turanga and Ruapani sculptures.</li> <li>• Restore Totem Pole in time for Te Ha 2019.</li> <li>• Museum to develop 10-year strategic plan.</li> <li>• Continue to financially support Museum services and own and maintain buildings.</li> <li>• Council and Museum to renegotiate service delivery contract.</li> <li>• Install historic belfry.</li> </ul> <b>HB Williams Memorial Library: Years 1 - 3</b> <ul style="list-style-type: none"> <li>• Consolidate programming and new uses in upgraded library building.</li> <li>• Continue to develop the e-library including creating an online place to manage and share community/social history.</li> <li>• Renew Integrated Library Management System.</li> <li>• Strengthen and embed bicultural capacity in all areas of library services.</li> </ul> <b>Tairāwhiti Navigations: Years 1 - 3</b> <ul style="list-style-type: none"> <li>• Complete projects by May 2019 in time for the Te Ha Sestercentennial commemorations and a Tier 1</li> </ul>

What we have been doing	What we will do in years 1 - 10
<b>HB Williams Memorial Library</b> <ul style="list-style-type: none"> <li>Moved the entire library - contents and staff - to a temporary location at 53 Awapuni Road for the duration of the Library expansion project. The unoccupied grocery warehouse was transformed into a fully operative public library.</li> <li>Continued to provide free computing and Internet access via the Aotearoa People's Network Kaharoa (Council's free internet service in partnership with central government) over 12,000 times with an additional 27,000 free Wi-Fi sessions, peaking at over 250 individual users on one day during February 2017.</li> <li>Digitised all local historical information files, which are now available to read and download from the library catalogue at <a href="http://www.gpl.govt.nz">www.gpl.govt.nz</a>.</li> <li>Continued to add more material to the e-library for use by researchers, students and lifelong learners, for example, microfilm preservation of the Māori newspaper, Pipiwharauroa, and creation of a website focusing on the history of the library building.</li> <li>Delivered programmes to support literacy and e-literacy development, for example, S.T.E.A.M. workshops for tweens and coding workshops for all ages.</li> <li>Moved entire library - contents and staff - back to upgraded and expanded library building at Bright St. Reopened building 16 April 2018.</li> </ul>	<p>National event 'Tuia – First Encounters 250' to provide the platform for an event of global significance.</p> <ul style="list-style-type: none"> <li>Ongoing maintenance of assets and infrastructure.</li> <li>Continue to build on partnerships that have been developed.</li> </ul> <p><b>Theatres: Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Redevelop the website with a focus on mobile applications.</li> </ul> <p><b>Museum and public art: Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Museum to implement Strategic Plan.</li> <li>Provide museum and educational services.</li> <li>Art in Public Places Trust continues to support funding and delivery of public art pieces.</li> </ul> <p><b>HB Williams Memorial Library: Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Redevelop the website.</li> <li>Review opening hours to meet community needs.</li> <li>Review services for the leisure generation to reflect an ageing population with a range of print abilities.</li> <li>Continue to integrate new ways of service delivery within a new 21st century building.</li> </ul>
<b>Tairāwhiti Navigations</b> <ul style="list-style-type: none"> <li>Facilitated a working group comprising of four iwi to complete the historic interpretations strategy.</li> <li>Completed designs for the heritage trail and filming for the multi-media outputs.</li> <li>Commenced construction of the heritage trail infrastructure.</li> <li>Completed designs for the inner harbour redevelopment and received resource consent for phase one.</li> <li>Commenced construction of phase one inner harbour redevelopment to be completed May 2018.</li> <li>Planted 57,000 native trees on Titirangi to restore significant areas and improve landscape values.</li> <li>Enhanced the track network on Titirangi to create better connections and recreational opportunities.</li> <li>Developed an educational programme to better connect the community to its maunga.</li> <li>Completed a business case to develop the Titirangi summit with possible concept options.</li> </ul>	<p><b>Tairāwhiti Navigations: Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Continue to build on the partnerships that have been developed.</li> <li>Look for opportunities to further enhance the benefits of the programme.</li> </ul>

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Reduced illegal dumping on Titirangi by 40%.</li> <li>Appointed a design team to the Cook Landing Site redevelopment project.</li> <li>Completed concept designs for the Turanganui Bridge to Slipway.</li> <li>Developed successful partnerships with numerous key organisations.</li> <li>Received external funding from Eastland Community Trust, Ministry of Business, Innovation and Employment, Department of Conservation and Eastland Port to support the delivery of the programme.</li> </ul>	
<b>How we will achieve our plans:</b> <ul style="list-style-type: none"> <li>Effective activity and project management planning and reporting.</li> <li>Sharing a range of library services, events at theatres, maintaining public art and supporting museum with ratepayers, whanau and visitors.</li> <li>Continue to apply for external funding to support the delivery of the Tairāwhiti Navigations programme.</li> <li>Continue to work with key partners and stakeholders.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
Cultural facilities are accessible to Tairāwhiti residents and visitors.	Number of visitors per annum to Tairāwhiti Museum.	41,639	45,000	45,000
	Percentage of households that have used the HB Williams Memorial Library in the last 12 months as found in the Resident Satisfaction Survey.	50%	66%	66%
	Number of visitors to H B Williams Memorial Library per annum (on site and online).	Onsite: 166,739 Online: 21,508	Onsite: 230,000 Online: 18,000	Onsite: 230,000 Online: 18,000
Regular and varied programmes, events and exhibitions to support community wellbeing are provided at cultural facilities.	Number of booking days per annum: Lawson Field Theatre.	Closed N/A	Year 1: 100 Years 2-3: 200	200
	Number of booking days per annum: War Memorial Theatre.	141	85	85
Maintain cultural facilities at a fit for purpose, clean and safe standard.	Percentage of residents satisfied with the Lawson Field Theatre as found in the Resident Satisfaction Survey.	Closed N/A	90%	90%
	Percentage of residents satisfied with the War Memorial Theatre as found in the Resident Satisfaction Survey.	94%	90%	90%



Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
	Percentage of community satisfied with the quality of art in public places and the way it is maintained.	61%	80%	80%
	Percentage of residents satisfied with the Tairāwhiti Museum as found in our annual Resident Satisfaction Survey.	78%	90%	90%
	Percentage of residents satisfied with Gisborne district's library services as found in the Resident Satisfaction Survey.	92%	90%	90%

## Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
There are no significant negative effects from this activity.	Not applicable.

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity. Capital expenditure: the breakdown of capital projects proposed by the activity for each year of the plan broken down by levels of service.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Revenue From Exchange Transactions	382	423	432	441	451	462	473	485	497	510
Expenses	3,418	3,629	3,665	3,703	3,755	3,794	3,834	3,934	3,957	4,005
<b>Net Cost of Service</b>	<b>3,035</b>	<b>3,207</b>	<b>3,233</b>	<b>3,262</b>	<b>3,304</b>	<b>3,332</b>	<b>3,361</b>	<b>3,449</b>	<b>3,460</b>	<b>3,495</b>

CAPITAL EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
- to improve level of service	427	0	0	0	0	0	0	0	0	0
- to replace existing assets	2,647	254	391	255	261	270	279	285	292	282
<b>Capital Projects</b>	<b>3,074</b>	<b>254</b>	<b>391</b>	<b>255</b>	<b>261</b>	<b>270</b>	<b>279</b>	<b>285</b>	<b>292</b>	<b>282</b>

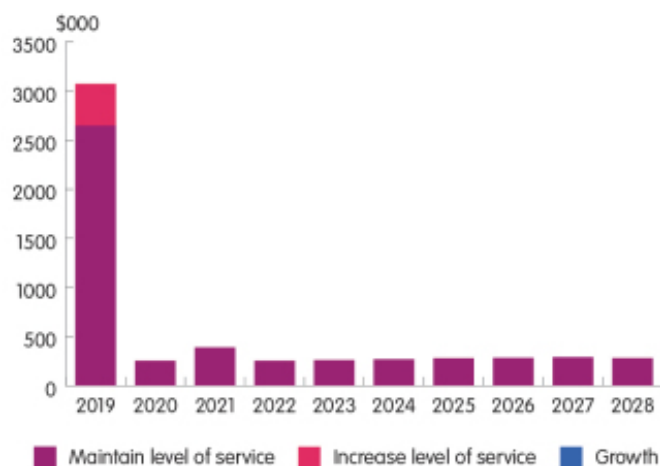
## Financial commentary

**Revenue from exchange transactions:** It is expected that the Lawson Field Theatre reconstruction will be completed in year 1 of the plan. Revenue has been increased in year 2 to reflect this.

**Expenses:** Increased expenditure is in line with the Lawson Field Theatre reconstruction. It is expected that the Theatre reconstruction will be completed in year 1.

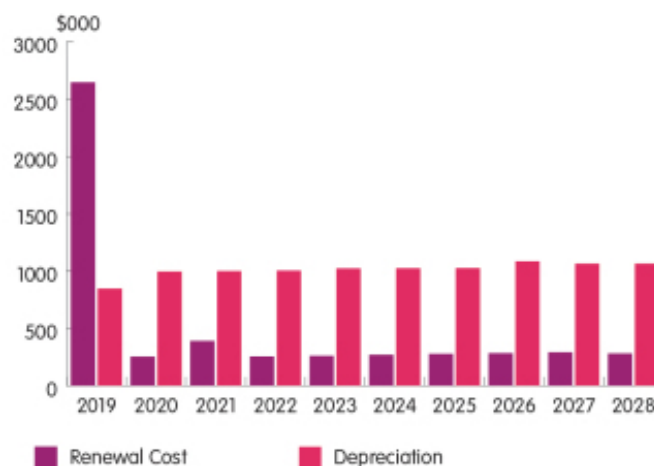
**Capital:** The major project for Cultural Activities is the Lawson Field Theatre reconstruction, scheduled to be completed in year 1.

Total Capital Projects



The graph above shows all capital projects proposed by the activity broken into levels of service.

Depreciation v Renewal Capital Projects



The graph above shows the portion of capital projects that are renewals against the depreciation expensed on existing assets. We collect the depreciation on existing assets in rates revenue and use this to fund our renewals. So it is showing the relationship between the two.

## Forecast capital expenditure 2018-2028

Within the table below we explain the type of levels of service. Growth: to meet additional demand. Increase: improve the Level of Service. Maintain: replace existing assets.

FORECAST CAPITAL EXPENDITURE (\$000)	Level of Service	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Cultural Activities</b>											
Public Art - Promote, Commission And Install Public Art To Reflect The District's History And Culture	MAINTAIN	30	31	31	32	33	33	34	35	36	37
Lawson Field Theatre - Reconstruction	INCREASE / MAINTAIN	2,668	0	0	0	0	0	0	0	0	0
Air Conditioning Units	INCREASE	20	0	0	0	0	0	0	0	0	0
Flooring Replacement Program	MAINTAIN	10	10	10	0	0	0	0	0	0	0
Tairawhiti Navigations Project	INCREASE	70	0	0	0	0	0	0	0	0	0
Hawaiki Turanga	INCREASE	70	0	0	0	0	0	0	0	0	0
Library Books	MAINTAIN	178	184	187	191	196	200	205	210	215	202
Library Books Ex Book Trust	MAINTAIN	10	10	10	11	11	11	11	12	12	12
Library - Non Book materials	MAINTAIN	13	14	16	16	16	19	23	23	24	24
Library - E-Books	MAINTAIN	5	5	5	5	5	6	6	6	6	6
Renew Integrated Library Management System	MAINTAIN	0	0	130	0	0	0	0	0	0	0
<b>Grand Total</b>		<b>3,074</b>	<b>254</b>	<b>391</b>	<b>255</b>	<b>261</b>	<b>270</b>	<b>279</b>	<b>285</b>	<b>292</b>	<b>282</b>

## Recreation and Amenity



### What we do

The recreation and amenity activity includes parks and gardens, urban and rural cemeteries, public toilet facilities, community property and the Olympic Pool complex.

#### Open spaces, parks and gardens

Council manages and maintains a wide variety of parks, reserves, sports grounds, walkways, coastal foreshore areas, and other open spaces throughout the district, including over 100 amenity gardens. About two thirds of the parks and community property assets are located within urban Gisborne, with the balance spread throughout the district, roughly in proportion to population distribution.

#### Cemeteries

Council maintains 11 cemeteries within the city and across the district, and is responsible for all burials and regulations within these cemeteries. Council also manages the public record of burials.

#### Community property

We manage all lease and licence agreements on parks, open spaces and sports grounds, and provide facility management for community buildings (including public toilets) and monuments.

#### Olympic Pool complex

The Olympic Pool complex is an important recreational and sporting facility with about 122,000 visits a year. It provides a wide range of activities and programmes and is available for groups such as schools, sporting clubs and community organisations. The complex includes a health and therapy facility.

### Why we do it

#### Open spaces, parks and gardens

Council maintains areas that allow cultural, leisure and recreational activity and opportunities while ensuring landscape amenity values and ecological protection. Our parks and gardens

create a sense of place and are an expression of our town's identity.

#### Cemeteries

Our cemeteries provide a final resting place for members of our community. We maintain cemeteries out of respect to people who are buried and remembered there, and provide accurate records so families can easily find and pay respects to their loved ones.

#### Community property

Council maintains a community property network that ensures all leases and licences meet the requirements under relevant legislation, and that community buildings and associated services are provided to meet community expectations.

#### Olympic Pool complex

The Olympic Pool complex provides facilities for our community to exercise, play, socialise and have fun. Council encourages people of all ages to engage in recreational activities that help them live active and healthy lives.

## This activity contributes to the following Council Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

## Opportunities and challenges

### Opportunities

- Parks, reserves, sports grounds, coastal foreshore and other open spaces play an important role in enhancing Gisborne as a great place to live, work and play. They are key elements of Gisborne's infrastructure that provide opportunities for our community to relax, socialise, play sport, enjoy nature, appreciate our heritage and enjoy the summer sun.
- Parks and community property also provide important economic benefits including helping to attract new visitors and residents.
- Improving the standard and quality of maintenance services through efficiency and innovation will continue to be a focus for all activities, particularly in outlying cemeteries and public toilet facilities.
- Improving upon existing and building new and collaborative relationships and partnerships within our communities and sporting codes.
- We will continue to work with staff and contractors to ensure risks and hazards are identified, managed and mitigated so that our activities and work practices are safe.

## Challenges

- The threat of Myrtle Rust to Council's specimen pohutukawa is a high risk, which is highly likely to result in a loss of public amenity during the life of the LTP.
- Severe weather events (such as droughts, storms or floods), vegetation fires and pests always have the potential to affect our open spaces, parks and reserves network. This includes climate change, particularly in respect to water availability for sports grounds and amenity gardens.
- A lot of the community infrastructure is ageing and some of it is in poor condition. Council is planning to invest in parks and community property to help bring facilities and equipment up to standard. We are also planning to invest in new infrastructure, for example, the Tairāwhiti Navigations cultural heritage trail, to revitalise the inner harbour. As communities develop and change, opportunities for parks and community property include the need to plan for:
  - a population with more children than the national average
  - a desire for affordable and accessible recreation, social and cultural activities
  - an ageing population with likely fixed incomes
  - better all-round utility of sporting infrastructure
  - urban walking and cycleway linkages
  - ensuring strong and enduring relationships with iwi/tangata whenua
  - developing and maintaining ecological linkages that support environmental sustainability.
- The Olympic Pool is a popular facility built over 40 years ago. Without adequate investment the pool will deteriorate and may not meet the required health and safety standards and recreation needs of the district. The pool complex redevelopment is proposed to be completed during the LTP, subject to majority funding from external partners.
- Some Navigations projects will be implemented principally through investment by external partners, although these will apply operational cost pressure on this activity area.
- Improved understanding of lifecycle asset management to plan long-term to ensure assets are managed sustainably.
- Implementing the outcomes and deliverables of the Community Facilities Strategy.
- Significant asset developments will have a large impact on operational and depreciation costs, for example the Navigations project.

## Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10
<b>Open spaces, parks and gardens</b> <ul style="list-style-type: none"> <li>• Adjusted our operational model to deliver better outcomes more efficiently, by insourcing the delivery of our amenity gardens and establishing new maintenance contracts with community caretakers and a new major maintenance contractor.</li> <li>• Implemented sports ground improvements, which included improved lighting at various grounds, new irrigation at Childers Road Reserve, upgrading turf at Uawa Domain, and a new softball diamond at Waikirikiri Reserve.</li> <li>• Renewed and/or improved playgrounds at London Street Reserve, the Adventure Playground, Heath Johnston Park, the Botanical Gardens, Te Karaka, Tikitiki and Tokomaru Bay.</li> <li>• Implemented summer annual and winter annual garden bed programmes across the city.</li> <li>• Focused on improving the cleanliness and management of public toilets across the district, and</li> </ul>	<b>Years 1 - 3</b> <ul style="list-style-type: none"> <li>• Initiate redevelopment of the Olympic Pool, subject to external funding.</li> <li>• Continuing with the vegetation restoration within the Titirangi Recreation Reserve.</li> <li>• Support implementation of integrated township plans.</li> <li>• Develop ash gardens within our cemeteries.</li> <li>• Replant street trees.</li> <li>• Redeveloping Titirangi summit, subject to external funding.</li> <li>• Relocating the public toilet at Hicks Bay.</li> <li>• Developing the Anaura Bay arrival area, subject to external funding.</li> <li>• Removal and revegetation of trees within Waihirere Domain Reserve.</li> </ul>

What we have been doing	What we will do in years 1 - 10
<p>installed/renewed facilities at Peel Street, Anaura Bay, Hicks Bay, Waipiro Bay, Waihau (Loisels) Bay and Kaiaua.</p> <ul style="list-style-type: none"> <li>Removed many hazardous trees within our street tree and reserve tree networks, some as a result of significant damage received during Cyclone Cook in 2016.</li> <li>Enhanced several nature reserves through the restoration and replanting of native trees/plants in reserves such as Titirangi Reserve, Makorori Headland and Wainui Reserve.</li> <li>Constructed new cycle and walkways at Alfred Cox Park, Waikanae Beach and from Kaiti to Wainui.</li> </ul> <p><b>Community property</b></p> <ul style="list-style-type: none"> <li>Completed asset inventory collection and uploaded to Council's asset management system IPS8.</li> <li>Completed the restoration of Wyllie Cottage.</li> <li>Worked with Te Runanga o Turanganui a Kiwa to develop a maintenance management plan for railway site.</li> <li>Gained agreement on general location of C Company building.</li> </ul> <p><b>Cemeteries</b></p> <ul style="list-style-type: none"> <li>Performed nearly 400 interments within our cemeteries.</li> <li>Implemented an in-depth and comprehensive project to digitise and significantly improve the reliability and accuracy of our cemetery records and improve operating processes.</li> </ul> <p><b>Olympic Pool complex</b></p> <ul style="list-style-type: none"> <li>Maintained operational standards and achieved POOLSAFE accreditation at the Olympic Pool complex.</li> <li>Completed a comprehensive Olympic Pools Redevelopment Business Case.</li> <li>Organised and hosted a number of successful promotions and events, including Swim the Distance, Whanau Fun – Swim, Bike, Run and annual Come Have a Look promotions.</li> <li>Hosted nearly 90,000 visitors during the peak summer seasons.</li> <li>Initiated an independent workplace health and safety audit of the Olympic Pool and cemeteries, identified and implemented improvement actions, and received positive results overall.</li> </ul>	<ul style="list-style-type: none"> <li>Support implementation and maintenance requirements for Tairāwhiti Navigations project.</li> <li>Renewal of the Whataupoko Reserve bike trails.</li> <li>Sports ground improvements at The Oval Reserve, Heath Johnston Park, Nelson Park and Hatea-a-Rangi Domain.</li> <li>Ongoing renewals of various assets.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Completing phase 1 (inside) redevelopment of the Olympic Pool.</li> <li>Continuing on with the vegetation restoration within the Titirangi Recreation Reserve.</li> <li>Support implementation of integrated Township plans.</li> <li>Replant street trees.</li> <li>Beginning Phase 2 of the Olympic Pool redevelopment (focused on outdoor areas).</li> <li>Sports ground improvements at Waikirikiri Reserve.</li> </ul>

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Completed a number of maintenance repairs including repainting and resealing the 33m outdoor pool and hydroslide.</li> <li>Installed additional shade structures.</li> </ul>	
<b>How we will achieve our plans:</b> <ul style="list-style-type: none"> <li>Robust activity management planning and reporting.</li> <li>Using a mix of contractors and in-house staff.</li> <li>Engaging skilled experts to assist in the development of key strategies.</li> <li>Leveraging external funding.</li> <li>Developing partnerships, including with iwi.</li> <li>Using technology that enables appropriate asset monitoring and management.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
Recreation and amenity facilities are accessible to Tairāwhiti residents and visitors.	Percentage of residents that have visited a Council park or reserve in the last 12 months as found in the Resident Satisfaction Survey.	76%	77%	77%
	Number of pool admissions per year.	122,195	140,000	140,000
Provide high quality experiences at recreation and amenity facilities.	Percentage of residents satisfied with the public conveniences as found in the Resident Satisfaction Survey.	32%	50%	50%
	Percentage of users satisfied with the quality of sports surfaces and facilities when using parks, as found in the Resident Satisfaction Survey.	75%	80%	80%
	Percentage of residents satisfied with the quality of our parks as found in the Resident Satisfaction Survey.	80%	86%	86%
	Percentage of residents satisfied with the Olympic Pool as found in our Resident Satisfaction Survey.	73%	50%	70%
Maintain recreation and amenity facilities at a fit for purpose, clean and safe standard.	Council aquatic facilities are safe and operate in accordance with PoolSafe NZS guidelines.	100%	100%	100%
	Percentage of playgrounds that meet relevant New Zealand safety standards.	83%	100%	100%
	Percentage of time OPC pool water quality meets NZ standard 5826:2010.	New measure	90%	90%

## Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
There are no significant negative effects from this activity.	Not applicable.

## Financial summary



## Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity. Capital expenditure: the breakdown of capital projects proposed by the activity for each year of the plan broken down by levels of service.

OPERATING REVENUE AND EXPENDITURE (\$'000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Revenue From Exchange Transactions	947	968	1,001	1,023	1,048	1,073	1,100	1,127	1,157	1,189
Expenses	7,439	7,691	7,889	8,328	8,451	9,169	9,340	9,591	9,925	10,102
<b>Net Cost of Service</b>	<b>6,492</b>	<b>6,723</b>	<b>6,889</b>	<b>7,304</b>	<b>7,404</b>	<b>8,097</b>	<b>8,240</b>	<b>8,463</b>	<b>8,768</b>	<b>8,913</b>

CAPITAL EXPENDITURE (\$'000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
- to meet additional demand	10	10	10	11	446	183	182	12	12	12
- to improve level of service	3,276	10,058	9,780	228	72	91	5,164	3,595	49	113
- to replace existing assets	1,962	1,469	962	343	735	545	2,600	396	685	396
<b>Capital Projects</b>	<b>5,248</b>	<b>11,537</b>	<b>10,752</b>	<b>582</b>	<b>1,252</b>	<b>819</b>	<b>7,946</b>	<b>4,003</b>	<b>745</b>	<b>521</b>

## Financial commentary

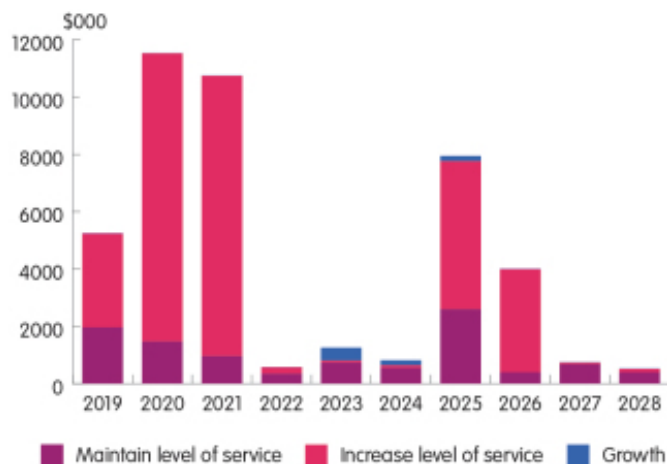
**Revenue from exchange transactions:** Revenue is at similar levels to prior years for years 1 to 3. From year 4 with the completion of the new pool complex, revenue is to increase with more people using the complex.

**Expenses:** Expenses are at similar levels to prior years. It is assumed that there are minimal additional costs associated with the new pool complex.

**Net Cost of Service:** It is assumed that any increased costs of service will be mostly offset by increased revenue.

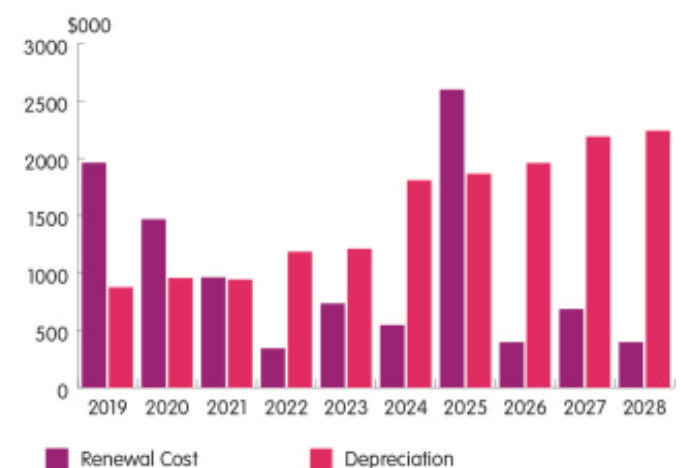
**Capital:** The major projects scheduled for this plan is the redevelopment of the Olympic Pool Complex. This project is split into two phases at a total cost of \$28.5m. The project is funded by grants of \$22.85m. Sportsground upgrades is a new project scheduled over the course of the plan at a total cost of \$4.5m.

Total Capital Projects



The graph above shows all capital projects proposed by the activity broken into levels of service.

Depreciation v Renewal Capital Projects



The graph above shows the portion of capital projects that are renewals against the depreciation expensed on existing assets. We collect the depreciation on existing assets in rates revenue and use this to fund our renewals. So it is showing the relationship between the two.

## Forecast capital expenditure 2018-2028

Within the table below we explain the type of Levels of Service. Growth: to meet addition demand. Increase: improve the Level of Service. Maintain: replace existing assets.

FORECAST CAPITAL EXPENDITURE (\$000)	Level of Service	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Recreation and Amenity</b>											
Conveniences - Rural	INCREASE / MAINTAIN	25	26	26	27	27	28	28	29	30	31
Refurbish Conveniences - City	INCREASE / MAINTAIN	55	56	57	58	60	61	63	64	66	67
District - Conveniences Pit Toilets	MAINTAIN	0	26	0	27	0	28	0	29	0	31
Hicks Bay Toilets Relocation	INCREASE / MAINTAIN	150	0	0	0	0	0	0	0	0	0
Peel St Toilets	MAINTAIN	400	0	0	0	0	0	0	0	0	0
Parks And Reserves - Waikanae/midway Beach Reserve Site Improvements	MAINTAIN	180	0	0	0	0	0	0	0	0	0
Parks And Reserves - Adventure Playground Recreation Reserve Softfall And Shading	INCREASE / MAINTAIN	50	0	0	53	0	0	57	0	60	0
Parks And Reserves - Buildings	MAINTAIN	31	32	32	33	34	34	34	35	36	37
Parks And Reserves - Hard Surfacing/paving/concrete/car Parks	MAINTAIN	100	92	104	96	109	100	102	105	107	110
Parks And Reserves - Playground Equipment Renewals	MAINTAIN	0	0	36	16	293	100	245	0	0	38
Parks And Reserves - Dune Care	MAINTAIN	20	20	20	21	21	22	22	23	23	24
Parks And Reserves - Neighbourhood Parks And Local Purpose Reserves - Fencing, Signage, Revegetation, And Furniture And Fittings	MAINTAIN	33	25	64	28	81	55	239	17	228	56
Parks & Reserves - Land Improvements (dc's)	GROWTH	0	0	0	0	0	172	171	0	0	0
Parks And Reserves - Land Purchases (dc's) - Taruheru Block	GROWTH	0	0	0	0	435	0	0	0	0	0
Parks - Kopututea Private Reserve - Co-Governance	MAINTAIN	14	14	14	14	15	15	15	16	16	17
Ash Gardens	GROWTH	10	10	10	11	11	11	11	12	12	12
Anaura Bay Arrival Area	INCREASE	300	0	0	0	0	0	0	0	0	0
Botanical Gardens Pond - Filtration	INCREASE	0	51	0	0	0	0	0	0	0	0
Waihirere Trees - Removal And Vegetation	INCREASE	75	31	0	0	0	0	0	0	0	0
Township Plan Upgrades	INCREASE	0	51	0	64	0	73	0	82	0	93
Sportsground Facilities Upgrades And Renewals	INCREASE / MAINTAIN	260	927	0	0	0	0	3,412	0	0	0
Street Trees Planting	INCREASE	325	348	182	120	27	0	0	0	0	0
Paths Boadwalks	MAINTAIN	0	418	0	0	0	106	45	0	91	0
Jumping Platform	INCREASE	15	0	0	0	0	0	0	0	0	0
Playgrounds Renewals	MAINTAIN	75	75	0	0	0	0	0	0	0	0
Cemeteries Capital Renewals	MAINTAIN	45	5	16	5	16	6	17	6	18	6
Roadside Bollarding - Taruheru Cemetery	INCREASE / MAINTAIN	0	0	0	0	54	0	0	0	0	0
Parks And Reserves - Jetties And Boat Ramps	MAINTAIN	100	0	47	0	49	0	51	0	54	0
Community Property - District - Monuments, Public Art, Town Clock Renewals	MAINTAIN	19	19	20	0	21	0	22	0	0	0
Parks - Buildings - Museum & Art Gallery - Renewals	MAINTAIN	400	0	0	0	0	0	0	0	0	0
Redevelopment Of Olympic Pool Complex Phase 1 Ltp18-28	INCREASE / MAINTAIN	1,250	1,275	3,124	0	0	0	0	0	0	0
Grant Contribution To Redevelopment Of Olympic Pool Complex Phase 1 And 2	INCREASE	1,250	7,950	6,769	0	0	0	3,412	3,494	0	0
Aquatic Facilities Renewals (external)	MAINTAIN	67	88	229	9	0	9	0	92	5	0
<b>Grand Total</b>		<b>5,248</b>	<b>11,537</b>	<b>10,752</b>	<b>582</b>	<b>1,252</b>	<b>819</b>	<b>7,946</b>	<b>4,003</b>	<b>745</b>	<b>521</b>

## Customer Engagement



### What we do

The Customer Engagement activity is made up of three sub-activities - customer services, communications, and the co-ordination of events across Council for our customers.

#### Customer services

The Customer Services team is our frontline, providing a range of services to the community.

On average we deal with 17,629 requests for service a year, answer 300 calls a day and 1,400 counter enquiries a month, process payments, manage complaints, and identify improvements that need to be made to Council processes and practices. We have an office in Te Puia that services the east coast but also takes calls.

#### Communications

The Communications team coordinates engagement with the community and manages media and online communication. This includes: social media responses, internal communication, promoting positive Council activities and stories across our channels, managing communication in crisis or on sensitive issues, coordinating Māori engagement, support to the Chief Executive, providing translation and advice on protocol, providing artistic and graphic support to Council for campaigns, publications and signage, and communications support for major projects.

#### Customer coordination

The Customer Coordination Specialist coordinates the processing of events across Council, develops best practice for managing events, manages customer interaction with Council, provides process improvements through feedback from customers, and is developing a digital approach to managing events.

### Why we do it

Customer engagement is about meeting the needs of our community and Customers in a timely and professional manner. Our customer service people are the face of Council and we work hard to ensure our community has positive interactions with Council – even when issues are challenging.

In person, in print and online, we keep our community informed and provide opportunities for people to have their say on issues that may affect them. We want people to have confidence in the quality of the information we provide, and in the delivery of our service.

### This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga
- Tairāwhiti Wawata

### Opportunities and challenges

#### Opportunities

- We engage directly with our community to come up with creative solutions to deliver services tailored to their needs.
- We are increasingly using social media as a proactive and cost effective way to stay in touch with the public – our GDC website and Facebook page as a first port of call for information about Council matters, opportunities or problems in our district.

#### Challenges

- The diversity of stakeholders served by this group – cultural, economic and social – makes it challenging to develop a single approach for service and communication.
- Our geographic spread means we can't always reach people using traditional communication channels.
- Our region's access to IT services is a challenge and we need to come up with more ways to get our stories out across a range of channels.
- Funding for communication and the public appetite for this activity is a significant challenge.
- The speed of social media and Council's ability to respond appropriately is often a challenge for Customer Engagement and Council as a whole.

## Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10
<b>Customer Services</b> <ul style="list-style-type: none"> <li>Collected data to show where our resources are used and identify areas where technology can help us to improve customer interactions.</li> <li>Improved our processes to help resolve customer issues at first contact.</li> <li>Changed our team processes to encourage better customer responsiveness.</li> <li>Blended the work areas of the Call Centre and Counter work teams to increase knowledge sharing and help smooth workloads across functions.</li> </ul>	<b>Years 1 - 3</b> <ul style="list-style-type: none"> <li>Implement a Customer Services Strategy to better coordinate and inform the way we engage with our customers.</li> <li>Encourage regular and meaningful engagement with the community on Council-related matters.</li> <li>Deliver excellent customer service by developing and implementing a Customer Service Promise.</li> <li>Develop processes and procedures for the management of events across Council, including best practice guidelines.</li> <li>Our IT solutions will be driven by a desire to enhance the customer experience of Council services, including events management.</li> <li>Develop lasting and meaningful relationships with Māori and engage with Māori on an ongoing basis.</li> <li>Support the organisation in organisational and cultural change initiatives through communications and customer services, including the design, development and implementation of better processes.</li> <li>Ensure all non-icon signage is bilingual and revitalise the entrance and exits to Gisborne - Te Tairāwhiti.</li> </ul>
<b>Communications</b> <ul style="list-style-type: none"> <li>Provided tools and initiatives to enhance internal communications and processes.</li> <li>Continued to progress consistent communications, planning and storytelling across Council.</li> <li>Engaged with our community about the things that are important to them.</li> <li>Developed the 'What's the Future' campaign for early engagement for the Long Term Plan, which reached far more people than community meetings have in the past.</li> <li>Implemented Council's e-newsletter with approximately three thousand subscribers.</li> </ul>	<b>Years 4 - 10</b> <ul style="list-style-type: none"> <li>There is an increasing emphasis on services delivered through technology (specifically web and social media sites) and a seamless engagement with ratepayers and users of Council services. Council data is increasingly being placed online for all to use.</li> <li>Maintain and continuously improve online service and information delivery to our customers and stakeholders, e.g. e-newsletter.</li> <li>Continuously improve event management processes and forms.</li> <li>Engage with iwi for a better understanding and working relationship.</li> </ul>
<b>Customer Engagement</b> <ul style="list-style-type: none"> <li>Made it easier for people to pay dog registrations online, resulting in increased online dog registrations.</li> <li>Introduced counter surveys to understand why our customers come in to Council and how they experience our service.</li> <li>Developed a new Customer and Communications Strategy.</li> <li>Completed a review of Event Management in Council with many recommendations to improve the customer experience.</li> <li>Reinvigorated the Gisborne Youth Council.</li> <li>Redefined the role of the Te Puia Area Officer with a greater customer engagement focus.</li> <li>Created a Māori Engagement Coordinator role.</li> <li>Increased engagement with groups who need special effort, such as senior citizens and youth.</li> </ul>	

What we have been doing	What we will do in years 1 - 10
<b>How we will achieve our plans:</b> <ul style="list-style-type: none"> <li>We will work within our means to deliver improved services efficiently, refocusing resources as needed to fill any gaps in customer service expectations.</li> <li>Deliver on priority actions in our business plan.</li> <li>Collaborate with identified stakeholders to ensure the most efficient use of Council and community resources.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
We support the organisation to provide good quality information to the public to enable communities to participate in the decision making process.	Percentage of residents satisfied with Council's provision of information in Council newsletters, brochures, and consultation documents, as found in the Resident Satisfaction Survey.	58%	50%	70%
We support the organisation to deliver Council services and to provide good quality information to the public.	Percentage of customers satisfied with the helpfulness of staff as found in the Resident Satisfaction Survey.	75%	80%	90%
	Percentage of residents who are satisfied with Council customer service at first point of contact by:	52%	80%	90%
	<ul style="list-style-type: none"> <li>email</li> </ul>			
	<ul style="list-style-type: none"> <li>phone</li> </ul>	75%	80%	90%
	<ul style="list-style-type: none"> <li>in person</li> </ul>	73%	80%	90%
	<ul style="list-style-type: none"> <li>online (including social media).</li> </ul>	100%	80%	90%

## Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
There are no significant negative effects from this activity.	Not applicable.

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Revenue From Exchange Transactions	92	94	96	99	101	103	106	109	112	115
Expenses	1,798	1,827	1,893	1,889	1,922	1,997	1,994	2,033	2,115	2,116
<b>Net Cost of Service</b>	<b>1,706</b>	<b>1,732</b>	<b>1,797</b>	<b>1,791</b>	<b>1,821</b>	<b>1,893</b>	<b>1,888</b>	<b>1,924</b>	<b>2,004</b>	<b>2,002</b>

## Financial commentary

**Revenue from exchange transactions:** Revenue is at similar levels to prior years.

**Expenses:** Expenditure is mostly at similar levels to prior years. However, Te Puia Springs' lease costs have increased due higher costs for reinstatement and structural changes to the customer service centre.



## Emergency Management



### What we do

Council's Civil Defence Emergency Management (CDEM) team is responsible for civil defence and marine oil spills in our district. This activity increases community awareness, understanding, preparedness and participation, reduces the risks from all natural and man-made hazards in our region and makes us more able to manage and recover from emergencies.

The CDEM team manages civil defence through the 4Rs: reduction, readiness, response and recovery. We are also responsible for protecting our district's marine environment - particularly sensitive cultural and environmental sites - from marine oil spills.

### Why we do it

#### Civil Defence

Council undertakes the CDEM activity to ensure it is meeting the requirements of the Civil Defence Emergency Management Act 2002 and the Maritime Transportation Act 1994.

### Our progress and plans for the next 10 years

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"><li>Promoted 'Get Ready Week' which coincided with the Gisborne A&amp;P Show.</li><li>Received funding from the Ministry of Civil Defence Emergency Management (MCDEM) Resilience Fund to review the Tsunami Inundation Maps.</li><li>Launched a Group CDEM Facebook page to educate and engage the community before, during and after emergency events.</li><li>Increased Facebook followers.</li><li>The Ministerial Gold Significant Contribution to CDEM Award acknowledged the Tairāwhiti Community Link groups.</li></ul>	<p><b>Years 1 - 3</b></p> <ul style="list-style-type: none"><li>Further develop a CDEM Communications Plan including greater use of social media and other modes of communication.</li><li>Continue CDEM training/public education.</li><li>Undertake regional exercises involving our community link teams.</li><li>Review the Gisborne CDEM Recovery and Welfare Plan.</li></ul>

### Marine Oil Spill

The Tairāwhiti Civil Defence Emergency Management Group Plan 2016-2021 and the Gisborne District Council Marine Oil Spill Contingency Plan (Tier 2 Plan) guide this activity.

### This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga

### Opportunities and challenges

#### Opportunities

- Engaging with key players, such as national emergency management specialists, builds relationships and confidence in our local team and also helps our team to grow their knowledge, competence and experience.
- Taking part in national campaigns and initiatives.

#### Challenges

- We may have more emergency events as a result of a changing climate.
- Lack of community preparedness and readiness for emergencies.
- Vulnerability to a range of emergency events that can threaten our communities and injure and/or kill people, leaving communities vulnerable and in need of extra assistance.
- Communities are unaware of potential risks in their areas.

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Responded to various events including the Te Araroa earthquake in September 2015 and Kaikoura earthquake in November 2016, as well as various rain events.</li> <li>Sent a staff member to work in the Kaikoura EOC during the response in November/December 2016.</li> <li>Updated the Tsunami and Adverse Plan.</li> <li>Held two marine oil spill exercises – the exercise at Tolaga Bay Wharf was the first time the team had moved out of the Gisborne area.</li> <li>Worked with the Fire and Emergency NZ Transition Team for a seamless amalgamation of the Rural Fire and NZ Fire Service.</li> <li>A tragic accident in December 2016 cut power to the Gisborne area and Tairāwhiti CDEM supported Eastland Network during this response.</li> <li>A text and email operating procedure was established to notify property owners whose houses are at risk of flooding along the Taruheru and Waimata rivers.</li> <li>Lifted the profile of CDEM by having a presence at community meetings, the A&amp;P Show, Xmas Parade and other workshops.</li> </ul>	<ul style="list-style-type: none"> <li>Undertake controller and key staff training as part of national training programmes and local training exercises.</li> <li>Take part in local and national marine oil spill exercises.</li> <li>Train staff and community link volunteers in the operation of an ECC.</li> <li>Review the tsunami inundation maps for the Tairāwhiti area.</li> <li>Build up our responder capacity for emergency events.</li> <li>Have the ability to send suitably qualified and experienced support to other regions for their emergency responses.</li> <li>Maintain and build new partnerships with iwi and communities.</li> <li>Strengthen and build our capability and capacity in our Team/Response Teams.</li> <li>Put in place contracts with key players such as Controllers, Recovery and Welfare Managers who are not employed by Council.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Complete the five-yearly review of the CDEM Group Plan. Next review is due in 2019/20.</li> <li>Monitoring and Capability Assessment undertaken by Ministry of Civil Defence Emergency Management (MCDEM).</li> <li>Complete the three-yearly review of the Regional Tier 2 Marine Oil Spill Contingency Plan.</li> <li>Review contingency plans as required.</li> <li>Continue engaging with the community to enhance readiness.</li> <li>Involvement with regional and national exercises.</li> <li>Continue building our responder capacity for emergency events.</li> <li>Maintain relationships with iwi and communities.</li> </ul>
<p><b>How we will achieve our plans:</b></p> <ul style="list-style-type: none"> <li>Ensuring Council meets the requirements of the CDEM Act 2002, the Group Plan, Marine Transport Act 1994, health and safety regulations as well as Council policies.</li> <li>Familiarising response staff with the layout of the Emergency Coordination Centre.</li> <li>Having experienced and qualified controllers and recovery managers.</li> <li>Having realistic and defined roles and responsibilities for response and recovery.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
We help to build a more resilient district where communities understand and manage their hazards and risks.	Overall score from the Ministry of CDEM assessment of the CDEM Group's capability (five-yearly assessment).	78%	70%	70%
	Percentage of residents able to manage for 2-3 days without access to normal day-to-day services (i.e. having 2-3 days of emergency food, water and supplies) in the event of a natural disaster as found in our Resident Satisfaction Survey.	95%	80%	80%
We protect the environment from pollutants spilled in marine accidents.	The Marine Oil Spill Plan is current and staff lists are updated annually.	Achieved	Achieve	Achieve

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Revenue From Exchange Transactions	66	42	43	44	45	46	47	48	50	51
Expenses	493	500	508	517	526	535	545	556	566	578
<b>Net Cost of Service</b>	<b>427</b>	<b>458</b>	<b>465</b>	<b>473</b>	<b>481</b>	<b>489</b>	<b>498</b>	<b>507</b>	<b>517</b>	<b>527</b>

## Financial commentary

**Revenue from non exchange:** Revenue in year 1 relates to rental income for the remaining lease with Fire and Emergency New Zealand (FENZ).

**Expenses:** Expenditure levels decreased with the removal of the rural fires activity to FENZ.

## Strategic Planning and Performance



### What we do

#### Strategic Planning

The Strategic Planning team gives meaning to Council's vision, strategic priorities and community outcomes. The team uses strategies, policies, plans and bylaws to link Council's aspirations and strategic direction with its operations – the actions that make it happen.

Fostering Māori participation in Council decision-making is a crucial focus for strategic planning and for Council as a whole. Community participation in Council decision-making is also an integral part of developing and implementing our policy and plans.

#### Performance

The Performance Team supports Council's performance management and reporting framework. This includes:

- preparing Council's Long Term Plan, annual reports and annual plans
- resident satisfaction surveying and co-ordinating Council's input into, and responding to, external performance benchmarking
- providing training and support for Council's Requests for Service (RfS) management system
- ongoing development of the organisation's performance management framework and associated business planning and reporting.

### Why we do it

A large part of our activity is driven or guided by legislative requirements including those under the Local Government Act 2002 (LGA), the Resource Management Act 1991 (RMA) and the Reserves Act (1977).

#### Strategic Planning

- Support community economic, social and cultural well-being.
- Manage the use, development and protection of our natural and physical resources, now and into the future.
- Invest in infrastructure, facilities and services in a transparent, evidence-based manner consistent with our vision, community outcomes, strategic priorities and relevant legislation.
- Enable decisions, priorities and investments to reflect community values in a cost-effective way.
- Provide leadership across Tairāwhiti-Gisborne and be advocates for our community.
- Support Council to improve the unique Te Tiriti o Waitangi / Treaty of Waitangi relationship between Council (as agents of the Crown) and iwi.

#### Performance

- To support the organisation to plan effectively and to focus its resources on what's most important and cost-effective for our Council and community.
- To contribute to organisational accountability - measuring and reporting on 'what we said we'd do', from individual Requests for Service (RfS) through to delivering on the commitments in our Long Term Plan.

### This activity contributes to the following Community Outcomes

- Tairāwhiti Tangata
- Tairāwhiti Taonga
- Tairāwhiti Wawata

### Opportunities and challenges

#### Strategic Planning

##### Opportunities

- There is a growing community expectation for increased engagement in Council decision-making, driving a need for innovation in how we engage on our strategies/policies. Community engagement on key decisions is essential and needs to be strengthened. Technological developments have changed how we communicate (e.g. video-conferencing, webinars) and has the potential to

open up greater opportunities for community engagement that reaches further and deeper into our communities.

- There are opportunities to ensure better implementation of the strategic framework across all areas of Council business. This involves ensuring that projects include consideration of how we will roll things out and transition arrangements in the case of any significant changes.

## Challenges

- The team's workload is high with current resource levels putting timeframes for activities under pressure and at risk. The challenge is to have a clearly defined, sized and

resourced work programme while still allowing capacity to respond to external unplanned work as needs arise.

- Better-resourced iwi organisations have the potential to increase opportunities for engagement with iwi and Māori on joint planning initiatives. Council needs to have the capacity and capability to respond to growth in this area.
- Central government is increasingly driving the RMA policy agenda at local government level through national policy statements and standards. The challenge is to deliver a full programme of work that is balanced between national and local interests, with the resources we have available.

## Our progress and plans for the next 10 years

### Strategic Planning

The activity focus over the next 10 years will be on two key areas:

#### Review Council's suite of RMA plans:

With the exception of the pending Freshwater Plan, these plans were written in the 1990s and need to respond to changes and projected future changes. This is a large programme of work that will take place across a number of years and require significant investment of time and resources from Council and key stakeholders.

#### Develop stronger partnerships with Māori:

Relationships between Council and Māori are strategically important for both parties with many embedded in statute. Council aims to move toward more relationship-based partnering with Māori, and has considerable opportunity to improve its effectiveness in partnering with Māori by:

- applying our strategic Māori policy framework to all we do
- co-ordinating and resourcing iwi engagement fora with a consistent approach
- building cultural capacity and capability of Council staff.

Alongside this, we need to maintain the currency and usefulness of the existing strategic framework through regular and timely reviews of strategies, policies, plans and bylaws. We also need to continue to raise funds through external sources to support the implementation of Council's strategic priorities.

What we have been doing	What we will do in years 1 - 10
<b>Strategic Planning</b> <ul style="list-style-type: none"> <li>• Completed a Community Facilities Strategy (including investment decision) to help the region decide on the right facilities in the right places at a price the region can afford. This project filled a significant gap in the strategic framework for key public facility types: pools, theatres, museums, sports facilities, art in public places, parks, play spaces, public conveniences, cemeteries, street trees and gardens.</li> <li>• Reviewed Council's Financial Strategy and Infrastructure Strategy.</li> <li>• Established a framework for supporting Māori participation in Council decision-making - Tairāwhiti Piritahi.</li> </ul>	<b>Strategic Planning: Years 1 - 3</b> <ul style="list-style-type: none"> <li>• Review Council's Regional Policy Statement that is the key strategic environmental document for the region.</li> <li>• Continue with reviews of the regulations in the Tairāwhiti Resource Management Plan as per the Strategic Planning forward work programme including provisions about: <ul style="list-style-type: none"> <li>◦ freshwater management (including a catchment plan for Waipapu)</li> <li>◦ coastal planning issues such as water quality and discharges</li> <li>◦ land use zones.</li> </ul> </li> </ul>

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Rationalised all RMA Plans into one Tairāwhiti Resource Management Plan. The intention is to have a more user-friendly format by integrating topics that were previously spread across seven plans and reducing the size of documents by 27%.</li> <li>Addressed priority outstanding RMA plan issues needed to enhance the efficiency of resource consent processes and removed "silly rules".</li> <li>Progressed the Draft Regional Freshwater Management Plan to a point where decisions have been made and the appeals process has started.</li> <li>Facilitated discussions with Turanga iwi to lay the groundwork for establishing the Local Leadership Body to fulfil Treaty settlement requirements with Rongowhakaata, Te Aitanga-a-Mahaki and Ngai Tamanuhiri.</li> <li>Completed a new Regional Land Transport Plan 2018-28 to outline the 10-year programme of roading works.</li> <li>Reviewed Council's Significance and Engagement Policy.</li> <li>Reviewed Council's Fostering Māori Capacity Policy, to ensure a more consistent approach across Council and strengthen capacity and capability.</li> <li>Reviewed Council's Development Contributions Policy.</li> <li>Supported the delivery of key actions in He Huarahi Hei Whai Oranga / Tairāwhiti Economic Action Plan including stronger advocacy for regional road improvements, and streamlining regulatory processes and requirements to move towards becoming a business-friendly region.</li> <li>Reviewed the Waste Management and Minimisation Plan to ensure we manage our waste for the benefit of our community, economy and environment.</li> <li>Secured \$3.2m in external funds for major projects.</li> <li>Continued to administer the \$226k grants for the Creative Communities Scheme, Rural Travel Fund, Waste Minimisation Fund and Community Development funds.</li> <li>Prepared a draft report on the key values in the city beachfront Waikanae to Waipaoa area, including recommendations for development.</li> <li>Reviewed Council's Stock Control Bylaw to provide greater clarity and better integration of regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to developing stronger relationships with Māori through a range of measures including: <ul style="list-style-type: none"> <li>building Council capacity through training, mentoring, fora and centralised information</li> <li>implementing statutory responsibilities and agreements, e.g. Local Leadership Body and Joint Management Agreement with Ngati Porou</li> <li>exploring opportunities for formalised sharing of decision-making, e.g. co-management plans.</li> </ul> </li> <li>Maintain Council's existing strategic framework including: <ul style="list-style-type: none"> <li>completing omnibus reserve management plans for neighbourhood reserves and coastal reserves</li> <li>reviewing bylaws and policies when required</li> <li>review of township plans with communities: <ul style="list-style-type: none"> <li>East Cape</li> <li>Patutahi, Tiniroto, Waerenga o Kuri</li> <li>Ruatoria, Te Puia and Waipiro.</li> </ul> </li> </ul> </li> </ul> <p><b>Performance: Years 1 - 3</b></p> <ul style="list-style-type: none"> <li>Continue to support business planning across the organisation to support the delivery of our LTP commitments and other organisational priorities.</li> <li>Continue ongoing improvements to support high quality integrated activity reporting to Council and committees.</li> <li>Coordinate the preparation of Council's 2019/20 and 2020/21 Annual Plan and yearly Annual Reports.</li> <li>Continue to support staff to respond to Requests for Service through dashboards and effective training.</li> <li>Continue to coordinate Council's involvement in organisational benchmarking opportunities (PWC, LGNZ Excellence Programme, reputational and resident satisfaction measures).</li> </ul> <p><b>Strategic Planning: Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Review existing strategies and policies to ensure they are fit for purpose, reflect major trends in demographics and community need and remain compliant with legislation.</li> <li>Continue to review the Tairāwhiti Resource Management Plan to ensure it provides for current and future local needs for quality resource management regulation and gives effect to national direction.</li> </ul>



What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Prepared a Parking Policy to enable Council to make consistent decisions about the car parking resource in a transparent manner.</li> <li>Worked with Ngati Oneone to review the Titirangi Reserve Management Plan and co-management arrangements to bring more certainty and clarity around the use of this important space.</li> <li>Improved infrastructure as part of township upgrades at Tokomaru Bay and Te Karaka with new streetscaping, furniture etc.</li> <li>Worked with the Manutuke and Muriwai communities to review and confirm the priorities in their township plan leading into implementation in 2018/19.</li> </ul> <p><b>Performance</b></p> <ul style="list-style-type: none"> <li>Prepared Council's 2018-2028 Long Term Plan. The Plan sets out Council's activities and projects, how much they will cost and how we are going to pay for them.</li> <li>Completed the 2016/17 Annual Report, looking back on how we spent rates and the value received in return.</li> <li>Continued to improve Council's customer focus with the deployment of new Request for Service (RfS) dashboards to efficiently manage requests for services.</li> <li>Implemented integrated Committee reporting to improve the effectiveness and consistency of reporting across the organisation and for Council.</li> <li>Carried out a Service Delivery Review in accordance with S17A of the Local Government Act to ensure the service delivery of our activities are cost effective.</li> </ul>	<ul style="list-style-type: none"> <li>Continue the rationalisation and rolling review of Council's suite of reserve management plans so there is clarity and consistency in the management of these public spaces.</li> <li>Work with communities to review Council's 12 township plans to provide direction on priorities.</li> <li>Continue the rolling review of Council's 16 bylaws to ensure they are current and comply with statutory requirements.</li> <li>Continue to administer community grants such as the community-led development matching fund.</li> <li>Develop an Environment Strategy to provide an integrated and aspirational approach to environmental planning and management across the Tairāwhiti-Gisborne region.</li> </ul> <p><b>Performance: Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Continue delivering and identifying opportunities for improving planning and reporting services and processes across the organisation.</li> </ul>
<p><b>How we will achieve our plans:</b></p> <p><b>Strategic Planning</b></p> <ul style="list-style-type: none"> <li>Investing in research and information to make solid strategy and policy.</li> <li>Collaborating with others to ensure the most efficient use of Council and community resources.</li> <li>Providing funding support for economic and community development.</li> </ul> <p><b>Performance</b></p> <ul style="list-style-type: none"> <li>Meeting our statutory requirements for delivering long term plans, annual plans and annual reports.</li> <li>Continuing to refine our planning and reporting processes to ensure they remain fit for purpose and customer focused.</li> </ul>	

## Levels of Service and Performance Measures

### Strategic Planning

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
Council has a clear, rigorous and current strategic framework across the range of Council activities including resource management, infrastructure and social and economic development. Our work is robust, evidence-based, legally compliant and reflects the needs and aspirations of our community.	Percentage of significant policy projects presented to Council that meet good practice standards when independently assessed each year.	New measure	Set baseline	Will be determined once baseline set year 1
Our decision-makers are provided with clear and robust advice on which to make decisions.	Percentage of advice to Council that meets good practice standards when independently assessed.	100%	90%	90%
We foster effective Māori participation in Council planning and policy development processes.	Percentage of Strategic Planning budget committed to fostering Māori capacity.	New measure	Set baseline	Will be determined once baseline set year 1
	Health of relationships with Māori collectives (as determined by co-designed review measures).	New measure	Set baseline	Will be determined once baseline set year 1
We support communities to engage in Council decision-making through appropriately planned, designed and delivered engagement processes.	Percentage of feedback satisfied with Strategic Planning engagement processes (as measured in situ).	New measure	Set baseline	Will be determined once baseline set year 1

### Performance

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
Our Annual Plans (AP), Annual Reports (AR) and Long Term Plans (LTP) are fit for purpose.	Our AP, AR and LTP are prepared in accordance with statutory requirements (including full audit clearance for our LTP and AR) ( <i>Local Government Act 2002</i> ).	New measure	Achieve	Achieve

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	83	45	45	45	45	45	45	45	45	45
Revenue From Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Expenses	3,338	3,465	3,534	3,500	3,575	3,658	3,728	3,570	3,642	3,719
<b>Net Cost of Service</b>	<b>3,255</b>	<b>3,420</b>	<b>3,489</b>	<b>3,455</b>	<b>3,530</b>	<b>3,613</b>	<b>3,683</b>	<b>3,525</b>	<b>3,597</b>	<b>3,674</b>

## Financial commentary

**Revenue from non exchange:** Revenue is at similar levels to prior years relating to Creative Arts grants and Rural Travel Fund.

**Expenses:** Expenditure is at similar levels to prior years, and aligns to committed multi-year community grants and the community facilities strategy.



## What we do

Council's commercial operations are made up of a number of commercial and semi-commercial investments. Some are run on a commercial basis for the benefit of Council operations, while others are run to supplement Council's rates income. Council also maintains a number of investments in Council Controlled Trading Organisations. Its largest is Gisborne Holdings Ltd (GHL), and its wholly owned subsidiary Tauwhareparae Farms Ltd.

Phased transfers of our commercial assets to GHL have been undertaken as part of a strategy to maximise their commercial opportunities. Assets transferred to date have included:

- municipal Buildings
- Gisborne Vehicle Testing Station
- Waikanae Beach Top 10 Holiday Park
- miscellaneous Commercial Property – including dog pound, Banks Street properties.

## Why we do it

The primary focus of commercial operations, before the transfer of commercial assets to GHL, was to operate profitably and provide a non-rates income stream to Council.

Since the transfer, the vehicle achieving this same goal is from our investment in GHL. GHL dividends are an important income stream used to reduce the level of rates and allow investment in infrastructure.

Council's investment strategy with GHL, as the main investment vehicle, has both shareholder focused goals aimed at increasing the return from commercial operations assets, increasing the income stream to Council over the life of the Long Term Plan and increasing the economic value to the community.

Council's other semi-commercial assets are not primarily focused on profit.

Council provides quality and affordable housing for those aged 55-years and over who have difficulty in providing it for themselves, with rent not to exceed 90% of the market rate. The focus for the Council airport asset is to aid economic value for

our area and maintain a strategic asset. Forestry assets are primarily for the protection of water supply and erosion-prone land.

## This activity contributes to the following Community Outcomes

- Tairāwhiti Wawata
- Tairāwhiti Tangata

## Opportunities and challenges

Council has a significant investment in commercial and semi-commercial assets valued at approximately \$60m (Council's portion of assets, excluding Tauwhareparae Farms Ltd). Current net returns on the assets range from 1%-1.5%pa, with a gross return of 5-6%.

Council's remaining commercial assets have restrictions on fulfilling previous Long Term Plan (LTP) higher gross returns as some are not operating on a fully commercial basis.

Excluding shares owned in GHL, Council's commercial assets include community housing, forestry, small holdings of property, and the airport. Community housing has non-commercial targets of not exceeding 90% of market rent. Forestry is a long-term investment and will be entering into a negative return period in its reforestation cycle.

The remaining commercial property not sold to GHL had little commercial value or scope to fulfil previous targets.

## Our progress and plans for the next 10 years

### Commercial operations

We will continue to review the current structure of where commercial operations fit, and how they are managed with the aim to improve returns over the life of the LTP. This review will incorporate assessment of the current operational management against a shareholder and monitoring role. Decisions will be based on investment strategy and long-term levels of return for the Council.

### Individual investment activities

We will continue operating the activities with a best practice approach. Any structural changes as a result of reviews and consultation are complete, activity growth will be included as a key component of individual business plans and improvement projects moving forward. Two significant activity areas include forestry and community housing.

Council's forestry holdings – separate from GHL holdings - consist of small woodlots and Pamoia Forest Joint Venture. The latter consists of a total of 1,608 hectares of land to Juken New Zealand Ltd. The transfer relates to one harvest cycle where the harvest cycle will be coming to its end over the LTP 2018–2028. Under this agreement Council contributed to the

land and is entitled to 16.47% of the stumpage. All of the costs of development have been borne by Juken New Zealand Limited. It is expected that from Year 1 to Year 6 of the LTP stumpage proceeds will be realised.

Some of the proceeds have been set aside for the protection of water supply and land erosion at Waingake. This follows the original intention of the granting of lands from the Crown to Council. The rest of the funds will remain in a reserve for replenishment and protection of Waingake catchment. Any additional funds for future replanting will be explored either as applying to regional development under the initiative of replanting “1 billion trees” for biodiversity, or continuing a partnering agreement.

Community housing is a strategic asset and consideration will be evaluated within the LTP 2018–2028 of where these assets best sit. This could mean continuing as being wholly owned by Council or transferring ownership to GHL.

## **Council controlled trading organisations – Gisborne Holdings Limited (GHL)**

GHL forms part of the future investment structure of Council. This Council controlled trading organisation structure will be assessed against Council’s Investment Strategy. Changes will be made where needed to align the structure and goals with improved investment strategy objectives.

What we have been doing	What we will do in years 1 - 10
<ul style="list-style-type: none"> <li>Transfer of Municipal Buildings, Gisborne Vehicle Testing Station and the Waikanae Top 10 Holiday Park to GHL as part of a strategy to enable us to generate greater revenue from our commercial assets, to help to reduce our dependence on ratepayer funds.</li> <li>Maintaining assets including forestry, community housing and commercial property – mostly via management arrangement with GHL.</li> </ul>	<p><b>Years 1 - 3</b></p> <ul style="list-style-type: none"> <li>Divest some of the surplus staff housing assets.</li> <li>Review harvesting of forestry and investigate replanting options and partnering arrangements.</li> <li>Review/renegotiate airport lease.</li> <li>Consult, evaluate and decide on future asset transfer of community housing to GHL.</li> </ul> <p><b>Years 4 - 10</b></p> <ul style="list-style-type: none"> <li>Operate activities efficiently, effectively and profitably across the investment base.</li> <li>Improve Council's capability and performance as a shareholder to deliver improved investment returns.</li> </ul>
<p><b>How we will achieve our plans:</b></p> <ul style="list-style-type: none"> <li>Working with GHL directors to identify business opportunities.</li> <li>Continual review of commercial operations to ensure they are operating successfully. This will include the ability to take normal commercial risks to grow the businesses.</li> <li>Improving customer satisfaction within the separate commercial operations to encourage return custom and solidify market share, as well as developing efficient and productive ways to deliver consistent management services.</li> </ul>	

## Levels of Service and Performance Measures

Level of Service	Performance Measure	Results	Targets	
		16/17	Years 1 - 3	Years 4 - 10
Operate commercial operations profitably and maintain returns to Council.	Improve the investment return level in order to grow the return from 2% of Council revenue to 4%.	2.8%	2% to 4%	2% to 4%
Suitable and affordable housing is provided to enable independent living for people aged 55 years and over who have difficulty providing it for themselves.	Percentage of customer satisfaction with standard of accommodation and services as found in our annual inspection survey.	99%	95%	95%
	Rent as a percentage of market rate (lower quartile) not to exceed 90%.	Achieved	Achieve	Achieve

## Significant negative effects of delivering this service

Potential negative effects	What we're doing about them
We do not believe that there are any negative effects for this activity.	Not applicable.

## Financial summary

### Forecast activity cost statement

The table below shows the net cost of service and capital expenditure. Net cost of service: the amount of external income and expenditure for the activity. Capital expenditure: the breakdown of capital projects proposed by the activity for each year of the plan broken down by levels of service.

OPERATING REVENUE AND EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Revenue From Non-Exchange Transactions	0	0	0	0	0	0	0	0	0	0
Revenue From Exchange Transactions	2,956	1,534	1,746	1,375	3,839	3,849	1,470	1,502	1,537	2,222
Expenses	1,427	1,454	1,486	1,503	1,535	1,553	1,572	1,608	1,646	1,686
<b>Net Cost of Service</b>	<b>(1,529)</b>	<b>(79)</b>	<b>(260)</b>	<b>129</b>	<b>(2,304)</b>	<b>(2,296)</b>	<b>102</b>	<b>105</b>	<b>109</b>	<b>(536)</b>

### Capital expenditure

CAPITAL EXPENDITURE (\$000)	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
- to improve level of service	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	225	266	200	200	200	200	200	260	265	270
<b>Capital Projects</b>	<b>225</b>	<b>266</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>260</b>	<b>265</b>	<b>270</b>

## Financial commentary

**Revenue from exchange:** Commercial Operations now only includes Forestry, Airport and Housing. The forestry activity increases in revenue from year 1-10 as a result of Pamoia Forest harvesting.

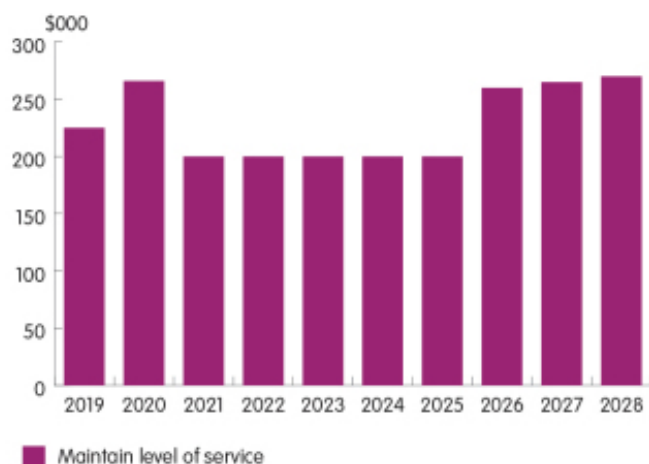
**Expenses:** Commercial Operations now only includes Forestry, Airport and Housing. Expenditure levels within these activities remain consistent with those in prior years.

**Capital:** It is assumed that the Community Housing activity will remain with Council. Capital expenditure is consistent with the levels in prior years.



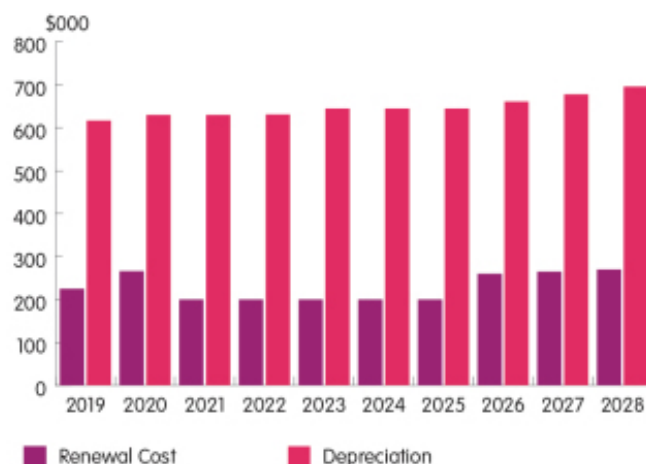
# Commercial Operations

**Total Capital Projects**



The graph above shows all capital projects proposed by the activity broken into levels of service.

**Depreciation v Renewal Capital Projects**



The graph above shows the portion of capital projects that are renewals against the depreciation expensed on existing assets. We collect the depreciation on existing assets in rates revenue and use this to fund our renewals. So it is showing the relationship between the two.

## Forecast capital expenditure 2018 - 2028

Within the table below we explain the type of levels of service. Growth: to meet additional demand. Increase: improve the Level of Service. Maintain: replace existing assets.

FORECAST CAPITAL EXPENDITURE (\$000)	Level Of Service	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Commercial Operations</b>											
Commercial Property - Staff Housing Upgrades	MAINTAIN	25	66	0	0	0	0	0	40	45	50
Community Housing - Upgrades	MAINTAIN	200	200	200	200	200	200	200	220	220	220
<b>Grand Total</b>		<b>225</b>	<b>266</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>260</b>	<b>265</b>	<b>270</b>

**Te Tohatoha Pūtea**  
**Our Finances**

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## Introduction

The Long Term Plan (LTP) sets out Council's priorities and identifies how Council intends to fund its operations and capital projects.

The forecasts prepared for Council have been prepared based on agreed levels of service for each activity. The levels of service are set out in detail in the Activities section (Our Activities).

The finances include:

- prospective statement of comprehensive revenue and expenses
- prospective statement of financial position
- prospective statement of changes in equity
- prospective statement of cashflows
- prospective statement concerning balanced budget.

Further detailed information is provided in the Notes to the Prospective Financial Statements which identifies revenue and expenditure for each group of activities (Note 2) and a full list of capital projects planned for 2018-2028 Long Term Plan (Note 14).

The operational and capital costs within the LTP include:

- **Existing Costs**  
Costs to continue to deliver the current level of service.
- **Growth Costs**  
Costs to deliver current level of service to a larger community due to growth.
- **Level of Service Changes**  
Costs to deliver an increase in level of service.
- **Project Costs**  
Costs such as depreciation and interest that occur from Council financing capital projects.
- **Inflation**  
Increases in revenue and costs due to price changes.

## The Nature of the Prospective Financial Information - cautionary note

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

The Prospective Statement of Financial Position has been reviewed to incorporate the audited Statement of Financial Position for the year ended 30 June 2017 and the movements per the 2018-2028 LTP. This has been adjusted for any material events during the current financial year.

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

### Please Note

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

Council has budgeted for a net surplus in every year of the LTP. This is mainly the result of the capital grants and subsidies. Further information is available in the Prospective Statement Concerning Balanced Budget later in this section.

Individual years stated in the tables refer to financial year ending 30 June. For example, 2018/19 refers to period 1 July 2018 to 30 June 2019.

The financial information contained within the 2018-2028 LTP may not be appropriate for purposes other than those described.

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

## Significant Forecasting Assumptions

The following section details the assumptions Council has made in preparing the estimates for the 2018-2028 Long Term Plan. These assumptions are necessary as they ensure that the readers are aware of the basis for the estimates and forecast.

The Long Term Plan provides forecast financial information in accordance with the Chartered Accountants Australia and New Zealand International Financial Reporting Standard No. 42 (PBE FRS-42) Prospective Financial Statements. Actual results are likely to vary from the information presented and the variations may be material.

### Significant Forecasting Assumptions and Risks

Schedule 10 (Section 11) of the Local Government Act 2002 Amendment Act 2010 contains provisions relating to 'significant forecasting assumptions'. The Act requires that Council identifies the significant forecasting assumptions and risks underlying the financial estimates. Where there is a high level of uncertainty, Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions.

Council has made a number of assumptions in preparing the Long Term Plan. These assumptions are necessary as the planning term for the Long Term Plan is 10 years and the assumptions ensure that all estimates and forecasts are made on the same basis.

### Asset Management Plans

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

### Activities and Service Delivery Options

It has been assumed that the existing activities, services and methods of delivery will continue, however reviews may occur throughout the Long Term Plan.

### Population Growth

Both Census and Council's own population projections indicate a reduction in the working age population for the region and a significant increase in a largely non-working proportion of the population under the current superannuation policy.

Population in Gisborne from 2017 and 2043 is projected to increase by 5,063 persons (10.77% growth) at an average annual change of 0.34%.

A significant population change will occur across the age profiles between 2013 and 2043 by age include:

- the number of persons aged 60 and over will comprise 23.6% of the total population
- the number of persons aged under 17 is forecast to decrease by 2.2%
- decrease in working population aged 15 to 64.

## Development Contributions Funding

The income and expenditure forecast related to development contributions assume that growth occurs as projected and growth-related capital projects are implemented as planned.

### GST

The Long Term Plan assumes a GST rate of 15%. All forecast figures are GST exclusive.

### Interest Rates

Interest rates on Council external debt is estimated at 5% in this Long Term Plan. Council covers its interest rate exposure using interest rate swaps. The interest rates are based on estimates of the 90-day bank bill rate and include bank margins and the effect of the continuing use of interest rate swaps. Council has also utilised the NZ Local Government Funding Agency Ltd (LGFA) lower borrowing facility.

### Internal Interest Charges - Activity Balances

Council has reviewed its practices around the charging of interest on Council activity balances in order to remove implicit cross-subsidisation.

At the end of a financial year each Council activity will have made either a deficit or a surplus. These deficits or surpluses are added to the preceding year's balance.

### Internal Interest Charges - Reserves

Reserves are a component of public equity and represent a specific purpose to which parts of equity have been set aside for.

Council has a range of reserves including restricted reserves, special funds and depreciation reserves.

Special funds are restricted in nature and can only be used for the special purpose for which they were originally set up.

Restricted reserves are subject to specific conditions which may not be revised by Council without reference to a third party or the Courts. These reserves are charged or credited with interest, based on their balance.

Council has depreciation reserve funds set up for major asset groups. These reserves are charged or credited with interest based on their balance. Council's depreciation reserves are used to fund the capital renewals programme.

### Inflation

The forecast financial information includes provision for inflation. Council has used forecasts of price level changes prepared by Business and Economic Research Limited (BERL) to calculate the inflation rate for each year of the Long Term Plan. Council has reviewed the latest BERL indicators and adjusted the factors used in the Long Term Plan. The BERL rates were set in September 2017.

Roading maintenance and capital expenditure for Years 1 to 3 have been stated with growth factors included. This aligns to

the Regional Land Transport Plan (RLTP), and funding with New Zealand Transport Agency (NZTA).

In preparation for this Long Term Plan Council has applied zero based budgeting and has reviewed trend financial information on all revenue and expenditure items controlled by Council. This resulted in a reduction of revenue and/or expenditure in some areas, rather than an increase in line with inflation.

## Renewability of Funding

Bank facilities are arranged with multiple banks and structured to ensure there is a range of maturity dates. Bank facilities are reviewed every two years. Debentures on issue have a range of maturities out to 2025.

The Long Term Plan assumes that the necessary level of funding will continue to be available through a mixture of bank facilities, NZ Local Government Funding Agency (LGFA) and debentures.

## Income Tax

It is anticipated no tax will be payable by Council during the term of the Long Term Plan.

## Forecast Returns on Investments and Strategic Assets

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

## External Funding

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

Council has \$384m of capital projects planned for the Long Term Plan (after prioritisation). Of this, \$32m is budgeted to be funded from grants, subsidies or donations. NZ Transport Agency (NZTA) subsidies for Land Transport capital projects are included. NZTA contribute \$123m over the 10 years for the Long Term Plan for planned roading capital projects. There is a risk that sources of funds for some capital projects may not eventuate. It is assumed that if the external funds budgeted are not available then the projects will not proceed.

## Depreciation

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

- Tolaga Bay Wharf
- Patutahi Hall.

Council does not fund depreciation on these assets.

Council will continue its policy of unfunding 39% of depreciation for the War Memorial Theatre. This is based on the assumption that any future upgrades will be with the support of external grants.

Council does not fund depreciation on that portion of the Waste Water Treatment Plant Asset that was funded by Capital rates. This equates to approximately \$450,000 per Years 1 to 3 of unfunded rates in the waste water activity. In year 4 it is \$250,000 and in year 5 \$125,000. From Year 6 to 10, all wastewater depreciation is fully funded. The phasing of unfunded depreciation aligns with total amount of unfunded depreciation against what was collected as a capital rate.

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

Council does not fund depreciation on the Airport assets as it is assumed that the Council lease of the Airport assets and operations to Eastland Infrastructure Ltd will result in the assets being returned to Council at the end of the lease in the same condition as when the lease began on 1 April 2005. Negotiations on the current lease were undergoing prior to the start of the LTP 2018-2028. Any amendments to the existing lease negotiated during the Long Term Plan are assumed to contain the same provisions as the existing lease.

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

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

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

## Depreciation on Planned Assets Acquisitions

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

## Asset Sales

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

## Resource Consents

All of Council's works projects require resource consents to be granted before works can commence. It has been assumed that resource consents can be obtained for all capital works, and



that obtaining those resource consents will not significantly impact on the timing of capital works shown in the Long Term Plan.

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

- Waiapu Landfill
- Transfer stations
- Existing wastewater treatment (Marine Outfall into Poverty Bay)
- Gisborne Wastewater Treatment Plant.

## Revaluation of Assets

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

The most recent revaluation of Council's assets was at 30 June 2017. Roading and other infrastructure assets are revalued annually. It is assumed revaluations will result in an increase in the asset values, revaluation reserves and the depreciation expense.

## Prospective Statement of Comprehensive Revenue and Expenses as at 30 June

AP 2018	Notes	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s		\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>											
9,227 Grants and Subsidies - Operational	2/4	13,898	14,035	13,984	13,892	14,149	14,256	14,677	15,068	15,338	15,843
17,954 Grants, Donations, Subsidies and Contributions - Capital	4	18,509	18,657	18,921	13,075	13,915	15,432	15,126	15,572	12,321	12,707
1,650 Other Non Exchange Revenue	2/5	1,774	1,790	1,807	1,825	1,844	1,863	1,884	1,906	1,929	1,953
16,465 General Rates And Uniform Annual General Charge	3	19,100	20,282	21,236	22,756	23,722	23,559	22,878	23,815	24,141	24,460
37,927 Targeted Rates	3	37,984	39,384	40,374	41,657	43,275	46,717	49,455	51,393	53,682	55,263
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>											
699 Development and Financial Contributions	5/11	699	699	699	699	699	699	699	699	699	699
6,945 Other Revenue	2/5	9,771	8,496	8,861	8,647	11,266	11,453	9,247	9,469	9,695	10,584
2,646 Targeted Water Rates	2/3	2,841	2,912	2,979	3,050	3,124	3,202	3,285	3,371	3,462	3,558
1,833 Dividends	2/5	1,800	1,800	1,800	1,850	2,185	4,050	2,650	3,900	2,700	1,900
14 Interest Received	2	0	0	0	0	0	0	0	0	0	0
12 Other Gains/(Losses) - Profit on Sale of Assets	2/6	12	12	12	12	12	12	12	12	12	12
<b>95,371 Total Revenue</b>		<b>106,387</b>	<b>108,067</b>	<b>110,674</b>	<b>107,463</b>	<b>114,190</b>	<b>121,243</b>	<b>119,913</b>	<b>125,203</b>	<b>123,978</b>	<b>126,981</b>
<b>EXPENSES</b>											
17,737 Employee Benefit Expenses	7	20,673	21,019	21,395	21,785	22,164	22,567	22,977	23,424	23,873	24,324
45,303 Expenditure on Operating Activities	9	47,799	49,229	50,338	50,835	52,018	54,633	55,868	57,088	58,420	59,863
21,098 Depreciation and Amortisation	8	21,097	22,079	22,541	23,317	24,012	25,494	25,591	28,589	29,617	30,136
2,199 Financing Costs	10	2,971	3,645	4,111	4,525	5,270	5,016	5,018	4,764	4,308	4,024
0 Internal Transfers		0	(0)	(0)	(0)	(0)	(0)	0	0	0	0
<b>86,337 Total Expenses</b>	<b>2</b>	<b>92,540</b>	<b>95,972</b>	<b>98,386</b>	<b>100,462</b>	<b>103,463</b>	<b>107,709</b>	<b>109,453</b>	<b>113,864</b>	<b>116,219</b>	<b>118,347</b>
<b>9,034 Net Surplus/(Deficit) before Taxation</b>		<b>13,846</b>	<b>12,094</b>	<b>12,288</b>	<b>7,001</b>	<b>10,727</b>	<b>13,534</b>	<b>10,460</b>	<b>11,339</b>	<b>7,759</b>	<b>8,633</b>
0 Subvention Payment from GHL		0	0	0	0	0	0	0	0	0	0
0 Income Tax Expense		0	0	0	0	0	0	0	0	0	0
<b>9,034 Net Surplus/(Deficit) after Taxation</b>		<b>13,846</b>	<b>12,094</b>	<b>12,288</b>	<b>7,001</b>	<b>10,727</b>	<b>13,534</b>	<b>10,460</b>	<b>11,339</b>	<b>7,759</b>	<b>8,633</b>
392 Gains/(Losses) on Property Revaluation		15,130	15,473	15,882	16,176	16,557	17,044	17,391	17,845	18,418	18,847
<b>9,425 TOTAL COMPREHENSIVE REVENUE AND EXPENSES</b>		<b>28,977</b>	<b>27,567</b>	<b>28,170</b>	<b>23,177</b>	<b>27,284</b>	<b>30,578</b>	<b>27,851</b>	<b>29,183</b>	<b>26,177</b>	<b>27,480</b>

## Prospective Statement of Financial Position as at 30 June

AP 2018 \$000s	LTP 2019 \$000s	LTP 2020 \$000s	LTP 2021 \$000s	LTP 2022 \$000s	LTP 2023 \$000s	LTP 2024 \$000s	LTP 2025 \$000s	LTP 2026 \$000s	LTP 2027 \$000s	LTP 2028 \$000s
<b>CURRENT ASSETS</b>										
282 Cash & Bank	176	176	176	176	176	176	176	176	176	176
5,392 Non Exchange Trade and Other Receivables	4,343	4,237	4,127	4,016	3,902	3,785	3,665	3,543	3,417	3,288
5,834 Exchange Trade and Other Receivables	8,252	8,373	8,497	8,623	8,752	8,885	9,020	9,159	9,301	9,447
123 Inventories	62	62	62	62	62	62	62	62	62	62
61 Investments	0	0	0	0	0	0	0	0	0	0
0 Non Current Assets Held for Resale	50	50	50	50	50	50	50	50	50	50
<b>11,693 Total Current Assets</b>	<b>12,883</b>	<b>12,897</b>	<b>12,912</b>	<b>12,927</b>	<b>12,942</b>	<b>12,957</b>	<b>12,973</b>	<b>12,989</b>	<b>13,006</b>	<b>13,023</b>
<b>CURRENT LIABILITIES</b>										
377 Deposits Held	504	504	504	504	504	504	504	504	504	504
17,424 Trade and Other Payables	18,083	18,229	18,379	18,531	18,687	18,847	19,011	19,178	19,350	19,527
2,005 Employee Benefits and Suspense	2,067	2,038	2,009	1,978	1,947	1,915	1,883	1,850	1,816	1,780
14,615 Borrowings	12,679	12,679	12,679	12,679	12,679	12,679	12,679	12,679	12,679	12,679
2,603 Provisions for Other Liabilities	5,618	5,618	5,618	5,618	5,618	5,618	5,618	5,618	5,618	5,618
699 Derivative Financial Instruments	716	716	716	716	716	716	716	716	716	716
<b>37,725 Total Current Liabilities</b>	<b>39,668</b>	<b>39,785</b>	<b>39,905</b>	<b>40,027</b>	<b>40,152</b>	<b>40,280</b>	<b>40,411</b>	<b>40,546</b>	<b>40,683</b>	<b>40,825</b>
<b>(26,032) Total Net Working Capital</b>	<b>(26,785)</b>	<b>(26,888)</b>	<b>(26,993)</b>	<b>(27,100)</b>	<b>(27,210)</b>	<b>(27,323)</b>	<b>(27,438)</b>	<b>(27,556)</b>	<b>(27,677)</b>	<b>(27,801)</b>
<b>NON CURRENT ASSETS</b>										
1,970,363 Property Plant and Equipment	2,023,521	2,060,134	2,097,038	2,128,086	2,169,828	2,195,041	2,222,908	2,245,498	2,264,799	2,285,418
3,636 Intangible Assets	3,904	3,904	3,904	3,904	3,904	3,904	3,904	3,904	3,904	3,904
3,277 Biological Assets	4,349	4,349	4,349	4,349	4,349	4,349	4,349	4,349	4,349	4,349
42,416 Investments	32,733	32,733	32,733	32,733	32,733	32,733	32,733	32,733	32,733	32,733
<b>2,019,693 Total Non Current Assets</b>	<b>2,064,507</b>	<b>2,101,120</b>	<b>2,138,024</b>	<b>2,169,073</b>	<b>2,210,814</b>	<b>2,236,027</b>	<b>2,263,894</b>	<b>2,286,484</b>	<b>2,305,785</b>	<b>2,326,404</b>
<b>NON CURRENT LIABILITIES</b>										
34,330 Borrowings	48,196	57,202	65,895	73,726	88,143	82,737	82,712	76,078	69,161	62,258
325 Employee Benefit Liabilities	227	227	227	227	227	227	227	227	227	227
1,695 Provisions for Other Liabilities	2,277	2,214	2,150	2,083	2,014	1,942	1,868	1,790	1,710	1,627
2,723 Derivative Financial Instruments	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793
<b>39,074 Total Non Current Liabilities</b>	<b>52,493</b>	<b>61,436</b>	<b>70,065</b>	<b>77,829</b>	<b>92,177</b>	<b>86,700</b>	<b>86,600</b>	<b>79,889</b>	<b>72,891</b>	<b>65,906</b>
<b>1,954,588 Total Net Funds Employed</b>	<b>1,985,229</b>	<b>2,012,796</b>	<b>2,040,966</b>	<b>2,064,143</b>	<b>2,091,427</b>	<b>2,122,005</b>	<b>2,149,856</b>	<b>2,179,039</b>	<b>2,205,217</b>	<b>2,232,697</b>
<b>EQUITY</b>										
423,846 Accumulated Surplus	427,939	446,176	463,236	474,986	486,579	497,016	506,905	512,683	515,125	517,468
30,712 Special Funds	32,225	26,082	21,310	16,561	15,695	18,792	19,363	24,923	30,241	36,531
1,500,030 Revaluation Reserves	1,525,065	1,540,537	1,556,420	1,572,596	1,589,153	1,606,197	1,623,588	1,641,433	1,659,851	1,678,698
<b>1,954,588 Total Equity</b>	<b>1,985,229</b>	<b>2,012,796</b>	<b>2,040,966</b>	<b>2,064,143</b>	<b>2,091,427</b>	<b>2,122,005</b>	<b>2,149,856</b>	<b>2,179,039</b>	<b>2,205,217</b>	<b>2,232,697</b>

## Prospective Statement of Changes in Equity as at 30 June

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>EQUITY OPENING BALANCES</b>										
411,210 Accumulated Funds and Retained Earnings	412,353	427,939	446,176	463,236	474,986	486,579	497,016	506,905	512,683	515,125
34,315 Special Funds and Reserves	33,964	32,225	26,082	21,310	16,561	15,695	18,792	19,363	24,923	30,241
1,499,638 Revaluation Reserves	1,509,934	1,525,065	1,540,537	1,556,420	1,572,596	1,589,153	1,606,197	1,623,588	1,641,433	1,659,851
<b>1,945,162 Total Equity Opening Balance</b>	<b>1,956,252</b>	<b>1,985,229</b>	<b>2,012,796</b>	<b>2,040,966</b>	<b>2,064,143</b>	<b>2,091,427</b>	<b>2,122,005</b>	<b>2,149,856</b>	<b>2,179,039</b>	<b>2,205,217</b>
<b>CHANGES IN EQUITY</b>										
<b>Accumulated Surplus (Retained Earnings)/ Revaluation Reserves</b>										
9,425 Total Comprehensive Income for the Year	28,977	27,567	28,170	23,177	27,284	30,578	27,851	29,183	26,177	27,480
3,603 Transfer to/(from) Special Funds and Reserves	1,739	6,143	4,772	4,749	866	(3,097)	(571)	(5,560)	(5,317)	(6,290)
0 Transfer to/(from) Restricted Funds Liability Movement	0	0	0	0	0	0	0	0	0	0
<b>Special Funds and Reserves</b>										
(3,603) Transfer to/(from) Retained Earnings	(1,739)	(6,143)	(4,772)	(4,749)	(866)	3,097	571	5,560	5,317	6,290
<b>9,425 Total Changes in Equity</b>	<b>28,977</b>	<b>27,567</b>	<b>28,170</b>	<b>23,177</b>	<b>27,284</b>	<b>30,578</b>	<b>27,851</b>	<b>29,183</b>	<b>26,177</b>	<b>27,480</b>
<b>EQUITY CLOSING BALANCES</b>										
423,846 Accumulated Funds and Retained Earnings	427,939	446,176	463,236	474,986	486,579	497,016	506,905	512,683	515,125	517,468
30,712 Special Funds and Reserves	32,225	26,082	21,310	16,561	15,695	18,792	19,363	24,923	30,241	36,531
1,500,030 Revaluation Reserves	1,525,065	1,540,537	1,556,420	1,572,596	1,589,153	1,606,197	1,623,588	1,641,433	1,659,851	1,678,698
<b>1,954,588 Total Equity Closing Balance</b>	<b>1,985,229</b>	<b>2,012,796</b>	<b>2,040,966</b>	<b>2,064,143</b>	<b>2,091,427</b>	<b>2,122,005</b>	<b>2,149,856</b>	<b>2,179,039</b>	<b>2,205,217</b>	<b>2,232,697</b>
<b>Attributable to :</b>										
<b>1,954,588 Gisborne District Council</b>	<b>1,985,229</b>	<b>2,012,796</b>	<b>2,040,966</b>	<b>2,064,143</b>	<b>2,091,427</b>	<b>2,122,005</b>	<b>2,149,856</b>	<b>2,179,039</b>	<b>2,205,217</b>	<b>2,232,697</b>

Council regularly has independent revaluations of its Assets. The estimated changes in asset values have been taken into account in the depreciation costs of Council. They have also been reflected in the property, plant and equipment and the revaluation reserve. Revaluations of Council's assets are estimated to increase between \$15m - \$20m per year.

## Explanation of Terms used in the Prospective Statement of Cash Flows

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

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

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

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

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

## Prospective Statement of Cashflows as at 30 June

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Cash Flow from Operating Activities</b>										
Cash provided from:										
52,936 Rates Receipts	55,880	58,436	60,301	63,020	65,572	68,818	70,838	73,676	76,252	78,110
27,181 Government Grants and Subsidies	32,648	32,939	33,156	27,224	28,328	29,958	30,080	30,922	27,949	28,848
11,840 Receipts from Activities	16,033	14,866	15,389	15,342	18,079	18,390	16,317	16,676	17,048	18,093
14 Interest Received	0	0	0	0	0	0	0	0	0	0
1,833 Dividends Received	1,800	1,800	1,800	1,850	2,185	4,050	2,650	3,900	2,700	1,900
0 Subvention	0	0	0	0	0	0	0	0	0	0
<b>93,804</b>	<b>106,361</b>	<b>108,040</b>	<b>110,647</b>	<b>107,436</b>	<b>114,163</b>	<b>121,215</b>	<b>119,885</b>	<b>125,175</b>	<b>123,949</b>	<b>126,951</b>
Cash provided to:										
60,571 Payments to Suppliers and Employees	67,243	69,018	70,504	71,389	72,951	75,969	77,613	79,279	81,061	82,954
1,124 Grants	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136
0 GST (Refund)	0	0	0	0	0	0	0	0	0	0
0 Income Tax	0	0	0	0	0	0	0	0	0	0
2,238 Interest Paid	3,010	3,684	4,150	4,564	5,308	5,055	5,057	4,803	4,347	4,063
<b>63,932</b>	<b>71,389</b>	<b>73,839</b>	<b>75,790</b>	<b>77,089</b>	<b>79,395</b>	<b>82,159</b>	<b>83,806</b>	<b>85,218</b>	<b>86,544</b>	<b>88,153</b>
<b>29,871 Net Cash Inflow/(Outflow) Operating Activities</b>	<b>34,972</b>	<b>34,202</b>	<b>34,857</b>	<b>30,347</b>	<b>34,768</b>	<b>39,056</b>	<b>36,079</b>	<b>39,957</b>	<b>37,405</b>	<b>38,799</b>
<b>Cash Flow from Investing Activities</b>										
Cash provided from:										
12 Sale of Property Plant and Equipment	12	12	12	12	12	12	12	12	12	12
<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
Cash provided to:										
42,026 Purchase of Property Plant and Equipment	44,609	43,220	43,563	38,190	49,197	33,662	36,066	33,335	30,500	31,908
0 Purchase (w/down or sale) of Investments	0	0	0	0	0	0	0	0	0	0
<b>42,026</b>	<b>44,609</b>	<b>43,220</b>	<b>43,563</b>	<b>38,190</b>	<b>49,197</b>	<b>33,662</b>	<b>36,066</b>	<b>33,335</b>	<b>30,500</b>	<b>31,908</b>
<b>(42,014) Net Cash Inflow/(Outflow) Investing Activities</b>	<b>(44,597)</b>	<b>(43,208)</b>	<b>(43,551)</b>	<b>(38,178)</b>	<b>(49,185)</b>	<b>(33,650)</b>	<b>(36,054)</b>	<b>(33,323)</b>	<b>(30,488)</b>	<b>(31,896)</b>
<b>Cash Flow from Financing Activities</b>										
Cash provided from:										
11,781 Increase/(Decrease) in Borrowings	9,625	9,006	8,693	7,831	14,417	(5,405)	(25)	(6,634)	(6,918)	(6,902)
<b>11,781</b>	<b>9,625</b>	<b>9,006</b>	<b>8,693</b>	<b>7,831</b>	<b>14,417</b>	<b>(5,405)</b>	<b>(25)</b>	<b>(6,634)</b>	<b>(6,918)</b>	<b>(6,902)</b>
<b>11,781 Net Cash Inflow/(Outflow) Financing Activities</b>	<b>9,625</b>	<b>9,006</b>	<b>8,693</b>	<b>7,831</b>	<b>14,417</b>	<b>(5,405)</b>	<b>(25)</b>	<b>(6,634)</b>	<b>(6,918)</b>	<b>(6,902)</b>
<b>(362) Net Increase/(Decrease) in Cash</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
282 Cash at beginning of the year	176	176	176	176	176	176	176	176	176	176
<b>(79) Cash and Cash Equivalents at Year End</b>	<b>176</b>	<b>176</b>	<b>176</b>	<b>176</b>	<b>176</b>	<b>176</b>	<b>176</b>	<b>176</b>	<b>176</b>	<b>176</b>

## Prospective Statement Concerning Balanced Budget as at 30 June

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
95,371 Operating Revenue	106,387	108,067	110,674	107,463	114,190	121,243	119,913	125,203	123,978	126,981
86,337 Operating Expenditure	92,540	95,972	98,386	100,462	103,463	107,709	109,453	113,864	116,210	118,339
0 Subvention Payment	0	0	0	0	0	0	0	0	0	0
0 Income Tax Expense	0	0	0	0	0	0	0	0	0	0
<b>9,034 Net Operating Surplus/(Deficit) After Taxation</b>	<b>13,846</b>	<b>12,094</b>	<b>12,288</b>	<b>7,001</b>	<b>10,727</b>	<b>13,534</b>	<b>10,460</b>	<b>11,339</b>	<b>7,767</b>	<b>8,642</b>
<b>LESS</b>										
579 Capital Rates Income	742	908	1,076	1,998	2,119	2,319	1,375	1,375	2,775	3,539
17,954 Capital Grants and Subsidies	18,509	18,657	18,921	13,075	13,915	15,432	15,126	15,572	12,321	12,707
699 Other Capital Grants, Donations and Contributions	699	699	699	699	699	699	699	699	699	699
584 Operations Funded by Reserve Funds	2,188	585	575	35	2,791	4,652	803	2,076	889	713
<b>PLUS</b>										
7,865 Depreciation not Funded	8,034	8,520	8,737	8,575	8,600	9,378	7,368	8,187	8,661	8,736
2,917 Increase/(Decrease) in Deficit	257	235	246	231	197	190	175	196	255	280
<b>0 Balanced Budget - operating income agrees to operating expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Balancing the budget

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

Over the next ten years Council intends to:

1. Find additional sources of income, enabling us to keep rates affordable through grants and dividends, partnerships and some increases to user pays.
2. Not fund a portion of depreciation on specific assets or components of assets funded through capital rates or subsidies (i.e. wastewater treatment plant and some roading assets).
3. Increase borrowing to a sensible level in order to build, renew and maintain critical infrastructure.

In making these decisions Council has considered the overall impact of its financial management policies, level of service and ensured the cash flow is neutral or positive each year (excluding major projects).



## Schedule of Rates by Activity Group for the 10 Years 2018-2028

	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
Building Services	1.22%	1.25%	1.19%	1.17%	1.11%	1.10%	1.04%	1.19%	1.15%	1.14%
Commercial Operations	0.03%	0.04%	0.04%	0.02%	0.02%	0.02%	0.01%	0.01%	0.01%	(0.03%)
Cultural Activities	6.36%	6.32%	6.19%	5.98%	5.83%	5.61%	5.50%	5.59%	5.44%	5.36%
Emergency Management	1.01%	1.03%	1.02%	0.99%	0.97%	0.94%	0.93%	0.94%	0.93%	0.92%
Enforcement	0.60%	0.57%	0.59%	0.53%	0.50%	0.49%	0.47%	0.55%	0.55%	0.51%
Environmental Health	3.01%	3.01%	3.00%	2.91%	2.83%	2.76%	2.70%	2.84%	2.80%	2.77%
Governance	4.57%	4.44%	4.22%	4.19%	4.21%	3.93%	3.99%	4.02%	3.84%	3.85%
Recreation and Amenity	13.73%	13.59%	13.64%	13.68%	13.40%	13.00%	12.83%	12.87%	12.64%	12.51%
Resource Consents	1.79%	1.80%	1.78%	1.72%	1.68%	1.63%	1.60%	1.67%	1.65%	1.62%
Rivers, Land and Coastal	4.97%	5.06%	5.13%	5.05%	4.99%	4.90%	4.92%	4.91%	5.06%	5.54%
Science	7.12%	7.13%	7.16%	6.96%	6.83%	6.65%	6.54%	6.65%	6.57%	6.53%
Solid Waste	7.96%	7.82%	7.83%	8.86%	8.54%	8.19%	5.96%	5.92%	5.82%	5.79%
Stormwater	5.07%	5.11%	5.17%	5.14%	5.10%	4.94%	4.90%	4.89%	4.84%	4.79%
Strategic Planning and Performance	7.34%	7.24%	7.16%	6.80%	6.67%	6.49%	6.41%	6.24%	6.17%	6.11%
Support Services	(3.78%)	(2.80%)	(2.02%)	(1.39%)	(0.65%)	(1.38%)	(1.24%)	(1.48%)	(1.77%)	(2.02%)
Tairāwhiti Roads	21.16%	20.72%	20.47%	19.89%	19.89%	19.43%	21.36%	21.51%	21.29%	20.63%
Wastewater	11.75%	11.54%	11.43%	11.61%	12.32%	15.64%	16.33%	15.69%	17.00%	17.95%
Water Supply	6.09%	6.12%	6.01%	5.88%	5.78%	5.67%	5.74%	5.98%	6.02%	6.03%
Total rates required per year	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

## Notes to the Prospective Financial Statements

### NOTE Statement of Accounting Policies

#### Reporting Entity

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

The Gisborne District Council Group (the "economic entity") consists of Council and its controlled entities: Gisborne Holdings Ltd (100% owned), Tauwhareparae Farms Ltd (100% owned) and Tauwhareparae Forests Ltd (100% owned). All Council controlled entities are incorporated in New Zealand.

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

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

#### Basis of Preparation

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

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

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

### The Nature of the Prospective Financial Information - Cautionary Note

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

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

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

### Specific Accounting Policies

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

#### Revenue Recognition

Revenue has been split into Exchange and Non Exchange as per the requirements of the PBE accounting standards. Non Exchange revenue is categorised as receiving value without giving approximately equal value in exchange e.g. general rates, targeted rates, Government grants.

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

#### Rates Revenue

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

#### Government Grants and Subsidies

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

Council receives Government subsidies from New Zealand Transport Agency, which subsidises part of Council's costs in maintaining the local roading infrastructure.

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

## Other Revenue

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

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

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

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

## Borrowing Costs

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

## Grant Expenditure

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

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

## Income Tax

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

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

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

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

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

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

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

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

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

## Leases

### Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

### Finance Leases

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

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

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

## Trade and Other Receivables

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

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

## Inventories

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

## Financial Assets

Council classifies its financial assets in the following two categories:

- Available-for-sale financial assets
- Loans and receivables.

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

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

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

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

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

## Derecognition of Financial Assets

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

Council presently has the following categories of financial assets:

### a. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Council's general and community loans are designated

as loans and receivables. They are recognised initially at fair value, and subsequently carried at amortised cost less impairment losses.

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

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

### b. Available-for-Sale Financial Assets

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

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

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

## Impairment of Financial Assets

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

## Accounting for Derivative Financial Instruments and Hedging Activities

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

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

Council does not satisfy all the conditions for hedge accounting and therefore all gains or losses in fair value of instruments used to manage cashflow and interest rate risk are recognised through

the Prospective Statement of Comprehensive Revenue and Expenses.

## Financial Liabilities - Borrowings

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

## Non Current Assets Held for Sale

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

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

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

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

## Property, Plant and Equipment

Property, Plant and Equipment consists of:

### Operational Assets

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

### Infrastructural Assets

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

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

## Biological Assets

### Forestry Assets

Forestry assets consist of the Council's forestry holdings. Forestry assets are valued on the basis of fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. Forestry assets are revalued annually. Valuation movements pass through the Prospective Statement of Comprehensive Revenue and

Expenses. The costs to maintain the forestry assets are included in the Prospective Statement of Comprehensive Revenue and Expenses.

## Pamoa Forest Joint Venture

Council has transferred forestry rights to Juken New Zealand Limited in respect of a total of 1,608 hectares of land associated with the Pamoa Forest.

The transfer relates to one harvest cycle. Under the agreement Council has contributed the land and is entitled to 16.47% of stumpage. All costs of development are borne by Juken New Zealand Limited. The value of the land (excluding the trees) and Council's right to a share of the stumpage is reflected in the Statement of Financial Position.

## Intangible Assets

Intangible assets predominately comprise computer software and carbon credits.

## Software Acquisition and Development

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

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

## Amortisation

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

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

- Computer software three to six years.

## Emissions Trading Scheme

Council's forestry holdings incorporates forestry assets held by Council and its subsidiary, Tauwhareparae Farms Ltd.

Tauwhareparae Farms Ltd (TFL) has voluntarily entered the New Zealand Emissions Trading Scheme (ETS) in respect of 1,138.2 hectares of forest land located in the Tauwhareparae area. This entitles TFL to receive emission units (units) for carbon stored in the specified area from a 1 January 2008 baseline.



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

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

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

Future cash flows associated with units receivable/ payable are taken into consideration in determining the valuation of the specified area.

Council's forestry holdings separate from the subsidiaries' holdings, consist of approximately 97 hectares of small woodlots and 1124 hectares held by the Pamo Forest Joint Venture. These forestry blocks were registered with ETS in November 2011.

At the time of writing there was no confirmation of the number of issued units to Council and, as such, no units have been recognised and recorded on the Prospective Statement of Financial Position for this LTP.

## Property, Plant and Equipment Valuation

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

### Additions

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

## Disposals

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

The amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings when revalued assets are sold.

## Subsequent Costs

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

## Operational Assets Valuations

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

### Operational Land

Operational land is valued at fair value and is not depreciated.

### Operational Buildings

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

### Library Books - General Collection

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

### Library Books Permanent Collection

The permanent collection is carried at deemed cost.

## Infrastructure Assets Valuations

### Infrastructural Assets

Infrastructural assets are initially recorded at depreciated replacement cost. Water Utility assets are revalued annually using industry specific product pricing rates. Unit prices are independently verified every 3 years.

### Roading Assets

Roading assets are independently revalued annually.



## Airport Assets

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

## Depreciation

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

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

## Infrastructural Assets

### Roads

Pavement surface (seal)	1 – 20 years
Pavement surface (unsealed)	
Wearing course	5 years
Pavement layers (basecourse)	75 – 100 years
Formation	(not depreciated)
Culverts	25 – 50 years
Footpaths	20 – 75 years
Surface water channels	50 years
Signs	12 years
Street lights	15 – 25 years
Bridges	25 – 80 years
Retaining structures	80 years
Traffic signals	15 years
Parking meters	25 years
Railings	10 – 15 years
Safety projects	10 – 13 years

### Water Reticulation

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

### Sewerage Reticulation

Pipes	60 – 100 years
Manholes	100 years
Pump stations	15 – 100 years
Treatment plant	15 – 50 years
Laterals	100 years

Urban Stormwater Systems	
Pipes	62 – 100 years
In-drain structures	25 – 100 years
Flood control systems	25 – 100 years
Solid waste	4 – 25 years
Assets	

Land	(not depreciated)
Buildings/Land improvements	3 – 100 years
Plant/Machinery/Motor vehicles	2 – 20 years
Office equipment/Furniture	3 – 50 years
Other equipment	5 – 25 years
Library books	1 – 50 years
Wharves	50 years
Floating plant	25 years
Leased assets	3 – 8 years

Capital work in progress is not depreciated. The total cost of a project is transferred to freehold buildings, plant and equipment or infrastructural assets on its completion and then depreciated.

## Assets Under Construction

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

## Impairment of Non-Financial Assets

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

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

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

## Trade and Other Payables

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

## Financial Liabilities: Borrowings

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

## Employee Entitlements

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

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

## Long Service Leave and Retirement Leave

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

## Superannuation Schemes

### Defined Benefit Scheme

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

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

## Provisions

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

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

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when

the reimbursement is virtually certain. The expense relating to any provision is presented in the Prospective Statement of Comprehensive Revenue and Expenses net of any reimbursement.

## Public Equity

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

- Accumulated Comprehensive Revenue and Expenses
- Special Funds and Reserves
- Asset Revaluation Reserves

## Accumulated Funds

These comprise accumulated surpluses over the years.

## Special Funds and Reserves

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

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

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

## Asset Revaluation Reserve

Comprise accumulated revaluation increments or decrements.

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

## Prospective Statement of Cash Flows

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

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

### Operating Activities

These activities include all transactions and events that are not investing or financing activities.

### Investing Activities

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

## Financing Activities

These are activities which result in changes in the size and composition of the capital structure of Council; inclusive of both equity and debt not falling within the definition of cash.

## Changes to Accounting Policies

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

## Critical Accounting Estimates and Assumptions

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

## Landfill Post-Closure Costs

### Paokahu

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

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

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

### Waiapu

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

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

Provision is made for the present value of post-closure costs expected to be incurred in restoring the area to its former status. The calculated cost is based on estimates of future site maintenance, supervision and monitoring costs. The estimated

length of time needed for post-closure care for the Waiapu site is 35 years, from 30 June 2015.

## Infrastructural Assets

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

- The physical deterioration and condition of asset, for example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for assets which are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition-modeling assessments of underground assets.
- Estimates of any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be affected by the local conditions, for example, weather patterns and traffic growth.

If useful lives do not reflect the actual consumption of the benefits of the asset, Council could then be over or under estimating the annual depreciation charge. This is recognised as an expense in the Prospective Statement of Comprehensive Revenue and Expenses. To minimise this risk, Council's infrastructural assets' useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group. These have been adjusted for local conditions based on past experience.

Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's asset management planning activities, this provides Council with further assurance over its useful life estimates.

Experienced independent valuers perform Council's infrastructural asset revaluations.

## GST

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

## Budget Figures

The budget figures are those approved by Council and published in this LTP.

The LTP 2018-2028 figures have been produced in accordance with the requirements of the Public Benefit Entity (PBE) accounting standards.

There will be small differences between financial statements due to roundings. These differences are immaterial.

## Cost Allocation

Expenditure has been reported by the nature of the expense.

## Capital Management

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

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

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

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

\*Please note individual years stated in Disclosure notes tables, refer to financial year ending 30 June. For example '2019' refers to a period 1 July 2018 to 30 June 2019.

## NOTE 2: Prospective Summary of Cost of Services for the Year Ended 30 June

	LTP 2019 \$000s	LTP 2020 \$000s	LTP 2021 \$000s	LTP 2022 \$000s	LTP 2023 \$000s	LTP 2024 \$000s	LTP 2025 \$000s	LTP 2026 \$000s	LTP 2027 \$000s	LTP 2028 \$000s
<b>Expenses</b>										
Building Services	1,626	1,692	1,702	1,745	1,752	1,807	1,810	1,982	2,005	2,055
Commercial Operations	1,689	1,717	1,750	1,766	1,798	1,818	1,839	1,878	1,918	1,961
Cultural Activities	4,292	4,547	4,592	4,641	4,708	4,750	4,805	5,041	5,083	5,140
Customer Engagement	92	94	96	99	101	103	106	109	112	115
Emergency Management	669	684	698	708	721	734	746	781	798	811
Enforcement	2,761	2,806	2,878	2,908	2,952	3,015	3,070	3,205	3,287	3,331
Environmental Health	2,144	2,227	2,283	2,320	2,353	2,405	2,434	2,623	2,678	2,724
Governance	2,620	2,720	2,607	2,704	2,890	2,767	2,894	3,098	2,991	3,075
Recreation and Amenity	8,808	9,112	9,365	9,811	9,970	10,724	10,920	11,316	11,701	11,903
Resource Consents	1,526	1,571	1,597	1,616	1,642	1,668	1,692	1,795	1,834	1,856
Rivers, Land and Coastal	3,010	3,185	3,331	3,431	3,527	3,636	3,756	3,819	3,942	4,074
Science	5,399	5,573	5,736	5,811	5,840	5,850	5,940	6,230	6,362	6,488
Solid Waste	4,133	4,204	4,317	4,384	4,404	4,439	4,503	4,641	4,720	4,807
Stormwater	2,894	3,068	3,172	3,326	3,429	3,456	3,560	3,694	3,748	3,838
Strategic Planning and Performance	4,293	4,413	4,500	4,466	4,555	4,645	4,729	4,785	4,884	4,967
Support Services	1,088	1,653	2,209	2,661	3,126	2,695	2,718	2,593	2,449	2,149
Tairāwhiti Roads	31,548	32,294	32,881	32,964	33,775	34,726	34,874	36,724	37,744	38,657
Wastewater	7,559	7,775	7,918	8,198	8,854	11,217	11,544	11,611	11,730	11,945
Water Supply	6,392	6,636	6,752	6,902	7,066	7,255	7,512	7,939	8,224	8,444
<b>Total Expenses</b>	<b>92,540</b>	<b>95,972</b>	<b>98,386</b>	<b>100,462</b>	<b>103,463</b>	<b>107,709</b>	<b>109,453</b>	<b>113,864</b>	<b>116,210</b>	<b>118,339</b>
<b>Revenue From Exchange Transactions</b>										
Building Services	930	950	971	992	1,014	1,038	1,063	1,089	1,116	1,146
Commercial Operations	2,956	1,534	1,746	1,375	3,839	3,849	1,470	1,502	1,537	2,222
Cultural Activities	382	423	432	441	451	462	473	485	497	510
Customer Engagement	92	94	96	99	101	103	106	109	112	115
Emergency Management	66	42	43	44	45	46	47	48	50	51
Enforcement	1,505	1,538	1,571	1,606	1,642	1,680	1,720	1,762	1,807	1,855
Environmental Health	424	433	443	453	463	473	485	497	509	523
Governance	15	15	16	16	16	17	17	18	18	19
Recreation and Amenity	947	968	1,001	1,023	1,048	1,073	1,100	1,127	1,157	1,189
Resource Consents	355	347	355	362	371	379	388	398	408	419
Rivers, Land and Coastal	184	188	192	196	200	205	210	215	220	226
Science	844	880	899	919	939	961	984	1,008	1,034	1,061
Solid Waste	196	197	199	200	201	203	204	206	208	210
Support Services	2,206	2,207	2,208	2,269	2,605	4,486	3,087	4,348	3,149	2,351
Tairāwhiti Roads	46	46	47	49	50	51	52	53	55	56
Wastewater	357	365	374	383	392	402	412	423	434	446
Water Supply	2,919	2,992	3,061	3,134	3,209	3,290	3,375	3,463	3,556	3,656
<b>Total Revenue From Exchange Transactions</b>	<b>14,424</b>	<b>13,220</b>	<b>13,652</b>	<b>13,560</b>	<b>16,587</b>	<b>18,717</b>	<b>15,194</b>	<b>16,751</b>	<b>15,868</b>	<b>16,055</b>
<b>Revenue From Non-Exchange Transactions</b>										
Enforcement	954	970	987	1,005	1,024	1,043	1,064	1,086	1,109	1,133
Governance	0	61	0	0	65	0	0	70	0	0
Resource Consents	150	150	150	150	150	150	150	150	150	150
Science	400	425	410	404	322	215	216	217	218	219
Strategic Planning and Performance	83	45	45	45	45	45	45	45	45	45
Support Services	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Tairāwhiti Roads	13,068	13,173	13,199	13,113	13,386	13,667	14,087	14,406	14,745	15,249
<b>Total Revenue From Non-Exchange Transactions</b>	<b>15,672</b>	<b>15,825</b>	<b>15,791</b>	<b>15,717</b>	<b>15,993</b>	<b>16,120</b>	<b>16,561</b>	<b>16,973</b>	<b>17,267</b>	<b>17,797</b>
	<b>62,445</b>	<b>66,928</b>	<b>68,943</b>	<b>71,185</b>	<b>70,883</b>	<b>72,873</b>	<b>77,698</b>	<b>80,140</b>	<b>83,075</b>	<b>84,488</b>

### NOTE 3: Rates Revenue

Council grants rates remissions to certain ratepayers. Council has a number of rates remission policies which includes:

- Remission of Rates for Permanent Crops.
- Whenua Rahui and Community.
- Sporting and Other Organisations.

	LTP 2019 \$000s	LTP 2020 \$000s	LTP 2021 \$000s	LTP 2022 \$000s	LTP 2023 \$000s	LTP 2024 \$000s	LTP 2025 \$000s	LTP 2026 \$000s	LTP 2027 \$000s	LTP 2028 \$000s
<b>Rates Revenue</b>	<b>59,925</b>	<b>62,578</b>	<b>64,590</b>	<b>67,463</b>	<b>70,120</b>	<b>73,478</b>	<b>75,618</b>	<b>78,578</b>	<b>81,284</b>	<b>83,282</b>
<b>Rates revenue consists of:</b>										
General Rates	4,152	4,871	5,497	6,620	7,120	6,817	5,464	5,535	5,636	5,771
Uniform Annual General Charge	14,948	15,411	15,739	16,136	16,602	16,742	17,414	18,280	18,505	18,689
Targeted Rates	37,984	39,384	40,374	41,657	43,275	46,717	49,455	51,393	53,682	55,263
Metered Water Rates	2,841	2,912	2,979	3,050	3,124	3,202	3,285	3,371	3,462	3,558
<b>Rates Revenue</b>	<b>59,925</b>	<b>62,578</b>	<b>64,590</b>	<b>67,463</b>	<b>70,120</b>	<b>73,478</b>	<b>75,618</b>	<b>78,578</b>	<b>81,284</b>	<b>83,282</b>
<b>Less</b>										
Remissions	575	587	626	693	709	725	743	761	780	801
<b>Nett Rates Revenue</b>	<b>59,350</b>	<b>61,991</b>	<b>63,964</b>	<b>66,770</b>	<b>69,411</b>	<b>72,753</b>	<b>74,876</b>	<b>77,818</b>	<b>80,504</b>	<b>82,481</b>

### NOTE 4: Grants and Subsidies

	LTP 2019 \$000s	LTP 2020 \$000s	LTP 2021 \$000s	LTP 2022 \$000s	LTP 2023 \$000s	LTP 2024 \$000s	LTP 2025 \$000s	LTP 2026 \$000s	LTP 2027 \$000s	LTP 2028 \$000s
<b>Revenue from Grants and Subsidies</b>										
Central Government Grants	45	106	45	45	110	45	45	115	45	45
NZ Transport Agency Roadway Subsidies	27,475	23,842	25,191	25,486	26,398	27,874	25,602	26,275	26,847	27,726
Other Grants and Subsidies	4,886	8,743	7,668	1,436	1,555	1,769	4,156	4,249	767	779
<b>Total Revenue from Grants and Subsidies</b>	<b>32,406</b>	<b>32,692</b>	<b>32,904</b>	<b>26,967</b>	<b>28,064</b>	<b>29,688</b>	<b>29,803</b>	<b>30,639</b>	<b>27,659</b>	<b>28,550</b>



## NOTE 5: Operating Activities Revenue

	LTP 2019 \$000s	LTP 2020 \$000s	LTP 2021 \$000s	LTP 2022 \$000s	LTP 2023 \$000s	LTP 2024 \$000s	LTP 2025 \$000s	LTP 2026 \$000s	LTP 2027 \$000s	LTP 2028 \$000s
<b>Revenue from Operating Activities</b>										
Reserves Contribution	0	0	0	0	0	0	0	0	0	0
Development Contributions	699	699	699	699	699	699	699	699	699	699
Capital Contributions	0	0	0	0	0	0	0	0	0	0
Rates Penalties	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Activity Revenue	10,195	8,936	9,318	9,112	11,750	11,941	9,756	9,989	10,238	11,152
Interest	0	0	0	0	0	0	0	0	0	0
Dividends	1,800	1,800	1,800	1,850	2,185	4,050	2,650	3,900	2,700	1,900
Petroleum Tax	350	350	350	360	360	375	375	385	385	385
Gains on Derivatives (Interest Rate Swaps)	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue from Operating Activities</b>	<b>14,043</b>	<b>12,785</b>	<b>13,167</b>	<b>13,021</b>	<b>15,994</b>	<b>18,065</b>	<b>14,480</b>	<b>15,973</b>	<b>15,022</b>	<b>15,136</b>

## NOTE 6: Revenue from Other Gains/(Losses)

	LTP 2019 \$000s	LTP 2020 \$000s	LTP 2021 \$000s	LTP 2022 \$000s	LTP 2023 \$000s	LTP 2024 \$000s	LTP 2025 \$000s	LTP 2026 \$000s	LTP 2027 \$000s	LTP 2028 \$000s
<b>Revenue from Other Gains</b>										
Gain / (Loss) on Changes in Fair Value of Forestry Assets and Stock	0	0	0	0	0	0	0	0	0	0
Gain / (Loss) on Changes in Fair Value of Livestock	0	0	0	0	0	0	0	0	0	0
Gain / (Loss) on Disposal of Property, Plant and Equipment	12	12	12	12	12	12	12	12	12	12
Gain / (Loss) on Changes in Fair Value of Non-Current Receivables / Investments	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue from Other Gains</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>

## NOTE 7: Employee Benefit Expense

	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Employee Benefit Expense</b>										
Salary and Wages	21,659	22,032	22,417	22,796	23,178	23,591	24,011	24,462	24,922	25,414
Defined Contribution Plans Expense	608	609	619	631	642	654	667	680	694	708
Increase / (Decrease) in Leave Liabilities	36	36	37	37	38	39	40	40	41	42
Less Recharged to Other Expense Categories**	(1,630)	(1,658)	(1,678)	(1,679)	(1,695)	(1,717)	(1,741)	(1,759)	(1,784)	(1,841)
<b>Total Employee Benefit Expense</b>	<b>20,673</b>	<b>21,019</b>	<b>21,395</b>	<b>21,785</b>	<b>22,164</b>	<b>22,567</b>	<b>22,977</b>	<b>23,424</b>	<b>23,873</b>	<b>24,324</b>

## NOTE 8: Depreciation and Amortisation Expense

	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Depreciation and Amortisation Expense</b>										
Commercial Operations	617	630	630	631	645	645	645	661	678	696
Cultural Activities	847	996	1,000	1,005	1,023	1,025	1,026	1,085	1,065	1,066
Customer Engagement	1	1	1	1	1	1	1	1	1	1
Emergency Management	61	61	61	61	61	61	61	61	61	61
Environmental Health	0	0	0	0	0	0	0	0	0	0
Governance	2	2	2	2	2	2	2	2	2	2
Recreation and Amenity	876	956	944	1,186	1,211	1,810	1,865	1,959	2,190	2,241
Rivers, Land and Coastal	126	136	165	173	179	183	192	199	203	213
Science	69	70	71	71	71	87	75	82	83	98
Solid Waste	324	333	382	420	430	451	463	473	446	427
Stormwater	883	935	975	1,017	1,048	1,079	1,112	1,146	1,181	1,218
Support Services	1,744	1,862	1,887	1,906	2,022	2,013	1,931	3,453	3,641	3,468
Tairāwhiti Roads	11,171	11,577	11,770	12,076	12,431	12,842	12,575	13,725	14,105	14,509
Wastewater	2,092	2,160	2,238	2,291	2,344	2,660	2,881	2,798	2,877	2,955
Water Supply	2,284	2,360	2,414	2,477	2,543	2,634	2,760	2,944	3,085	3,181
<b>Total Depreciation and Amortisation Expense</b>	<b>21,097</b>	<b>22,079</b>	<b>22,541</b>	<b>23,317</b>	<b>24,012</b>	<b>25,494</b>	<b>25,591</b>	<b>28,589</b>	<b>29,617</b>	<b>30,136</b>

## NOTE 9: Expenditure on Operating Activities

	LTP 2019	LTP 2020	LTP 2020	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Expenditure on Operating Activities</b>										
Administration Expenses	1,493	1,515	1,675	1,574	1,627	1,722	1,724	1,776	1,961	1,891
Audit Fees - Financial Reporting	208	212	217	222	227	232	238	243	250	256
Audit Fees - Other	0	0	0	0	0	0	0	0	0	0
Consultants and Professional Services	1,419	1,634	1,786	1,777	1,861	1,859	1,904	1,998	2,000	2,053
Elected Members and Director's Fees	699	717	737	759	781	806	831	859	887	919
Indirect Employment Costs	114	171	126	129	184	135	138	197	145	149
Grants and Donations	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136
Insurance Costs	725	740	756	773	791	809	828	848	870	893
Rental and Operating Leases	1,820	1,854	1,888	1,924	1,962	2,001	2,044	2,087	2,134	2,184
Repairs and Maintenance	11,763	11,935	12,100	12,728	13,030	13,345	13,680	14,034	14,411	14,813
Bad Debts Written Off - Rates	680	696	737	754	772	791	810	831	853	876
Bad Debts Written Off - Other	100	100	100	100	100	100	100	100	100	100
IRD Compliance Costs	147	149	152	155	158	161	165	168	172	176
Litter Bins and City Cleaning	1,938	1,985	2,033	2,083	2,136	2,191	2,249	2,310	2,375	2,444
Emergency Works	3,011	3,011	3,011	2,149	2,200	2,253	2,309	2,370	2,434	2,502
Other Operating Expenditure*	22,546	23,374	23,884	24,572	25,053	27,094	27,712	28,130	28,694	29,473
<b>Total Expenditure on Operating Activities</b>	<b>47,799</b>	<b>49,229</b>	<b>50,338</b>	<b>50,835</b>	<b>52,018</b>	<b>54,633</b>	<b>55,868</b>	<b>57,088</b>	<b>58,420</b>	<b>59,863</b>

\* Other operating expenses include such items as: electricity, operational contracts, treatment plants, pump stations, internal interest, vegetation planting contracts, facilities contracts and cleaning contracts.

## NOTE 10: Finance Costs

	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Finance Costs</b>										
Interest on Debentures and Interest Rate Swaps	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Interest on Bank Borrowings and Commercial Paper	1,661	2,335	2,801	3,215	3,960	3,706	3,708	3,454	2,998	2,714
Line Fee	60	60	60	60	60	60	60	60	60	60
Losses on Derivatives (Interest Rate Swaps)	0	0	0	0	0	0	0	0	0	0
<b>Total Finance Costs</b>	<b>2,971</b>	<b>3,645</b>	<b>4,111</b>	<b>4,525</b>	<b>5,270</b>	<b>5,016</b>	<b>5,018</b>	<b>4,764</b>	<b>4,308</b>	<b>4,024</b>

## NOTE 11: Development Contributions Revenue

	LTP 2019 \$000s	LTP 2020 \$000s	LTP 2021 \$000s	LTP 2022 \$000s	LTP 2023 \$000s	LTP 2024 \$000s	LTP 2025 \$000s	LTP 2026 \$000s	LTP 2027 \$000s	LTP 2028 \$000s
<b>Development Contributions Revenue</b>										
Reserves & Open Spaces	79	79	79	79	79	79	79	79	79	79
Roading	117	117	117	117	117	117	117	117	117	117
Water Supply	91	91	91	91	91	91	91	91	91	91
Wastewater	280	280	280	280	280	280	280	280	280	280
Stormwater	133	133	133	133	133	133	133	133	133	133
<b>Total Development Contributions Revenue</b>	<b>699</b>	<b>699</b>	<b>699</b>	<b>699</b>	<b>699</b>	<b>699</b>	<b>699</b>	<b>699</b>	<b>699</b>	<b>699</b>

## NOTE 12: Movements in Reserves

	Opening Balance 1 July 2018 \$000s	Transfers to Reserves \$000s	Transfers from Reserves \$000s	Closing Balance 30 June 2028 \$000s
<b>Special Funds and Other Reserves</b>				
Municipal Theatre Project	28	0	0	28
Library Building	1,059	0	1,059	0
Waipaoa River Flood Control Scheme	745	181	0	926
Civil Defence Disaster Relief	538	131	0	669
Capital Development Fund	2,508	609	0	3,117
Quarry Rehab	1,166	283	0	1,449
Olympic Pool Development	30	7	0	37
Rates Postponement Fidelity	1	0	0	1
Reserves Contributions	116	23	344	(204)
Land Transport - Urban Development Contributions	(131)	837	3,127	(2,422)
Water Supply - Urban Development Contributions	(660)	628	2,068	(2,099)
Wastewater - Urban Development Contributions	448	2,861	2,754	555
Stormwater - Urban Development Contributions	(787)	983	1,939	(1,743)
Reserves - District Development Contributions	294	861	778	377
HMNZ Blackpool Scholarship Fund	7	2	0	8
GHL Forestry Reserve	(4,338)	4,717	8,193	(7,814)
Pamoa Forestry Reserve	0	7,500	3,295	4,206
Roading FAR reserve	0	2,805	0	2,805
Land Subdivision	367	64	132	299
Parking	0	484	0	484
Roading Flood Damage Reserve	0	0	0	0
Depreciation	32,576	252,491	249,215	35,852
<b>Total Special Funds and Other Reserves</b>	<b>33,964</b>	<b>275,469</b>	<b>272,902</b>	<b>36,531</b>

## NOTE 13: Reconciliation of Funding Impact Statement with Prospective Statement of Comprehensive Revenue and Expenses

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>RECONCILIATION OF REVENUE</b>										
<b>Sources of operating funding</b>										
76,706 Total operating funding (A) as per Funding Impact Statement	87,167	88,699	91,042	93,678	99,564	105,100	104,076	108,921	110,946	113,563
<b>Add Sources of capital funding</b>										
17,954 Subsidies and grants for capital expenditure	18,509	18,657	18,921	13,075	13,915	15,432	15,126	15,572	12,321	12,707
699 Development and financial contributions	699	699	699	699	699	699	699	699	699	699
12 Profit / (Loss) on Sale of Assets	12	12	12	12	12	12	12	12	12	12
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
95,371	106,387	108,067	110,674	107,463	114,190	121,243	119,913	125,203	123,978	126,981
<b>95,371 As per Prospective Statement of Comprehensive Income - Total Operating Income</b>	<b>106,387</b>	<b>108,067</b>	<b>110,674</b>	<b>107,463</b>	<b>114,190</b>	<b>121,243</b>	<b>119,913</b>	<b>125,203</b>	<b>123,978</b>	<b>126,981</b>
<b>RECONCILIATION OF EXPENDITURE</b>										
<b>Applications of operating funding</b>										
65,239 Total applications of operating funding (B) as per Funding Impact Statement	71,443	73,893	75,845	77,145	79,451	82,216	83,863	85,275	86,601	88,211
21,098 Add depreciation and amortisation expense	21,097	22,079	22,541	23,317	24,012	25,494	25,591	28,589	29,617	30,136
86,337	92,540	95,972	98,386	100,462	103,463	107,709	109,453	113,864	116,219	118,347
<b>86,337 As per Prospective Statement of Comprehensive Income - Total Operating Expenditure</b>	<b>92,540</b>	<b>95,972</b>	<b>98,386</b>	<b>100,462</b>	<b>103,463</b>	<b>107,709</b>	<b>109,453</b>	<b>113,864</b>	<b>116,219</b>	<b>118,347</b>
<b>RECONCILIATION OF TOTAL COMPREHENSIVE INCOME</b>										
17,954 Add subsidies and grants for capital expenditure	18,509	18,657	18,921	13,075	13,915	15,432	15,126	15,572	12,321	12,707
11,467 Surplus/(deficit) of operating funding (A-B)	15,724	14,806	15,197	16,533	20,113	22,884	20,213	23,645	24,345	25,352
0 Add Subvention Payment	0	0	0	0	0	0	0	0	0	0
12 Add Profit / (Loss) on Sale of Assets	12	12	12	12	12	12	12	12	12	12
699 Add development and financial contributions	699	699	699	699	699	699	699	699	699	699
(21,098) Add depreciation and amortisation expense	(21,097)	(22,079)	(22,541)	(23,317)	(24,012)	(25,494)	(25,591)	(28,589)	(29,617)	(30,136)
392 Add gains/(loss) of property revaluation	15,130	15,473	15,882	16,176	16,557	17,044	17,391	17,845	18,418	18,847
9,425	28,977	27,567	28,170	23,177	27,284	30,578	27,851	29,183	26,177	27,480
<b>9,425 As per Prospective Statement of Comprehensive Income - Total Comprehensive Income</b>	<b>28,977</b>	<b>27,567</b>	<b>28,170</b>	<b>23,177</b>	<b>27,284</b>	<b>30,578</b>	<b>27,851</b>	<b>29,183</b>	<b>26,177</b>	<b>27,480</b>

## NOTE 14: Capital Expenditure 2018-2028

The actual project cost, timing and funding may vary significantly

Description (\$000)	Level of Service	Total Cost	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Commercial Operations</b>												
Commercial Property - Staff Housing Upgrades	MAINTAIN	226	25	66	0	0	0	0	0	40	45	50
Community Housing - Upgrades	MAINTAIN	2,060	200	200	200	200	200	200	200	220	220	220
<b>Total</b>		<b>2,286</b>	<b>225</b>	<b>266</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>260</b>	<b>265</b>	<b>270</b>
<b>Cultural Activities</b>												
Public Art - Promote, Commission And Install Public Art To Reflect The District's History And Culture	MAINTAIN	331	30	31	31	32	33	33	34	35	36	37
Lawson Field Theatre - Reconstruction	INCREASE / MAINTAIN	2,668	2,668	0	0	0	0	0	0	0	0	0
Air Conditioning Units	INCREASE	20	20	0	0	0	0	0	0	0	0	0
Flooring Replacement Program	MAINTAIN	31	10	10	10	0	0	0	0	0	0	0
Tairawhiti Navigations Project	INCREASE	70	70	0	0	0	0	0	0	0	0	0
Hawaiki Turanga	INCREASE	70	70	0	0	0	0	0	0	0	0	0
Library Books	MAINTAIN	1,967	178	184	187	191	196	200	205	210	215	202
Library Books Ex Book Trust	MAINTAIN	110	10	10	10	11	11	11	11	12	12	12
Library-Dvd,Cd's,Talking Books	MAINTAIN	189	13	14	16	16	16	19	23	23	24	24
Library - E-Books	MAINTAIN	55	5	5	5	5	5	6	6	6	6	6
Renew Integrated Library Management System	MAINTAIN	130	0	0	130	0	0	0	0	0	0	0
<b>Total</b>		<b>5,642</b>	<b>3,074</b>	<b>254</b>	<b>391</b>	<b>255</b>	<b>261</b>	<b>270</b>	<b>279</b>	<b>285</b>	<b>292</b>	<b>282</b>
<b>Enforcement</b>												
Parking Meter Renewals	MAINTAIN	723	10	10	10	11	11	11	11	321	328	0
Radio Replacement For Parking Wardens. Roading	MAINTAIN	25	25	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>748</b>	<b>35</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>321</b>	<b>328</b>	<b>0</b>
<b>Recreation and Amenity</b>												
Conveniences - Rural	INCREASE / MAINTAIN	276	25	26	26	27	27	28	28	29	30	31
Refurbish Conveniences - City	INCREASE / MAINTAIN	607	55	56	57	58	60	61	63	64	66	67
District - Conveniences Pit Toilets	MAINTAIN	140	0	26	0	27	0	28	0	29	0	31
Hicks Bay Toilets Relocation	INCREASE / MAINTAIN	150	150	0	0	0	0	0	0	0	0	0
Peel St Toilets	MAINTAIN	400	400	0	0	0	0	0	0	0	0	0
Parks And Reserves - Waikanae/midway Beach Reserve Site Improvements	MAINTAIN	180	180	0	0	0	0	0	0	0	0	0
Parks And Reserves - Adventure Playground Recreation Reserve Softfall And Shading	INCREASE / MAINTAIN	220	50	0	0	53	0	0	57	0	60	0
Parks And Reserves - Buildings	MAINTAIN	338	31	32	32	33	34	34	34	35	36	37
Parks And Reserves - Hard Surfacing/paving/concrete/car Parks	MAINTAIN	1,025	100	92	104	96	109	100	102	105	107	110
Parks And Reserves - Playground Equipment Renewals	MAINTAIN	729	0	0	36	16	293	100	245	0	0	38
Parks And Reserves - Dune Care	MAINTAIN	215	20	20	20	21	21	22	22	23	23	24
Parks And Reserves - Neighbourhood Parks And Local Purpose Reserves - Fencing, Signage, Revegetation, And Furniture And Fittings	MAINTAIN	825	33	25	64	28	81	55	239	17	228	56
Parks & Reserves - Land Improvements (dc's)	GROWTH	343	0	0	0	0	0	172	171	0	0	0
Parks And Reserves - Land Purchases (dc's) - Taruheru Block	GROWTH	435	0	0	0	0	435	0	0	0	0	0



# Finances

Description (\$000)	Level of Service	Total Cost	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Parks - Kopututea Private Reserve - Co-Governance	MAINTAIN	149	14	14	14	14	15	15	15	16	16	17
Ash Gardens	GROWTH	110	10	10	10	11	11	11	11	12	12	12
Anaura Bay Arrival Area	INCREASE	300	300	0	0	0	0	0	0	0	0	0
Botanical Gardens Pond - Filtration	INCREASE	51	0	51	0	0	0	0	0	0	0	0
Waihirere Trees - Removal And Vegetation	INCREASE	106	75	31	0	0	0	0	0	0	0	0
Township Plan Upgrades	INCREASE	364	0	51	0	64	0	73	0	82	0	93
Sportsground Facilities Upgrades And Renewals	INCREASE / MAINTAIN	4,599	260	927	0	0	0	0	3,412	0	0	0
Street Trees Planting	INCREASE	1,002	325	348	182	120	27	0	0	0	0	0
Paths Boardwalks	MAINTAIN	661	0	418	0	0	0	106	45	0	91	0
Jumping Platform	INCREASE	15	15	0	0	0	0	0	0	0	0	0
Playgrounds Renewals	MAINTAIN	150	75	75	0	0	0	0	0	0	0	0
Cemeteries Capital Renewals	MAINTAIN	140	45	5	16	5	16	6	17	6	18	6
Roadside Bollarding - Taruheru Cemetery	INCREASE / MAINTAIN	54	0	0	0	0	54	0	0	0	0	0
Parks And Reserves - Jetties And Boat Ramps	MAINTAIN	301	100	0	47	0	49	0	51	0	54	0
Community Property - District - Monuments, Public Art, Town Clock Renewals	MAINTAIN	100	19	19	20	0	21	0	22	0	0	0
Parks - Buildings - Museum & Art Gallery - Renewals	MAINTAIN	400	400	0	0	0	0	0	0	0	0	0
Redevelopment Of Olympic Pool Complex Phase 1 Ltp18-28	INCREASE / MAINTAIN	5,649	1,250	1,275	3,124	0	0	0	0	0	0	0
Grant Contribution To Redevelopment Of Olympic Pool Complex Phase 1 And 2	INCREASE	22,875	1,250	7,950	6,769	0	0	0	3,412	3,494	0	0
Aquatic Facilities Renewals (external)	MAINTAIN	498	67	88	229	9	0	9	0	92	5	0
<b>Total</b>		<b>43,406</b>	<b>5,248</b>	<b>11,537</b>	<b>10,752</b>	<b>582</b>	<b>1,252</b>	<b>819</b>	<b>7,946</b>	<b>4,003</b>	<b>745</b>	<b>521</b>
<b>Rivers, Land and Coastal</b>												
Pump Station Renewals - Replace Components Of Land Drainage Pump Stations	MAINTAIN	304	150	154	0	0	0	0	0	0	0	0
Tansley Road Drain - Replace Failing Retaining Walls	MAINTAIN	400	400	0	0	0	0	0	0	0	0	0
Coastal Hazard Management	INCREASE	174	0	0	0	54	0	0	58	0	0	63
Bushmere Road Nursery	INCREASE	132	30	10	10	11	11	11	12	12	12	13
Waipaoa River Flood Control Scheme Resilience Improvements	MAINTAIN	16,386	1,150	1,179	1,206	1,235	1,814	1,860	1,908	1,958	2,010	2,067
Wainui Beach Management Strategy - Wall Replacement Groyne To Tuahine Access	MAINTAIN	262	0	0	262	0	0	0	0	0	0	0
Onepoto Bay Wooden Stormwater Flumes Renewal - Hicks Bay	MAINTAIN	255	50	205	0	0	0	0	0	0	0	0
Taruheru And Turanganui Rivers City Revetment Renewals	INCREASE / MAINTAIN	1,697	0	0	524	0	0	563	0	0	609	0
Tauwhatinui Detention Dam	INCREASE / MAINTAIN	1,531	250	1,281	0	0	0	0	0	0	0	0
<b>Total</b>		<b>21,141</b>	<b>2,030</b>	<b>2,829</b>	<b>2,003</b>	<b>1,299</b>	<b>1,825</b>	<b>2,434</b>	<b>1,977</b>	<b>1,969</b>	<b>2,632</b>	<b>2,142</b>
<b>Science</b>												
Landfill And Contained Land Remediation	INCREASE	2,210	200	204	208	213	218	223	228	233	239	245
Bore Renewal And Maintenance	MAINTAIN	2,210	200	204	208	213	218	223	228	233	239	245
Mar: Further Aquifer Recharge Trials	INCREASE	162	80	82	0	0	0	0	0	0	0	0
Telemetry And Hydrological Equipment	MAINTAIN	1,033	94	77	84	91	99	107	116	119	122	125
Air Quality And Noise Monitoring Equipment	MAINTAIN	334	80	21	0	0	88	23	0	0	97	25
<b>Total</b>		<b>5,948</b>	<b>654</b>	<b>587</b>	<b>501</b>	<b>517</b>	<b>622</b>	<b>575</b>	<b>571</b>	<b>585</b>	<b>697</b>	<b>640</b>

Description (\$000)	Level of Service	Total Cost	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
<b>Solid Waste</b>												
Waiapu Landfill - Stage 3	MAINTAIN	457	11	0	35	0	0	41	15	356	0	0
Paokahu Closed Landfill	INCREASE / MAINTAIN	605	13	308	224	12	16	0	17	15	0	0
Transfer Stations	MAINTAIN	205	42	0	0	49	52	0	0	62	0	0
Litter Bins	MAINTAIN	250	20	13	0	32	27	17	23	59	2	56
Retrofitted Container Offices 8 X 20ft Containers	MAINTAIN	94	0	31	31	32	0	0	0	0	0	0
<b>Total</b>		<b>1,611</b>	<b>85</b>	<b>351</b>	<b>290</b>	<b>126</b>	<b>95</b>	<b>58</b>	<b>55</b>	<b>493</b>	<b>2</b>	<b>56</b>
<b>Stormwater</b>												
Stormwater Pipeline Renewals	MAINTAIN	3,578	350	338	315	322	352	361	370	380	390	401
Stormwater Renewals For Rural Townships	MAINTAIN	276	50	0	52	0	55	0	58	0	61	0
Stormwater In Drain Structures	MAINTAIN	503	45	46	47	48	49	51	52	53	55	56
Stormwater Localised Urban Upgrades	GROWTH / MAINTAIN	839	75	77	79	81	82	85	87	89	91	94
Taruheru / Waru / Haisman (stormwater Catchment)	GROWTH	1,037	0	513	524	0	0	0	0	0	0	0
Stanford Crescent Stormwater Catchment Upgrade	MAINTAIN	367	0	0	367	0	0	0	0	0	0	0
Douglas Street Stormwater Improvements	GROWTH / MAINTAIN	700	700	0	0	0	0	0	0	0	0	0
Tolaga Bay - Piping Of Existing Open Water Drains Along Parkinson Street	MAINTAIN	518	250	0	0	268	0	0	0	0	0	0
002 Graham/delatour Road	INCREASE / MAINTAIN	1,071	0	0	105	966	0	0	0	0	0	0
003 Rutene Road S1-3/kaiti	INCREASE	2,657	1,000	923	734	0	0	0	0	0	0	0
004 Whataupoko	INCREASE / MAINTAIN	567	0	0	0	0	110	225	231	0	0	0
005 Public Drains On Private Property	INCREASE	6,041	540	554	566	580	594	609	624	641	658	676
006 Elgin/cbd/te Hapara Upgrades	INCREASE / MAINTAIN	188	0	0	0	0	0	0	0	0	0	188
<b>Total</b>		<b>18,342</b>	<b>3,010</b>	<b>2,450</b>	<b>2,789</b>	<b>2,266</b>	<b>1,242</b>	<b>1,330</b>	<b>1,422</b>	<b>1,163</b>	<b>1,255</b>	<b>1,415</b>
<b>Support Services</b>												
Business Analytics	INCREASE / MAINTAIN	1,602	151	144	154	157	161	164	162	165	170	174
Orthophoto Regeneration - Aerial Photography	MAINTAIN	496	45	46	47	48	49	50	51	52	54	55
Existing Core Hardware Renewal	MAINTAIN	4,398	383	425	357	551	373	476	345	377	661	451
Issp Capex	INCREASE	500	500	0	0	0	0	0	0	0	0	0
Software Renewals & Upgrades	MAINTAIN	10,369	950	1,020	1,301	1,859	814	500	682	524	1,192	1,528
Vehicle Replacements	MAINTAIN	3,775	475	485	495	425	326	89	341	393	348	398
Minor Plant Renewals	MAINTAIN	247	30	15	31	16	33	17	34	17	36	18
<b>Total</b>		<b>21,388</b>	<b>2,534</b>	<b>2,135</b>	<b>2,385</b>	<b>3,056</b>	<b>1,755</b>	<b>1,296</b>	<b>1,614</b>	<b>1,529</b>	<b>2,460</b>	<b>2,624</b>
<b>Tairāwhiti Roads</b>												
Pavement Maintenance - Renewal	MAINTAIN	42,904	3,800	4,000	4,000	4,167	4,158	4,370	4,364	4,595	4,598	4,852
Roadside Drainage Renewals	MAINTAIN	4,873	642	515	410	438	449	459	471	483	496	510
Bridge Renewals (renewals Of Local Roads)	MAINTAIN	9,956	1,000	1,000	1,000	962	985	1,008	976	1,002	1,029	995
Bridge Replacements - Heavy Vehicle Bridge Strengthening	MAINTAIN	10,014	650	650	650	1,069	1,094	1,120	1,148	1,178	1,210	1,244
Resurfacing Of Roads (renewals Of Local Roads)	MAINTAIN	38,739	3,200	3,200	3,200	3,847	4,048	4,033	4,134	4,242	4,356	4,478
Rehabilitation Of Roads (renewals Of Local Roads)	MAINTAIN	32,585	2,800	3,000	3,400	3,099	3,173	3,249	3,330	3,417	3,509	3,608
Minor Improvements Projects	MAINTAIN	11,214	1,425	925	800	1,069	1,094	1,120	1,148	1,178	1,210	1,244
Resilience Improvement	INCREASE	7,745	700	700	700	748	766	784	804	825	847	871
Taruheru Subdivision Road Links (potae Ave To Nelson Road)	GROWTH	765	50	715	0	0	0	0	0	0	0	0
Taruheru Subdivision Road Area - Improvements Ruth Street/ Gwyneth PI	GROWTH	522	0	0	522	0	0	0	0	0	0	0

# Finances

Description (\$000)	Level of Service	Total Cost	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028
Suburban & Township Upgrades	INCREASE	3,545	100	571	104	574	109	595	114	617	119	642
Bus Shelter Replacements	MAINTAIN	580	58	58	58	58	58	58	58	58	58	58
Gisborne City Carpark Facility	MAINTAIN	223	20	20	21	21	22	22	23	24	24	25
Taruheru River Walkway And Cycling	INCREASE	7,294	0	0	366	1,603	2,188	3,137	0	0	0	0
Traffic Service Renewals (renewal Of Local Roads)	MAINTAIN	1,667	280	205	190	166	148	129	132	136	139	143
Environmental Renewals	MAINTAIN	166	15	15	15	16	16	17	17	18	18	19
Streetlight Upgrades To Led	INCREASE	1,627	400	400	400	427	0	0	0	0	0	0
Walking And Cycling (intersection And Route Safety Improvements)	INCREASE	1,870	1,870	0	0	0	0	0	0	0	0	0
East Cape Slope Stabilisation	INCREASE	2,500	50	450	2,000	0	0	0	0	0	0	0
Inner Harbour Development	INCREASE	1,684	1,684	0	0	0	0	0	0	0	0	0
Waihau Bluffs Road Widening	INCREASE	1,666	0	0	0	53	492	1,120	0	0	0	0
Taruheru Subdivision Road Links (cameron Road And Others)	GROWTH	726	0	0	0	0	0	0	0	59	605	62
Aerodrome Road Upgrade	GROWTH / INCREASE / MAINTAIN	1,148	0	0	0	53	1,094	0	0	0	0	0
Arakihi Road Widening	INCREASE	350	350	0	0	0	0	0	0	0	0	0
Inner Harbour Redevelopment 100% Nzta Funded	INCREASE	2,300	2,300	0	0	0	0	0	0	0	0	0
Footpath Replacements - Funded	MAINTAIN	1,622	300	307	188	235	241	84	86	59	61	62
<b>Total</b>		<b>188,286</b>	<b>21,694</b>	<b>16,732</b>	<b>18,024</b>	<b>18,604</b>	<b>20,135</b>	<b>21,308</b>	<b>16,807</b>	<b>17,890</b>	<b>18,280</b>	<b>18,813</b>
<b>Wastewater</b>												
Localised Urban Upgrades	GROWTH	336	30	31	31	32	33	34	35	36	37	38
Wastewater Pump Station Renewals	MAINTAIN	2,110	100	282	105	295	110	310	116	326	122	344
Permanent Flow Loggers	MAINTAIN	252	0	123	0	129	0	0	0	0	0	0
Wastewater Pipeline Renewals	MAINTAIN	15,662	1,400	1,435	1,468	1,503	1,539	1,578	1,619	1,661	1,706	1,754
Wastewater Wainui Road New Pipeline	GROWTH / MAINTAIN	687	0	0	0	0	0	0	0	0	61	626
Upgrade Campion Road Pump Station And Rising Main	GROWTH / MAINTAIN	1,100	75	1,025	0	0	0	0	0	0	0	0
Taruheru Block New Pump Station 1	GROWTH	460	45	415	0	0	0	0	0	0	0	0
Taruheru Block New Pump Station 2	GROWTH	618	0	0	0	0	55	563	0	0	0	0
Wastewater Kaiti Pipeline Upgrades	MAINTAIN	150	150	0	0	0	0	0	0	0	0	0
Wastewater Mangapapa Upgrades	GROWTH / MAINTAIN	175	175	0	0	0	0	0	0	0	0	0
Wastewater Remaining Areas Upgrades	GROWTH / MAINTAIN	990	990	0	0	0	0	0	0	0	0	0
Wastewater Treatment Plant Further Treatment	GROWTH / INCREASE	24,378	300	513	1,049	5,530	16,987	0	0	0	0	0
Te Karaka Oxidation Pond Improvements	MAINTAIN	289	0	0	0	0	0	0	289	0	0	0
Tolaga Bay Septage Site	MAINTAIN	300	300	0	0	0	0	0	0	0	0	0
Septage Solids Removal	MAINTAIN	100	100	0	0	0	0	0	0	0	0	0
Wastewater Treatment Plant Upgrades & Renewals	MAINTAIN	1,024	200	154	157	161	55	56	58	59	61	63
Pump Station Emergency Storage	MAINTAIN	307	100	103	105	0	0	0	0	0	0	0
Wastewater Equipment Renewals	MAINTAIN	216	100	0	0	0	0	0	116	0	0	0
Pump Station Health & Safety Upgrades	MAINTAIN	311	75	77	79	81	0	0	0	0	0	0
Te Karaka Wastewater Land Disposal	INCREASE	703	0	0	0	0	110	0	0	593	0	0
Scada Repeater Relocation	INCREASE	88	0	0	0	0	88	0	0	0	0	0
Aerodrome Road Additional Pump Station And Reticulation	GROWTH / INCREASE	313	0	0	0	0	0	0	0	0	0	313
<b>Total</b>		<b>50,570</b>	<b>4,140</b>	<b>4,156</b>	<b>2,994</b>	<b>7,731</b>	<b>18,978</b>	<b>2,541</b>	<b>2,232</b>	<b>2,675</b>	<b>1,986</b>	<b>3,138</b>
<b>Water Supply</b>												

Description (\$000)	Level of Service	Total Cost	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
			2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Distribution : Pipe Renewals [asbestos Main Replacement]	MAINTAIN	6,977	650	738	1,049	1,020	550	563	578	593	609	626
Distribution : Water Meter Renewals	MAINTAIN	559	50	51	52	54	55	56	58	59	61	63
Taruheru Block Water Extension	GROWTH	1,696	0	0	629	0	0	338	0	415	0	313
Booster Station And Reservoir Supply Main	GROWTH	1,762	0	0	0	0	0	0	0	0	822	939
Local Urban Upgrades	GROWTH / MAINTAIN	392	35	36	37	38	38	39	40	42	43	44
Bulk Distribution - Waingake Trunk Main Refurbishment	MAINTAIN	1,187	150	513	524	0	0	0	0	0	0	0
Bulk Distribution:waingake Raw Water Pipeline Renewal	MAINTAIN	493	0	0	0	54	440	0	0	0	0	0
Bulk Distribution Telemetry Site Upgrades	MAINTAIN	249	25	26	26	32	33	20	21	21	22	23
Bulk Distribution: Cathodic Protection, Replacement Of Sacrificial Anode Beds Along Waingake Trunk Pipeline	MAINTAIN	110	0	36	37	38	0	0	0	0	0	0
Bulk Distribution: Waingake Trunk Main Air Valve Renewals	MAINTAIN	350	0	0	189	161	0	0	0	0	0	0
Leak Detection (was In Year 8) But May Need To Align Earlier	INCREASE	142	0	0	0	0	0	0	0	142	0	0
Waipaoa Treatment Plant Water Softening Renewal	INCREASE	120	120	0	0	0	0	0	0	0	0	0
Waingake T/plant Uv Installations	INCREASE	715	0	0	0	0	715	0	0	0	0	0
Waipaoa T/plant Uv Installations	INCREASE	500	500	0	0	0	0	0	0	0	0	0
Te Karaka Reticulation Renewal	MAINTAIN	891	0	0	0	0	440	451	0	0	0	0
Whatatutu Reticulation Renewal	MAINTAIN	586	0	0	0	0	0	0	289	297	0	0
Demand Management Initiatives	INCREASE	2,313	0	0	0	0	0	563	1,156	593	0	0
Residential Backflow Prevention	MAINTAIN	4,229	350	513	682	537	550	789	809	0	0	0
Sang Dam Slump Remedial Works	INCREASE / MAINTAIN	1,611	0	0	0	1,611	0	0	0	0	0	0
<b>Total</b>		<b>24,880</b>	<b>1,880</b>	<b>1,912</b>	<b>3,224</b>	<b>3,543</b>	<b>2,820</b>	<b>2,821</b>	<b>2,952</b>	<b>2,163</b>	<b>1,557</b>	<b>2,008</b>
<b>Grand Total</b>		<b>384,250</b>	<b>44,609</b>	<b>43,220</b>	<b>43,563</b>	<b>38,190</b>	<b>49,197</b>	<b>33,662</b>	<b>36,066</b>	<b>33,335</b>	<b>30,500</b>	<b>31,908</b>

Disclosure Statement

Long Term Plan Disclosure Statement for  
Period Commencing 1 July 2018

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

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

Rates Affordability Benchmark

Council meets the rates affordability benchmark if:

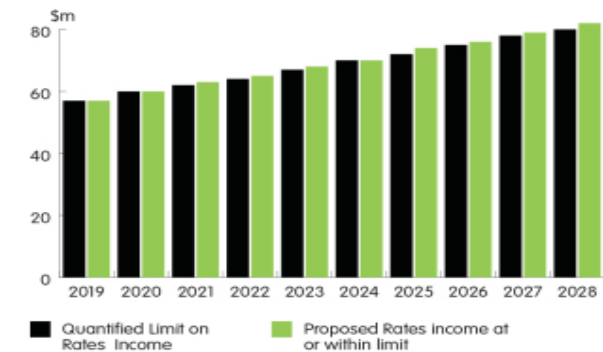
- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

Rates Income Affordability

The following graph compares the Council's planned rates income with quantified limits on rates contained in the financial strategy included in Council's LTP.

**Quantified Limits on Rates:** The total rates requirement for each year of the LTP period will be no more than 5% more than what was adopted for the preceeding year of the LTP.

Rates Income Affordability



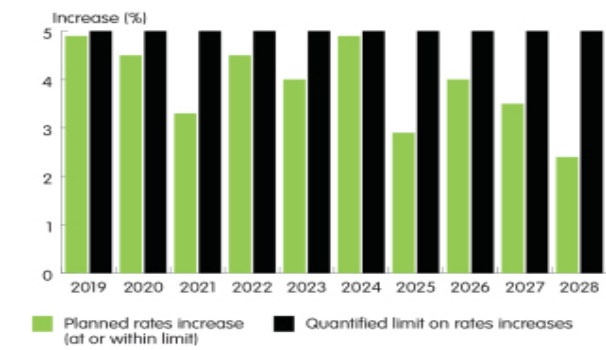
Rates Increases Affordability

The following graph compares the Council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in this LTP.

**Quantified Limit on Rates:** For the current LTP, the annual increase in total rates requirement has been limited to 5% plus growth in the rating base.

"Total rates" is defined as total rates excluding rates collected from water metering.

Rates Increases Affordability



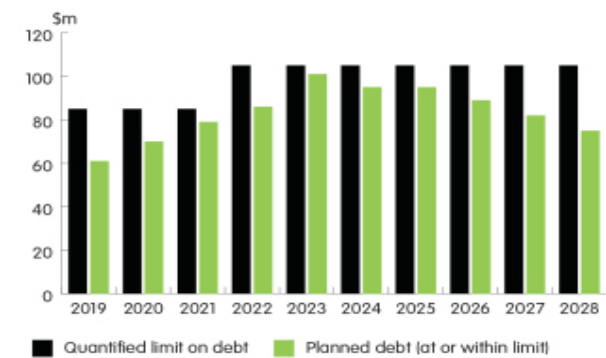
Debt Affordability Benchmark

Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

**Our Limits for Debt:** The following graph compares Council's planned debt with a quantified limit on borrowing stated in the financial strategy included in this long-term plan. The quantified limit is \$85 million for Years 1 to 3. From Year 4 the quantified limit is \$105million.

Debt is defined as financial liabilities less financial assets (excluding trade, provisions and other receivables) and lease debt arising from CCTO arrangements.

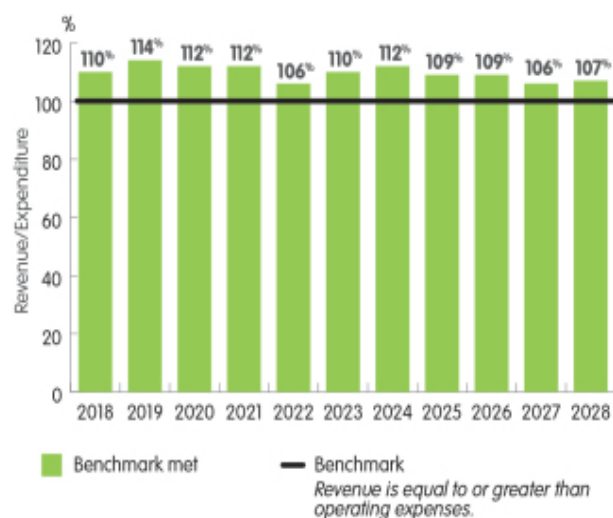
Debt Affordability Benchmark



## Balanced Budget Benchmark

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

**Balanced Budget Benchmark**

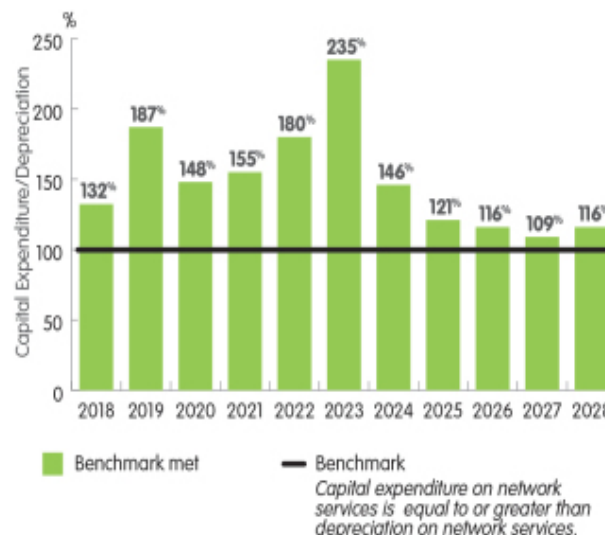


## Essential Services Benchmark

The following graph displays Council's planned capital expenditure on network services as a proportion of expected depreciation on network services. Council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

The peak of capital expenditure to depreciation occurring in year 5, relates to Wastewater Further Treatment project.

**Essential Services Benchmark**

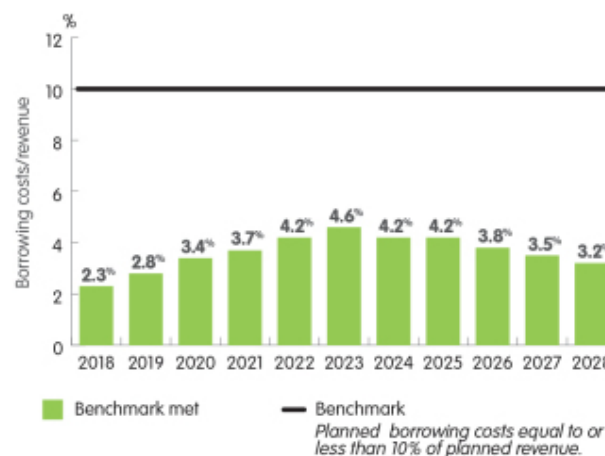


## Debt Servicing Benchmark

The following graph displays Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant & equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

**Essential Services Benchmark**





## Funding Impact Statement

### Council

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
17,359 General rates, uniform annual general charges, rates penalties	20,100	21,282	22,236	23,756	24,722	24,559	23,878	24,815	25,141	25,460
40,573 Targeted rates	40,825	42,296	43,353	44,707	46,399	49,919	52,740	54,764	57,143	58,822
9,227 Subsidies and grants for operating purposes	13,898	14,035	13,984	13,892	14,149	14,256	14,677	15,068	15,338	15,843
6,221 Fees and charges	8,644	7,393	7,732	7,491	10,092	10,245	8,019	8,210	8,414	9,279
1,847 Interest and Dividends from Investments	1,800	1,800	1,800	1,850	2,185	4,050	2,650	3,900	2,700	1,900
1,481 Local authorities fuel Tax, fines, infringement fees and other receipts	1,900	1,892	1,936	1,981	2,018	2,071	2,112	2,164	2,210	2,258
<b>76,706 Total Operating Funding (A)</b>	<b>87,167</b>	<b>88,699</b>	<b>91,041</b>	<b>93,678</b>	<b>99,565</b>	<b>105,101</b>	<b>104,076</b>	<b>108,921</b>	<b>110,946</b>	<b>113,563</b>
<b>Applications of operating funding</b>										
63,040 Payments to staff and suppliers	68,472	70,248	71,733	72,619	74,182	77,200	78,845	80,511	82,293	84,187
2,199 Finance costs	2,971	3,645	4,111	4,525	5,270	5,016	5,018	4,764	4,308	4,024
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>65,239 Total applications of operating funding (B)</b>	<b>71,443</b>	<b>73,893</b>	<b>75,845</b>	<b>77,145</b>	<b>79,451</b>	<b>82,216</b>	<b>83,863</b>	<b>85,275</b>	<b>86,601</b>	<b>88,211</b>
<b>11,467 Surplus/(deficit) of operating funding (A-B)</b>	<b>15,724</b>	<b>14,806</b>	<b>15,196</b>	<b>16,533</b>	<b>20,114</b>	<b>22,885</b>	<b>20,213</b>	<b>23,645</b>	<b>24,345</b>	<b>25,352</b>
<b>Sources of capital funding</b>										
17,954 Subsidies and grants for capital expenditure	18,509	18,657	18,921	13,075	13,915	15,432	15,126	15,572	12,321	12,707
699 Development and financial contributions	699	699	699	699	699	699	699	699	699	699
5,374 Increase/(decrease) in debt	7,668	2,667	3,714	2,891	13,394	(2,459)	398	(1,238)	(1,815)	(853)
12 Gross proceeds from sale of assets	12	12	12	12	12	12	12	12	12	12
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>24,039 Total sources of capital funding (C)</b>	<b>26,887</b>	<b>22,035</b>	<b>23,346</b>	<b>16,677</b>	<b>28,020</b>	<b>13,684</b>	<b>16,235</b>	<b>15,044</b>	<b>11,216</b>	<b>12,565</b>
<b>Applications of capital funding</b>										
Capital expenditure										
1,299 - to meet additional demand	426	2,542	1,850	587	3,005	1,172	271	577	1,563	1,893
16,357 - to improve level of service	14,613	15,382	16,383	11,165	21,138	7,565	8,324	7,346	2,313	2,922
24,370 - to replace existing assets	29,570	25,297	25,329	26,437	25,053	24,926	27,472	25,412	26,623	27,094
(6,520) Increase/(decrease) in reserves	(1,997)	(6,379)	(5,019)	(4,981)	(1,064)	2,906	382	5,355	5,062	6,009
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>35,506 Total applications of capital funding (D)</b>	<b>42,612</b>	<b>36,841</b>	<b>38,543</b>	<b>33,209</b>	<b>48,133</b>	<b>36,568</b>	<b>36,449</b>	<b>38,690</b>	<b>35,561</b>	<b>37,917</b>
<b>(11,467) Surplus/(deficit) of capital funding (C-D)</b>	<b>(15,724)</b>	<b>(14,806)</b>	<b>(15,197)</b>	<b>(16,533)</b>	<b>(20,113)</b>	<b>(22,884)</b>	<b>(20,213)</b>	<b>(23,645)</b>	<b>(24,345)</b>	<b>(25,352)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Commercial Operations

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
16 General rates, uniform annual general charges, rates penalties	20	21	22	12	13	14	8	9	10	(25)
0 Targeted rates	0	0	0	0	0	0	0	0	0	0
0 Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
1,124 Fees and charges	2,843	1,418	1,628	1,254	3,715	3,723	1,341	1,370	1,401	2,083
96 Internal charges and overheads recovered	15	15	15	15	15	15	15	15	15	15
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
13 Local authorities fuel Tax, fines, infringement fees and other receipts	113	116	118	121	124	126	129	133	136	140
<b>1,249 Total Operating Funding (A)</b>	<b>2,991</b>	<b>1,570</b>	<b>1,783</b>	<b>1,402</b>	<b>3,867</b>	<b>3,879</b>	<b>1,493</b>	<b>1,526</b>	<b>1,562</b>	<b>2,212</b>
<b>Applications of operating funding</b>										
557 Payments to staff and suppliers	784	799	832	849	868	887	907	928	950	974
43 Finance costs	26	25	24	23	22	21	20	19	18	17
337 Internal charges and overheads applied	277	278	280	278	278	280	282	285	287	289
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>937 Total applications of operating funding (B)</b>	<b>1,087</b>	<b>1,102</b>	<b>1,135</b>	<b>1,150</b>	<b>1,168</b>	<b>1,188</b>	<b>1,209</b>	<b>1,232</b>	<b>1,255</b>	<b>1,280</b>
<b>312 Surplus/(deficit) of operating funding (A-B)</b>	<b>1,904</b>	<b>468</b>	<b>648</b>	<b>252</b>	<b>2,699</b>	<b>2,691</b>	<b>284</b>	<b>294</b>	<b>307</b>	<b>932</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
(25) Increase/(decrease) in debt	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(20)	(20)	(20)
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>(25) Total sources of capital funding (C)</b>	<b>(22)</b>	<b>(22)</b>	<b>(22)</b>	<b>(22)</b>	<b>(22)</b>	<b>(22)</b>	<b>(22)</b>	<b>(20)</b>	<b>(20)</b>	<b>(20)</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
0 - to improve level of service	0	0	0	0	0	0	0	0	0	0
242 - to replace existing assets	225	266	200	200	200	200	200	260	265	270
45 Increase/(decrease) in reserves	1,657	180	426	30	2,477	2,469	62	14	22	642
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>287 Total applications of capital funding (D)</b>	<b>1,882</b>	<b>446</b>	<b>626</b>	<b>230</b>	<b>2,677</b>	<b>2,669</b>	<b>262</b>	<b>274</b>	<b>287</b>	<b>912</b>
<b>(312) Surplus/(deficit) of capital funding (C-D)</b>	<b>(1,904)</b>	<b>(468)</b>	<b>(648)</b>	<b>(252)</b>	<b>(2,699)</b>	<b>(2,691)</b>	<b>(284)</b>	<b>(294)</b>	<b>(307)</b>	<b>(932)</b>
<b>(0) Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Environmental Services and Protection

### Resource Consents

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
1,328 General rates, uniform annual general charges, rates penalties	1,021	1,074	1,093	1,104	1,121	1,139	1,153	1,247	1,276	1,287
0 Targeted rates	0	0	0	0	0	0	0	0	0	0
0 Subsidies and grants for operating purposes	150	150	150	150	150	150	150	150	150	150
202 Fees and charges	340	347	355	362	371	379	388	398	408	419
374 Internal charges and overheads recovered	12	12	12	12	12	12	12	13	13	13
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
0 Local authorities fuel Tax, fines, infringement fees and other receipts	15	0	0	0	0	0	0	0	0	0
<b>1,904 Total Operating Funding (A)</b>	<b>1,538</b>	<b>1,583</b>	<b>1,609</b>	<b>1,628</b>	<b>1,654</b>	<b>1,681</b>	<b>1,704</b>	<b>1,807</b>	<b>1,847</b>	<b>1,869</b>
<b>Applications of operating funding</b>										
1,141 Payments to staff and suppliers	1,050	1,076	1,092	1,110	1,128	1,147	1,167	1,176	1,198	1,221
0 Finance costs	0	0	0	0	0	0	0	0	0	0
763 Internal charges and overheads applied	487	507	517	518	526	534	537	631	649	648
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>1,904 Total applications of operating funding (B)</b>	<b>1,538</b>	<b>1,583</b>	<b>1,609</b>	<b>1,628</b>	<b>1,654</b>	<b>1,681</b>	<b>1,704</b>	<b>1,807</b>	<b>1,847</b>	<b>1,869</b>
<b>0 Surplus/(deficit) of operating funding (A-B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) in debt	0	0	0	0	0	0	0	0	0	0
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>0 Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
0 - to improve level of service	0	0	0	0	0	0	0	0	0	0
0 - to replace existing assets	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>0 Total applications of capital funding (D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0 Surplus/(deficit) of capital funding (C-D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Building Services

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
840 General rates, uniform annual general charges, rates penalties	695	742	731	753	738	769	747	893	889	909
0 Targeted rates	0	0	0	0	0	0	0	0	0	0
0 Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
930 Fees and charges	930	950	971	992	1,014	1,038	1,063	1,089	1,116	1,146
81 Internal charges and overheads recovered	14	15	15	15	15	15	15	15	16	16
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
0 Local authorities fuel Tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
<b>1,852 Total Operating Funding (A)</b>	<b>1,640</b>	<b>1,707</b>	<b>1,717</b>	<b>1,760</b>	<b>1,767</b>	<b>1,822</b>	<b>1,825</b>	<b>1,997</b>	<b>2,021</b>	<b>2,071</b>
<b>Applications of operating funding</b>										
1,110 Payments to staff and suppliers	938	979	974	1,015	1,011	1,054	1,051	1,097	1,095	1,145
0 Finance costs	0	0	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)
688 Internal charges and overheads applied	701	728	742	745	756	768	774	900	925	926
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>1,798 Total applications of operating funding (B)</b>	<b>1,640</b>	<b>1,707</b>	<b>1,717</b>	<b>1,760</b>	<b>1,767</b>	<b>1,822</b>	<b>1,825</b>	<b>1,997</b>	<b>2,021</b>	<b>2,071</b>
<b>53 Surplus/(deficit) of operating funding (A-B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
(1) Increase/(decrease) in debt	0	0	0	0	0	0	0	0	0	0
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>(1) Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
0 - to improve level of service	0	0	0	0	0	0	0	0	0	0
0 - to replace existing assets	0	0	0	0	0	0	0	0	0	0
52 Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>52 Total applications of capital funding (D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(53) Surplus/(deficit) of capital funding (C-D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Enforcement

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
0 General rates, uniform annual general charges, rates penalties	13	9	12	(4)	(5)	(13)	(16)	3	6	(11)
0 Targeted rates	329	331	349	346	336	354	353	409	421	415
0 Subsidies and grants for operating purposes	180	180	180	180	180	180	180	180	180	180
0 Fees and charges	1,390	1,421	1,451	1,483	1,517	1,552	1,589	1,628	1,670	1,714
0 Internal charges and overheads recovered	68	69	70	71	73	74	76	77	79	80
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
0 Local authorities fuel Tax, fines, infringement fees and other receipts	888	907	927	947	969	991	1,015	1,040	1,066	1,095
<b>0 Total Operating Funding (A)</b>	<b>2,868</b>	<b>2,917</b>	<b>2,990</b>	<b>3,025</b>	<b>3,070</b>	<b>3,138</b>	<b>3,197</b>	<b>3,337</b>	<b>3,421</b>	<b>3,472</b>
<b>Applications of operating funding</b>										
0 Payments to staff and suppliers	1,914	1,930	1,980	2,009	2,040	2,085	2,132	2,153	2,204	2,244
0 Finance costs	0	0	0	0	0	0	0	0	0	0
0 Internal charges and overheads applied	915	946	968	971	985	1,005	1,014	1,129	1,162	1,167
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>0 Total applications of operating funding (B)</b>	<b>2,829</b>	<b>2,875</b>	<b>2,948</b>	<b>2,980</b>	<b>3,025</b>	<b>3,089</b>	<b>3,146</b>	<b>3,282</b>	<b>3,366</b>	<b>3,411</b>
<b>0 Surplus/(deficit) of operating funding (A-B)</b>	<b>39</b>	<b>42</b>	<b>42</b>	<b>45</b>	<b>45</b>	<b>49</b>	<b>51</b>	<b>55</b>	<b>55</b>	<b>61</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) in debt	0	0	0	0	0	0	0	0	0	0
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>0 Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
0 - to improve level of service	0	0	0	0	0	0	0	0	0	0
0 - to replace existing assets	35	10	10	11	11	11	11	321	328	0
0 Increase/(decrease) in reserves	4	32	32	34	34	38	40	(266)	(273)	61
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>0 Total applications of capital funding (D)</b>	<b>39</b>	<b>42</b>	<b>42</b>	<b>45</b>	<b>45</b>	<b>49</b>	<b>51</b>	<b>55</b>	<b>55</b>	<b>61</b>
<b>0 Surplus/(deficit) of capital funding (C-D)</b>	<b>(39)</b>	<b>(42)</b>	<b>(42)</b>	<b>(45)</b>	<b>(45)</b>	<b>(49)</b>	<b>(51)</b>	<b>(55)</b>	<b>(55)</b>	<b>(61)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: New alignment of groupings occurs in Year 1 of the 2018-2028 Long Term Plan. As such, there are no comparative figures for Annual Plan 2018 (AP 2018).

## Science

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
0 General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
4,336 Targeted rates	4,060	4,241	4,400	4,462	4,553	4,650	4,716	4,982	5,087	5,186
58 Subsidies and grants for operating purposes	400	425	410	404	322	215	216	217	218	219
335 Fees and charges	584	615	628	642	656	671	687	704	722	741
5,297 Internal charges and overheads recovered	5,006	5,197	5,356	5,424	5,528	5,661	5,732	6,014	6,140	6,280
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
44 Local authorities fuel Tax, fines, infringement fees and other receipts	260	265	271	277	283	290	297	304	312	320
<b>10,070 Total Operating Funding (A)</b>	<b>10,309</b>	<b>10,743</b>	<b>11,065</b>	<b>11,209</b>	<b>11,343</b>	<b>11,487</b>	<b>11,648</b>	<b>12,221</b>	<b>12,479</b>	<b>12,746</b>
<b>Applications of operating funding</b>										
4,312 Payments to staff and suppliers	4,448	4,568	4,699	4,772	4,782	4,749	4,840	4,948	5,036	5,142
0 Finance costs	9	26	38	47	57	68	76	82	92	102
5,935 Internal charges and overheads applied	5,878	6,106	6,284	6,345	6,458	6,607	6,681	7,132	7,292	7,427
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>10,247 Total applications of operating funding (B)</b>	<b>10,336</b>	<b>10,700</b>	<b>11,021</b>	<b>11,163</b>	<b>11,297</b>	<b>11,424</b>	<b>11,597</b>	<b>12,162</b>	<b>12,419</b>	<b>12,670</b>
<b>(177) Surplus/(deficit) of operating funding (A-B)</b>	<b>(26)</b>	<b>43</b>	<b>45</b>	<b>45</b>	<b>46</b>	<b>62</b>	<b>51</b>	<b>59</b>	<b>60</b>	<b>76</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) in debt	560	511	389	381	468	402	361	373	474	402
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>0 Total sources of capital funding (C)</b>	<b>560</b>	<b>511</b>	<b>389</b>	<b>381</b>	<b>468</b>	<b>402</b>	<b>361</b>	<b>373</b>	<b>474</b>	<b>402</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
0 - to improve level of service	280	286	208	213	218	223	228	233	239	245
89 - to replace existing assets	374	302	292	304	404	352	343	352	458	395
(266) Increase/(decrease) in reserves	(120)	(34)	(67)	(90)	(108)	(110)	(158)	(153)	(163)	(162)
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>177 Total applications of capital funding (D)</b>	<b>534</b>	<b>554</b>	<b>434</b>	<b>427</b>	<b>514</b>	<b>465</b>	<b>412</b>	<b>431</b>	<b>534</b>	<b>478</b>
<b>0 Surplus/(deficit) of capital funding (C-D)</b>	<b>26</b>	<b>(43)</b>	<b>(45)</b>	<b>(45)</b>	<b>(46)</b>	<b>(62)</b>	<b>(51)</b>	<b>(59)</b>	<b>(60)</b>	<b>(76)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Environmental Health

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
1,197 General rates, uniform annual general charges, rates penalties	1,720	1,794	1,840	1,868	1,890	1,932	1,949	2,127	2,169	2,201
0 Targeted rates	0	0	0	0	0	0	0	0	0	0
0 Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
311 Fees and charges	415	424	433	443	453	463	475	486	499	512
1,553 Internal charges and overheads recovered	1,735	1,782	1,817	1,837	1,868	1,901	1,928	2,097	2,149	2,172
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
9 Local authorities fuel Tax, fines, infringement fees and other receipts	9	9	9	10	10	10	10	11	11	11
<b>3,070 Total Operating Funding (A)</b>	<b>3,879</b>	<b>4,009</b>	<b>4,099</b>	<b>4,157</b>	<b>4,221</b>	<b>4,307</b>	<b>4,362</b>	<b>4,720</b>	<b>4,827</b>	<b>4,896</b>
<b>Applications of operating funding</b>										
1,319 Payments to staff and suppliers	1,338	1,390	1,429	1,465	1,486	1,525	1,548	1,591	1,617	1,665
0 Finance costs	0	0	0	0	0	0	0	0	0	0
2,155 Internal charges and overheads applied	2,541	2,618	2,671	2,692	2,735	2,781	2,814	3,129	3,210	3,232
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>3,474 Total applications of operating funding (B)</b>	<b>3,879</b>	<b>4,009</b>	<b>4,099</b>	<b>4,157</b>	<b>4,221</b>	<b>4,307</b>	<b>4,362</b>	<b>4,720</b>	<b>4,827</b>	<b>4,896</b>
<b>(404) Surplus/(deficit) of operating funding (A-B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) in debt	0	0	0	0	0	0	0	0	0	0
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>0 Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
0 - to improve level of service	0	0	0	0	0	0	0	0	0	0
0 - to replace existing assets	0	0	0	0	0	0	0	0	0	0
(404) Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>(404) Total applications of capital funding (D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>404 Surplus/(deficit) of capital funding (C-D)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Governance and Support

### Governance

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
2,313 General rates, uniform annual general charges, rates penalties	2,604	2,643	2,591	2,688	2,808	2,750	2,877	3,010	2,973	3,056
0 Targeted rates	0	0	0	0	0	0	0	0	0	0
1 Subsidies and grants for operating purposes	0	61	0	0	65	0	0	70	0	0
13 Fees and charges	13	13	14	14	14	15	15	15	16	16
0 Internal charges and overheads recovered	11	11	11	11	11	11	11	11	11	11
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
0 Local authorities fuel Tax, fines, infringement fees and other receipts	2	2	2	2	2	2	2	2	2	2
<b>2,327 Total Operating Funding (A)</b>	<b>2,630</b>	<b>2,731</b>	<b>2,618</b>	<b>2,714</b>	<b>2,901</b>	<b>2,778</b>	<b>2,905</b>	<b>3,109</b>	<b>3,002</b>	<b>3,086</b>
<b>Applications of operating funding</b>										
1,291 Payments to staff and suppliers	1,247	1,327	1,193	1,276	1,441	1,285	1,377	1,541	1,395	1,436
0 Finance costs	0	0	0	0	0	0	0	0	0	0
1,234 Internal charges and overheads applied	1,381	1,401	1,422	1,437	1,457	1,490	1,526	1,566	1,605	1,647
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>2,526 Total applications of operating funding (B)</b>	<b>2,628</b>	<b>2,729</b>	<b>2,616</b>	<b>2,712</b>	<b>2,899</b>	<b>2,776</b>	<b>2,903</b>	<b>3,107</b>	<b>3,000</b>	<b>3,084</b>
<b>(198) Surplus/(deficit) of operating funding (A-B)</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) in debt	(1)	(1)	0	0	0	0	0	0	0	0
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>0 Total sources of capital funding (C)</b>	<b>(1)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
0 - to improve level of service	0	0	0	0	0	0	0	0	0	0
0 - to replace existing assets	0	0	0	0	0	0	0	0	0	0
(198) Increase/(decrease) in reserves	1	1	2	2	2	2	2	2	2	2
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>(198) Total applications of capital funding (D)</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>198 Surplus/(deficit) of capital funding (C-D)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Support Services

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
(156) General rates, uniform annual general charges, rates penalties	(1,155)	(621)	(123)	249	725	262	247	104	(89)	(438)
0 Targeted rates	0	0	0	0	0	0	0	0	0	0
0 Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
132 Fees and charges	42	43	44	44	45	47	48	49	50	51
18,398 Internal charges and overheads recovered	19,528	20,151	20,871	20,798	21,120	21,558	21,861	24,021	24,703	24,963
1,847 Interest and Dividends from Investments	1,800	1,800	1,800	1,850	2,185	4,050	2,650	3,900	2,700	1,900
416 Local authorities fuel Tax, fines, infringement fees and other receipts	352	352	352	362	362	377	377	387	387	387
<b>20,637 Total Operating Funding (A)</b>	<b>20,567</b>	<b>21,725</b>	<b>22,943</b>	<b>23,304</b>	<b>24,438</b>	<b>26,294</b>	<b>25,183</b>	<b>28,461</b>	<b>27,752</b>	<b>26,864</b>
<b>Applications of operating funding</b>										
14,021 Payments to staff and suppliers	12,265	12,847	13,548	13,692	13,952	14,244	14,516	14,859	15,273	15,519
(1,146) Finance costs	(120)	256	526	747	1,069	540	596	371	3	(203)
6,425 Internal charges and overheads applied	6,727	6,839	7,119	7,115	7,204	7,456	7,535	7,931	8,236	8,329
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>19,300 Total applications of operating funding (B)</b>	<b>18,872</b>	<b>19,943</b>	<b>21,193</b>	<b>21,553</b>	<b>22,224</b>	<b>22,240</b>	<b>22,647</b>	<b>23,162</b>	<b>23,511</b>	<b>23,644</b>
<b>1,337 Surplus/(deficit) of operating funding (A-B)</b>	<b>1,695</b>	<b>1,782</b>	<b>1,750</b>	<b>1,751</b>	<b>2,214</b>	<b>4,054</b>	<b>2,536</b>	<b>5,299</b>	<b>4,240</b>	<b>3,219</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
699 Development and financial contributions	699	699	699	699	699	699	699	699	699	699
389 Increase/(decrease) in debt	(951)	(1,064)	(778)	(791)	(241)	(259)	(113)	(12)	(11)	(10)
12 Gross proceeds from sale of assets	12	12	12	12	12	12	12	12	12	12
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>1,100 Total sources of capital funding (C)</b>	<b>(240)</b>	<b>(353)</b>	<b>(67)</b>	<b>(80)</b>	<b>470</b>	<b>452</b>	<b>598</b>	<b>699</b>	<b>700</b>	<b>701</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
985 - to improve level of service	575	72	77	79	80	82	81	83	85	87
1,152 - to replace existing assets	1,959	2,063	2,308	2,977	1,675	1,213	1,534	1,446	2,375	2,537
300 Increase/(decrease) in reserves	(1,079)	(706)	(700)	(1,385)	927	3,209	1,520	4,469	2,480	1,296
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>2,437 Total applications of capital funding (D)</b>	<b>1,455</b>	<b>1,429</b>	<b>1,684</b>	<b>1,671</b>	<b>2,683</b>	<b>4,505</b>	<b>3,134</b>	<b>5,998</b>	<b>4,940</b>	<b>3,920</b>
<b>(1,337) Surplus/(deficit) of capital funding (C-D)</b>	<b>(1,695)</b>	<b>(1,782)</b>	<b>(1,751)</b>	<b>(1,751)</b>	<b>(2,214)</b>	<b>(4,054)</b>	<b>(2,536)</b>	<b>(5,299)</b>	<b>(4,240)</b>	<b>(3,219)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Infrastructure Services

## Rivers, Land and Coastal

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
1,522 General rates, uniform annual general charges, rates penalties	1,702	1,781	1,868	1,900	1,930	1,967	2,012	2,156	2,326	2,726
1,147 Targeted rates	1,135	1,226	1,282	1,338	1,397	1,464	1,534	1,523	1,595	1,671
0 Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
172 Fees and charges	172	176	180	184	188	192	197	202	207	212
93 Internal charges and overheads recovered	385	280	233	182	217	260	303	347	393	439
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
11 Local authorities fuel Tax, fines, infringement fees and other receipts	11	12	12	12	12	13	13	13	14	14
<b>2,946 Total Operating Funding (A)</b>	<b>3,405</b>	<b>3,476</b>	<b>3,574</b>	<b>3,616</b>	<b>3,744</b>	<b>3,896</b>	<b>4,059</b>	<b>4,241</b>	<b>4,535</b>	<b>5,063</b>
<b>Applications of operating funding</b>										
1,475 Payments to staff and suppliers	1,935	2,019	2,062	2,108	2,154	2,204	2,256	2,228	2,283	2,342
275 Finance costs	283	342	399	435	464	506	550	588	632	679
1,048 Internal charges and overheads applied	1,050	968	938	897	947	1,003	1,061	1,152	1,217	1,278
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>2,798 Total applications of operating funding (B)</b>	<b>3,268</b>	<b>3,330</b>	<b>3,399</b>	<b>3,439</b>	<b>3,565</b>	<b>3,713</b>	<b>3,867</b>	<b>3,967</b>	<b>4,132</b>	<b>4,299</b>
<b>148 Surplus/(deficit) of operating funding (A-B)</b>	<b>137</b>	<b>146</b>	<b>175</b>	<b>177</b>	<b>179</b>	<b>183</b>	<b>192</b>	<b>274</b>	<b>403</b>	<b>763</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
582 Increase/(decrease) in debt	1,058	1,307	971	476	688	986	777	725	1,051	832
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>582 Total sources of capital funding (C)</b>	<b>1,058</b>	<b>1,307</b>	<b>971</b>	<b>476</b>	<b>688</b>	<b>986</b>	<b>777</b>	<b>725</b>	<b>1,051</b>	<b>832</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
0 - to improve level of service	155	651	273	64	11	293	69	12	317	75
1,669 - to replace existing assets	1,875	2,178	1,730	1,235	1,814	2,141	1,908	1,958	2,315	2,067
(939) Increase/(decrease) in reserves	(835)	(1,376)	(857)	(646)	(958)	(1,266)	(1,008)	(971)	(1,178)	(546)
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>730 Total applications of capital funding (D)</b>	<b>1,195</b>	<b>1,453</b>	<b>1,146</b>	<b>653</b>	<b>867</b>	<b>1,168</b>	<b>969</b>	<b>998</b>	<b>1,454</b>	<b>1,596</b>
<b>(148) Surplus/(deficit) of capital funding (C-D)</b>	<b>(137)</b>	<b>(146)</b>	<b>(175)</b>	<b>(177)</b>	<b>(179)</b>	<b>(183)</b>	<b>(192)</b>	<b>(274)</b>	<b>(403)</b>	<b>(763)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Land Transport (Tairāwhiti Roads)

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
0 General rates, uniform annual general charges, rates penalties	125	250	375	500	625	625	625	625	625	89
10,609 Targeted rates	11,948	12,032	12,219	12,222	12,622	13,030	14,774	15,500	15,984	16,349
8,993 Subsidies and grants for operating purposes	13,068	13,173	13,199	13,113	13,386	13,667	14,087	14,406	14,745	15,249
2 Fees and charges	0	0	0	0	0	0	0	0	0	0
1,160 Internal charges and overheads recovered	2,531	2,433	2,533	2,488	2,489	2,583	2,668	2,668	2,757	2,879
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
16 Local authorities fuel Tax, fines, infringement fees and other receipts	46	46	47	49	50	51	52	53	55	56
<b>20,780 Total Operating Funding (A)</b>	<b>27,717</b>	<b>27,935</b>	<b>28,374</b>	<b>28,371</b>	<b>29,171</b>	<b>29,956</b>	<b>32,206</b>	<b>33,252</b>	<b>34,167</b>	<b>34,622</b>
<b>Applications of operating funding</b>										
12,940 Payments to staff and suppliers	17,579	17,727	17,820	17,799	18,222	18,657	19,120	19,615	20,140	20,700
357 Finance costs	396	461	477	484	470	457	441	415	390	379
2,787 Internal charges and overheads applied	4,932	4,961	5,347	5,093	5,141	5,352	5,406	5,637	5,874	5,955
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>16,084 Total applications of operating funding (B)</b>	<b>22,907</b>	<b>23,149</b>	<b>23,644</b>	<b>23,376</b>	<b>23,833</b>	<b>24,466</b>	<b>24,967</b>	<b>25,667</b>	<b>26,404</b>	<b>27,035</b>
<b>4,696 Surplus/(deficit) of operating funding (A-B)</b>	<b>4,810</b>	<b>4,785</b>	<b>4,730</b>	<b>4,995</b>	<b>5,338</b>	<b>5,489</b>	<b>7,239</b>	<b>7,585</b>	<b>7,763</b>	<b>7,588</b>
<b>Sources of capital funding</b>										
9,266 Subsidies and grants for capital expenditure	14,547	10,697	12,141	13,064	13,904	15,421	11,703	12,066	12,309	12,695
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
1,942 Increase/(decrease) in debt	2,240	373	269	6	(587)	96	(758)	(263)	(746)	318
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>11,208 Total sources of capital funding (C)</b>	<b>16,788</b>	<b>11,070</b>	<b>12,410</b>	<b>13,070</b>	<b>13,317</b>	<b>15,516</b>	<b>10,945</b>	<b>11,803</b>	<b>11,563</b>	<b>13,012</b>
<b>Applications of capital funding</b>										
Capital expenditure										
1,000 - to meet additional demand	50	715	522	52	1,061	0	0	59	605	62
4,280 - to improve level of service	7,454	2,121	3,570	3,407	3,577	5,637	918	1,442	966	1,513
9,732 - to replace existing assets	14,190	13,895	13,932	15,146	15,496	15,671	15,889	16,389	16,709	17,237
892 Increase/(decrease) in reserves	(97)	(877)	(884)	(539)	(1,480)	(302)	1,378	1,498	1,046	1,787
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>15,904 Total applications of capital funding (D)</b>	<b>21,597</b>	<b>15,855</b>	<b>17,139</b>	<b>18,066</b>	<b>18,655</b>	<b>21,006</b>	<b>18,184</b>	<b>19,388</b>	<b>19,326</b>	<b>20,600</b>
<b>(4,696) Surplus/(deficit) of capital funding (C-D)</b>	<b>(4,810)</b>	<b>(4,785)</b>	<b>(4,730)</b>	<b>(4,995)</b>	<b>(5,338)</b>	<b>(5,489)</b>	<b>(7,239)</b>	<b>(7,585)</b>	<b>(7,763)</b>	<b>(7,588)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Solid Waste

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
2,319 General rates, uniform annual general charges, rates penalties	2,628	2,698	2,810	3,636	3,608	3,593	2,110	2,193	2,213	2,238
2,035 Targeted rates	1,916	1,956	1,999	2,043	2,089	2,137	2,188	2,242	2,299	2,360
0 Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
156 Fees and charges	186	187	188	190	191	192	193	195	196	198
44 Internal charges and overheads recovered	59	59	59	59	59	59	59	59	59	59
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
10 Local authorities fuel Tax, fines, infringement fees and other receipts	10	10	10	10	11	11	11	11	12	12
<b>4,564 Total Operating Funding (A)</b>	<b>4,798</b>	<b>4,910</b>	<b>5,066</b>	<b>5,937</b>	<b>5,957</b>	<b>5,992</b>	<b>4,561</b>	<b>4,699</b>	<b>4,779</b>	<b>4,866</b>
<b>Applications of operating funding</b>										
3,309 Payments to staff and suppliers	3,284	3,357	3,432	3,510	3,592	3,677	3,768	3,863	3,964	4,071
300 Finance costs	224	201	180	130	53	(26)	(68)	(72)	(76)	(80)
137 Internal charges and overheads applied	360	372	381	382	388	395	398	435	446	447
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>3,746 Total applications of operating funding (B)</b>	<b>3,868</b>	<b>3,929</b>	<b>3,994</b>	<b>4,023</b>	<b>4,033</b>	<b>4,046</b>	<b>4,098</b>	<b>4,226</b>	<b>4,333</b>	<b>4,439</b>
<b>818 Surplus/(deficit) of operating funding (A-B)</b>	<b>930</b>	<b>981</b>	<b>1,073</b>	<b>1,914</b>	<b>1,924</b>	<b>1,946</b>	<b>463</b>	<b>473</b>	<b>446</b>	<b>427</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
(704) Increase/(decrease) in debt	(594)	(340)	(469)	(1,535)	(1,569)	(1,587)	(78)	(80)	(96)	(47)
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>(704) Total sources of capital funding (C)</b>	<b>(594)</b>	<b>(340)</b>	<b>(469)</b>	<b>(1,535)</b>	<b>(1,569)</b>	<b>(1,587)</b>	<b>(78)</b>	<b>(80)</b>	<b>(96)</b>	<b>(47)</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
10 - to improve level of service	10	246	179	10	12	0	14	12	0	0
108 - to replace existing assets	75	105	111	116	82	58	41	480	2	56
(3) Increase/(decrease) in reserves	251	290	314	253	260	301	330	(99)	348	324
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>114 Total applications of capital funding (D)</b>	<b>336</b>	<b>641</b>	<b>604</b>	<b>379</b>	<b>355</b>	<b>359</b>	<b>385</b>	<b>393</b>	<b>349</b>	<b>380</b>
<b>(818) Surplus/(deficit) of capital funding (C-D)</b>	<b>(930)</b>	<b>(981)</b>	<b>(1,073)</b>	<b>(1,914)</b>	<b>(1,924)</b>	<b>(1,946)</b>	<b>(463)</b>	<b>(473)</b>	<b>(446)</b>	<b>(427)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Urban Stormwater

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
0 General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
2,934 Targeted rates	2,894	3,068	3,172	3,326	3,429	3,456	3,560	3,694	3,748	3,838
0 Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
0 Fees and charges	0	0	0	0	0	0	0	0	0	0
420 Internal charges and overheads recovered	182	186	220	194	198	233	208	213	248	224
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
0 Local authorities fuel Tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
<b>3,353 Total Operating Funding (A)</b>	<b>3,076</b>	<b>3,253</b>	<b>3,392</b>	<b>3,520</b>	<b>3,628</b>	<b>3,689</b>	<b>3,768</b>	<b>3,907</b>	<b>3,996</b>	<b>4,062</b>
<b>Applications of operating funding</b>										
1,546 Payments to staff and suppliers	1,255	1,284	1,310	1,347	1,393	1,410	1,442	1,476	1,512	1,530
371 Finance costs	349	423	478	523	540	543	547	550	551	554
516 Internal charges and overheads applied	589	612	628	633	646	656	666	734	752	760
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>2,434 Total applications of operating funding (B)</b>	<b>2,192</b>	<b>2,319</b>	<b>2,417</b>	<b>2,504</b>	<b>2,580</b>	<b>2,610</b>	<b>2,656</b>	<b>2,761</b>	<b>2,815</b>	<b>2,844</b>
<b>919 Surplus/(deficit) of operating funding (A-B)</b>	<b>883</b>	<b>935</b>	<b>975</b>	<b>1,017</b>	<b>1,048</b>	<b>1,079</b>	<b>1,112</b>	<b>1,146</b>	<b>1,181</b>	<b>1,218</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
564 Increase/(decrease) in debt	1,982	1,006	1,192	602	56	83	88	21	25	87
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>564 Total sources of capital funding (C)</b>	<b>1,982</b>	<b>1,006</b>	<b>1,192</b>	<b>602</b>	<b>56</b>	<b>83</b>	<b>88</b>	<b>21</b>	<b>25</b>	<b>87</b>
<b>Applications of capital funding</b>										
Capital expenditure										
143 - to meet additional demand	84	526	538	14	15	15	16	16	16	17
0 - to improve level of service	1,540	1,476	1,332	870	627	676	694	641	658	733
1,511 - to replace existing assets	1,387	447	919	1,381	601	638	713	506	581	666
(171) Increase/(decrease) in reserves	(144)	(510)	(622)	(647)	(138)	(168)	(222)	5	(49)	(110)
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>1,483 Total applications of capital funding (D)</b>	<b>2,866</b>	<b>1,940</b>	<b>2,167</b>	<b>1,618</b>	<b>1,105</b>	<b>1,162</b>	<b>1,200</b>	<b>1,167</b>	<b>1,206</b>	<b>1,305</b>
<b>(919) Surplus/(deficit) of capital funding (C-D)</b>	<b>(883)</b>	<b>(935)</b>	<b>(975)</b>	<b>(1,017)</b>	<b>(1,048)</b>	<b>(1,079)</b>	<b>(1,112)</b>	<b>(1,146)</b>	<b>(1,181)</b>	<b>(1,218)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Wastewater

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
0 General rates, uniform annual general charges, rates penalties	0	0	0	0	0	200	750	675	1,950	2,900
6,828 Targeted rates	6,736	6,960	7,095	7,565	8,337	10,815	11,132	11,188	11,296	11,498
0 Subsidies and grants for operating purposes	17	0	0	0	0	0	0	0	0	0
333 Fees and charges	349	358	366	375	384	393	404	414	425	437
1,041 Internal charges and overheads recovered	1,026	1,030	1,095	1,076	1,100	1,168	1,153	1,181	1,253	1,243
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
6 Local authorities fuel Tax, fines, infringement fees and other receipts	8	8	8	8	8	8	9	9	9	9
<b>8,208 Total Operating Funding (A)</b>	<b>8,135</b>	<b>8,355</b>	<b>8,563</b>	<b>9,024</b>	<b>9,830</b>	<b>12,584</b>	<b>13,447</b>	<b>13,467</b>	<b>14,933</b>	<b>16,088</b>
<b>Applications of operating funding</b>										
3,363 Payments to staff and suppliers	3,368	3,456	3,555	3,637	3,722	5,439	5,569	5,703	5,845	6,022
1,209 Finance costs	1,050	1,051	1,029	1,122	1,615	1,967	1,883	1,802	1,712	1,611
2,294 Internal charges and overheads applied	2,076	2,138	2,191	2,224	2,273	2,318	2,364	2,489	2,549	2,600
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>6,866 Total applications of operating funding (B)</b>	<b>6,493</b>	<b>6,646</b>	<b>6,775</b>	<b>6,983</b>	<b>7,610</b>	<b>9,724</b>	<b>9,816</b>	<b>9,994</b>	<b>10,107</b>	<b>10,233</b>
<b>1,342 Surplus/(deficit) of operating funding (A-B)</b>	<b>1,642</b>	<b>1,710</b>	<b>1,788</b>	<b>2,041</b>	<b>2,219</b>	<b>2,860</b>	<b>3,631</b>	<b>3,473</b>	<b>4,827</b>	<b>5,855</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
554 Increase/(decrease) in debt	566	(511)	(377)	4,105	15,630	(1,568)	(1,785)	(1,481)	(2,088)	(1,951)
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>554 Total sources of capital funding (C)</b>	<b>566</b>	<b>(511)</b>	<b>(377)</b>	<b>4,105</b>	<b>15,630</b>	<b>(1,568)</b>	<b>(1,785)</b>	<b>(1,481)</b>	<b>(2,088)</b>	<b>(1,951)</b>
<b>Applications of capital funding</b>										
Capital expenditure										
122 - to meet additional demand	249	1,256	115	475	1,447	597	35	36	67	507
246 - to improve level of service	276	472	965	5,087	15,826	0	0	593	0	157
3,831 - to replace existing assets	3,615	2,429	1,914	2,169	1,704	1,944	2,197	2,046	1,919	2,474
(2,302) Increase/(decrease) in reserves	(1,932)	(2,958)	(1,582)	(1,585)	(1,128)	(1,249)	(386)	(683)	752	766
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>1,896 Total applications of capital funding (D)</b>	<b>2,208</b>	<b>1,199</b>	<b>1,411</b>	<b>6,146</b>	<b>17,849</b>	<b>1,292</b>	<b>1,846</b>	<b>1,993</b>	<b>2,738</b>	<b>3,903</b>
<b>(1,342) Surplus/(deficit) of capital funding (C-D)</b>	<b>(1,642)</b>	<b>(1,710)</b>	<b>(1,788)</b>	<b>(2,041)</b>	<b>(2,219)</b>	<b>(2,860)</b>	<b>(3,631)</b>	<b>(3,473)</b>	<b>(4,827)</b>	<b>(5,855)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Water Supply

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
0 General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
4,946 Targeted rates	6,314	6,556	6,671	6,818	6,980	7,167	7,422	7,847	8,129	8,347
0 Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
78 Fees and charges	78	80	82	84	86	88	90	92	95	98
1,395 Internal charges and overheads recovered	728	743	760	776	794	812	832	852	874	897
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
0 Local authorities fuel Tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
<b>6,419 Total Operating Funding (A)</b>	<b>7,120</b>	<b>7,380</b>	<b>7,512</b>	<b>7,678</b>	<b>7,860</b>	<b>8,067</b>	<b>8,344</b>	<b>8,791</b>	<b>9,098</b>	<b>9,341</b>
<b>Applications of operating funding</b>										
2,882 Payments to staff and suppliers	3,042	3,161	3,201	3,277	3,349	3,424	3,504	3,594	3,682	3,766
60 Finance costs	78	88	82	85	88	95	131	170	197	225
1,675 Internal charges and overheads applied	1,715	1,771	1,815	1,839	1,879	1,913	1,949	2,083	2,133	2,169
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>4,617 Total applications of operating funding (B)</b>	<b>4,836</b>	<b>5,019</b>	<b>5,098</b>	<b>5,202</b>	<b>5,316</b>	<b>5,433</b>	<b>5,584</b>	<b>5,847</b>	<b>6,012</b>	<b>6,160</b>
<b>1,802 Surplus/(deficit) of operating funding (A-B)</b>	<b>2,284</b>	<b>2,360</b>	<b>2,414</b>	<b>2,477</b>	<b>2,543</b>	<b>2,634</b>	<b>2,760</b>	<b>2,944</b>	<b>3,085</b>	<b>3,181</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
(58) Increase/(decrease) in debt	513	(107)	(138)	265	(138)	417	1,010	559	530	580
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>(58) Total sources of capital funding (C)</b>	<b>513</b>	<b>(107)</b>	<b>(138)</b>	<b>265</b>	<b>(138)</b>	<b>417</b>	<b>1,010</b>	<b>559</b>	<b>530</b>	<b>580</b>
<b>Applications of capital funding</b>										
Capital expenditure										
32 - to meet additional demand	33	34	664	36	37	376	38	455	863	1,294
0 - to improve level of service	620	0	0	1,208	715	563	1,156	736	0	0
1,102 - to replace existing assets	1,227	1,878	2,560	2,300	2,069	1,882	1,757	973	694	714
610 Increase/(decrease) in reserves	917	342	(949)	(802)	(415)	231	818	1,339	2,058	1,753
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>1,744 Total applications of capital funding (D)</b>	<b>2,797</b>	<b>2,253</b>	<b>2,276</b>	<b>2,741</b>	<b>2,405</b>	<b>3,051</b>	<b>3,770</b>	<b>3,502</b>	<b>3,615</b>	<b>3,761</b>
<b>(1,802) Surplus/(deficit) of capital funding (C-D)</b>	<b>(2,284)</b>	<b>(2,360)</b>	<b>(2,414)</b>	<b>(2,477)</b>	<b>(2,543)</b>	<b>(2,634)</b>	<b>(2,760)</b>	<b>(2,944)</b>	<b>(3,085)</b>	<b>(3,181)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Planning and Development

### Customer Engagement

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
0 General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0
0 Targeted rates	0	0	0	0	0	0	0	0	0	0
0 Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
0 Fees and charges	64	66	67	69	70	72	74	76	78	80
0 Internal charges and overheads recovered	1,814	1,832	1,888	1,873	1,896	1,971	1,969	2,008	2,090	2,092
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
0 Local authorities fuel Tax, fines, infringement fees and other receipts	28	29	29	30	31	31	32	33	34	34
<b>0 Total Operating Funding (A)</b>	<b>1,906</b>	<b>1,926</b>	<b>1,984</b>	<b>1,972</b>	<b>1,997</b>	<b>2,074</b>	<b>2,075</b>	<b>2,117</b>	<b>2,202</b>	<b>2,207</b>
<b>Applications of operating funding</b>										
0 Payments to staff and suppliers	1,798	1,826	1,893	1,889	1,922	1,996	1,994	2,033	2,115	2,116
0 Finance costs	0	0	0	0	0	0	0	0	0	0
0 Internal charges and overheads applied	108	99	91	83	74	77	80	83	87	90
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>0 Total applications of operating funding (B)</b>	<b>1,905</b>	<b>1,925</b>	<b>1,984</b>	<b>1,971</b>	<b>1,996</b>	<b>2,073</b>	<b>2,074</b>	<b>2,116</b>	<b>2,202</b>	<b>2,206</b>
<b>0 Surplus/(deficit) of operating funding (A-B)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) in debt	0	0	0	0	0	0	0	0	0	0
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>0 Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
0 - to improve level of service	0	0	0	0	0	0	0	0	0	0
0 - to replace existing assets	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) in reserves	1	1	1	1	1	1	1	1	1	1
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>0 Total applications of capital funding (D)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>0 Surplus/(deficit) of capital funding (C-D)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: New alignment of groupings occurs in Year 1 of the 2018-2028 Long Term Plan. As such, there are no comparative figures for Annual Plan 2018 (AP 2018).

## Emergency Management

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
543 General rates, uniform annual general charges, rates penalties	574	613	626	635	647	659	670	705	720	732
0 Targeted rates	0	0	0	0	0	0	0	0	0	0
0 Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
41 Fees and charges	0	0	0	0	0	0	0	0	0	0
10 Internal charges and overheads recovered	20	21	21	21	21	22	22	22	22	23
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
25 Local authorities fuel Tax, fines, infringement fees and other receipts	66	42	43	44	45	46	47	48	50	51
<b>620 Total Operating Funding (A)</b>	<b>660</b>	<b>676</b>	<b>690</b>	<b>700</b>	<b>713</b>	<b>727</b>	<b>739</b>	<b>775</b>	<b>792</b>	<b>806</b>
<b>Applications of operating funding</b>										
424 Payments to staff and suppliers	431	438	446	455	464	474	484	494	505	516
1 Finance costs	0	0	0	0	0	0	0	0	0	0
151 Internal charges and overheads applied	197	205	211	212	216	220	222	248	254	256
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>575 Total applications of operating funding (B)</b>	<b>628</b>	<b>644</b>	<b>658</b>	<b>668</b>	<b>681</b>	<b>694</b>	<b>706</b>	<b>742</b>	<b>759</b>	<b>772</b>
<b>45 Surplus/(deficit) of operating funding (A-B)</b>	<b>32</b>	<b>32</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) in debt	(3)	(3)	0	0	0	0	0	0	0	0
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>0 Total sources of capital funding (C)</b>	<b>(3)</b>	<b>(3)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
0 - to improve level of service	0	0	0	0	0	0	0	0	0	0
0 - to replace existing assets	0	0	0	0	0	0	0	0	0	0
45 Increase/(decrease) in reserves	29	29	33	33	33	33	33	33	33	33
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>45 Total applications of capital funding (D)</b>	<b>29</b>	<b>29</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>33</b>
<b>(45) Surplus/(deficit) of capital funding (C-D)</b>	<b>(32)</b>	<b>(32)</b>	<b>(33)</b>	<b>(33)</b>	<b>(33)</b>	<b>(33)</b>	<b>(33)</b>	<b>(33)</b>	<b>(33)</b>	<b>(33)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Strategic Planning and Performance

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
1,934 General rates, uniform annual general charges, rates penalties	1,648	1,618	1,648	1,682	1,710	1,751	1,783	1,939	1,976	2,008
2,871 Targeted rates	2,542	2,707	2,774	2,721	2,782	2,849	2,901	2,801	2,863	2,914
125 Subsidies and grants for operating purposes	83	45	45	45	45	45	45	45	45	45
0 Fees and charges	0	0	0	0	0	0	0	0	0	0
101 Internal charges and overheads recovered	368	374	383	388	395	408	410	418	436	436
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
28 Local authorities fuel Tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
<b>5,059 Total Operating Funding (A)</b>	<b>4,641</b>	<b>4,744</b>	<b>4,850</b>	<b>4,836</b>	<b>4,932</b>	<b>5,052</b>	<b>5,139</b>	<b>5,203</b>	<b>5,320</b>	<b>5,403</b>
<b>Applications of operating funding</b>										
3,829 Payments to staff and suppliers	3,338	3,465	3,534	3,500	3,575	3,658	3,728	3,570	3,642	3,719
0 Finance costs	0	0	0	0	0	0	0	0	0	0
1,254 Internal charges and overheads applied	1,323	1,322	1,349	1,354	1,375	1,395	1,410	1,634	1,678	1,684
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>5,083 Total applications of operating funding (B)</b>	<b>4,661</b>	<b>4,787</b>	<b>4,883</b>	<b>4,854</b>	<b>4,950</b>	<b>5,052</b>	<b>5,139</b>	<b>5,203</b>	<b>5,320</b>	<b>5,403</b>
<b>(24) Surplus/(deficit) of operating funding (A-B)</b>	<b>(20)</b>	<b>(43)</b>	<b>(33)</b>	<b>(18)</b>	<b>(18)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) in debt	0	0	0	0	0	0	0	0	0	0
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>0 Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
0 - to improve level of service	0	0	0	0	0	0	0	0	0	0
0 - to replace existing assets	0	0	0	0	0	0	0	0	0	0
(24) Increase/(decrease) in reserves	(20)	(43)	(33)	(18)	(18)	0	0	0	0	0
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>(24) Total applications of capital funding (D)</b>	<b>(20)</b>	<b>(43)</b>	<b>(33)</b>	<b>(18)</b>	<b>(18)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>24 Surplus/(deficit) of capital funding (C-D)</b>	<b>20</b>	<b>43</b>	<b>33</b>	<b>18</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Liveable Communities

### Recreation and Amenity

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
2,924 General rates, uniform annual general charges, rates penalties	2,938	3,075	3,209	3,528	3,581	3,608	3,662	3,778	3,817	3,877
4,517 Targeted rates	4,891	5,033	5,119	5,224	5,306	5,369	5,484	5,736	5,777	5,887
0 Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
462 Fees and charges	872	891	911	932	954	977	1,002	1,027	1,054	1,083
1,087 Internal charges and overheads recovered	1,349	1,461	1,506	1,781	1,766	1,717	1,727	1,740	1,696	1,705
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
37 Local authorities fuel Tax, fines, infringement fees and other receipts	75	77	89	91	93	95	98	100	103	105
<b>9,027 Total Operating Funding (A)</b>	<b>10,125</b>	<b>10,537</b>	<b>10,835</b>	<b>11,556</b>	<b>11,699</b>	<b>11,767</b>	<b>11,973</b>	<b>12,381</b>	<b>12,447</b>	<b>12,657</b>
<b>Applications of operating funding</b>										
5,402 Payments to staff and suppliers	5,979	6,061	6,163	6,304	6,437	6,600	6,715	6,873	7,023	7,197
710 Finance costs	584	675	782	838	804	759	760	759	712	664
2,348 Internal charges and overheads applied	2,718	2,882	2,982	3,265	3,284	3,272	3,307	3,465	3,473	3,506
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>8,460 Total applications of operating funding (B)</b>	<b>9,281</b>	<b>9,618</b>	<b>9,927</b>	<b>10,406</b>	<b>10,524</b>	<b>10,632</b>	<b>10,782</b>	<b>11,096</b>	<b>11,208</b>	<b>11,367</b>
<b>567 Surplus/(deficit) of operating funding (A-B)</b>	<b>844</b>	<b>919</b>	<b>908</b>	<b>1,150</b>	<b>1,175</b>	<b>1,135</b>	<b>1,191</b>	<b>1,285</b>	<b>1,239</b>	<b>1,290</b>
<b>Sources of capital funding</b>										
3,529 Subsidies and grants for capital expenditure	1,460	7,950	6,769	0	0	0	3,412	3,494	0	0
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
1,624 Increase/(decrease) in debt	2,320	1,857	3,026	(248)	(543)	(659)	1,256	(728)	(608)	(730)
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>5,153 Total sources of capital funding (C)</b>	<b>3,780</b>	<b>9,807</b>	<b>9,795</b>	<b>(248)</b>	<b>(543)</b>	<b>(659)</b>	<b>4,668</b>	<b>2,766</b>	<b>(608)</b>	<b>(730)</b>
<b>Applications of capital funding</b>										
Capital expenditure										
10 - to meet additional demand	10	10	10	11	446	183	182	12	12	12
3,526 - to improve level of service	3,276	10,058	9,780	228	72	91	5,164	3,595	49	113
4,094 - to replace existing assets	1,962	1,469	962	343	735	545	2,600	396	685	396
(1,910) Increase/(decrease) in reserves	(623)	(811)	(49)	320	(621)	(344)	(2,088)	48	(114)	39
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>5,720 Total applications of capital funding (D)</b>	<b>4,625</b>	<b>10,727</b>	<b>10,703</b>	<b>902</b>	<b>632</b>	<b>476</b>	<b>5,858</b>	<b>4,050</b>	<b>632</b>	<b>560</b>
<b>(567) Surplus/(deficit) of capital funding (C-D)</b>	<b>(844)</b>	<b>(919)</b>	<b>(908)</b>	<b>(1,150)</b>	<b>(1,175)</b>	<b>(1,135)</b>	<b>(1,191)</b>	<b>(1,285)</b>	<b>(1,239)</b>	<b>(1,290)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Cultural Activities

AP 2018	LTP 2019	LTP 2020	LTP 2021	LTP 2022	LTP 2023	LTP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028
\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Sources of operating funding</b>										
0 General rates, uniform annual general charges, rates penalties	3,489	3,620	3,652	3,691	3,741	3,771	3,813	4,017	4,042	4,083
0 Targeted rates	141	151	154	155	158	160	162	178	182	185
0 Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
0 Fees and charges	365	405	414	423	433	443	454	465	477	489
0 Internal charges and overheads recovered	555	569	566	568	575	577	581	594	597	601
0 Interest and Dividends from Investments	0	0	0	0	0	0	0	0	0	0
0 Local authorities fuel Tax, fines, infringement fees and other receipts	17	17	18	18	18	19	19	20	20	21
<b>0 Total Operating Funding (A)</b>	<b>4,568</b>	<b>4,762</b>	<b>4,804</b>	<b>4,856</b>	<b>4,926</b>	<b>4,970</b>	<b>5,029</b>	<b>5,274</b>	<b>5,318</b>	<b>5,380</b>
<b>Applications of operating funding</b>										
0 Payments to staff and suppliers	2,479	2,536	2,571	2,607	2,645	2,684	2,726	2,770	2,815	2,864
0 Finance costs	91	97	94	91	88	85	82	79	77	75
0 Internal charges and overheads applied	1,430	1,486	1,493	1,506	1,528	1,534	1,553	1,701	1,723	1,737
0 Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>0 Total applications of operating funding (B)</b>	<b>4,000</b>	<b>4,120</b>	<b>4,157</b>	<b>4,204</b>	<b>4,261</b>	<b>4,303</b>	<b>4,360</b>	<b>4,550</b>	<b>4,615</b>	<b>4,675</b>
<b>0 Surplus/(deficit) of operating funding (A-B)</b>	<b>567</b>	<b>642</b>	<b>647</b>	<b>652</b>	<b>665</b>	<b>667</b>	<b>669</b>	<b>723</b>	<b>703</b>	<b>704</b>
<b>Sources of capital funding</b>										
0 Subsidies and grants for capital expenditure	2,501	10	10	11	11	11	11	12	12	12
0 Development and financial contributions	0	0	0	0	0	0	0	0	0	0
0 Increase/(decrease) in debt	(0)	(338)	(348)	(348)	(348)	(348)	(340)	(333)	(326)	(313)
0 Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0 Lump sum contributions	0	0	0	0	0	0	0	0	0	0
<b>0 Total sources of capital funding (C)</b>	<b>2,501</b>	<b>(328)</b>	<b>(337)</b>	<b>(337)</b>	<b>(337)</b>	<b>(337)</b>	<b>(329)</b>	<b>(321)</b>	<b>(314)</b>	<b>(301)</b>
<b>Applications of capital funding</b>										
Capital expenditure										
0 - to meet additional demand	0	0	0	0	0	0	0	0	0	0
0 - to improve level of service	427	0	0	0	0	0	0	0	0	0
0 - to replace existing assets	2,647	254	391	255	261	270	279	285	292	282
0 Increase/(decrease) in reserves	(6)	61	(81)	59	67	61	62	117	97	122
0 Increase/(decrease) of investments	0	0	0	0	0	0	0	0	0	0
<b>0 Total applications of capital funding (D)</b>	<b>3,068</b>	<b>315</b>	<b>309</b>	<b>314</b>	<b>328</b>	<b>330</b>	<b>340</b>	<b>402</b>	<b>389</b>	<b>404</b>
<b>0 Surplus/(deficit) of capital funding (C-D)</b>	<b>(567)</b>	<b>(642)</b>	<b>(647)</b>	<b>(652)</b>	<b>(665)</b>	<b>(667)</b>	<b>(669)</b>	<b>(723)</b>	<b>(703)</b>	<b>(704)</b>
<b>0 Funding balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: New alignment of groupings occurs in Year 1 of the 2018-2028 Long Term Plan. As such, there are no comparative figures for Annual Plan 2018 (AP 2018).

## Rating Schedules

### Schedule 1

The following rates will be set by Council for the financial year commencing 1 July 2018 and ending 30 June 2019. **All figures in the Funding Impact Statement include GST.**

#### General Rates

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

The general rate funds rivers control, storm water, treasury, economic development, animal and plant pests and strategic planning and engagement.

#### Uniform Annual General Charge (UAGC)

Council will use a Uniform Annual General Charge in accordance with section 15(1)(b) of the Local Government (Rating) Act 2002.

#### Cap on Certain Rates

The total of uniform or fixed charges that Council can rate cannot exceed 30% of the total rates collected. If the 30% cap is in threat of being exceeded Council must move the uniform rates to the general rate based on capital value as specified. These are:

- Planning & Performance and Strategic Planning & Engagement (funding stream 12-019)
- Economic Development (funding stream 12-020)
- Civic and Corporate Expenses of the District (funding stream 12-049).

#### Targeted Rates

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

The following matters and categories may be used to define categories of rateable land and calculate liability for targeted rates. These are set out in the Local Government (Rating) Act 2002 Schedule 2 and Schedule 3.

#### Write off small balances

Council has a rate remission policy "Remission of Rates, Water Rates and Penalties" that allows the write off of small balances. The small balance is \$10 or less.

#### Allocation of payments

Any payments received will be applied to the oldest outstanding rates before being applied to the current rates. As all payments are allocated to the oldest debt first if the instalment is not paid in full by the date shown a 10% penalty is added to any amount of the instalment still outstanding.

### Schedule 2

Matters that may be used to Define Categories of Rateable Land:

- the use to which the land is put
- the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under an operative District Plan or Regional Plan under the Resource Management Act 1991
- the activities that are proposed to be permitted, controlled, or discretionary activities, and the proposed rules for the area in which the land is situated under a proposed District Plan or proposed Regional Plan under the Resource Management Act 1991, but only if:
  - No submissions in opposition have been made under Clause 6 of the First Schedule of the Act on those proposed activities or rules, and the time for making submissions has expired; or
  - All submissions in opposition, and any appeals, have been determined, withdrawn, or dismissed
- The area of land within each rating unit.
- the provision or availability to the land of a service provided by, or on behalf of the local authority
- where the land is situated
- the annual value of the land
- the capital value of the land
- the land value of the land.

### Schedule 3

Factors that may be used to calculate Liability for Targeted Rates:

1. The annual value of the rating unit
2. The capital value of the rating unit
3. The land value of the rating unit
4. The value of improvements to the rating unit
5. The area of land within the rating unit
6. The area of land within the rating unit that is sealed, paved, or built on.
7. The number of separately used or inhabited parts of a rating unit
8. The extent of provision of any service to the rating unit by the local authority, including any limits or conditions that apply to the provision of the service
9. The number or nature of connections from the land within each rating unit to any local authority reticulation system

10. The area of land within the rating unit that is protected by any amenity or facility that is provided by the local authority
11. The area of floor space of buildings within the rating unit
12. The number of water closets and urinals within the rating unit (Note: A rating unit used primarily as a residence for one (1) household must not be treated as having more than one (1) water closet).

## Schedule 4

### Rates Due Date

- Instalment 1 – 20 August 2018.
- Instalment 2 – 20 November 2018.
- Instalment 3 – 20 February 2019.
- Instalment 4 – 20 May 2019.

### Rates Penalty Date

- Instalment 1 - 21 August 2018 Penalty 10%.
- Instalment 2 - 21 November 2018 Penalty 10%.
- Instalment 3 - 21 February 2019 Penalty 10%.
- Instalment 4 - 22 May 2019 Penalty 10%.

**\* A 10% penalty will be applied on the next working day after the due date. The penalty is 10% of any amount of any instalment that remains unpaid after the due date.**

### Additional Charges

#### P2 Penalty

A further penalty of 10% will be added to any rates remaining unpaid on 6 July 2018.

### Due Dates For Water Charges

Water meters are read on a monthly, quarterly and six monthly or annual cycle and are payable on the 20th of the month following the issue of the invoice as set out below. There is a free 300 cubic metre domestic allowance on rural domestic supplies.

### Penalties On Water Charges

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

Invoiced Annually			
Month of Invoice	Due Date	Date Penalty Added	Penalty Amount
June-2018	20 July 2018	23 July 2018	10%
Invoiced 6-monthly			
Month of Invoice	Due Date	Date Penalty Added	Penalty Amount
June-2018	20 July 2018	23 July 2018	10%
December-2018	21 January 2019	22 January 2019	10%
Invoiced Quarterly			
Month of Invoice	Due Date	Date Penalty Added	Penalty Amount
June-2018	20 July 2018	23 July 2018	10%
September-2018	22 October 2018	23 October 2018	10%
December-2018	21 January 2019	22 January 2019	10%
March-2019	23 April 2019	24 April 2019	10%
Invoiced Monthly			
June-2018	20 July 2018	23 July 2018	10%
July-2018	20 August 2018	21 August 2018	10%
August-2018	20 September 2018	23 September 2018	10%
September-2018	22 October 2018	23 October 2018	10%
October-2018	20 November 2018	21 November 2018	10%
November-2018	20 December 2018	21 December 2018	10%
December-2018	21 January 2019	22 January 2019	10%
January-2019	20 February 2019	21 February 2019	10%
February-2019	20 March 2019	21 March 2019	10%
March-2019	23 April 2019	24 April 2019	10%
April-2019	20 May 2019	21 May 2019	10%
May-2019	20 June 2019	21 June 2019	10%

## Definition of differential categories for the targeted rates

*Note: In the rating definitions below, Differential Rating Areas (DRA) such as; DRA1, DRA1A, DRA2, DRA3, DRA4, DRA5 and Inner and Outer ZONES are defined. In accordance with the system of Differential Rating established by Special Order on 27 June 1991. The District was split into six differential areas. Except for DRA5 these areas were established on 27 June 1991 and maps detailing the boundaries are available on Council's website and also available at Council's Administrative Office, Fitzherbert street, Gisborne. DRA4 was split into two areas, a new DRA5 and residual DRA4 by way of a Special Order on 16 May 2001. They are as follows:*

	Areas covered	Sub types
DRA1	Former Gisborne City Council boundaries, excluding Rural Farm Land.	Residential, Commercial and other
DRA1A	All Rural Farm Land within the previous Gisborne City Boundaries and the area surrounding the City. Includes Sponge Bay, Wainui and Makaraka.	Residential and other Commercial and industrial
DRA2	Poverty Bay Flats including fringe hill properties.	Residential, Rural, all other properties
DRA3	That area which is within reasonable and currently exercised commuting distance to Gisborne, including part Waerenga-o-kuri and Ngatapa, Whatatutu and Te Karaka.	Rural and all other properties and Rural Townships
DRA4	The inland rural areas beyond DRA3, up to the boundary of DRA5  Tolaga Bay and Matawai.	Rural and all other properties and Rural Townships  Rural Townships
DRA5	The whole of the East Cape area from a line running inland from a point in the vicinity of Mangatuna north of Tolaga Bay Township, to the tip of the East Coast. Hicks Bay, Te Araroa, Tikitiki, Ruatoria, Waipiro Bay, Te Puia Springs and Tokomaru Bay.	All other properties Rural Townships

**Note:** Maps showing the area in each differential category can be found on the website [www.gdc.govt.nz](http://www.gdc.govt.nz).

## Funding Impact Statement (Rates)

Rates Funding Source	Categories of Rateable Land	Category (Sch 2) s14, 17 Local Govt (Rating) Act 2002	Factors (Sch 3) Local Govt (Rating) Act 2002	Factor used	Includes GST Revenue sought \$ 2018/19
General Rate	Capital value on all Rateable land for Planning, Rivers Control, Stormwater, Treasury, Economic Development, Tourism and, Pest Plants.			Capital value	4,774,753
Uniform Annual General Charge	All Rateable land. A uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 per Separately Used or Inhabited Part of a Rating Unit (SUIP) see definition of SUIP at beginning of this section			Separately Used or Inhabited Part of a Rating Unit (SUIP) see definition of SUIP on page 38	17,189,969
<b>Targeted Rates</b>					
Stock Control	Differential targeted rate on Inner Zone and Rural Towns 30% of revenue sought	6	2	Capital Value	4,018
	Differential targeted rate on Outer Zone (excluding Rural Towns) 70% of revenue sought	6	5	Area:Hectare	9,377
Aquatic and Recreational Facilities	Differential targeted rate on Inner Zone 1.0 weighting	6	2	Capital value	1,238,386
	Differential targeted rate on Outer Zone 0.3 weighting	6	2	Capital value	198,096
Theatres	Differential targeted rate on Inner Zone 1.0 weighting	6	2	Capital value	793,553
	Differential targeted rate on Outer Zone 0.3 weighting	6	2	Capital value	126,955
Building Services	Differential targeted rate on Inner Zone 85% of Revenue Sought	6	2	Capital Value	679,714
	Differential targeted rate Outer Zone 15% of revenue sought	6	2	Capital Value	119,950
Non Subsidised Local Roads	Differential targeted rate on Inner Zone 85% of Revenue Sought	6	2	Capital Value	218,629
	Differential targeted rate Outer Zone 15% of revenue sought	6	2	Capital Value	38,581
Resource Consents/ Planning	a uniform targeted rate on all rateable land.	6	3	Land Value	1,594,604
Noise Control	A uniform targeted rate on Inner Zone	5 & 6	7	Separately Used or Inhabited Part of a Rating Unit	69,000
Dog Control	A uniform targeted rate on Residential properties : DRA1, DRA1A and Residential Rural Townships in DRA 3, DRA4 & DRA5	5 & 6	7	Separately Used or Inhabited Part of a Rating Unit	365,055
Passenger Transport	DRA1 Residential	5 & 6	7	Separately Used or Inhabited Part of a Rating Unit	310,500
Pests & Plants	A differential targeted rate on DRA1, DRA1A, DRA2 (Inner Zone) (20%)	6	3	Land Value	131,603
	A differential targeted rate on DRA3, DRA4, DRA5 (Outer Zone) (80%)	6	3	Land Value	526,408
Soil Conservation – Advocacy and Land Use	A differential targeted rate on DRA1, DRA1A & DRA2 (Inner Zone) (20%)	6	3	Land Value	255,165
	A differential targeted rate on DRA3 & DRA4 (30%)	6	3	Land Value	382,749
	A differential targeted rate on DRA5 (50%)	6	3	Land Value	637,914
Water Conservation	A differential targeted rate on the Inner Zone 70% of revenue sought	6	3	Land Value	1,223,537
	A differential targeted rate on the Outer Zone 30% of revenue sought	6	3	Land Value	524,374
Parks & Reserves	A differential targeted rate on the Inner Zone 85% of revenue sought	6		Per rating Unit	4,919,180
	A differential targeted rate on the Outer Zone 15% of revenue sought	6		Per rating Unit	868,090
Rural Transfer Stations	Within 15 km radius scheme area as defined on a map available from Customer Services and Council Website	5 & 6	7	Separately Used or Inhabited Part of a rating unit	368,466
Uniform Waste Management Charge – Gisborne District	Within scheme refuse collection areas - Residential proerties in Gisborne City and	5 & 6	7	Separately Used or Inhabited Part of a Rating Unit	1,693,361



	environs and Ruatoria. Map available from Customer Services and Council Website.					
Commercial Recycling Charge	Within scheme recycling collection area , being non residential area within the CBD who have elected to receive the service.	5 & 6	7	Separately Used or Inhabited Part of a rating unit		1,195
Business Area Patrols	Commercial Properties within the CBD Area: Non-residential properties on both sides of the roads bounded by Carnarvon Street, Childers Road, Reads Quay and Palmerston Road and all roads inside this area and also that part of Grey Street as far as the skateboard park and Customhouse Street as far as the Waikanae Cut.	1, 2 & 6	2	Capital Value		80,500
City Centre Management and Promotion	Commercial Properties within the CBD Area: Non-residential properties on both sides of the roads bounded by Cobden Street, Childers Road, Reads Quay and Palmerston Road and all roads inside this area and also that part of Grey Street as far as the Skateboard Park and Customhouse Street as far as the Waikanae Cut and also all non residential properties within the blocks bounded by Carnarvon Street, Childers Road, Palmerston Road and Cobden Street.	1, 2 & 6	2	Capital Value		207,000
Economic Development & Tourism	All Industrial and Commercial, Retail and Accommodation Properties.	1 & 2	2	Capital Value		357,023
<b>Provision of Roads and Footpaths</b>						
	Residential/Lifestyle Blocks. Weighting of 1	1 & 2	2	Capital Value		3,538,337
	Industrial and Commercial. Weighting of 2	1 & 2	2	Capital Value		1,025,776
Subsidised Local Roads	Horticulture & Pastoral Farming. Weighting of 1.5	1 & 2	2	Capital Value		3,187,108
	Forestry weighting of 7.5	1 & 2	2	Capital Value		1,713,554
	Residential/Lifestyle Blocks. Weighting of 1	1 & 2	2	Capital Value		322,439
Flood Damage and Emergency Reinstatement	Industrial and Commercial. Weighting of 2	1 & 2	2	Capital Value		93,477
	Horticulture & Pastoral Farming. Weighting of 1.5	1 & 2	2	Capital Value		290,433
	Forestry weighting of 7.5	1 & 2	2	Capital Value		156,152
<b>Stormwater Drainage</b>						
	DRA1 & DRA1A Residential properties includes Sponge Bay,Wainui & Okitu	6		Per Rating Unit		2,078,063
Stormwater	All Rural Townships including Manutuke and Patutahi	6		Per Rating Unit		184,688
	DRA1 & DRA1A All Commercial and industrial properties.	6	2	Capital Value		399,309
<b>Wastewater Sewerage and the treatment and disposal of sewage</b>						
	Within scheme areas connected	5 & 6		Per rating unit		4,197,549
Gisborne City Wastewater	Within scheme area, service available but not connected			Per rating unit		58,979
	Pan charges per water closet or urinal connected (in addition to the above charges for connections)	5 & 6	12	water closet or urinal connected		3,346,261
	Within scheme area connected	5 & 6		Per rating unit		99,535
Te Karaka Wastewater	Within scheme area, service available but not connected	5 & 6		Per rating unit		10,887
<b>Water</b>						
	Within scheme areas connected	5 & 6	7	Per Separately Used or Inhabited Part of a rating unit		3,930,723
Uniform Water Charge	Within scheme areas where service is available but not connected	5 & 6	7	Per Separately Used or Inhabited Part of a rating unit		62,952
<b>Flood Protection And Control Works</b>						
	Rateable Properties within the defined area band A within the Hazard Area based on Capital value. Map available on council website.	5 & 6	2	Capital value		41,797
Coastal Property Protection Scheme	Rateable Properties within the defined area - band B within the Hazard Area based on Capital Value. Map available on council website.	5 & 6	2	Capital value		8,033
	Rateable Land within the defined area band C within the Hazard Area based on Land Value, Map available on council website.	5 & 6	3	Land Value		2,348
Wainui Foredune Capital Works	Rateable Land within the Hazard Area. Map available on Council website	5	10	Per hectare		11,930
Te Karaka Flood Control	A differential targeted rate on Non Residential properties based on Capital Value	5 & 6	2	Capital value		7,339

	A differential targeted rate on Residential properties based on Capital value	5 & 6	2	Capital Value	32,659
	Direct Beneficiaries within the defined area on Capital value	5 & 6	2	Capital Value	21,163
Waiapu River Erosion Protection Scheme	Indirect Beneficiaries within the defined area on capital value	5 & 6	2	Capital Value	5,288
	Contributors within the defined area on area	6	5	Per hectare	5,288
Waipaoa River Flood Control Scheme	Waipaoa River Flood Control Scheme classes A - F	5 & 6	2	Capital Value	202,846
	1 - Ormond, 2 - Eastern Taruheru, 3 - Western Taruheru, 4 - Willows, 5 - Waikanae Creek				
Drainage Rate – Direct Beneficiaries	6 - City/Wainui, 7 - Taruheru Class A, Taruheru Class B, Taruheru class C, Taruheru Class D	5 & 6	5	Per hectare	687,561
	A - Waipaoa, B - Patutahi, C - Ngatapa, D - Manutuke, E - Muriwai				
Drainage Rate - Contributors	8 - Eastern Hill Catchment and F - Western Hill Catchment based on area	5 & 6	5	per hectare	16,330
<b>Sub Total</b>					<b>65,646,506</b>
*Metered Water Rates	Extraordinary and Rural Domestic users		8		3,267,150
<b>Sub total</b>					<b>68,913,656</b>
Rates Penalties					1,000,000
<b>Net Rates Revenue</b>					<b>69,913,656</b>
<b>OTHER FUNDING SOURCES</b>					
Grants & Subsidies					37,267,390
Development and Financial Contributions					803,703
Other Revenue					12,087,703
Dividends and Interest					1,800,000
<b>TOTAL FUNDING</b>					<b>121,872,452</b>

\* Water by meter has 300 cubic metre no charge domestic allowance on rural residential and lifestyle properties

## Rates Information

The majority of the income Council receives is through rates. Council collects a significant portion of its rates income through targeted rates (66% in 2018/19). Council's commitment to minimising rates increases is set out in our Financial Strategy.

### Rates Affordability

Rates affordability continues to be a significant issue for our district.

This year Council will collect \$65.6m in rates (including GST), a total increase in rates revenue of 4.95%.

### Rating Base Information

A Long Term Plan must state, for each year covered by the plan, a projected number of rating units within the district or region of the local authority at the end of the preceding financial year.

Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
No of rating units	23,476	23,572	23,668	23,764	23,860	23,956	24,052	24,148	24,244	24,340	24,436

### Council's Rates

Council's Revenue and Financing Policy has been reviewed as part of the 2018-2028 LTP. The review aims at retaining a fair rating system for all ratepayers. Council is obliged to equitably

There will be pockets of ratepayers who may have large increases or decreases as a result of:

- Council's budget
- changes to rating policy
- changes to the property (i.e. subdivision, new build, new connections etc.)
- 2017 District wide Rating Revaluation.

share the cost of delivering services across different users, as well as ensuring equity between current and future generations. There will be a wholesale review of the Revenue and Financing Policy commencing in Year one of the 2018-2028 LTP.

Unbundle Consolidated Rate – no change to Funding Streams		
Aquatic and Recreation Facilities	Capital Value – Differential:	Capital Value – Differential
	Inner 1.0	Inner 1.0
	Outer 0.3	Outer 0.3
Theatres	Fees and Charges 25%	Fees and Charges 25%
	75% rates funded as Capital Value – Differential:	75% rates funded as Capital Value – Differential
	Inner 1.0	Inner 1.0
	Outer 0.3	Outer 0.3

### Key Changes to the Revenue and Finance policy for year 1 (2018/19)

Activity	2015 - 2025	2018 -n2028
Animal and Plant Pests	Differentiated targeted rate based on Land Value of which:	60% General Rate
	85% Outer Zone	40% Targeted rate based on land value of which:
	15% from Inner Zone	80% - Outer Zone
		20% - Inner Zone
Legacy Loans (District Loans)	100% targeted rate	Be funded from the Flood Protection rating schemes with the same percentage as per current activity grouping.
	70% - Outer Zone (excluding rural towns), Land Area:	
	30% - Inner Zone and rural towns: Capital Value	

Unbundle Consolidated Rate-no change to Funding Streams		
Building Services	Capital Value:	Capital Value:
	Inner 85%	Inner 85%
	Outer 15%	Outer 15%
Non Subsidised Local Roads	Capital Value:	Capital Value:
	Inner 85%	Inner 85%
	Outer 15%	Outer 15%

Unbundle Consolidated Rate- no change to Funding Streams		
Subsidised Local Roads – UAGC Portion combined with targeted rates	Over 63% NZTA funding	NZTA funding with any balance
	Balance rates funding	Rates Funding – 10% UAGC
	10% UAGC	
	32% Capital Value targeted on use	32% Capital Value targeted on use
	Residential and Lifestyle 1.0	Residential, Lifestyle and Other 1.0
	Horticultural and Pastoral 1.5	Horticultural and Pastoral 1.5
	Industrial and Commercial 2.0	Industrial and Commercial 2.0
	Forestry 5.0	Forestry 5.0
Flood Damage and Emergency Reinstatement	Over 63% NZTA	NZTA funding with any balance Rates Funding
	Balance Rates Funding	10% UAGC
	10% UAGC	
	32% Capital Value targeted on use	32% Capital Value Targeted on use
	Residential, Lifestyle and Other 1.0	Residential, Lifestyle and Other 1.0

Horticultural and Pastoral	Horticultural and Pastoral
1.5	1.5
Industrial and Commercial	Industrial and Commercial
2.0	2.0
Forestry 5.0	Forestry 5.0

## Key observations of year 1 (2018/19)

1. Across the district the total increase in rates revenue for 2018/19 is 4.95%.
2. The Revenue and Finance policy change moving 60% of the Plant and Animal Pests activity to the general rate based on Capital value affects all rateable properties.
3. As a result of the hearings process for the LTP, Council increased the rates by \$50k to fund investigations for alternative use and disposal of wastewater. The wastewater pan charge is \$217.90 (incl GST). This is a reduction from 2017/18 of \$20.77.
4. 39% (8,902 properties) have an increase in rates at 5% or less. This is evident in the outer zone as a result of funding 60% of the plant and animal activity in the general rate which is spread across the district on capital value.
5. 49% (11,048 properties) will receive between a 5 to 10% increase. Rates increases are mainly attributed to changes in fixed amount targeted rates and changes to rating valuations.
6. The rates on residential and lifestyle properties increase predominantly in the City, Sponge Bay, and Nelson Road/Cameron Road area. Changes in budgets increased some fixed amount charges which have had an impact e.g. Uniform Annual General Charge, Sewerage and Water uniform annual charges and Parks and Reserves targeted rate.
7. Forestry properties increase significantly due to the increased forestry weighting of 7.5 on rates for subsidised and non-subsidised road rates.
8. Horticultural and Pastoral properties rates change mainly due to property value increases for certain crops like gold kiwifruit and apples from the 2017 rating revaluation. Changes to rates for the UAGC, Pest & Plants and Parks & Reserves also have an impact. The revaluation alone also drives a decrease to nearly 1,000 properties across the district, they receive a lesser increase when also taking the Revenue and Finance Policy and budget changes into account.
9. The 2017 district-wide rating revaluation comes into effect from 1 July 2018. The rating revaluation saw 239 properties changed highest and best category. These were predominately changes from arable land to horticulture arising from the high demand for quality well-located horticulture land. The higher roading rate weighting of 1.5 for horticultural properties would now apply.
10. Commercial and Industrial properties increases are predominately driven by the rating revaluation, although changes to the UAGC, water and sewerage connections, parks and reserve rate also impacts on these properties.

11. There have been some rate increases and decreases on properties that have had an increase in rating valuation. Some are self generated from capital value changes eg new dwellings, renovations, partial sell-off, improvements or expansion.

12. Increases are varied and spread throughout the district due to impacts from the Rating revaluation and the Revenue and Finance policy.

13. The total of uniform or fixed charges rates that is sought by Council cannot exceed 30% of the total rates collected which includes metered water rates. If the 30% cap is in threat of being exceeded, Council must move the uniform rates to another rate as specified in the Revenue and Financing Policy. The Revenue and Finance Policy states which activities will move to General Rates in these circumstances. These activities are Strategic Planning and Engagement, Civil Defence and Emergency Management, Economic Development and Civic and Corporate Expenses of the district. The uniform cap for year 1 2018/19 is 29%.

14. The Uniform Annual General Charge is \$773 (including GST). Some of Council's services are more related to the existence of a property or a household than to land, capital value or land area. In these cases a UAGC is charged on each 'separately used or inhabited part of a property' throughout the district unless it receives a reduction as per section 20 of the Local Government (Rating) Act 2002 or complies with a Council rate remission policy (see remission Policies).

## Funding Impact Statement

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

### As the Council sets them:

#### General Rates

Rates directly related to the value of the property, charged on capital value.

#### Targeted Rates

Rates which apply in certain areas or to certain ratepayers.

#### Uniform Annual General Charges (UAGC)

A fixed amount charged to each separately used or inhabited part of a rating unit.

The uniform Annual General Charge for year 1 of 2018-2028: 2018/19 is \$773.50 including GST.

UAGC Activity	2019 Incl GST
Managing solid waste and transfer stations	92.33
Environmental and Public health Protection	85.87
Public Toilets	73.89
Roading	112.61
Mayor and Councillor representation costs	124.94
District Civil & Corporate expenses	16.82
Civil defence	29.69
Cemeteries	14.96
Economic Development & Tourism	3.21
Tairāwhiti Museum	39.82
Libraries	99.29
Litter bins and cleaning public areas	18.55
Strategic Planning and engagement	61.51
	<u>773.50</u>

Definition of a Separately Used or Inhabited part of a Rating Unit -

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

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

- A. Each separate shop or business activity on a rating unit is a separate use, for which a separate UAGC is payable. (See Guidance Note 1.)
- B. Each dwelling, flat, or additional rentable unit (attached or not attached) on a residential property which is let for a substantial part of the year to persons other than

immediate family members is a separately inhabited part of a property, and separate UAGCs are payable. (See Guidance Note 2.)

- C. Each residential rating unit which has, in addition to a family dwelling unit, one or more non-residential uses (i.e. home occupation units) will be charged an extra UAGC for each additional use. (See Guidance Note 3.)
- D. Each non-residential activity which has, in addition to its business or commercial function, co-sited residential units which are not a prerequisite part of the business or commercial function, will be liable for additional UAGCs for each residential unit. (See Guidance Note 4.)
- E. Individually tenanted flats, including retirement units, apartments and town houses (attached or not attached) or multiple dwellings on Māori freehold land are separately inhabited parts, and will each be liable for a separate UAGC. (See Guidance Note 5.)
- F. Each title on a multiple-managed forestry holding (that is, where the forest is broken into several individual small titles) is a separately used part except when one or more titles are adjacent and under the same ownership, in which case the rules of contiguity apply.
- G. Each block of land for which a separate title has been issued is liable to pay a UAGC, even if that land is vacant. NOTE: For the purpose of this definition vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as "used".
- H. Two or more adjacent blocks of vacant land are not eligible for Remission under "Continuity" (S.20 of LG(R) A 02) because they are not "used for the same purpose" (i.e. they are not used at all).
- I. Each dwelling, flat, or additional rentable unit (attached or not attached) on a pastoral, horticultural or forestry property which is let for a substantial part of the year to persons other than immediate family members is a separately inhabited part of a property, and separate UAGCs are payable.
- J. For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.
- K. A substantial part of the year is considered to be three months or more (this total period may be fragmented, and may occur at any part of the rating year).

#### Guidance Notes

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

#### 1) Commercial Properties

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

## 2) Residential Properties

- The rule will apply to properties identified as "flats" on the valuation record, administered by Council's Valuer. Sleep-outs and granny flats will generally be identified as "sleep-out" on the valuation record and will not normally qualify for additional UAGCs.
- If a property is identified on the valuation record as having flats, but these in fact are used only for family members or for others for very short periods, the additional UAGCs may be remitted on Council receiving proof of their use, including a signed declaration from the property owner (see remission policies). A property owner who actively advertises the flats for accommodation will not qualify for the remission.
- A property such as a large house which is identified as being split into, say, three internal flats at the time the valuation records were established, but which is not actually used as such, will need to apply for remission under Council's remission policy. (Note: This property should be referred to Council's Valuer for correction on the next valuation cycle.)

## 3) Residential with Non-Residential Part

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

## 4) Non-Residential Activity with Co-sited Dwelling

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

## 5) Individually Tenanted Flats

- Each flat, apartment, or retirement or disability home, and each property under a "licence to occupy", is a separately used or inhabited part of a rating unit. This is regardless of the number of people who may be living in the unit. Each will be required to pay an additional UAGC charge.
- If, because of construction work, poor condition, public health, or specific conditions pertaining to the property owner, one or more flats cannot be let on the open market,



the unit may be granted a remission under Council's remission policy.

- (A specific condition pertaining to the property owner might include the use of one of the units for a live-in caregiver). (Note: This property should be referred to Council's Valuer for correction on the next valuation cycle.)

## Council's Other Funding Sources

### Subsidies and Grants

From Government and non-Government organisations to fund maintenance or capital projects.

### Fees and Charges

Council charges for services provided, e.g. building consents, dog licences.

### Interest Received and Dividends Income

From funds invested or Council investments.

### Loans

Council borrows money to fund Capital Expenditure.

### Capital Rates

Rates used to repay loans and capital expenditure e.g. solid waste loan.

## Development Contributions

Money received to fund capital expenditure for new development.

## Asset Sales

Money received from the sale of assets.

## Reserves

Money set aside for specific purpose, to fund capital expenditure. Please refer to the Revenue and Financing Policy for further details of Council's revenue funding mechanisms.

## Funding Impact Statement

The following information is presented for the purpose of clauses 5 and 15 of Schedule 10 of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

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

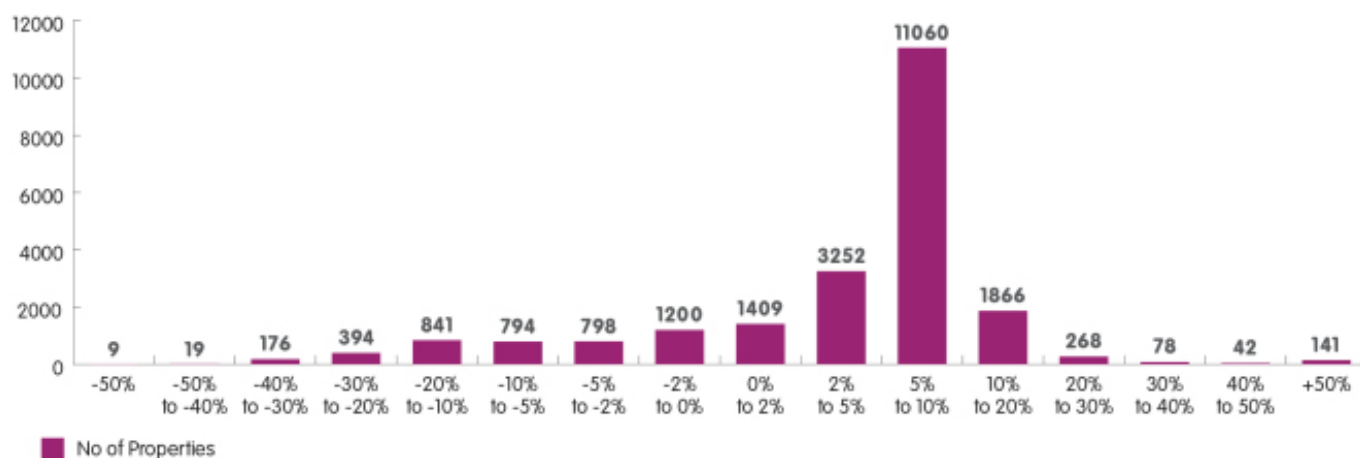
This statement should not be relied upon for any other purpose than compliance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

Mentioned under ( Page 28) we have provided a reconciliation between Council's Prospective Statement of Comprehensive Revenue and Expenses and Council's Funding Impact Statement.

## Estimated 2018/19 (Year 1)

### Percentage of Rates Movement

Estimated 2018/19 (Year 1) Percentage of Rates Movement



## Estimated rates changes across the district

The following are examples of total rates for different properties across the district. Some rates may change as rate remissions, rating valuations and land data information continues to be updated for 2018/19

	High	Capital Value Medium	Low
<b>RURAL TOWNSHIP</b>	<b>Tolaga Bay</b>	<b>Tolaga Bay</b>	<b>Tokomaru Bay</b>
2017 Valuation	\$245,000	\$188,000	\$247,000
2014 Valuation	\$235,000	\$187,000	\$210,000
Proposed Rates 2018/19	\$1,627	\$1,537	\$1,758
Actual 2017/18	\$1,648	\$1,544	\$1,737
Change	-\$21	-\$7	\$21
%	-1%	-0%	1%
<b>Makauri</b>			
2017 Valuation	\$1,520,000	\$490,000	\$219,000
2014 Valuation	\$1,220,000	\$370,000	\$192,000
Proposed Rates 2018/19	\$5,329	\$2,350	\$1,660
Actual 2017/18	\$4,635	\$2,241	\$1,618
Change	\$694	\$109	\$42
%	15.0%	4.9%	2.6%
	Horticultural Farm	Lifestyle	Residential
<b>Muriwai</b>			
2017 Valuation	\$2,680,000	\$367,000	\$53,000
2014 Valuation	\$2,150,000	\$336,000	\$51,000
Proposed Rates 2018/19	\$8,544	\$1,575	\$1,338
Actual 2017/18	\$8,583	\$1,608	\$1,278
Change	-\$39	-\$33	\$60
%	-0.5%	-2.1%	4.7%
	Arable Farm	Lifestyle	Residential
<b>Patutahi</b>			
2017 Valuation	\$5,110,000	\$380,000	\$132,000
2014 Valuation	\$3,400,000	\$305,000	\$115,000
Proposed Rates 2018/19	\$14,054	\$2,122	\$1,602
Actual 2017/18	\$11,988	\$2,048	\$1,561
Change	\$2,066	\$74	\$41
%	17.2%	3.6%	2.6%
	Horticultural Farm	Lifestyle	Residential
<b>Te Karaka/ Whatatutu</b>			
2017 Valuation	\$4,990,000	\$505,000	\$56,000
2014 Valuation	\$3,770,000	\$450,000	\$47,000
Proposed Rates 2018/19	\$12,645	\$2,805	\$2,304
Actual 2017/18	\$13,239	\$2,714	\$1,950
Change	-\$594	\$91	\$354
%	-4.5%	3.4%	18.2%
	Pastoral Farm	Lifestyle	Residential
<b>Hicks Bay</b>			
2017 Valuation	\$1,399,000	\$179,000	\$93,000
2014 Valuation	\$1,088,000	\$158,000	\$82,000
Proposed Rates 2018/19	\$5,347	\$1,418	\$1,449
Actual 2017/18	\$5,596	\$1,329	\$1,377
Change	-\$249	\$89	\$72
%	-4.5%	6.7%	5.2%
	Pastoral Farm	Lifestyle	Residential
<b>Tolaga / Anaura Bay</b>			
2017 Valuation	\$18,920,000	\$129,000	\$31,000
2014 Valuation	\$14,000,000	\$100,000	\$24,000
Proposed Rates 2018/19	\$47,588	\$1,444	\$1,016
Actual 2017/18	\$49,641	\$1,359	\$903
Change	-\$2,053	\$85	\$113
%	-4.1%	6.3%	12.5%
	Pastoral Farm	Residential	Pastoral Farm
<b>Tiniroto</b>			
2017 Valuation	\$4,435,000	\$980,000	\$118,000
2014 Valuation	\$3,275,000	\$800,000	\$116,000

Proposed Rates 2018/19	\$11,160	\$3,080	\$1,146
Actual 2017/18	\$11,421	\$3,198	\$1,100
Change	-\$261	-\$118	\$46
%	-2.3%	-3.7%	4.2%
	Pastoral Farm	Pastoral Farm	Lifestyle
<b>RESIDENTIAL</b>			
<b>Lytton West</b>			
2017 Valuation	\$1,190,000	\$415,000	\$185,000
2014 Valuation	\$960,000	\$329,000	\$138,000
Proposed Rates 2018/19	\$4,404	\$3,105	\$2,695
Actual 2017/18	\$4,237	\$2,916	\$2,493
Change	\$167	\$189	\$202
%	3.9%	6.5%	8.1%
<b>Mangapapa</b>			
2017 Valuation	\$1,350,000	\$239,000	\$126,000
2014 Valuation	\$1,180,000	\$193,000	\$100,000
Proposed Rates 2018/19	\$4,808	\$2,820	\$2,588
Actual 2017/18	\$4,844	\$2,653	\$2,412
Change	-\$36	\$167	\$176
%	-0.7%	6.3%	7.3%
<b>Kaiti &amp; Elgin</b>			
2017 Valuation	\$860,000	\$311,000	\$110,000
2014 Valuation	\$690,000	\$249,000	\$76,000
Proposed Rates 2018/19	\$4,036	\$2,940	\$2,559
Actual 2017/18	\$3,895	\$2,769	\$2,356
Change	\$141	\$171	\$203
%	3.6%	6.2%	8.6%
<b>Whataupoko</b>			
2017 Valuation	\$975,000	\$416,000	\$222,000
2014 Valuation	\$820,000	\$330,000	\$171,000
Proposed Rates 2018/19	\$4,238	\$3,141	\$2,791
Actual 2017/18	\$4,216	\$2,966	\$2,598
Change	\$22	\$175	\$193
%	0.5%	5.9%	7.4%
<b>Wainui</b>			
2017 Valuation	\$1,855,000	\$1,375,000	\$377,000
2014 Valuation	\$1,475,000	\$1,165,000	\$320,000
Proposed Rates 2018/19	\$5,480	\$5,661	\$2,230
Actual 2017/18	\$5,414	\$5,867	\$2,206
Change	\$66	-\$206	\$24
%	1.2%	-3.5%	1.1%
			In Coastal Protection Area
<b>COMMERCIAL</b>			
<b>Gisborne City</b>			
2017 Valuation	\$12,620,000	\$393,000	\$85,000
2014 Valuation	\$11,600,000	\$335,000	\$78,000
Proposed Rates 2018/19	\$62,581	\$3,545	\$2,304
Actual 2017/18	\$70,219	\$3,382	\$2,142
Change	-\$7,638	\$163	\$162
%	-11%	5%	8%
<b>Rural</b>			
2017 Valuation	\$900,000	\$196,000	\$65,000
2014 Valuation	\$905,000	\$183,000	\$60,000
Proposed Rates 2018/19	\$3,551	\$1,774	\$1,220
Actual 2017/18	\$4,014	\$1,798	\$1,148
Change	-\$463	-\$25	\$72
%	-12%	-1%	6%

**FORESTRY**

2017 Valuation	\$11,300,000	\$80,000	\$31,000
2014 Valuation	\$10,145,000	\$75,000	\$27,000
Proposed Rates 2018/19	\$73,226	\$1,463	\$1,146
Actual 2017/18	\$64,257	\$1,292	\$994
Change	\$8,969	\$171	\$152
%	14%	13%	15%

	<b>Muriwai</b>	<b>Waingake</b>	<b>Te Araroa</b>
2017 Valuation	\$1,740,000	\$1,471,000	\$38,100,000
2014 Valuation	\$1,490,000	\$1,241,000	\$3,610,000
Proposed Rates 2018/19	\$12,199	\$10,484	\$27,867
Actual 2017/18	\$10,103	\$8,663	\$26,243
Change	\$2,096	\$1,821	\$1,624
	21%	21%	6%

**Rate Remission Policies**

The Local Government Act 2002 (Section 102) and the Local Government (Rating) Act 2002 gives local authorities considerable powers to remit and postpone rates. Council's can remit and postpone rates for any reason, on any land and to any extent. This is provided that the remission or postponements are in accordance with the rules that Councils set.

1. Gisborne District Council 22 Rate Remission or Postponement Policies. These are set down for a full review in conjunction with the Revenue and Financing Policy in year 1 of the 2018-2028 Long Term Plan.
2. There are no new rate remission policies for the 2018-2028 LTP.
3. Two remission policies have been cancelled.

**Rates Postponement Policy**

This Rate Remission Policy was a joint venture with a group of Local Authorities aimed at providing relief to ratepayers over 65 years of age who wanted to postpone their rates indefinitely. The consortium for this rates postponement scheme has been dissolved in 2016 and is no longer operating.

**Targeted Plant and Pests; Rural Fires and Soil Conservation Rates**

The need for this remission has been alleviated with the review and changes to the Animal and Plant Pests Policy. Any remission applications could be considered under Councils rate remission - Rates Transition Policy - for transition due to specific changes to the Revenue and Financing Policy.

## Glossary

### Activity

Related or like services that are grouped together.

### Allocated Costs

Allocation of costs by support departments to other Council departments for services provided. Reflects the true cost of the provision of goods and services.

### Annual Plan

Each year Council is required to have an Annual Plan which sets out the budget for the year. This is based on what is proposed in the Long Term Plan but also highlights any change or variance that is projected to occur which is not currently accounted for in the Long Term Plan.

### Assets

Assets are items that the organisation own. Assets are defined as having a useful life of more than one year such as roads, parks, footpaths and buildings.

### Capital Expenditure

This is the spending on new Council assets or replacing existing assets.

### CBD

Central Business District.

### Capital Value

The probable sale price of the freehold interest of the property if offered for sale at the time of valuation.

### Community Outcomes

What the Council aims to achieve in order to promote the social, economic, environmental and cultural wellbeing of its district or region in the present and for the future.

### Council Controlled Organisations (CCO)

A company where one or more local authorities have 50% or more of the shareholder voting rights or similar. For a more detailed meaning see Section 6 of the Local Government Act 2002.

### Depreciation

This accounts for the annual cost of wearing out of, or the economic use of, our assets. It is generally based on the value of the asset divided by its remaining life.

### Development Contributions

Fees paid by developers who subdivide (Subdivision Impact Fees) or build (Building Impact Fees). These fees cover the cost of upgrading the services (e.g. Water Supply) provided to those new sections/buildings.

The setting of development contributions is governed by the Development Contributions Policy.

### Financial Year

Council's financial year runs from 1 July to 30 June the following year.

### General Rate

A rate based on the value of every property in the district.

### Hearing

A chance for your views to be expressed in person by Council, following receipt of your written submission.

### Infrastructural Assets

Fixed utility systems that provide a continuing service to the community and are not generally regarded as tradable. These include roads, waste, sewerage and stormwater systems.

### Internal Recoveries

Recovery of costs by support departments from other Council departments.

### Land Value

The probable price that would be paid for the land as at the date of valuation. The value includes development work such as drainage, excavation, filling, leveling, retaining walls, clearing, fertility build-up, flood protection.

### Levels of Service

A measure of the service that the Council delivers e.g. Library opening hours, water quality etc.

### Loan Funds

This is money used by Council that it has obtained by raising a loan.

### Local Government Act 2002

The key legislation that defines the regulations and responsibilities for local authorities including Gisborne District Council.

### Long Term Plan (LTP)

This plan sets out the strategic direction for Council over the next 10 years and outlines Council's contribution towards achieving the community outcomes. This plan is formally reviewed and updated every three years.

### Mission

This describes Council's basic purpose (its fundamental reason for being) and specifies the role Council is going to play in its environment.

### Outcomes

The impacts on, or consequences for, the community. Gisborne District Council's plan includes community outcomes which relate to the district as a whole and as a result of the operations of Gisborne District Council.

## Policy

Guidelines to support effective decision making.

## Public Benefit

This relates to spending which benefits the community in general and for which no individual beneficiaries can be clearly defined.

## Private Benefit

This occurs when individuals who benefit from a service can be clearly identified and therefore charged for that service. It applies to user charges, application fees, purchase price and water by meter, though there are exceptions to the rule.

## Rates

Funds collected from property owners in the district.

## Renewals Expenditure

This is spending that replaces deteriorating assets with new assets that have the same service potential as the originals.

## Resource Consent

This is permission to use resources such as land, water and air, granted under the Resource Management Act 1991.

## Revenue and Financing Policy

This is a statement about who should pay for the services provided by Council. The policy outlines who will benefit for each activity and who should pay for it, taking into account fairness and what is practical.

## Significance

This is the degree of importance of an issue, proposal, decision, or matter as assessed by the local authority in terms of its likely impacts, and or likely consequences.

## Special Funds/Reserve Funds

Money set aside for a specific purpose.

## Strategy

Outlines how the Council is going to undertake particular actions to deliver community outcomes.

## Submission

Your opportunity to tell the Gisborne District Council your views on the Long Term Plan. Submissions need to be made in writing.

## Targeted Rating Area

A defined geographical area which attracts a specific rating requirement.

## Uniform Annual General Charge (UAGC)

A specific levy of an equal amount on each rateable property. This amount does not vary with the value of the property.

## User Fees and Charges

Fees charged to the community for use of specific services and facilities provided by Council.

## Vested Assets

Infrastructural assets and land provided by the developer of a subdivision. Examples of this may be roads, street lights, water and wastewater reticulation, stormwater disposal systems and reserve land. At the completion of the subdivision, the ownership, and hence future maintenance of these assets, passes to Council.

## Vision

Council's view of the future state of its community. It is used to inspire people into action, define future direction and implies that what we do now can influence and change the future for the better.



# Ngā Tikanga Matua Our Policies

## Our Policies - Contents

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## Fees and Charges

The Council fees and charges are used to fund the operation and maintenance of a variety of services provided to the community.

Fees and charges have predominately increased by the rate of inflation, however some fees have had to increase further to enable Council to meet the forecast costs in the Long Term Plan.

Fees and charges for Council's business units are based on sound commercial practice or cost recovery basis and are subject to change, these may be updated at any time during the year to meet changing market conditions.

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

Cemetery fees will be reviewed in detail during 2018/19.

Further analysis around Trade Waste Discharges will be undertaken during 2018/19 and could result in increases in fees from year 2 of the Long Term Plan. Further investigation around funding options for Drainwise will continue into 2018/19 which may have an impact on fees and charges in the future.

### Major changes

Rates Refund Fee has been implemented. The fee per transaction will exclude refunds on properties involving sale and purchase agreements.

Community rooms and courtyard space will be available for hire at the Library.

Corridor Access Requests (CAR). This is a new charge – the decision to include this charge within the fees and charges.

Maritime Transport Act 1994 fee for vessels requiring a pilot entering Gisborne Harbour limits.

A new fee for Technician services for hydrology monitoring and assessments.

New fees have been established for Regional Compliance Monitoring and Science to cover costs that have historically been borne by the general ratepayer. Two new types of fees and charges include:

- Annual compliance monitoring fee.
- Annual science and environmental monitoring charge.

An increase to the Wastewater CCTV camera hire to reflect actual time required for inspections.

An increase to the Trade Waste Application Fee Permitted Consents to reflect actual time required to process.

An increase to the water by meter fee is required for commercial users in order to meet additional costs and demand.



## Development Contributions Policy

### 1.0 Introduction

Council is required under the Local Government Act 2002 (LGA) to have a policy on development contributions or financial contributions in its Long Term Plan (LTP).

Council first adopted a Development Contributions Policy in 2008. The policy has since been reviewed and amended several times.

The substantive part of this policy is contained in Part 2. This sets out how and when development contributions are assessed, as well as provisions relating to payment of contributions such as when payments are due; enforcement and remission of payments. This part is read with the schedule of contributions at the end of the policy.

Part 3 provides background to Part 2. It sets out how the charges have been developed.

A summary of the financial contribution provisions in the Gisborne District Combined Regional Land and District Plan (District Plan), which were adopted under the Resource Management Act 1991 (RMA), is provided in Part 4 of the policy.

Part 5 addresses the review of the Development Contributions Policy and revision of the contribution rates.

The schedules to the policy contain further detail about development and implementation of the policy. This includes development contribution rates and development contribution catchment maps. It also lists the assets/programmes of work that development contributions and financial contributions fund.

The glossary is contained in Part 6.

## 2.0 Assessment of Development Contributions

### 2.1 Commencement

Relevant applications (as set out in section 2.3) made on or after **1 July 2018** are subject to assessment for development contributions under this policy.

Applications made on or after **1 July 2008** and before **1 July 2018** will be subject to assessment under previous policies.

Applications for resource consent may also be subject to assessment for financial contributions under the Tairāwhiti Resource Management Plan.

### 2.2 Delegation of assessments

Assessments will be made by an officer of Council.

Reconsideration of assessments as described in 2.20 of this Policy, will be undertaken by the Building Services Manager.

Decisions about whether to enter into development agreements and on what terms will be made jointly by the Director Lifelines and Director Environmental Services and Protection.

Decisions about waiving or remitting the costs that would otherwise be recoverable in respect of objections will be made by the Director Environmental Services and Protection.

Decisions about remitting development contributions will be made by either the Director Lifelines or the Director Environmental Services and Protection.

Any decision Council has delegated to a Council officer under this policy may be escalated to that officer's manager.

### 2.3 Applications assessed

Council will assess the following types of applications to determine whether development contributions are required under this policy:

- a. Applications for subdivision resource consent under the RMA.
- b. Applications for land-use resource consent under the RMA, or for building consent or a Certificate of Acceptance under the Building Act 2004 (Building Act) where the consent/certificate is associated with:
  - i. the creation of new dwellings (including relocation of existing houses) on a site
  - ii. the creation of new buildings or extension of the gross floor area of buildings
  - iii. the change in use of a building
  - iv. an increase in the design occupants of a visitor accommodation or residential services activity
  - v. an increase in the amount of impervious surfaces.
- c. Applications for service connection including water, wastewater, trade waste and stormwater.

The assessment will be made against the first consent application lodged for a development and a reassessment made on every subsequent consent application. Provided that:

- The Council may choose not to assess subdivision for a non-residential development due to uncertainty about the nature of the development and instead delay assessment to building consent stage.
- The Council will only assess land use consents if it is uncertain whether there will be a subsequent building consent to assess, or if there are other special circumstances.

Each reassessment will take into account the number of units of demand previously assessed and determine whether the

development still generates the same number of units of demand.

**Note:**

1. Council will not defer assessment of development contributions for residential development.
2. Designations are not assessed, but the development may be assessed at building consent stage.
3. Applications for works necessitated by a condition of a consent are not exempt from development contributions.

## 2.4 Activities for which development contributions are assessed

Applications will be assessed for contributions for five different activities:

- reserves
- land transport
- water supply
- wastewater
- stormwater.

## 2.5 Formula for calculating contributions

Contributions (C) for reserves, land transport, water supply, wastewater and stormwater will be calculated according to the following formula:

$$C = H \times R$$

Where:

H = Number of Household Unit Equivalents (HUEs) or units of demand calculated in accordance with section 2.7 to 2.9 less any credits calculated in accordance with 2.10; and

R = The applicable rate per HUE for the type of contribution (activity) and the catchment associated with the development (refer to Part 2 of the Schedule).

## 2.6 Catchments

The catchments for charging each type of contribution are set out in Part 4 of the Schedules.

If for any reason a development falls outside the catchment for water, wastewater or stormwater and is still served by the network infrastructure, then the calculation of contributions shall be as if the development was located within the catchment.

## 2.7 Assessment of HUES on the basis of multipliers

Subject to 2.8 and 2.9, the number of HUEs associated with a development will generally be assessed on the basis of the standard multipliers set out below, less any credits provided for in 2.10.

### a. Residential developments

Activity for which Contributions Assessed	Unit of Measure	Multiplier (HUE/Unit of Measure)
All	1 (allotments and dwelling units of 60m <sup>2</sup> or more gross floor area).	1 (allotments and dwelling units of 60m <sup>2</sup> or more gross floor area).
	0.5 (dwelling units less than 60m <sup>2</sup> gross floor area).	0.5 (dwelling units less than 60m <sup>2</sup> gross floor area).
All	Every second and subsequent dwelling unit on an allotment.	1 (60m <sup>2</sup> or more gross floor area). 0.5 (less than 60m <sup>2</sup> gross floor area).

### b. Non-residential developments

Activity for which Contributions Assessed	Type of Development	Unit of Measure (U)	Multiplier (M) (HUE/unit of measure)
Land Transport	Commercial (excluding retail)	Gross Floor Area of Buildings (in 100m <sup>2</sup> )	1.3
Land Transport	Retail	GFA of buildings (in 100 m <sup>2</sup> )	Retail activity less than 4,000m <sup>2</sup> GFA 3.4-(0.04 x GFA of the activity /100 ) Retail activity less than 4,000m <sup>2</sup> GFA: 1.8
Land Transport	Restaurants, Cafes and/or Bars	Primarily dine-in: The number of potential diners/patrons or	Primarily dine-in: 0.046 Primarily takeaways: 3.4

Activity for which Contributions Assessed	Type of Development	Unit of Measure (U)	Multiplier (M) (HUE/unit of measure)
		Primarily takeaways GFA of buildings (in 100 m <sup>2</sup> )	
Land Transport	Health and/or Community Services	GFA of buildings (in 100 m <sup>2</sup> )	3.4
Land Transport	Heavy Manufacturing	GFA of buildings (in 100 m <sup>2</sup> )	1.3
Land Transport	Other Industry / Servicing	GFA of buildings (in 100 m <sup>2</sup> )	2.8
Land Transport	Warehousing /Storage	GFA of buildings and/or area of outdoor storage area (in 100 m <sup>2</sup> )	0.42
Land Transport	Visitor Accommodation	The number of potential occupants	0.15
Land Transport	Residential Services	The number of potential occupants	0.14
Land Transport	Education	GFA of buildings (in 100 m <sup>2</sup> )	2.5
Land Transport	Community Infrastructure	GFA of buildings (in 100 m <sup>2</sup> )	0.80
Land Transport	Agriculture / Forestry	GFA of buildings (in 100m <sup>2</sup> )	0
Water and Wastewater	Commercial (excluding retail)	GFA of buildings (in 100 m <sup>2</sup> )	0.33
Water and Wastewater	Retail	GFA of buildings (in 100 m <sup>2</sup> )	0.21
Water and Wastewater	Restaurants, Cafes and/or Bars	Primarily dine-in: The number of potential diners/patrons or Primarily takeaways GFA of buildings (in 100m <sup>2</sup> )	Primarily dine-in: 0.049 Primarily takeaways: 1.5
Water and Wastewater	Health and/or Community Services	GFA of buildings (in 100 m <sup>2</sup> )	1.2
Water and Wastewater	Heavy Manufacturing or Other Industry/Servicing	GFA of buildings (in 100 m <sup>2</sup> )	0.23
Water and Wastewater	Warehousing / Storage	GFA of buildings and/or area of outdoor storage area (in 100 m <sup>2</sup> )	0.16
Water and Wastewater	Visitor Accommodation	The number of potential occupants	0.17
Water and Wastewater	Residential Services	The number of potential occupants	0.38
Water and Wastewater	Education	GFA of buildings (in 100 m <sup>2</sup> )	0.29
Water and Wastewater	Community Infrastructure	GFA of buildings (in 100 m <sup>2</sup> )	0.18
Water and Wastewater	Agriculture / Forestry	GFA of buildings (in 100m <sup>2</sup> )	0
Stormwater	All Non-Residential	Impervious surfaces (in 100 m <sup>2</sup> ). Excludes impervious surfaces that form public roads and footpaths	0.29



## 2.8 Additional rules relating to assessment on the basis of multipliers

Each application is assessed as a residential development, non-residential development, or a mixture. Mixed developments are assessed under the provisions that apply to both residential and non-residential developments for the applicable parts of the development.

Units of demand will only be assessed for water or wastewater if a connection to the network is or will be available.

Allotments subject to an amalgamation condition, or that will be subject to an amalgamation condition, shall be considered as one allotment for the purpose of calculating HUEs.

For the avoidance of doubt, dwelling units of less than 60m<sup>2</sup> gross floor area that are classified as minor dwelling units under the Combined Regional Land and District Plan will be assessed as half a unit of demand.

Non-residential developments will generally be classified as a single development type, i.e. the one that best represents the dominant or primary activities associated with the development; and ancillary activities will not be considered separately. However, where a development has distinct parts, Council may, in its discretion, consider these parts separately. For example, the wine manufacturing component of a winery may be considered separately from the restaurant component.

Where a non-residential development is not described by the types of non-residential development identified above, the multiplier for the type of development with the most similar demand characteristics will be used.

Outdoor display areas for goods, e.g. garden centre display areas will be included in the calculation of Gross Floor Area (GFA) for retail, provided they are formalised areas primarily for display and not storage of goods.

Each retail premises in a development shall be considered separately to determine the number of HUEs for Land Transport.

For multi-storey, multi-unit residential developments, the number of HUEs for stormwater development contributions will be based on the impervious surfaces, as for non-residential development.

Where a residential and non-residential aspect of a development share a common footprint, the number of HUEs for stormwater shall be based on the approach for non-residential development, i.e. impervious surfaces.

## 2.9 Assessment of HUEs on the basis of actual anticipated demand

If the actual demand associated with a non-residential development is likely to be significantly different, that is at least 25% more or less than what is implied by the multipliers and demand assumptions in Part 3 of the Schedules, the Council may, in its discretion, choose to calculate the number of HUEs on the basis of the actual anticipated demand, less any credits provided in 2.10.

In determining whether to use this alternative calculation Council will consider the likelihood that the demand will change over time and whether, therefore, the standard approach may be more appropriate.

An assessment on the basis of actual anticipated demand shall be made by estimating the actual demand associated with the development for each service in the units of measure set out in Part 3 to the Schedule, and dividing this by the demand assumptions for a HUE set out in Part 3 to the Schedule. The calculation may be adjusted to reflect other factors that influence the design of infrastructure, peak demand issues and measures to mitigate demand.

## 2.10 Assessment of credits for historic development

Historic credits acknowledge prior development of the site which has ceased and will be applied against the number of units of demand assessed for a development calculated under 2.7 to 2.9. The following principles shall apply to calculating credits:

- the onus is on the applicant to include details in the application of the historic development
- credits can only be used for a development on the same site and cannot be transferred from one site to another
- the number of credits available is calculated under the policy that applies at the time of the assessment of the new development
- additional credits will not be refunded if the number of units of demand assessed for any activity for the historic development exceed the number of units of demand assessed for the new development. However the historic development may be considered again when assessing credits for any future development
- credits for historic non-residential development will only be awarded if the elements that imply that development (i.e. the buildings, impervious surfaces etc.) were present in the ten years prior to assessment.

## 2.11 Reductions

The value of the development contribution assessed will be reduced for the following reasons:

### a. Esplanade reserves

Esplanade Reserves or strips required under the RMA and associated with the development will be offset against development contributions payable for Reserves, up to the value of the contribution payable.

Valuation of the Esplanade Reserve or strip will be GST exclusive and shall be assessed in terms of section 62(1)(b) of the Public Works Act 1981. The date of valuation shall be no more than 12 months before the requirement for the contribution.

### b. Special circumstances

Special circumstances may apply in relation to some service connections that may be taken into account to reduce the development contribution payable e.g. a targeted or special rates levy has been agreed pending the installation of a new service and as such provides for that property to connect to the services when commissioned. Under these circumstances the agreement would be honoured and no development contribution would be applied, except for where the demand proposed is greater than that envisaged by the special rate and a development contribution, or part thereof, will be charged.

## 2.12 Remissions

Council will consider requests for remission of development contributions on the following grounds:

- The development is by a non-profit organisation and will provide benefits to the public.

Any such request must be made in writing and within 20 working days after the date on which the Council sent notice of the level of development contribution Council requires.

The request must include the following information:

- description of the site and specific application subject to the contribution
- description of the organisation seeking the remission and confirmation that it is a non-profit organisation as defined in the glossary
- description of the benefits that the development will provide to the public and the extent of access to those benefits.

The request will be considered by the Director Lifelines or the Director Environmental Services and Protection.

The Director will have regard to the following criteria in determining whether to grant a remission and the quantum of the remission:

- the level of the public benefits provided by the activity and the extent of access to those benefits, and
- the funding available in Council's Remission fund and any other likely claims on the fund in that financial year.

Council will give written notice of the outcome of its consideration of the request within 15 working days of its receipt of the request and all relevant information relating to the request.

## 2.13 Reassessment of a development

Where a development becomes subject to assessment under more than one development contribution policy or version of a policy then the assessment of units of demand under the most recent policy or version shall prevail for the development as a whole.

To avoid doubt, no refund shall be given, or additional contributions required, because the rate per unit of demand has changed.

## 2.14 Money or land

The LGA provides that a development contribution for Reserves may be money or land, or both. Under this policy the contribution for Reserves shall be made in money unless, at the sole discretion of the Council, land is accepted.

In general, Council will only accept land as a development contribution for Reserves where it is specifically a recreation, scenic or historic reserve and will be vested as such on subdivision or otherwise classified. However, Council may also accept easements for access, etc. to Reserves or for recreational purposes. In determining whether to accept land the Council will have regard to existing policies. Drainage reserves and areas within reserves that are used primarily for drainage (e.g. retention pond areas), while they may be accepted by Council, will not form part of a development contribution for Reserves.

## 2.15 Development agreement

Council and a developer may enter into an agreement that provides for a departure from the standard development contribution calculation. Such an agreement must be at the written request of Council or the developer.

Council will consider the interests of the developer, the community and Council when deciding whether to enter into a development agreement.

Reasons for entering into a development agreement may include:

- the developer seeks infrastructure to be provided over a different timeframe from that planned in the capital works programme
- services can be provided in a manner different to Council's standard procedures/guidelines
- Council seeks to acquire land for Reserves
- the development includes works which duplicate works provided for in Council's LTP
- the development requires service levels in excess of what would generally be provided and Council considers that it is appropriate to provide the service.

Council delegates its authority to enter into a development agreement jointly to the Director Lifelines and Director Environmental Services and Protection.

Note: Further details about development agreements, including the process Council must follow when receiving a request for a development agreement, the content and effect of a development agreement, are set out in sections 207A to 207F of the LGA.

## 2.16 Payment due dates

Development contributions shall be due at the following times:

- in the case of a development contribution required when granting resource consent under the RMA for subdivision, before uplift of the s224 certificate
- in the case of a development contribution required when granting resource consent under the RMA, other than for subdivision, within 20 days of the invoice being issued on granting the consent
- in the case of a development contribution required when granting a building consent under the Building Act, before uplifting the building consent
- in the case of a development contribution required for an authorisation for a service connection, within 20 days of the invoice being issued on granting the consent.

## 2.17 Enforcement powers

Council may recover debt through normal court action.

Until development contributions required in relation to a development have been paid Council may also, pursuant to section 208 of the LGA:

- in the case of a development contribution required when granting resource consent under the RMA, withhold the section 224(c) certificate on a subdivision and prevent the start of a resource consent
- in the case of a development contribution required when granting a building consent under the Building Act, withhold the Code of Compliance Certificate
- In the case of a development contribution required when granting a Certificate of Acceptance, withhold the Certificate of Acceptance
- in the case of a development contribution required for an authorisation for a service connection, withhold that service connection
- in each case, register the unpaid development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required.

## 2.18 Refunds

A refund of money or return of land will occur in the circumstances set out in sections 209 and 210 of the LGA where applicable.

## 2.19 Postponements

Postponements on payment of a development contribution will not be applied.

## 2.20 Reconsideration process

As set out in section 199A(1) of the LGA, any person required by Council to make a development contribution may request a reconsideration of the requirement if they believe that:

- the development contribution was incorrectly calculated or assessed under the territorial authority's development contributions policy; or
- the territorial authority incorrectly applied its development contributions policy; or
- the information used to assess the person's development against the development contributions policy, or the way the territorial authority recorded or used it when requiring a development contribution, was incomplete or contained errors.

As set out in section 199A(4) a person may not apply for a reconsideration of a requirement for development contributions if they have already lodged an objection to that requirement under section 199C and Schedule 13A of the LGA.

Any such request must be made in writing within 10 working days after the date on which the person lodging the request for the reconsideration received notice from the Council of the level of development contribution Council requires.

The request must clearly state the site and specific application subject to the contribution, the particular contribution(s) to be reviewed, and any matters the person would like Council to take into consideration when undertaking the review.

The reconsideration will be undertaken by the Building Services Manager.

The reconsideration will be limited to consideration of the grounds for reconsideration listed in 2.19.1 a) to c).

Council will give written notice of the outcome of its reconsideration within 15 working days of its receipt of the request and all relevant information relating to the request.

Note: The LGA also provides a process for persons to object to development contributions assessed and for decisions on objections to be made by development contribution commissioners. Refer to the Act for further details.

## 2.21 Other matters

### Goods and services tax (GST)

Once all the development contribution calculations are complete, GST shall be added to the final invoice as required by the legislation and/or regulation of the day.

### Valuations

Where it is necessary to value land to ensure the maximum contribution requirement in section 203(1) of the LGA is not exceeded, or to assess the value of an Esplanade Reserve or contribution in land, the value shall be assessed in terms of

section 62(1)(b) of the Public Works Act 1981. The date of valuation shall be no more than 12 months before the requirement for the contribution.

In addition, where it is necessary to value land to ensure the maximum contribution requirement in section 203(1) LGA is not exceeded, valuation of the additional allotments created by subdivision shall be calculated as the average value (the mean) of all post-development allotments intended or capable of supporting residential development.

## Applications to vary consents or the conditions of consent

Where applications are received to vary a consent or the conditions of a consent, a new assessment will be made reflecting any increase or reduction on the demand for infrastructure and/or services that would result in a change to the HUEs relating to the original consent application.

## Council developments

Council is exempt from paying any development contributions on any development that itself is a capital expenditure for which development contributions are required. Council is otherwise required to pay development contributions as assessed under the policy.

## 3.0 Explanation of the Method for Developing the Schedule of Charges

### 3.1 Relevant provisions in the Local Government Act 2002

Relevant provisions in the LGA include the following:

- Section 197AA and 197AB provides the purpose and principles for development contributions
- Section 199 provides the basis on which development contributions may be required.

Development contributions may be required in relation to developments if the effect of the developments is to require new or additional assets of increased capacity and, as a consequence, the territorial authority incurs capital expenditure to provide appropriately for the following:

- reserves
- network infrastructure
- community infrastructure.

Subsection (2) clarifies that Council may require a development contribution in relation to capital expenditure already incurred by the territorial authority in anticipation of the development. Subsection (3) states that in subsection (1) effect includes the cumulative effects that a development may have in combination with other developments.

Section 203 sets the maximum contributions for reserves and for network infrastructure and community infrastructure -

Development contributions for reserves must not exceed the greater of:

- 7.5% of the value of the additional allotments created by a subdivision, and
- the value equivalent of 20 square metres of land for each additional household unit created by the development.

Development contributions for network or community infrastructure must not exceed the amount calculated by multiplying the cost of the relevant unit of demand (calculated under clause 1 of Schedule 13) by the number of units of demand assessed for a development or type of development, as provided for in clause 2 of Schedule 13.

Schedule 13 contains the general methodology for determining the maximum development contribution. In short, this requires identification of the capital expenditure costs, as set out in the LTP, which the Council expects to incur to meet increased demand resulting from growth and to attribute these costs to units of demand. Clause 2 further requires that Council demonstrate that the units of demand are attributed to developments on a consistent and equitable basis.

### 3.2 The Capital Works Programme

Development contributions are only charged in relation to capital projects identified in the LTP. This includes both current projects identified in the Activity Management plans, as well as past projects. These are listed in Part 5 of the Schedule.

The Capital Works Programme is founded on a range of considerations including:

- provisions of the LGA, such as the purpose of local government (section 10), decision-making requirements (sections 76-81), the principles relating to local government (section 14)
- the community outcomes identified in the Long Term Plan under the LGA
- projections of growth and other changes in the community which could drive changes in demand
- service provision levels and standards, which define the services being provided to the community in terms of criteria
- plans and strategies.

Development contributions have been considered as a potential funding source for the following activities:

- reserves
- land transport
- water supply

- wastewater
- stormwater.

Other types of network and community infrastructure capital projects could potentially be considered for development contributions in the future.

Council has used the best information available at the time of developing this policy to estimate the capital expenditure. However, it is likely that actual costs will differ from estimated costs due to factors beyond the Council's control, such as changes in the price of raw materials, labour, etc and the timing of capital works taking place.

### 3.3 Unit of demand

The Household Unit Equivalent (HUE) is the base unit of demand used to apportion costs between different types of development in the calculation of development contributions. It represents the assumed demand for the service generated by an average household, as set out in Part 3 of the Schedule.

Every dwelling with a gross floor area of 60m<sup>2</sup> or more is assumed to represent one HUE of demand for each service. Dwellings with a gross floor area of less than 60m<sup>2</sup> are considered to represent half a HUE of demand for each service.

2.7 above sets out the multipliers used to calculate the number of HUEs associated with non-residential development. In essence, these multipliers represent the assumed typical relationship between the demand generated by non-residential development and the demand generated by households. Similar multipliers are used to convert the growth model to HUEs in the funding model.

### 3.4 Assessment of growth model

Council has developed growth projections for the period 2006-2056 to estimate future growth within the Gisborne district. This underpins the development of the policy at two levels. Firstly, as growth drives changes in demand on infrastructure, the growth projections are a foundation for the capital works programme. Secondly, the growth projections are converted into HUEs to model funding and to calculate the development contribution charge (refer to section 3.9).

The growth projections address three indicators of growth:

- resident population
- households
- gross floor area of non-residential activities.

A full explanation of the methodology used to produce the projections and spreadsheets containing the relevant figures for the model can be accessed as a supplementary report.

### 3.5 Key risks/effects associated with growth projections

Growth projections are subject to uncertainties as to the quantum, timing and location of growth. There is a risk that the growth projections in the model will not eventuate, resulting in a change to the assumed demands on community facilities. This could result in the over-provision of infrastructure. Furthermore, if the total amount of growth is less than projected, then the proportion of capital expenditure recovered through development contributions will be less than expected. As a consequence there may be increased debt servicing costs to Council. Council will continue to monitor the rate of growth and will update outcomes in the growth and funding models as required.

Under-assessing growth, on the other hand, may result in the under-provision of infrastructure to meet the growth.

### 3.6 Identification of growth expenditure and funding mechanisms

#### General approach

A summary of the capital expenditure identified in the LTP that Council expects to incur to meet the increased demand for community facilities resulting from growth is contained in Part 5 of the Schedule. The proportion of this expenditure that Council expects to fund from development contributions is also indicated.

In determining the growth expenditure and associated funding mechanisms, an analysis is undertaken at three levels:

1. Activity Level  
The range of funding mechanisms (consistent with the Revenue and Financing Policy) is identified at the activity level and an initial analysis is made of the considerations in the LGA, including section 101(3).
2. Programme Level  
Further consideration is given to the considerations in the LGA and their implications for funding.
3. Project Level  
At the project level, the drivers for the project are reviewed and a cost allocation process is undertaken to separate the costs into three drivers (growth, backlog and renewal).

A catchment is then identified for the project and the funding model applied to provide an indication of the 'raw development contributions charge' required to fund the growth component. Further consideration is then given to appropriate funding mechanisms, building on the analysis at the activity and programme level and the considerations in the LGA. This may result in re-consideration of the drivers and cost allocation process.

In general terms, Council has determined to use development contributions to fund the portion of capital indicated in Part 5 of the schedule because:

- a. the portion of capital expenditure identified relates to the growth community in terms of sections 101(3)(a)(ii)



(beneficiaries) and/or 101(3)(a)(iv) (exacerbators). Development contributions provide a means of directing funding to the growth community.

- b. Council recognises that liability for rates is increasingly putting pressure on the social wellbeing of the community and the use of this alternative source of funding will have the benefit of easing the burden of rates.
- c. Council wishes to keep debt levels within the covenants in the Financial Strategy.

### 3.7 Cost allocation

The cost allocation methodology carried out on each project is called the 'Modified Shared Drivers' methodology. This allocates the project costs into three categories so that possible sources of funding can then be identified with reference to the Revenue and Financing Policy. The three categories of costs are:

1. Backlog  
The portion of the planned (or completed) project that is required to rectify a shortfall in service capacity to meet existing community demand at the current agreed levels of service. Levels of service describe, in quantitative and qualitative terms, the standard of services that the Council provides for each activity. Council defines levels of service in consultation with the community on the LTP and through strategies and policies.
2. Cost of renewal  
The gross cost of replacing an existing asset with a modern equivalent asset to the same function and capacity at the end of its life.
3. Cost of growth  
The portion of a planned (or completed) capital project providing capacity in excess of existing community demand at the current agreed levels of service. Only the growth portion of the capital works programme is considered for development contributions.

A summary of the cost allocation methodology is as follows:

#### Step 1: Identify project and costs

Information about the capital costs and planned timing of expenditure is identified. Costs are specified in present value.

External Third Party funding (e.g. NZTA) is identified and also deducted from further analysis.

#### Step 2: Consider drivers for the project and identify associated levels of service

The reasons for doing the project are reviewed and associated levels of service identified.

Where there is more than one driver the project is split into multiple drivers (on a percentage basis) and associated levels of service are identified for each driver.

#### Step 3: Define capacities relating to the project

A capacity measure is identified to reflect each driver of the project and associated level of service. The existing capacity of the current infrastructure, existing demand and total capacity provided by the current infrastructure plus the planned works are identified (based on the year of analysis). The capacity and demand measures are used to divide the cost of the works into backlog and growth cost shares.

The growth in demand from existing users without any change in level of service (e.g. more vehicle movements per day per household) is considered a backlog component, rather than a growth component, and is accounted for by adjusting the capacity measures to reflect anticipated changes in demand.

#### Step 4: Asset renewal

Any assets replaced by the project for which depreciation has been collected to fund the eventual replacement are identified.

The amount of renewal funded by past depreciation is calculated by taking into account the gross replacement cost of the modern equivalent asset and the remaining life at the time of renewal.

#### Step 5: Cost efficiency

The renewal cost share is adjusted to recognise the efficiencies which may occur by carrying out the renewal component with the provision of new capacity.

#### Step 6: Determine cost shares to growth and backlog

The remaining proportion of the cost (ie, excluding the renewal component calculated in Step 4 and Step 5) is then attributed to growth and backlog according to the proportions identified in Step 3.

#### Step 7: Check growth cost share

To ensure that the growth cost is not significantly more when the capacity for growth is provided in conjunction with backlog and renewal components. A comparison is made of the calculated growth cost share and a 'Stand Alone Growth Project' that a third party could install to meet just the growth capacity of the proposed works.

All analysis is undertaken in current year dollars. Historic project costs are the actual completed project costs in the dollars of the years in which they were completed and are not inflated to the current year.

### 3.8 Catchments

The capital expenditure related to growth is associated with one or more catchments on an activity-basis. The catchments are determined based on key characteristics including geography, service delivery and the nature and complexity of service provision. The catchments can be either local or district-wide. Individual capital works projects are allocated to catchments depending on the nature of the project and the community the project is intended to serve.



### 3.9 Funding model

The SPM Consultants funding model is used to calculate the development contribution charges, per HUE, by activity and catchment. Each contribution charge represents the sum of the 'raw Development Contributions charges' calculated for the projects within the activity.

Essentially, the funding model divides the growth portion of cost of each project (identified using the cost allocation process) by the number of Household Unit Equivalents projected for the catchment over the funding period for the project, also allowing for:

- interest credited, when income from development contributions is projected to exceed the amount spent on the project
- interest on debt, when the amount spent on the project is projected to exceed the income received from development contributions
- the effects of inflation on costs, using the BERL price level change adjusters.

It is assumed that by the end of the funding period the debt owing on each project is zero.

Interest rates are subject to fluctuation and will be reviewed at each policy review.

The funding model also applies a 'backcharge' which recognises that rating charges to cover the backlog components of the growth may also be applied to the incoming community. The backcharge offsets the resulting rating charge on the incoming community against the development contributions charge.

### 3.10 Aggregation of the contribution

Once funding mechanisms have been decided at the project level the development contributions per HUE are aggregated by catchment and activity to determine the rates per HUE. These are listed in Part 2 of the Schedule.

## 4.0 Financial contributions, works and services

### 4.1 Financial contributions

#### Introduction

Below is a summary of the separate but complementary contributions required under the District Plan. These contributions were adopted under the RMA and are known as financial contributions rather than development contributions.

#### Financial contributions for Council infrastructure

The development contributions described in the remainder of this policy are the normal way in which Council will acquire contributions from developers for water, wastewater, stormwater and land transport. However, Council will also consider requiring

financial contributions for these services, as a condition on a resource consent under the District Plan, on a case-by-case basis, where special circumstances apply. In particular, financial contributions may be appropriate when the project for which the contribution will be used is not in the LTP and therefore is not covered by development contributions. Financial contributions could also be used to acquire land for the infrastructure.

#### Financial contributions for reserves

Council may also consider requiring, as a condition on a resource consent, financial contributions of land for reserves. These contributions will only be considered when a Council policy identifies the need to acquire the land or the developer offers the land to Council. It is expected that this will normally be accompanied with a development agreement to offset the value of the land from the development contributions that would normally be required.

#### Financial contributions for parking

Financial contributions for parking may be required, as a condition on a resource consent, where the application does not meet the parking space requirements under the District Plan.

#### Other financial contributions

- Financial contributions of land for protection of an archaeological site.
- Financial contributions for access to significant natural heritage areas.
- Financial contributions to offset adverse effects on natural heritage values.
- Financial contributions of land for access to the margins of rivers, lakes and the coastal marine area.

#### Funding of capital expenditure

Council does not anticipate to use the financial contributions collected under the rules described above to fund capital expenditure in the LTP. This is because any contributions collected will be for projects that are unanticipated at the present time.

However, financial contributions of cash collected under previous District Plan rules are used to fund walkways and cycleways and will be used to fund the Wainui pipeline to Sponge Bay and some reserve projects.

A summary of the capital expenditure that Council intends to fund from financial contributions is included in Part 5 of this policy.

## 5.0 Review of the Policy and Revision of the Schedule

### 5.1 Review of policy

It is anticipated that a new policy will be developed with each LTP, or at shorter intervals if Council considers necessary, to take account of significant changes to:

- the Development Contributions policy
- policy and strategic plans
- the capital works programme accounting for growth
- the pattern and distribution of development in the district
- anticipated inflation or interest rates
- any other matters Council considers relevant.

### 5.2 Revision of the schedule of contributions

Council may also revise the schedule of contributions (Part 2 and the cap on the contribution for reserves) with each Annual Plan to significant differences between actual capital costs incurred and the anticipated costs in the capital work programme.

Schedules to Development Contributions Policy:

#### 1. Events that may give rise to a requirement for development contributions

The following events may give rise to a requirement for development contributions determined in accordance with Part 1 of this Policy and charged at the rates per HUE set out in Part 2 of the Schedules:

##### Subdivisions:

Granting of Subdivision Resource Consents under the RMA.

##### Land use Consents and Building Consents:

Granting of a land use resource consent under the RMA; or a Building Consent or Certificate of Compliance under the Building Act 2004 may give rise to a requirement for development contributions under this policy where the consent/certificate is associated with:

##### Residential:

Creation of new dwellings (including relocation of existing houses) on a site

##### Non residential:

- creation of new buildings or extension of the gross floor area of buildings
- a change in use of a building

- an increase in the design occupants of a visitor accommodation or residential services activity
- an increase in the amount of impervious surfaces.

##### Service connection:

Granting of a service connection for Water, Wastewater, Trade Waste or Stormwater may give rise to a requirement for development contributions under this policy.

#### 2. Development contributions payable

The development contributions payable for parks and open spaces, land transport, water supply, wastewater, stormwater per HUE and catchment are set out in the following table.

Activity	Catchment	Contribution per HUE (\$) (GST Exclusive)
Reserves	Gisborne Urban Area (Reserves)	\$228
Land Transport	Gisborne Urban Area (Land Transport)	\$1,518
Water Supply	Gisborne Urban Area (Water Supply)	\$2,576
Wastewater	Gisborne Urban Area (Wastewater)	\$3,136
Stormwater	Gisborne Urban Area (Stormwater)	\$1,273

#### 3. Demand assumptions for a HUE

This table contains the demand assumptions for an independent household unit (i.e. one unit of demand or 'HUE'). The demand assumptions were used to develop the multipliers used to attribute units of demand to developments assessed on the basis of multipliers. They are also used to attribute units of demand to developments assessed on the basis of actual anticipated demand.

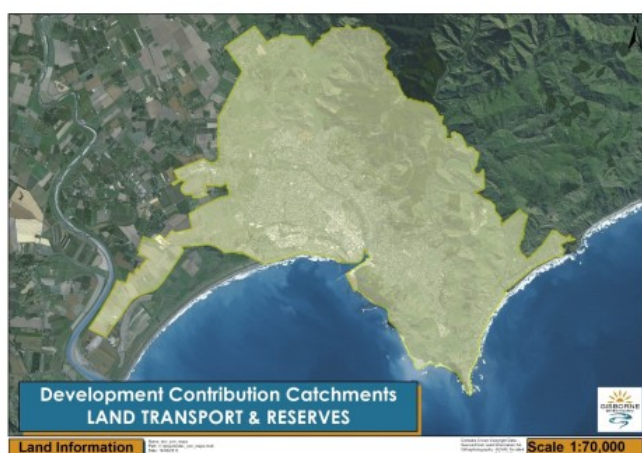
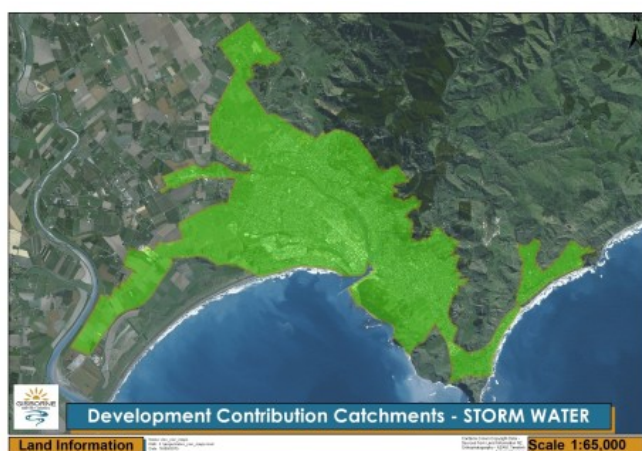
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Water Supply	Gisborne Urban Area (Water Supply)	\$2,576

Activity	Catchment	Contribution per HUE (\$) (GST Exclusive)
Wastewater	Gisborne Urban Area (Wastewater)	\$3,136

Activity	Catchment	Contribution per HUE (\$) (GST Exclusive)
Stormwater	Gisborne Urban Area (Stormwater)	\$1,273

Activity	Unit of Measurement for HUE	Demand per HUE	Comments
Reserves	Apportionment of total demand on Parks and Open Spaces	1 Apportionment	
Land Transport	Number of vehicle trips per day associated with the development	6	
Water Supply	Daily flow	800 L /day	
Wastewater	Daily flow	614 L/day	
Stormwater	Impervious surface area	340m <sup>2</sup>	Excludes impervious surfaces associated with roads or other public land.

#### 4. Catchment maps



Asset / Programme of Work	Estimated Capital Cost (not inflated)	Estimated Time of Expenditure	% from DC	% from FCs	% from other funding sources
<b>Wastewater</b>					
Taruhuru Trunk Sewer (historic)	\$134,398	2000/01	41.7%	0%	58.3%
Nelson Road Mains Upgrade, Taruhuru Block (historic)	\$240,000	2007/08	67.6%	0%	32.4%
Industrial Separation (historic)	\$2,136,243	2009/10-2011/12	42.7%	0%	57.3%
Localised Urban Upgrades (historic)	\$169,932	2009/10-2017/18	75%	0%	25%
Wastewater treatment plant (historic)	\$36,888,703	2009/10-2017/18	7.17%	0%	92.83%
Pipeline Renewals (historic)	\$5,395,669	2010/11-2014/15	0.2%	0%	99.8%
Aerodrome Road Pump Station and Rising Main (historic)	\$271,885	2011/12-2012/13	100%	0%	0%
Installation of UV at WWTP	\$268,194	2011/12-2013/14	5.9%	0%	94.1%
Chrisp Drain	\$13,443	2014/15	100%	0%	0%
Mangapapa Upgrades (historic)	\$175,000	2017/18	47.9%	0%	52.1%
Campion Road Pump and Rising Mains Upgrade	\$1,075,000	2018/19-2019/20	76.7%	0%	23.3%
Taruhuru Pump Station and Rising Mains 1	\$450,000	2018/19-2019/20	100%	0%	0%
Localised Urban Upgrades	\$300,00	2018/19-2027/28	100%	0%	0%
Taruhuru Pump Station and Rising Mains 2	\$550,000	2022/23-2023/24	92.5%	0%	7.5%
Wainui Road Pipeline	\$550,000	2026/27-2027/28	50%	50%	0%
<b>Water Supply</b>					
Local Urban Upgrades (historic)	\$476,552	2009/10-2017/18	25%	0%	75%
Aerodrome Road Reticulation	\$276,034	2011/12-2013/14	100%	0%	0%
Firefighting upgrade (historic)	\$198,543	2012/13-2014/15	8%	0%	92%
Bulk Distribution: Western Industrial Ring (historic)	\$1,346,906	2012/13-2013/14	32%	0%	68%
Pipe Renewals (Asbestos)(historic)	\$849,113	2012/13-2017/18	5%	0%	95%
Pipe Renewals (Asbestos)	\$5,320,000	2018/19-2027/28	4%	0%	96%
Local Urban Upgrades	\$350,000	2018/19-2027/28	100%	0%	0%
Taruhuru Block Development	\$1,500,000	2020/21-2027/28	100%	0%	0%
Knob Hill Booster Station and Reservoir Main	\$1,425,000	2026/27-2027/28	92%	0%	8%
Demand Management – Water Meters	\$2,000,000	2023/24-2025/26	57%	0%	43%
<b>Stormwater</b>					
Taruhuru/Waru/Haisman (historic)	\$70,000	2008/09	100%	0%	0%
Wainui Works (historic)	\$129,304	2009/10	96%	0%	4%
Stormwater Pipe Renewals (historic)	\$1,587,377	2009/10-2017/18	13%	0%	87%
Localised Urban Upgrades (historic)	\$1,108,683	2009/10-2017/18	15%	0%	85%
Subdivision Support	\$191,425	2009/10-2017/18	87%	0%	13%
Aerodrome Road and Western Industrial Improvements (historic)	\$106,887	2011/12	57%	0%	43%
Lloyd George Stormwater Upgrade (historic)	\$256,659	2014/15-2016/17	32%	0%	68%
Douglas Street (historic)	\$70,737	2015/17	3%	0%	97%
Hapara Stream (historic)	\$196,745	2015/16	62%	0%	38%
Localised Urban upgrades	\$750,000	2018/19-2027/28	15%	0%	85%
Stormwater Pipe Renewals	\$3,200,000	2018/19-2027/28	11%	0%	89%



Asset / Programme of Work	Estimated Capital Cost (not inflated)	Estimated Time of Expenditure	% from DC	% from FCs	% from other funding sources
Taruheru/Waru/Haisman	\$1,000,000	2019/20-2020/21	100%	0%	0%
Whataupoko	\$500,000	2022/23-2024/25	38%	0%	62%
<b>Roading</b>					
Hamlin Road Purchase	\$75,000	2008/09	100%	0%	0%
Aerodrome Road	\$70,191	2011/12	94%	0%	6%
Lysnar Road and Scarly's Way Seal Extension (part of unsubsidised seal extensions)	\$129,161	2012/13	74%	0%	26%
Gisborne City Carpark Facility	\$200,000	2018/19-2027/2028	30%	0%	0%
Taruheru Subdivision Road Links – Potae Ave Complete	\$47,464	2014/15-2016/17	100%	0%	0%
Taruheru Subdivision Road Links – Potae Ave	\$750,000	2018/19-2019/20	100%	0%	0%
Taruheru Subdivision Road area – Improvements Ruth Street/Gwyneth Pl	\$1,000,000	2020/21-2025/26	100%	0%	0%
Taruheru Subdivision Road Links – Cameron and Others	\$1,150,000	2023/24-2027/28	86%	0%	0%
<b>Parks and Open Spaces (Reserves)</b>					
WD Lysnar & Wainui Beach Reserve Management Plan Implementation (historic)	\$155,796	2009/10-2014/15	2%	0%	94%
Sportsground Facilities Upgrades and Renewals	\$4,169,000	2018/19-2024/25	0.5%	0%	0%
Taruheru Reserves Purchases	\$400,000	2022/23	100%	0%	0%
Taruheru Reserves Improvement	\$305,000	2023/24-2024/25	100%	0%	0%

## 6.0 Glossary of Terms

<b>Allotment</b>	Has the same meaning as sections 2 and 218 of the RMA.
<b>Backlog</b>	That portion of a project that relates to historical catch-up to meet the required level of service for the existing community.
<b>Building</b>	Any structure having a roof supported by columns or walls used or intended to be used for the shelter or enclosure of persons, animals or property of any kind.
<b>Community Facilities</b>	Has the same meaning as section 5 of the LGA - reserves, network infrastructure or community infrastructure for which development contributions may be required in accordance with s199 of the LGA.
<b>Community Infrastructure</b>	For the purpose of classifying developments for calculating HUEs means libraries, gyms, halls, churches, club rooms, sports facilities, places of assembly, museums, etc.
<b>Cost Allocation</b>	The allocation of the capital costs of a project to the various drivers for the project, such as renewal, catch-up (backlog), and additional capacity to meet growth.
<b>Dwelling Unit</b>	A building (or part of any building) in which a single housekeeping unit resides or could potentially reside.
<b>Education</b>	Schools, childcare services, tertiary education providers, etc.
<b>GFA / Gross Floor Area</b>	<p>The total of the area of the floors of all buildings, measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two buildings or, in the absence of walls, from the exterior edge of the floor.</p> <p>Gross Floor Area shall include floor spaces in roofed terraces, balconies and porches.</p> <p>Gross Floor Area shall exclude:</p> <ul style="list-style-type: none"> <li>· service station canopies</li> <li>· covered pedestrian circulation areas.</li> </ul>
<b>GST</b>	Goods and Services Tax.
<b>Health and Community Services</b>	Medical services (eg doctors, optometrists, hospitals), veterinary services, dental services, community care services (excludes accommodation).
<b>Heavy Industry</b>	Manufacturing and processing activities of a substantial size, e.g. freezing works, dairy factories, timber processing, packing houses.
<b>HUE / Household Unit Equivalent</b>	The unit of demand that relates demand of developments for community facilities to the typical demand by an average household. It forms the basis of assessing development contributions.
<b>Impervious Surface</b>	Hard surface area which either prevents or retards the entry of water into the soil mantle as it entered under natural conditions pre-existent to development, or that hard surface area which causes water to run off the surface in greater quantities or at an increased rate of flow from that present under natural conditions pre-existent to development. Common impervious surfaces include, but are not limited to, rooftops (concrete or asphalt), walkways, patios, driveways, parking lots or storage areas, and oiled, macadam or other surfaces which similarly impede the natural infiltration of surface water.
<b>LGA</b>	Local Government Act 2002.
<b>Lot</b>	Lot is deemed to have the same meaning as 'Allotment' under both the Local Government Act 2002, and the Resource Management Act 1991.
<b>Non-Profit Organisation</b>	<p>Any society, association, organisation or registered charitable trust that:</p> <ul style="list-style-type: none"> <li>· Is not carried out for the profit or gain of any member; and</li> <li>· Has rules that do not allow money or property to be distributed to any of its members.</li> </ul> <p>For the avoidance of doubt, non-commercial Council activities will be considered non-profit organisations for the purpose of the remissions.</p>
<b>Other Industry/Servicing</b>	Manufacturing, processing, servicing and construction activities, which may be associated with the sale of goods or services directly to the public, e.g. small timber mills, joiners, engineering businesses, panel beaters, mechanics.
<b>Commercial, excluding retail</b>	Property and business services (e.g. real estate, architects), finance and insurance services, personal services (e.g. beauticians), government administration (e.g. courts, local government), commercial cultural and recreational services (e.g. tourism operators, cinemas), service stations and offices.
<b>LTP</b>	Long Term Plan.
<b>RMA</b>	Resource Management Act 1991.
<b>Renewal</b>	That portion of project expenditure that has already been funded through depreciation of the existing asset.
<b>Residential Allotment</b>	An allotment zoned Residential or Rural in the Combined Regional Land and District Plan and capable of development for residential purposes.
<b>Residential Services</b>	Residential care facilities, e.g. aged care homes.
<b>Restaurants/cafes/bars</b>	Activities where food is prepared on-site and/or drinks are sold and consumed on-site (whether private or public).
<b>Retail</b>	Activities primarily involved with selling goods (including large format retail).
<b>Service Connection</b>	A physical connection to a service provided by, or on behalf of, Gisborne District Council.
<b>Subdivision</b>	Subdivision is deemed to have the same meaning as 'subdivision' under the Resource Management Act 1991.
<b>Visitor Accommodation</b>	Hotels, motels, backpackers, campgrounds, etc.
<b>Warehousing</b>	Activities primarily involving the storage of goods or property.



## Tairāwhiti Piritahi: Fostering Māori Participation in Council Decision-Making

### 1.0 Introduction

Council's vision articulates the connection of people to use their assets in order to fulfil their aspirations. Tangata whenua have a long historical settlement and connection to Tairāwhiti, and an equally long term role in the future planning and decision-making for the region.

They are significant players in our community and Council has statutory and constituent obligations to empower Māori to participate in local government.

### Tairāwhiti First!

**Tairāwhiti Tangata** First to see the light

**Tairāwhiti Taonga** First choice for people and lifestyle

**Tairāwhiti Wawata** First choice for enterprise and innovation

**First place for the environment, culture and heritage**

The powers and functions exercised by Council in its rates collection, regulatory and local public service functions has significant impact on Māori, specifically whanau, hāpu and iwi experiences and how they collectively express their values, priorities and lives.

Council has statutory, constituent and organisational obligations to Māori. This means Council has a three-pronged method to delivering on our responsibilities to Māori.

- The legal requirements are Council's minimum bottom line to deliver on our Māori outcomes. By meeting these obligations, there will be significant contributions by Māori to Council's own planning and decision making.
- The constituent obligations to our community includes Māori in our community as citizens with distinctive cultural aspirations should be understood and incorporated in all aspects of our work. This will result in service delivery which meets the needs and aspirations of Māori.
- Our organisational obligations are what we have promised to do with Māori: this includes our formal agreements and ensuring they are successful. This will result in partnerships with Māori that contribute to sustainable Tairāwhiti outcomes.

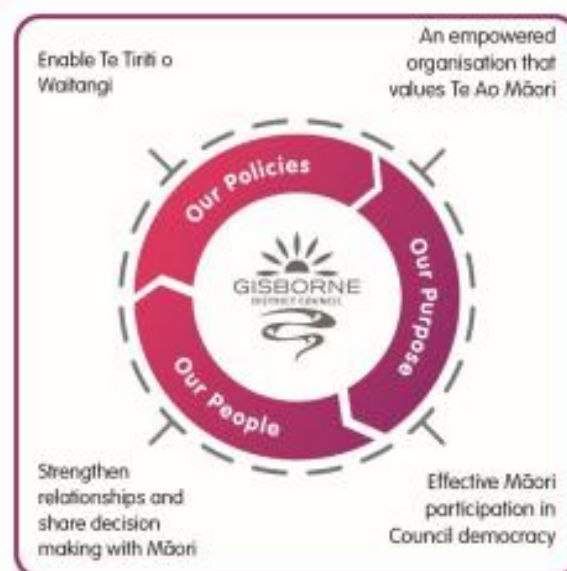
Underpinning Māori and their long-term aspirations, plans and often inter-generational projects, is Council's committed contribution to Māori planning cycles, creating better outcomes for Tairāwhiti.

Council therefore requires a working knowledge and effective relationships with Māori of Tairāwhiti in order to undertake its core role of leading and representing its communities.

This policy outlines Council's approach and plans to achieving sustainable Tairāwhiti outcomes in partnership with Māori:

- Māori as ratepayers of Māori land (usually collectives who are whanau and/or hāpu who have whakapapa to their land) and as ratepayers of general land.
- Māori as tangata whenua (usually whanau, hāpu and iwi who have whakapapa to land and are the mana whenua and kaitiaki of natural and cultural resources in their traditional area and Māori as ...elected representatives on mandated iwi authorities.
- Māori as a community of interest (usually individuals, organisations with distinctive cultural aspirations).

### 2.0 Why are we doing this?



#### 1. Enable Te Tiriti o Waitangi/Treaty of Waitangi

By supporting the spirit and implementation of our district's iwi Treaty settlements (which are now largely settled).

*Te Tiriti o Waitangi is the guiding document in the relationship between Māori and the Crown.*

#### 2. Be an empowered organisation that values Te Ao Māori (the Māori world)

By acknowledging Māori values such as kaitiakitanga, tikanga, mana whenua, rangatiratanga, matauranga Māori and their role in solutions for our issues.

We will do this by supporting staff to build cultural knowledge about Māori through providing training opportunities such as Te Reo Māori me ona tikanga (basic and advanced courses) and networking and capability building opportunities to work with our Māori communities.

Understanding and recognising Te Ao Māori, its values, tikanga and decision-making frameworks is an essential step when developing policy and decision-making in Tairāwhiti settings in order for successful implementation.

### 3. **Effect Māori participation in Council democracy**

By ensuring we are including the right people, at the right level, at the right time and on the right terms.

We will do this by allocating the time and resource Māori collectives require in order to make informed decisions about our processes. We will also make our information relevant and reflective of Māori audiences. In this way, Council recognises that Māori decision-making processes are collective in nature.

We have less one-off consultation and more collaborative partnerships and processes with agreed mutual outcomes.

### 4. **Strengthen relationships and share decision-making with Māori**

By including all of the relevant sections of the Council in engagement processes we will support co-designed and co-located projects and processes.

This will result in more Council projects that have mutually beneficial outcomes for both the Council and Māori.

## 3.0 How will we do this?

This will be implemented by Council having the following mechanisms in place or in development:

- **Policy:** Formulation of effective policy that considers Māori needs and issues and partners early in our policy and strategy scope and development.
- **Processes:** Create and adhere to processes that ensure Māori needs/issues/concepts are considered and Māori are participating effectively throughout.
- **People:** Nurture and professionally develop staff so they have access to training that builds the organisations capability and capacity to be bicultural.

## 4.0 What will we do?

Council aims to move away from transactions into more relationship-based partnering with Māori. This will result in longer term outcomes for the benefit of all Tairāwhiti. Some interactions with Māori are straight-forward customer service transactions, however Council's interactions with Māori collectives (e.g. Whanau, hāpu, marae, iwi, Māori as communities with cultural perspectives) can benefit from greater preparation, planning and co-ordination.

All of this points to considerable opportunity for Council to improve its effectiveness in partnering with Māori by focusing on:

- applying our strategic Māori policy framework Tairāwhiti Piritahi to all of the work we do. This and its associated tools are evident in our planning and decision-making through Council reports, project plans, engagement plans and outcomes
- co-ordinate and resource iwi engagement forums with a consistent investment approach, resourced by valuing and recognising that our contribution to Māori time and capacity results in more sustainable outcomes
- build cultural capacity and capability of Council staff by improving staff's understanding and exposure to Māori values, relationships, language and projects in order to deliver on our Māori obligations and create Council-Māori outcomes.

In using this approach, Council is open to opportunities for improved innovation. Additionally, the following initiatives Council commits to actioning, and are considered business as usual:

## The menu of initiatives

### COUNCIL'S APPROACH

What will we be doing in years 1-10?

#### Be an empowered organisation that values Te Ao Māori

##### BUILD COUNCIL CAPABILITY

- Develop and implement a training pathway aimed at supporting and improving cultural competencies of staff and leadership.
- Develop and implement a mentoring system for staff and leadership i.e. collegiate support for Council-Māori participation arrangements.
- Collaborate with Māori stakeholders to create a Council resource for successful engagement with Mana Whenua.
- Support and promote forums / wananga and networks which bring Māori and Council together.
- Develop and implement Bicultural Service Targets for the organisation i.e. a % of fluent staff, implement the te reo me ona tikanga policy, provide specific training.
- Develop and implement a Māori stakeholder communication strategy to utilize across the organisation.
- Develop and implement Māori stakeholder satisfaction measures, beyond the annual survey.
- Introduce a social procurement clause (i.e. in tenders and contracts) and a social outcome measurement method.
- Establish and encourage internal forum for improved information and internal co-ordination for Māori customers on Māori issues.
- Enable iwi and hāpu input into reporting and monitoring so that it also reflects the values and priorities that they hold.
- Provide a central hub for Māori engagement and related resources.

#### Enable Treaty of Waitangi

##### MEET STATUTORY OBLIGATIONS & CURRENT AGREEMENTS

- Implement and support the Local Leadership Body.
- Collaborate with iwi to develop and implement a process of providing for Resource Legislation Amendments 2017, in particular changes to Māori participation in the Resource Management Act 1991. This should address Clause 4A, Section 32, Section 34A (under Schedule 1) and Te Mana Whakahono a Rohe.
- Consider and provide Councils response (processes, considerations, legal and legislative responsibilities, information management) to new protected and customary rights and customary title areas under the Marine and Coastal Act (Takutai Moana) 2011.
- Review planning work programme to identify areas of best focus to support the communities' economic, social, cultural and environmental well-being.
- Regular joint Council-iwi/Māori issues and relationship development opportunities for staff.
- Implementing the Treaty Settlement provisions relating to local government such as Statutory Acknowledgments, Local Leadership Body.
- Council co-ordinates relationships and opportunities for iwi arising from the Statutory Acknowledgments.

## Effective Māori participation in Council democracy

- Review and provide for efficient management of existing and new matauranga Māori material provided by and with Māori stakeholders.
- Apply Māori planning and policy tools i.e. policy, strategy and by-law reviews, Māori data in population forecasts, preparing Council's Long Term Plan, Annual Plan.
- Develop and implement mutual capacity building activities with a matched contributions approach.
- Support the provision of professional services for iwi and hāpu projects and training, i.e. RMA training, development of Iwi Management or project plans, supporting iwi through the settlement process.
- Consider developing service level agreements with Te Runanganui o Ngati Porou and Turanga iwi.
- Implement regular resourced iwi engagement forums where mutual priorities are developed and implemented.
- Develop and implement 'relationship check-in' measures to assess the level and effectiveness of Māori participation in Council processes.
- Provide opportunities for effective involvement on the scope and content of planning instruments early on in development.
- Joint committees and advisory boards to assist the process of informed Māori decision-making.
- Regular relationship check-ins to assess level and effectiveness of participation.
- Direct funding - to support engagement in planning and consenting functions.
- Contestable funding - to support iwi and hāpu projects.
- In-kind contributions such as making professional services available for iwi and hāpu projects/secondments/using Council staff to deliver iwi and hāpu relevant training.
- Making data and information freely available and relevant to Māori to support their decision-making.

## Strengthen relationships and share decision making with Māori

- Continue actions associated with the Joint Management Agreement (JMA) with Ngati Porou.
- Continue with actions associated with current co-management agreements, i.e. Kopututea, Waihirere, Ngati Oneone (for Titirangi and traditional rohe).
- Continue and complete Tairāwhiti Navigations, Titirangi restoration and other major projects with iwi partnership approach.
- Find and explore ways to support Māori land productivity, through strategic partnering and service facilitation.
- Explore and implement iwi/hāpu delegated decision-making opportunities such as RMA's transfer of powers, co-governance and co-management agreements.
- Council contribution (eg technical expertise) to Māori projects.
- Take heed of iwi management plans as these represent clear mandates and programmes of work. Work with iwi and hāpu to ensure these recognise present day thinking and priorities.
- Up-to-date Māori stakeholder list with ongoing stakeholder analysis and knowledge of capacity and interests of those on the list.
- Staff have opportunities to work on mutual projects lead by Māori.
- Co-developed training opportunities with iwi.

## Council's agreements

### Treaty partnerships

- Memorandum of Understanding with Te Runanganui o Ngati Porou and Ministry of Primary Industries demonstrating a 100-year commitment to collaboratively work with landowners to address the health of the Waiapu River Catchment.
- Joint Management Agreement with Te Runanganui o Ngati Porou for the Waiapu River catchment.
- Local Leadership Body 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 Tamanuhiri, Rongowhakaata, Te Aitanga a Mahaki with their ancestral lands, water, sites, wahi tapu and other taonga.

### Current relationship agreements

Council has relationship documents between Tangata Whenua, Māori and Council (and the private sector where appropriate). These relationship documents set out the protocols to enable effective working relationships with Tangata Whenua over specific sites or activities. These include:

- A Memorandum of Understanding (MoU) between Ngati Oneone and Gisborne District Council (GDC) for on-site earthworks for the extension of Hirini Street (2015).
- A protocol for the Heinz-Wattie site between the representatives of Te Whanau-ā-Iwi, Ngai Tāwhiri, Ngati Oneone, kaumatua, Gladiator Investments Limited and Gisborne District Council.
- MoU GDC, TROTAK and artist for the development of "Ruapani" (2014).
- MoU with GDC and TROTAK (2014) (incomplete).
- MoU with Whakarua Park Board (2015) to support the development of Whakarua Park.
- MoU with Tikitiki X Ahuwhenua Trust for Tikitiki Park (2017).

### Current co-management agreements:

- Kopututea Trust and Gisborne District Council for Kopututea Blocks 1 & 2, more commonly known as the stretch of dune along Centennial Marine Drive (2012).
- Ngati Oneone for Titirangi Reserve (2016) (to be signed).

## Statutory obligations

Council has statutory obligations to Māori. While the LGA and RMA are the key legislative frameworks in Council, there also obligations to Māori governing Treaty settlements, conservation, biosecurity, coastal management, flood management and transport legislation. The key principle which drives these obligations is the Treaty of Waitangi.

### Local Government Act 2002 (LGA)

Local Government Act 2002 recognises and respects the Crown's obligations under the Treaty of Waitangi by placing specific obligations on Councils. These obligations are intended to facilitate participation by Māori in local authorities' decision-making processes.

The Act includes requirements for Councils to:

- ensure they provide opportunities for Māori to contribute to decision-making processes
- establish and maintain processes for Māori to contribute to decision-making
- consider ways in which they can foster the development of Māori capacity to contribute to decision-making processes
- provide relevant information to Māori
- take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

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The intent is for both local authorities and Māori to move beyond engaging on matters of environmental or cultural importance only towards mutually beneficial outcomes where Māori

outcomes are better reflected in Council’s planning and decision making.

Resource Management Act 1991 (RMA)

The RMA promotes the sustainable management of natural and physical resources in a way that enables communities to provide for their environmental, social, economic and cultural well-being. The Act recognises Māori interests in natural and physical

resources and contains specific provisions for consulting and working with tangata whenua.

Effective tangata whenua participation in local government decision-making on resource management matters is an essential element of the successful implementation of the RMA, and the achievement of good environmental outcomes.

The key considerations in the LGA and RMA are:

Local Government Act	Resource Management Act
1. To consider ways in which Council fosters the development of Māori capacity (time and resource) to contribute to Council decision-making processes.	1. <b>Section 6:</b> Recognises the national importance of the relationship of Māori and their culture and traditions and their ancestral lands, waters, sites, waahi tapu, other taonga and historic heritage.
2. Ensure there are opportunities and processes for Māori to contribute to Council decision-making processes.	2. <b>Section 7:</b> Requires that particular regard be given to kaitiakitanga and that the principles of the Treaty of Waitangi be taken into account.
3. Provide relevant information to Māori.	3. <b>Section 8:</b> Applies the same obligations to “all persons exercising powers under the RMA” to take into account the principles of the Treaty of Waitangi <sup>(1)</sup>
4. To take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.	

1 The RMA guarantees tangata whenua an opportunity to contribute to the preparation of plans and policies. “Tangata whenua” is defined to include iwi authorities, tribal runanga, iwi and hāpu trust boards, land trusts or directly as representatives of whanau, hāpu and iwi. The legislation does not provide the same guarantees in relation to individual resource consent applications, although it is accepted as good practice for resource consent applicants to consult with tangata whenua where their proposals affect matters covered by the RMA. Where tangata whenua have a legitimate interest in, or are affected by, an application they also have the right to have their views considered in the decision-making process.



## Investment Policy

The Council's general policy on investments under Sections 102 and 105 of the Local Government Act 2002 is set out below.

Council's detailed operational policy on investments is included in its Treasury Management Policy and Procedure Manual which includes Council's objectives, policies, strategies, monitoring and reporting procedures.

This policy will be reviewed and updated at least every three years as part of the update of the Council's Long Term Plan (LTP).

### 1. Objectives

The objective of this Investment Policy is to ensure that the Council's portfolio of investments is managed in a prudent and competent manner in accordance with the Local Government Act 2002.

Council will manage its investment portfolios to optimise investment value and returns in the medium to long term while balancing risk and return considerations.

In managing and selecting investments Council will aim to:

- protect the investment capital value and minimise the risk of loss
- optimise the investment value and return
- ensure investments are of a type that provide Council with funds when required, including sustainable income flows from commercial investments
- spread the risk by diversifying the mix of investments
- promote economic and business development within the district.

Council may make strategic, commercial and semi-commercial investments.

Commercial investments are those made primarily for capital gain or maximum investment yield. The performance of these investments will be assessed on a purely financial basis.

Strategic and semi-commercial investments are those made to promote economic and business development within the district and/or achieve other goals set out in the Council's Ten Year Plan or Annual Plan. Strategic investments and semi-commercial investments may not provide a commercial return.

The current objectives and Targeted Rates of Return for all investments are set out in the Treasury Management Policy and Procedure Manual.

## 2. Investment mix

Council has a mix of investments for the purpose of fulfilling various strategic, economic development and financial objectives as outlined in the LTP. Council's investments include holdings in CCTOs and other entities where there is a specific strategic objective for holding the investment or the investment is required to comply with legislation. Council may maintain investments in:

- equity investments
- property investments
- forestry investments
- infrastructural asset investments
- financial investments
- loan advances
- the New Zealand Local Government Funding Agency
- Council Controlled Trading Organisation (CCTO) and Council Controlled Organisations (CCO).

### Equity investments

Council Equity Investments include interests in the Gisborne Airport Authority, Forestry Holdings, and Community Housing and may include other Council Controlled Organisations (CCOs) or Council Controlled Trading Organisations (CCTOs).

Council has a responsibility to ensure that expenditure incurred by it and the Group as a whole is optimal. To do this Council need to review the performance of these investments on a regular (twice yearly) basis to ensure strategic and economic objectives are being achieved.

Any disposition of these investments requires Council approval.

Dividends received and proceeds from the disposition of equity investments are used to repay debt, to invest in new assets or investments or any other purpose that is considered appropriate by Council.

### Property investments

Council owns property investments for strategic and commercial purposes. Council reviews ownership through assessing the benefits including financial returns, in comparison to other arrangements that could deliver similar results.

Surpluses generated from commercial and semi commercial property investments are treated as an internal dividend to Council.

Other surpluses from property are treated as income in the related Council activity.

Property disposals are managed to ensure compliance with statutory requirements and where appropriate consultation with Community Boards and Committees.

Property purchases are supported by registered valuations and where appropriate a full business case analysis. Council will not purchase properties on a speculative basis.

Council owns land and buildings for the purposes of providing services and parks and reserves. These holdings are not considered to be investments for the purposes of this policy.

## Loan advances

Council may provide advances to CCOs, CCTOs, charitable trusts and community organisations for strategic and commercial purposes.

New loan advances are by Council resolution only. Council does not lend money, or provide any other financial accommodation, to a CCO or CCTO on terms and conditions that are more favourable than those that would apply if Council were borrowing the money or obtaining the financial accommodation.

## Council-Controlled Trading Organisations (CCTOs) and Council-Controlled Organisations (CCOs)

Most local authorities use subsidiary companies or other entities such as trusts to conduct commercial and non-commercial activities on their behalf. The Local Government Act 2002 (the Act) introduced the term "council-controlled organisation" to describe these entities. The Act defines council organisations, council-controlled organisations (CCOs), and council-controlled trading organisations (CCTOs). At its most basic level a CCO is a not-for-profit sharing arrangement with Council and a CCTO is a profit-making vehicle controlled by Council.

Council has one CCTO, Gisborne Holdings Ltd (GHL), of which Council is the 100% shareholder. Council seeks to regularly monitor the performance of GHL so that it remains confident that it is still an appropriate vehicle for holding Council's investments and to ensure that existing investment activities are achieving appropriate income generation and returning benefit to the community.

## 3. Acquisition or disposal of investments

Any non-day-to-day acquisition or disposal of investments requires Council approval. At the time of disposal, Council determines the most appropriate use of the sale proceeds. Council may consult with the public on an acquisition or disposal, depending on the significance of the proposal or the intended use of the funds from that disposal.

Council should be ethical and act with integrity when funding or acquiring investments.

Council should:

- act, and be seen to be acting, in a fair, open and unbiased manner

- observe ethical standards, principles and behaviour throughout the investment process and while monitoring investments; and
- where possible, observe that the publicly available ethical profile of any potential investment aligns with Council.

## Commercial and semi-commercial investments

Council has a number of commercial and semi-commercial investments. Some are run on a commercial basis for the benefit of Council operations, while others are run to supplement Council's rates income. Council's semi-commercial assets are not primarily focused on profit.

Council also maintains a number of investments in Council-Controlled Trading Organisations. Its largest is Gisborne Holdings Ltd (GHL), and its wholly owned subsidiary Tauwhareparae Farms Ltd.

The primary focus of our investment in GHL is for the CCTO to be the main vehicle to achieve the goal of operating profitably and providing a non-rates income stream to Council.

GHL dividends are an important income stream used to reduce the level of rates and to allow investment in infrastructure.

Council will only make new investments and/or retain existing investments if all the following criteria are met:

- the investment has clear long-term benefits for the community or the district
- the risks associated with the investment can be managed within acceptable levels
- the investment will provide Council with funds when required, including where appropriate sustainable income flows
- making or retaining the investment would not result in a material breach of the borrowing limits set out in the Liability Management Policy
- Council's overall investment risk is spread by ensuring that the overall value of any single investment does not exceed either the percentage of the total consolidated assets of Council or the percentage of total investments, as set out by Council from time to time and detailed in the Treasury Management Policy and Procedure Manual.

## 4. Management and reporting of investments

Council may delegate the power to approve individual transactions provided they are within the investment strategy as detailed in its Treasury Management Policy and Procedure Manual.

As each investment (or category of investments) will have its own unique characteristics, a specific management and return

policy for each investment will be included in the Treasury Management Policy and Procedure Manual.

In determining investment holding structures, Council will consider the following criteria:

- appropriate separation of management and governance
- imposing commercial discipline on the investment activity to produce an appropriate return by ensuring appropriate debt/equity funding and requiring a commercial rate of return
- separation of Council's investment assets from Council's public good assets.

As part of managing the risk and performance of Council's CCTO investment, an annual Statement of Intent (Sol) is submitted by the Board of the CCTO for approval by Council. If Council does not agree to the contents of a Sol delivered, it has powers under the Local Government Act (LGA) to pass a resolution which requires the Board to modify the Sol. Half yearly and annual reports to be provided by the CCTO to the relevant Council-committee is another mechanism for managing and reporting on the CCTO investment, and also a requirement of the LGA (s.66 and 67).

The Finance and Audit Committee reviews performance of all investments on a regular basis to ensure strategic and economic objectives are being achieved.

Periodically Council will review its investment holding structure to determine if it is still an appropriate vehicle for holding Council's investments and to ensure that existing investment activities are achieving appropriate income generation and returning benefit to the community.

## 5. Investment risk management

Council's investments give rise to a direct exposure to credit risk, interest rate risk, liquidity risk, and market risk which can impact on the capital value of its investments.

Credit risk is managed by placing maximum limits for each class of investment by issuer, performing credit evaluations as appropriate and investing funds with approved institutions that have satisfactory credit ratings.

Interest rate risk is managed by matching investment and borrowing maturities, and the use of interest rate instruments for interest rate risk management purposes. Liquidity risk is managed by ensuring that all investments are capable of being liquidated in a readily available secondary market or that appropriate standby facilities have been established.

Market risk is the risk that arises from the potential change in the value of an investment. Market risk results primarily from changes in market interest rates. The Council manages this risk as part of its overall management of interest rate risk.

Council recognises that there are risks associated with holding equity investments. To minimise these risks Council, through

the Finance and Audit Committee, will monitor the performance of its CCTO and CCO equity investments on a twice yearly basis to ensure that the stated objectives are being achieved. Council seeks professional advice regarding its equity investments when it considers this appropriate.

The Chief Financial Officer approves a risk management strategy. The Finance and Audit Committee reviews this strategy on a regular basis.

All investments will be made strictly in accordance with the policies and procedures set out in Council's Treasury Management Policy and Procedure Manual. Commercial investments are subject to a broad range of active commercial reviews including regular hold/ sell reviews, portfolio analysis and comprehensive monitoring.

Strategic and semi-commercial investments are subject to a narrower range of active commercial reviews given their infrastructural relationships. This includes business monitoring and long-term planning appropriate to the scale and complexity of each business.

Treasury investments are made from short-term surplus funds available to Council and typically made in the form of financial instruments. To minimise operational risks, these investments will be made strictly in accordance with the policies and procedures set out in Council's Treasury Management Policy and Procedure Manual.

## 6. Investment income

Income from investments will be utilised as determined by Council and incorporated in the Treasury Management Policy and Procedure Manual. In general, income will be utilised to support ongoing Council operations.

The Gisborne District Council Group (the "Group") consists of the Gisborne District Council and its subsidiaries, Gisborne Holding LTD (100% owned), Tauwhareparae Farms Ltd (100% owned) and Tauwhareparae Forest Ltd (100% owned). All Council subsidiaries are incorporated in New Zealand.

### Group tax efficiency

To ensure that existing investment activities achieve appropriate income generation Council needs to be proactive in the way it manages the Group tax level to ensure it operates at maximum efficiency.

Optimising the overall income tax position for Council and the Group members means that Council is not needlessly paying income tax.

The onus is on Council, as the ultimate owner of each entity within the Group, to take lead responsibility for decisions that impact on the level of income tax paid within the Group as a whole.

As part of Council's due diligence to make sure review its investment holding structure is still the most appropriate vehicle for holding Council's investments, Council needs to regularly consider:

- The profits available within the Tax CCTOs for return to Council
- The most efficient method to extract profits from each entity within the Group and
- The capital funding requirements of each entity in the group, and how this could limit reserves available for distribution
- The Group tax position is dynamic and ongoing monitoring is required to ensure tax efficiency is optimal. This can be best achieved through a strong collaborative relationship with the entire group and a commitment to regular (twice yearly) reporting and monitoring.

## 7. New Zealand Local Government Funding

### Agency investment

The Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency (LGFA), and may borrow to fund that investment.

The Council's objective in making any such investment will be to:

- Obtain a return on the investment
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of these dual objectives, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA and be a Guarantor.

## Liability Management Policy

Council's general policy on Liability Management under Sections 102 and 104 of the Local Government Act 2002 is set out below. The Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4 and Schedule 6 is also relevant.

Council's detailed operational policy is included in its Treasury Management Policy and Procedure Manual which includes Council's detailed objectives, policies, strategies, monitoring and reporting procedures.

This policy will be reviewed and updated at least every three years as part of the update of the Council's Long Term Plan (LTP).

### 1. Objectives

The Council's policies on liability management are based on the following key elements:

- liabilities must be maintained at a prudent level
- borrowings provide a basis to achieve inter-generational equity
- borrowings are made globally to fund the entire Council balance sheet
- borrowings must be undertaken efficiently and in accordance with this policy.

Council will borrow as it considers appropriate. Generally, Council will approve borrowing and facilities as part of either the Long Term Plan or the Annual Plan.

The estimated debt levels are based on the cash flow projections in these plans.

A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:

- the period of indebtedness is less than 91 days; or
- the goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council as detailed in the delegated authority manual.

Council delegates its borrowing powers to the Chief Executive and management of Council in accordance with the Delegation Manual and as set out in the Treasury Management Policy and Procedure Manual.

### 2. Borrowing limits

Council will manage external borrowing within the limits approved by Council as set out in the Financial Strategy. This in turn flows into the Treasury Management Policy and Procedure Manual.

In managing borrowing limits, Council will utilise the following measures:

Ratio	GDC Limits	Effective GDC External Debt Limit (1 July 2018)
Net debt as a percentage of income.	=<100%	
Net debt per capita (43,656 residents, figure from 2013 census). This is based on a \$105m limit.	<\$2,500	
Net external debt per rateable unit (22,345, figure provided from the 2018-19 modelling). This is based on a \$105m limit.	<\$4,700	
Revenue and Financing Policy.		Revenue and Financing Policy.

Debt is defined as financial liabilities less financial assets (excluding trade, provisions and other receivables) and lease debt arising from CCTO arrangements. Council will adhere to the borrowing limit that is reached first and provides the lowest level of debt capacity. Council will report compliance to these limits on a quarterly basis to the Finance and Audit Committee.

### 3. Types of borrowing

Council will utilise the most appropriate and cost effective borrowing source as determined by management. Approved sources for borrowing are:

- short-term and medium-term borrowing from the NZ banking market
- leasing and hire purchase (including sale and lease back where appropriate)
- issue of Local Authority stock and debentures to the wholesale/retail investor market
- issue of Commercial Paper, notes and bonds to the wholesale/retail investor market
- medium and long term borrowing through the Local Government Funding Agency (LGFA).

Council may approve other sources of financing as recommended by management which will be subsequently incorporated in to the Treasury Management Policy and Procedure Manual.

### 4. New Zealand Local Government Funding Agency Limited

The Council may borrow from the New Zealand Local Government Funding Agency (LGFA) and, in connection with



that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA, for example borrower notes
- provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself
- commit to contributing additional equity (or subordinated debt) to the LGFA if required
- secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue
- subscribe for shares and uncalled capital in the LGFA.

## 5. Security

All Council loans and interest rate risk management instruments will be either unsecured, or secured under the Council's Debenture Trust Deed.

This security relates to any loan and to the performance of any obligation under any incidental agreement.

A charge will be granted over assets only where:

- there is a direct relationship between the debt and the asset purchase/construction, for example operating lease or project finance
- the Council considers a charge over assets to be appropriate
- any charge must comply with the terms and conditions contained within the trust deed.

However, before securing borrowings over specified assets or rates revenue, Council will consider all options and choose the preferred option balancing flexibility, overall cost of borrowing and terms/conditions. A register of charges is maintained at the Council's offices.

## 6. Debt repayment

The Council will manage debt on a netting basis at all times, i.e. it will fund the balance sheet as a whole, netting off reserves and borrowings to minimise external borrowings.

The Council may repay borrowings from renewal loans or surplus funds.

Subject to any specific direction from Council, the funds from the disposition of fixed and investment assets will be applied in reduction of debt and/or borrowing requirements. Operating surpluses will also be applied to the reduction of debt.

## 7. Internal debt management

As external borrowings fund the entire Council balance sheet, Council utilises internal loans to allocate borrowing costs to the appropriate cost centre.

The Treasury function will be responsible for administering the Council's internal debt portfolio.

Internal loans are set up within the internal debt portfolio for each department's loan-funded expenditure.

## 8. Credit exposure

The Council is exposed to credit risk when there is a deterioration of the credit rating:

- of an entity with which the Council places its investments
- of a counterparty with whom the Council may transact financial derivative contracts
- of a contractual counterparty with whom the Council may have concluded major supply, construction or service contracts.

The Council limits its credit risks by:

- placing investments with approved organisations and within the maximum levels set out in the Treasury Management Policy and Procedure Manual.
- financial derivative contracts are only transacted with registered banks with a strong long-term credit rating issued by Standard and Poors (or an equivalent) and the maximum exposure to any one party will be limited as set by Council in the Treasury Management Policy and Procedure manual.
- all parties with whom Council intends to conclude a major contract will be subject to formal credit approval process as set out in the Treasury Management Policy and Procedure Manual.

## 9. Interest rate risk exposure

Interest rate risk is the risk that funding costs (due to adverse movements in market interest rates) will exceed the Annual Plan or the Long Term Plan cost projections. This would adversely impact on borrowing cost controls, capital investment decisions and the feasibility of some projects.

Interest rate risk management is carried out using approved financial instruments including:

- interest rate swaps
- forward rate agreements



- purchased interest rate options, including options on bank bills (caps) and swaps (swaptions)
- interest rate collars but only on a 1:1 basis.

Credit exposure on these financial instruments is restricted by specified counterparty credit limits set out in the Treasury Management Policy and Procedure Manual.

Any other financial instrument must be specifically approved by Council on a case-by-case basis.

Approved instruments cannot be sold outright for the purpose of generating income as this represents speculative investment which is prohibited by Council. Approved instruments can be dealt with on a forward start basis but are limited to a forward start period of no more than 24 months, unless linked to the expiry date of an existing instrument and has a notional amount which is no greater than that of the existing instrument. This is in accordance with the limits set out in the Treasury Management Policy and Procedure Manual.

#### Interest rate risk control limits

Council's interest rate repricing risk on its 12 month forecast net debt/borrowings, must be within the fixed interest rate risk control limits, and the interest rate maturity time band limits set by Council. These limits are set out in the Treasury Management Policy and Procedure Manual.

A schedule outside these limits requires specific Council approval.

## 10. Liquidity risk

Council cash flows will have deficits in various periods and years as a result of working capital requirements, the nature of net cash flows, the capital expenditure programme and the maturity profile of loans and other advances.

Liquidity risk management focuses on the ability to borrow at these times to fund these deficits.

Funding risk management concentrates on the ability to refinance or raise new debt at these times in a cost effective manner (including fees, borrowing margins and the maturity profile).

Liquidity and funding risk control limits are set out in the Treasury Management Policy and Procedure Manual.

Council will minimise its liquidity risk by:

- matching expenditure closely to its revenue streams and managing cash flow timing differences through its bank facilities
- maintaining its cash management investments in liquid and negotiable instruments and unutilised committed bank facilities

- ensuring that treasury investments are only made with approved institutions utilising approved financial instruments in terms of the Council's investment policy
- avoiding a concentration of debt maturity dates
- establishing committed bank debt facilities with strong credit rated banks that are registered with the Reserve Bank of New Zealand.

Council has the ability to prefund up to 12 months of forecast debt requirements including refinancing.

## 11. Operational risk

Operational risk arises from the nature of treasury activities.

These are principally financial transactions of often large denominations, regularly initiated verbally and often comprising complex instruments where simple mistakes can lead to significant loss.

Council policy is to minimise losses arising from mistakes and lack of adherence to policies by:

- appropriate and clear delegation of authority to specified individuals within the organisation
- clear cut division of responsibilities between authorising/executing and recording/settling transactions
- timely and accurate reporting to allow monitoring of risk and policy adherence
- annual reviews of Treasury Policy and Treasury operation.

Detailed procedures and controls are documented within the Treasury Management Policy and Procedure Manual.

## 12. Reserves

The Council has a number of reserves that have been created for specific purposes which the Treasury function is responsible for administering. The Council does not generally hold liquid assets to support reserves, rather funding is arranged as required to match withdrawals from reserves.

## 13. Contingent liabilities

Council provides financial guarantees to community and service organisations. Management ensures that the business plan of the guaranteed party furthers the strategic objectives of Council and that financial statements are received on a regular basis. Should the guarantee be called up, Council takes immediate action to recover the money.

## 14. Foreign exchange risk

From time to time Council may have foreign exchange exposure through the occasional purchase of foreign currency denominated plant, equipment and services.

All foreign exchange exposures are recognised and hedged in accordance with the Treasury Management Policy and Procedure Manual when the exact timing and amount of the exposure is known. Exposures are hedged using foreign exchange contracts arranged by the Council or the supplier.

Council will not borrow or enter into incidental arrangements within or outside New Zealand in a currency other than the New Zealand dollar.

## 15. Other grants and advances

Council acts as a middleman for various community organisations. It receives grants from various sources and makes advances on these funds after relevant approvals.

## Significance and Engagement Policy

### 1. Introduction

The purpose of local government includes enabling democratic local decision-making and action by, and on behalf of, communities. The consultation and engagement focus is an important function as engagement with the community produces better and more sustainable decision-making.

The Significance and Engagement Policy will guide how Gisborne District Council (Council) engages with its communities about important Council decisions.

This policy outlines the type of things that you can expect to be consulted about like: the sale of assets; the key issues in the Long Term Plan (LTP) and Annual Plan; a decision that will change a service that you expect and value, or something that will add cost to the ratepayer.

### Tairāwhiti First!

**Tairāwhiti Tangata** First to see the light  
**Tairāwhiti Taonga** First choice for people and lifestyle  
**Tairāwhiti Wawata** First choice for enterprise and innovation  
**First place for the environment, culture and heritage**

### 2. Significance and engagement

#### 2.1 What do we mean by significance?

Significance refers to the degree of importance of an issue, proposal, decision or matter before Council in terms of its likely impact on:

- The wellbeing of the district
- Affected people and communities
- Council's ability to perform its role as a local authority and achieve its strategic objectives in the Long Term Plan.

These issues then form the basis for a criteria to assess the level of significance. (The criteria is outlined in part 3A). If the decision is assessed as important, the greater the requirement for engagement.

#### 2.2 What do we mean by engagement?

Engagement describes the process of seeking information from the community to inform and assist decision-making. Council values and is committed to effective community engagement because better decisions are made when there is community input. Council's approach to engagement is outlined in Part 4.

### 3. How will we determine the significance of a decision?

Council will determine significance in two ways, outlined in A and B below:

#### 3.1 Significance Criteria



All matters for Council decision will be assessed for its impact on the following:

- the effects on all or a large part of the Gisborne district
- the effects on individuals or specific communities including the impact on Māori
- the level or history of public interest in the matter or issue
- consistency with Council's current strategy and policy including the Strategic priorities
- impacts on Council's financial strategy, Long Term Plan and Annual Plan and levels of service (also including the Regional Land Transport Plan, if applicable)
- whether the decision is reversible.

Council officers will need to think about each of the six criteria and make a recommendation about the decision's significance to the elected members.

The final decision about the significance of any matter rests with elected members. When making this determination other factors may need to be considered; e.g. urgency, safety, commercial sensitivity and public good (refer to Part 5).

Each criteria can also determine the amount of engagement required. For example, if a single criteria is impacted highly, there may be a requirement for more targeted consideration and engagement.

#### 3.2 Council's Strategic Assets

The policy needs to list the assets that Council considers to be strategic. Any asset listed is deemed significant under this policy and the appropriate level of engagement is required if there are any changes to the status of the asset under this definition (refer Appendix 2).

The assets and groups that Council considers to be strategic assets are as follows:

- the HB Williams Memorial Library
- the Gisborne district roading network as a whole
- the water supply network as a whole – including storage lakes, reservoirs, pump stations and reticulation, the

pipeline (including bridges and trestles), Waingake water treatment plant, Bushmere augmentation plant

- the land drainage system as a whole – including the stormwater pipe network, the Waipaoa River flood control system, the Te Karaka flood control system, other open river systems, waterways, wetlands and retention basins
- the sewage collection, treatment and disposal system as a whole – including the sewers, pump stations and the treatment station outfall
- the reserves lands as a whole – including land held under the Reserves Act and the land used for parks, gardens, sports fields, recreational areas and cemeteries
- the Council's swimming pool and built recreational facilities
- the system as a whole of off-street parking facilities owned or operated by Council
- Council's investment in community housing as a whole
- Gisborne Airport.

### 3.3 Procedure

1. Every agenda item requiring a decision of Council will require the author to consider significance and consequently, the corresponding engagement.

2. Council staff will apply an assessment tool to measure the significance of a matter for Council decision and include the assessment and result in the Council report. Some decisions are made in that report, and some are part of a longer and more inter-related decision making process.

3. If a matter is assessed as significant under the criteria then the staff member will indicate the level of engagement required for the matter and include an engagement plan with the report. An engagement plan will include:

- engagement objectives and outcomes
- key messages and target audiences
- risk / issue identification
- action plan (including resources and timeframes)
- report back and review.

4. Council (or the relevant committee) may accept the report writer's assessment of significance made in the report and, where relevant, the appropriate level and type of community engagement. Where the report writer's assessment of significance is not accepted, a separate resolution will be made to that effect.

5. This procedure is to be followed in every instance, except for reports going to the Hearings Committees, on decisions relating

to the Resource Management Act 1991 where significance has already been determined in accordance with that Act.

Council will report annually through its Annual Report on all decisions determined to be significant.

Regardless of consultation requirements under special purpose legislation, such as RMA, Council will still apply its community engagement framework to a particular matter (e.g. for pre-consultation and early engagement on plans, strategies and policies).

Council's approach to community engagement is outlined in Part 4 with practical examples listed in Appendix 1.

## 4. How will we consult and engage?

### 4.1 Council's approach to community engagement

Council's approach to community engagement is to:

- promote a sense of ownership of its decisions by the people of the district
- inform people and communities about issues that affect them
- provide opportunity for meaningful input into decisions
- create a sense of awareness of the diversity of opinion within the community
- show leadership
- enable staff to be innovators in the approaches that they recommend and take
- meet its legal obligations.

This is used to guide community engagement for all Council activity, including matters deemed significant under this policy.

It is important to acknowledge that preferences may be different for different issues and may change over time.

### 4.2 How communities want to engage

Communities and Tangata Whenua have told Council that they expect to contribute directly to decision-making.

They expect engagement to be coordinated and timely. Community advice to Council about engagement includes the following:

- ensure meaningful consultation on the design of town features
- the community is actively engaged in decisions affecting it

- encourage government agencies to improve their communication, coordination and consultation for the benefit of the community
- opportunities for early and meaningful input into significant decisions
- direct community participation in local decisions
- involve youth in planning and decision making
- involve elderly in planning and decision making
- talk to affected people about disability issues when planning
- greater Councillor and staff visibility
- regular community discussion forums
- innovative solutions and community engagement.

Community preferences will be surveyed every three years and will inform the methods and timing of consultation in each case.

#### 4.3 Levels of engagement

There are many ways that Council and communities can engage in Council decision-making.

Council uses the framework shown below from the International Association of Public Participation to guide community engagement.

The greater the level of engagement the greater the level of involvement of communities in decision-making.

*Examples of how this is applied are presented in Appendix 1.*

LEVEL	GOAL
Inform	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.
Consult	To obtain feedback on analysis, alternatives and/or decisions.
Involve	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
Collaborate	To partner with the public (or Stakeholders) in each aspect of the decision, including the development of alternatives and the identification of the preferred solution.
Empower	To place final decision-making in the hands of the public.

#### 4.4 Engaging with Tangata Whenua and Māori

Council has obligations to Māori in Tairāwhiti <sup>(2)</sup>. Council provides opportunities and capacity for Māori to contribute to its decision-making processes.

Existing general and project specific relationship processes between Council and Tangata Whenua will remain as a starting point for engagement, and changes to legislation may require we review and update our policies and processes to ensure they are consistent and implemented into Council practice.

For any significant decisions in relation to land or a body of water, Council will take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna, and other taonga.

#### 5. Council's commitment

There are times where we won't normally consult the community because the issue is routine, or operational, or because there is an emergency. We know that consultation "fatigue" or over-consultation can cause people to tune out of conversations with councils, so we want to concentrate on having the right conversations on the issues that are genuinely significant.

Here are some of the things that we won't generally be asking about:

- organisational decisions (e.g. staff changes and operational matters) that do not materially reduce a level of service
- emergency management activities during a state of emergency – Civil Defence Emergency Management Act 2002
- decisions taken to manage an urgent issue, or
- decisions to act where it is necessary to:
  - comply with the law
  - save or protect life, health or amenity
  - prevent serious damage to property
  - avoid, remedy or mitigate an adverse effect on the environment
  - protect the integrity of existing and future infrastructure and amenity.
- decisions that are commercially sensitive (e.g. awarding contracts)
- any decisions that are made by delegation/sub-delegation to officers

2 The 'Fostering Māori capacity to participate in Council decision making policy' outlines Council's approach to Māori policy, engagement and outcomes in the 2018 Long Term Plan

- entry or exit from a development agreement (private contract) under section 207A Local Government Act 2002 (LGA)
- decisions in relation to regulatory and enforcement activities.

## 6. What is the Special Consultative Procedure requirement?

In some cases the law says that Council must use a more formal process for engagement requiring specific procedures to be followed. This is known as the Special Consultative Procedure. Examples of when this may be the case are illustrated on the next page.

Recent changes in the Resource Management Act include the collaborative planning process which is an optional collaborative process in Part 4 of Schedule 1. It can be used as an alternative planning track for policy statements and plans. It is available where a council is undertaking a review, change, or preparing a new plan or policy statement, including a combined regional and district document.



## 7. Our decision-making process

We know that people need full and clear information to base their opinions on. You can expect that if we ask your views, we will always let you know:

### Appendix 1: Engagement Tools

#### TOOLBOX: Examples of Council using Levels of Engagement

- what is the issue that requires a decision?
- how should the problem be defined? What is proposed?
- why?
- the options that we have
- our preferred option and why
- costs and rating impact, if any. What are the impacts, if any?
- how the community can have a say
- the timeframe and process
- how we will communicate the outcome.

## 8. Hearings and feedback

We will look at alternative approaches to hearings, where appropriate. When there's a hearings process:

- if we're asked to do so, Council will facilitate interpretation (including te reo Māori and sign language).
- there is no requirement under the amendment to the LGA to provide individual feedback but we do need to provide access to decisions. Our policy is to go further than the Act requires. Consequently:
  - we will acknowledge the receipt of any submission and notify the decision either by email or letter
  - we will make all decisions available online
  - we will provide free access to terminals at the HB Williams Memorial Library to residents and ratepayers so they can read decisions online.

## 9. Changes to the Significance and Engagement Policy

For the adoption of this Policy and subsequent three-yearly reviews, Council will ask people for their engagement preferences and will review those preferences each three-year term. It may also be amended from time to time.



\* During the decision making a process, a range of engagement tools and methods may be needed over time. The level of engagement and consultation is determined by the significance of the issue or relationship. Examples of what this might look like have been provided below:

Type of engagement	Inform	Consult	Involve	Collaborate	Empower
<b>What does it involve</b>	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision-making	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions	The final decision-making is in the hands of the public
<b>When the community can expect to be involved</b>	Council would generally advise the community once a decision is made  When milestones are achieved	Council would advise the community once a draft decision is made and would generally provide the community at least four weeks to participate and respond	Council would generally provide the community with a greater lead in time to allow them to be involved in the process	Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process
<b>* Types of issues that we might use this for:</b>	New services  Safety e.g. trees coming down  Rain & stormwater warnings  Formulating plans  Formal reporting	Policies  Bylaws  Strategic documents  Reserve Management Plans	Long Term Plan  Pre-draft initiation (incl. RMA matters)  Strategies  Plans  Policies	Joint management  Formal partnerships  Community revitalisation programmes	Election voting systems (MMP, STV or First Past the Post)  Capacity-building
<b>What does it involve</b>	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions	The final decision making is in the hands of the public
<b>When the community can expect to be involved</b>	Website, social media  Information flyer, QR codes  Public notices  Email banner  Print media  Library display  Radio	Formal submissions and hearings  Focus groups  Phone surveys  Public events – A&P Show, Farmer's Market  Text messaging	Workshops  Focus groups  Citizen's panel  Scoping or issues paper  Website  Social media prototyping  Community meetings	External working groups (involving community experts)  Memorandum of Understanding  Contracts  Service agreements	Training workshops  Media - encouraging people to vote

Type of engagement	Inform	Consult	Involve	Collaborate	Empower
	Council fora – committees, hearings  Submissions process		Stakeholder database		
<b>EXAMPLES: 2015-17</b>	Stage two Asset Transfer to CCTO, Gisborne Holdings Ltd (GHL) [Top 10 Holiday Park and Vehicle Testing Station] 2016	Plan changes  Bylaw reviews (Freedom Camping 2016, Public Places Stock Control 2017)  Titirangi Reserve Management Plan review 2016  Comms survey 2017  Community Facilities Survey 2017  Gambling Venue Policy 2015  Stage One asset transfer to GHL (Council administration buildings) 2016	Freshwater Advisory Group  Parking policy 2017  Urban Development Strategy 2015	Community Facilities Strategy Governance Group  Titirangi Co-management Working Party  Township Planning (Te Karaka, Tokomaru Bay, Muriwai/Manutuke)  Alfred Cox Masterplan	Patutahi Reserve Board  He Huarahi hei Whai Oranga/Tairāwhiti Economic Action Plan 2017  Activate Tairāwhiti/Eastland Community Trust

## Appendix 2: Definitions

Term	Definition
<b>Community</b>	A network of people and organisations linked together by common factors. This might be a network of people linked together geographically i.e. in one place, or linked by a common interest or identity.
<b>Engagement</b>	Making meaningful connections between groups of people.
<b>Significance</b>	In relation to any issue, proposal, decision or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for: <ul style="list-style-type: none"> <li>the current and future social, economic, environmental, or cultural wellbeing of the district or region</li> <li>any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter</li> <li>the capacity of the local authority to perform its role, and the financial and other costs of doing so.</li> </ul>
<b>Strategic Asset</b>	An asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes: <ul style="list-style-type: none"> <li>any asset or group of assets listed in accordance with section 76AA by the local authority; and</li> </ul>

Term	Definition
	<ul style="list-style-type: none"><li>• any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and</li><li>• any equity securities held by the local authority in:<ul style="list-style-type: none"><li>◦ a port company within the meaning of the Port Companies Act 1988</li><li>◦ an airport company within the meaning of the Airport Authorities Act 1966.</li></ul></li></ul>

## Rating Remission, Postponement and Penalty Policies

### PART 1: Introduction

The Local Government (Rating) Act 2002 (the Act) has given local authorities considerable powers to remit and postpone rates. Council is able to remit and postpone rates for any reason, on any land and to any extent - provided that the remission or postponements are in accordance with rules, which each Council sets for itself in a Remission Policy or a Postponement Policy (Section 108 to 110 of the Act).

The Local Government Act (LGA), Section 102 requires local authorities wishing to adopt remissions and postponement policies to prepare the policies as part of an Annual Plan or Long Term Plan (LTP) and adopt it via the special consultative procedure.

Remissions shift the burden of rates between properties.

#### Existing policies

Council currently provides several postponement and remission policies for ratepayers facing financial hardship and for Māori land termed the "Whenua Rahui" policy.

The cost of these policies is estimated to be approximately 1% of the total rate set. Current figures are:

- Total Rates Set 2018/19 - \$57,083,918 incl. GST
- Remissions I Postponement budgeted – approximately \$575,000.

The cost of compliance is not included. While currently the onus is on the ratepayer to meet the requirements and criteria required to make application for rates relief, there is a cost to administer these policies. That cost is unclear and may vary in accordance with the complexity of the situation.

There have been other situations where ratepayers have applied for rates relief on the grounds of providing social services. Where appropriate, Council has opted to assist these social service providers through grants.

Two policy options were considered.

- to continue with the status quo
- to not have a rates relief policy at all.

In assessing both options, the following criteria were used to give credibility to the chosen option:

#### 1. Fairness and equity

Fairness is defined as just or unbiased.

Equity is defined in the economic sense as "the property of distributing economic prosperity fairly among the members of society".

When considering the issue of equity, Mankiw states that when people are grouped into societies, they face different kinds of trade-offs. When assessing whether to have a Remissions Policy, there is no doubt that the decision process would find that compromise need to be considered. Therefore the value of economic benefits over and above fiscal cost plays a critical role in this policy decision.

#### 2. Fiscal cost

As 1.47% of the total rates set is the total cost of having a Rates Remission Postponement Policy, one could argue that this amount is insignificant. However, the regional economic benefit from favourable opportunity cost needs to be weighed against the cost of the \$840,000 of continuing a Remissions Policy.

#### 3. Economic benefit and opportunity cost

Current policy favours ratepayers facing financial hardship and ratepayers of tracts of undeveloped Māori land.

To continue to favour a hardship policy benefits ratepayers with financial hardship, physical or mental disability, injury, illness and those with specific family circumstances.

The greater cost to society and the region is in the maintenance of wellbeing. Rates relief may well be the difference in the cost of one's wellbeing. The future opportunity cost in the long run would be in the improvement of one's personal conditions to such an extent that a "well" person could once again participate in economic wellbeing. This being the case, Council would then be in a position to revisit the individual's ability to pay rates.

#### 4. Implementation process

There is very little or no implementation cost. While there is a cost to hosting a Remissions Policy, the economic benefits and opportunities would outweigh the fiscal cost. It is prudent therefore for Council to continue its current rates remission policies while also taking time to review for improvements and more opportunity for the region.

As stated earlier, for Council to continue with these policies, it is required to promote any intended remissions policies through the LTP or Annual Plan consultation processes.

Rate Remission application forms are available from Customer Services and online at Council's website ([www.gdc.govt.nz](http://www.gdc.govt.nz)).

## PART 2: Rate Remission and Postponement policies

1. Extreme Financial Circumstance/Hardship.
2. Land affected by Plan Changes.
3. Fragmented or Uneconomic Rural Land.
4. Māori Freehold Land (Whenua Rahui Policy).
5. Māori Freehold Land (General).
6. Māori Freehold Land (Annual Review).
7. Multiple UAGC & Certain Targeted Rates on Residential and Lifestyle Properties.
8. Multiple UAGC & Certain Targeted Rates on Rural Land Properties.
9. Uniform Annual General Charges & Certain Targeted Rates (Contiguity).
10. Uniform Annual General Charges & Certain Targeted Rates (Contiguity Subdivisions).
11. Rates, Water Rates and Penalties.
12. Permanent Crops.
13. Natural Heritage.
14. General land in Exceptional Circumstances.
15. Very Low Value Properties.
16. Building Consent Refusal.
17. Community Sporting and Other Organisations.
18. Excess Water Rates.
19. Economic Development.
20. Transition due to Specific Changes to the Revenue and Financing Policy.
21. Recognising Partial Use and/or Partial Occupation of Māori Freehold Land.
22. Recognising the development of Māori Freehold Land.

### 2.1 Remission of rates - extreme financial circumstances/hardship

#### Objective

1. To assist ratepayers experiencing extreme financial circumstances which directly affect their ability to pay rates.

#### Conditions and criteria

1. Only rating units used solely for residential or lifestyle purposes (as defined by Council's valuer) will be eligible for consideration for rates remission or postponement for extreme financial circumstances.
  2. Only persons registered as the ratepayer, or their authorised agent, may make application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of, and have owned for not less than five years, the rating unit which is the subject of the application. The person entered on Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the district or in another district).
  3. The ratepayer (or authorised agent) must make application to Council on the prescribed form (copies may be obtained from the administration office in Fitzherbert Street, Gisborne, or from the Customer Service Centre at Te Puia Springs). There must also be a statement of Assets and Liabilities and a Weekly Budget Sheet completed by a Budget Advisor.
  4. Council will consider all applications received that meet the remission criteria under the current policy.
  5. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including:
    - age
    - physical or mental disability
    - injury
    - illness
    - family circumstances.
  6. Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health-care, proper provision for maintenance of their home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.
  7. Before making the written application, the ratepayer must have received budget advice from an approved budget advisory service, and must make the budget advisors' findings available to Council.
- Failure to attend budget advisory meetings, or failure to make the budget advice available to Council, will automatically result in the application being declined. All information provided to Council will be treated as confidential.
8. If the ratepayer owns or has a significant interest in a business, then a current business Balance Sheet and a Cash Flow Statement for the following 12 months must accompany the application.
  9. Any of the rates may be postponed in whole or in part. Even if rates are postponed, as a general rule the ratepayer will be

required to pay the first \$500 of the rate account. Council may relax this requirement in specific circumstances.

10. The ratepayer must make acceptable arrangements for payment of future rates, e.g. by setting up a system for regular payments.

11. Council may add an annual fee on postponed Remission of Rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs and this fee will be expressed as a percentage interest rate.

The policy will apply over any period, current or past, as determined by Council.

Any postponed rates will be postponed until:

- a date specified by the Council; or
- the death of the ratepayer(s); or
- the ratepayer(s) cease(s) to be the owner or occupier of the rating unit; or
- the ratepayer(s) cease(s) to use the property as their residence
- as determined by the Council in any particular case.

Postponement cases will be reviewed regularly (about once every three years) in terms of this policy.

Following review, if it appears that the postponed ratepayers' circumstances have significantly changed so that the postponement criteria are no longer met, then Council reserves the right to re-assess the postponement conditions with the ratepayer.

The postponed rates or any part thereof may be paid at any time. Applicants may also elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge, by registering a Notice of Land Charges on the rating Certificate of Title.

Application of this policy may be delegated to Council officers.

## 2.2 Remission of rates - land affected by plan changes

### Objective

To observe existing use rights of land affected by zoning changes when there is a plan change which reclassifies that land into a different rating bracket.

### Criteria

Rates will be calculated on the existing land use if land has been correctly used under the operative for proposed District Plan, and the land is subject to a plan change resulting in different zoning and different rates being due, until the land is sold, or the use of the land changes.

Application of this policy may be delegated to Council Officers.

## 2.3 Remission of rates – fragmented or uneconomic rural land

### Background

Where rural land has a valuation in excess of its economic use, and its value is based on its coastal value (but used for grazing purposes) application can be made for a remission of rates.

Alternatively, where multiple coastal rating assessments, which can each support a housing site are used for grazing purposes, application can be made to have all assessments valued as if they were one contiguous farm property. For example, a fragmented farm of five 20 hectare properties will, for rating purposes, be treated as if it is a single 100 hectare pastoral block (the rationale being the value of the first block will be left intact, because it needs to support a housing site, however the remaining four blocks will receive a remission of that part of their value which pertains to potential housing sites).

This policy applies to General or to Māori Title land. Whether rates are remitted in any individual case will depend on the circumstances of each application. In general, a remission of rates will be considered, unless there is a reasonable likelihood that the subject land will be used or developed in the immediate future.

### Objectives

The objectives of this policy is:

- to recognise special circumstances pertaining to coastal rural land used for grazing purposes
- to recognise special circumstances pertaining to situations where multiple coastal rural properties are effectively used as one farm property.

The primary use of the property must be pastoral farming, and its economic value must be significantly less than the value assessed by the rating valuation.

### Conditions and criteria

Application for this remission should be made prior to commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Council.

Owners or trustees making application should include in their applications:



- details of the rating unit or units involved
- the objectives that will be achieved by providing a remission
- documentation which shows that the land which is the subject of the application is rural land
- details of tenure, whether a formal or informal lease, and whether owned by applicant
- a signed statement by the applicant that the land is used for pastoral purposes only.

Council may, of its own volition, investigate and grant remission of rates on any coastal rural land in the district, which may qualify for remission of rates.

Relief and the extent thereof, is at the sole discretion of Council and may be cancelled or reduced at any time for any reason.

Council may give a remission of General and/or Targeted Rates on the difference in Land Value and/or Capital Value between the best potential value of the land arising from its location directly on a beachfront, and the economic value it has arising from its actual use.

The Land Value and the Capital Value are revised by Council's contracted Rating Valuer for the purposes of this Remission Policy.

Where possible, Council will apply this remission of its own volition.

Where a farm is made up of several individual titles, which may or may not be adjacent, and the value of each title is higher due to the suitability of that title to sustain a building site, Council may give a remission of General and/or Targeted Rates on the difference in Land Value and/or Capital Value between the actual accumulated values of the individual land blocks, and the value of a single block of land with the same land area in that locality.

Application of this policy may be delegated to Council Officers.

## 2.4 Remission of rates - Māori freehold land (Whenua Rahui Policy)

### Objectives

To enable the Council to act fairly and reasonably in its consideration of remitting or postponing rates and penalties with respect to Māori freehold land which:

- has Fragmented Ownership - ownership varies in number and individual share proportions. Owners are scattered throughout the country and at times worldwide
- has Unsecured Legal Title - land that does not meet the test of s92 of the Local Government (Rating) Act 2002
- is isolated and marginal in quality - the geographical isolation and economic climate of the district are clearly

illustrated by the much-needed development as the lands are of marginal quality

- has no Land Administration, Management or Operating Structures - lands have no management structures in place to administer matters.

### Whenua Rahui register

Māori landowners can apply to have their lands entered on the Council Whenua Rahui Register. When making an application, owners are in effect asking Council for a discretionary remission.

If accepted, the land will be 'retired' from rates for a term specified by Council, with a maximum term being three years. While lands are 'retired' or 'parked up', the onus is on the owners to ensure that no one breaches the conditions by using the land.

Lands on the register are inspected regularly to monitor for any breaches.

Each application is examined on its own merits. Intending applications should not be compared to others already on the register.

### Conditions and criteria

The criteria to determine eligibility for applications to the Whenua Rahui Register are as follows:

- 1. The land listed on the application must be Māori land or Māori freehold land.
- 2. The matters listed in Schedule 11 of the Local Government Act 2002 (the Act) will be taken into account.
- 3. The land must be unoccupied<sup>1</sup> by any persons with no place of residence built thereon or land use made thereof.
- 4. The land must be of historical, ancestral or cultural significance. If the land has been purchased instead of being inherited then it must be purchased for its ancestral or cultural significance and not as a saleable asset.
- 5. Burden of proof eligibility is on the owner(s) of the property.
- 6. Where land is in multiple ownership proof authorising individuals to act for owners should be enclosed if available.
- 7. The Whenua Rahui register will be reviewed every three years and eligible landowners will need to re-register.
- 8. In the event of other land or any portion of the land being sold within the three-year period, the remission will no longer apply, and normal rates and penalties will be applied from the date of the sale.
- 9. Council or other duly designated officers are given approval to undertake periodic inspection of land to confirm unoccupied status.

- 10. Council reserves the right to seek further information e.g., memorial schedule of owners, if Council deems it necessary.
- 11. Where land is in multiple ownership and the owners cannot be located after reasonable effort the rates and penalties may be remitted by resolution of a delegated committee, if it is considered reasonable in the circumstances to do so.

Application of this policy may be delegated to Council Officers.

**Note:**<sup>1</sup> "Unoccupied" means, "No one is using the land". This can be interpreted by considering Section 96 of the Act, which states:

96 (2) For the purposes of this Part, person actually using land means a person who, alone or with others -

- leases the land
- does one or more of the following things on the land for profit or other benefit:
  - resides on the land
  - depastures or maintains livestock on the land
  - stores anything on the land
  - uses the land in any other way.
- It is the applicant's responsibility to ensure that the terms of the Whenua Rahui Policy are adhered to.
- The Register is not designed as a vehicle for owners to elect not to use land, and therefore not to pay rates.

## 2.5 Remission of rates – Māori Freehold Land (General)

### Objectives

To provide remission of rates on Māori Land where the procedures of Schedule 11 (Rates Relief on Māori Freehold Land) of the Local Government Act 2002 become too impractical or uneconomic to pursue.

To enable rates and/or penalties to be partially or fully written off when there is virtually no practical way of recovering past outstanding debt.

### Discussion

Rates are technically a charge against a property. People who take responsibility of, or lease a property with rates owing technically find themselves responsible for the past rates as well as for future rates. Faced with this situation, they invariably recoil

from any proposal to take out such a lease. In such circumstances economic development is therefore affected and Council is unable to receive payment for rate arrears.

### Conditions and criteria

This policy applies to Māori Land which is not eligible for the Whenua Rahui Policy.

Schedule II procedures (of the LGA 2002) have been attempted, but are not able to be progressed for a range of technical or economic reasons.

The rates on the land cannot therefore be collected in any real sense and would otherwise just accumulate to the point where they are irrecoverable in a court of law after a period of six years in accordance with the Limitation Act 2010 and the Local Government (Rating) Act 2002 Section 65.

The Revenue Officer can apply to the delegated Committee of Council to write off the amount of the rates after providing a full explanation of attempts under the above criteria.

In some circumstances, i.e. where a deal can be brokered with a third party to bring into production land which was previously unused (on the Whenua Rahui Register or otherwise), the delegated committee may approve a full or partial remission for a specified period (this may be a remission of past rates and penalties to secure the payment of future rates).

Application of this policy may be delegated to Council Officers.

## 2.6 Remission of rates - Māori Freehold Land (Annual Review)

### Objectives

To address the complex problems surrounding Māori Land including land that for example:

- is land locked
- is unproductive
- is unoccupied
- is inaccessible
- is isolated
- has no certificate of title
- is governed with no management structures
- where difficulties in contacting multiple fragmented owners arise.

Council's limited resources for debt collection will be better utilised collecting the debt that is recoverable in the district.

### Conditions and criteria

Council may of its own volition remit the payment of any rates and penalties due on Māori freehold land.

Council may of its own volition postpone the payment of any rates and penalties due on Māori freehold land for any such time as it thinks fit.

The properties will be reviewed annually and then presented to council for consideration of remission.

## 2.7 Remission of rates - Residential Uniform Annual General Charge (UAGC) and certain targeted rates on Multiple Residential and Lifestyle Properties

### Objectives

To remove UAGC charges and certain Targeted Rates on residential and lifestyle properties when circumstances dictate that it would be inappropriate to charge them.

### Conditions and criteria

1. In the case where a rating unit contains one or more residential dwellings, units, flats, apartments or self-contained sleeping accommodation, Council may apply a discretionary remission of one or more UAGC charges, and/or one or more Pan Charges, Water Rates or Refuse Collection Rates.

2. This remission will apply in the following circumstances:

- where there are multiple dwellings recorded on the Valuation Records, but which are not actually being used as dwellings
- where there are multiple dwellings, but they are being used by members of the direct family of the ratepayer (e.g., granny flats, teenagers)
- where there are multiple dwellings, but one or more are being used by live-in caregivers, or the humanitarian assistance (i.e. persons who would normally "live in" if the ratepayer's primary accommodation had been large enough in the first instance)
- accommodation which is separately accessible from a business venture on the rating unit, but is a prerequisite for the efficient operation of that business.

3. Applications for the remission must be made by the ratepayer, who must provide proof of eligibility. A signed statutory declaration is required to support the application.

4. The criteria which will be taken into account in deciding whether a remission will be granted:

- are there physical conditions which would make it inappropriate or impractical for the additional dwellings or flats to be inhabited?
- is there a dependency relationship between the primary ratepayer and the occupiers of the flat/dwelling?
- is it otherwise sensible under the circumstances for a remission to be given?

5. The discretionary remission will be decided by a Committee delegated by Council (currently the Performance Audit and Risk Committee) but that Committee may further delegate responsibility to certain officers of Council. Renewal applications may be approved by the delegated Council Officer.

6. The discretionary remissions will be granted for up to three years of one or more of the following:

- Uniform Annual General Charge
- Water Supply Connection Charge
- Toilet Pan charges
- Refuse and Recycling collection or land
- Transfer Station refuse sticker charges.

7. The remission period will commence in the rating year in which the application is made.

Application of this policy may be delegated to Council Officers.

## 2.8 Remission of rates - Multiple UAGC and certain targeted rates on Rural Land Properties

### Objectives

To remove UAGC charges and certain targeted rates on non-residential rural properties when circumstances dictate that it would be inappropriate to charge them.

### Conditions and criteria

1. In the case where a rating unit contains one or more dwellings, units, flats, apartments or self-contained sleeping accommodation, Council may apply a discretionary remission of one or more UAGC charges, and/or one or more, Water Rates or Refuse Collection Sticker Rates.

2. This remission will apply in the following circumstances:

- where there are multiple dwellings recorded on the Valuation Records, but which are not actually being used as dwellings
- where the dwelling is in derelict, uninhabitable condition

- where the dwelling is vacant for more than three months of the current rating year and no income has been derived from the use of the dwelling
- where there are multiple dwellings but they are being used by members of the direct family of the ratepayer (e.g. granny flats, teenagers)
- where an employee is required to live in the dwelling because it is essential to the ongoing operation of the business.

3. Applications for the remission must be made by the ratepayer, who must provide written proof of eligibility. A signed statutory declaration may be required to support the application.

4. The criteria which will be taken into account in deciding whether a remission will be granted are:

- are there physical conditions which would make it inappropriate or impractical for the additional dwelling/s or flat/s to be inhabited?
- is there a dependency relationship between the primary ratepayer and the occupier of the dwelling/s or flat/s?
- is it otherwise sensible under the circumstances for a remission to be given?

5. The discretionary remission will be decided by a Committee delegated by Council, currently the Performance Audit and Risk Committee. That Committee may further delegate responsibility to certain officers of Council. Renewal applications may be approved by the delegated Council officer.

6. The discretionary remissions will be granted for up to three years of one or more of the following:

- Uniform Annual General Charge
- Water Supply Connection Charge.
- Toilet Pan charges
- Refuse collection or transfer station refuse sticker charges.

7. The remission period will commence in the rating year in which the application is made.

Application of this policy may be delegated to Council Officers.

## 2.9 Remission of rates - Uniform Annual General Charges and certain targeted rates (Contiguity)

### Objectives

- To provide relief to ratepayers who occupy several near-adjacent rating units, but which do not meet the

criteria of Section 20 of the Local Government (Rating) Act 2002.

- To provide relief to owners of Māori land who occupy several near-adjacent rating units but which do not meet the criteria for contiguity under Section 20 of the Local Government (Rating) Act 2002.
- This remission is only applicable to land categorised by the Rating Valuer as a pastoral block.

### Discussion

In rural areas, it is common for farmers to utilise blocks of land which are not strictly contiguous, but which are close enough to be farmed in common, as if they were one farm. The objective is fairness. For instance, if a farmer leases and farms two 5ha blocks situated 700m apart as if they were one property, why should that farmer have to pay significantly more rates than a farmer who is lucky enough to lease two 5ha blocks side-by-side.

### Conditions and criteria

1. Cancellation or reduction of Uniform Annual General Charges may only be considered upon the application of the affected party.

2. The application form to be used by those seeking cancellation or reduction of UAGCs must include:

- the distance between the affected separately rated properties
- the sizes of all affected properties
- the total size of any enterprise occupying separately rateable properties in respect of each application
- the specific use that each property is being put to.

A Council committee may delegate authority to consider and approve applications to Council officers for properties that are less than 5km apart.

Properties more than 5km apart will be referred to the Finance and Audit Committee to consider write-offs of Uniform Annual General Charges and Targeted Rates and, will determine how much remission to give. The criteria for the decision is "where the committee considers it is reasonable in the circumstances to do so".

### Scale of remission based on distance

- to 500 metres = 80%.
- 501 metres to 3000 metres = 50%.
- 3001 metres to 5000 metres = 20%.

You can override the scale guideline at any time to assist the ratepayer and/or Council.

### Remission of rates

1. As a guideline, any urban property with a dwelling capable of being rented will incur full UAGC and Targeted Rates, and if any group of rural properties which are used for a common purpose have dwellings, they are liable for the Uniform Charges and Targeted Rates for each dwelling as per Council's definition of a Separately Used or Inhabited Part of a property (SUIP).

2. Remission of UAGCs and Targeted Rates under this policy will apply for a period of up to three years.

3. The existing applications are reviewed regularly. If there are any changes the property owner will be informed accordingly and the full charge may be applied.

4. Where the circumstances are known to have changed within the three-year period, the application will automatically be reviewed.

5. The Application Form will stipulate these review procedures.

6. Application of this policy may be delegated to Council Officers.

## 2.10 Remission of rates - Uniform Annual General Charges and certain targeted rates (Contiguity Subdivisions)

### Objectives

- To provide relief to ratepayers who occupy several near-adjacent rating units, but which do not meet the criteria for contiguity under Section 20 of the Act.
- To encourage subdivision development in urban areas.

### Discussion

In urban areas, when a developer splits a block of land into two or more titles for the purpose of selling them for separate occupation, the implication of charging full UAGCs as soon as a Deposited Plan is registered could be a financial disincentive to the sub-divider. Council wishes to encourage development, not discourage it.

### Conditions and criteria

- Cancellation or reduction of UAGCs may be considered upon the application of the affected party or Council may of its own volition investigate and grant remission of rates which may qualify for this remission of rates.
- Remission of UAGCs and Targeted Rates under this policy will apply for a period of three years.
- Where the circumstances are known to have changed, the application will automatically be reviewed.
- The remission period will commence in the rating year in which the application is made.

Application of this policy may be delegated to Council Officers.

## 2.11 Remission of rates, water rates and penalties

### Objective

The objective of the Remission Policy is to enable the Council to act fairly and reasonably in its consideration of rates and water rates which the Council has not received by the date set for penalty imposition, due to circumstances outside the ratepayer's control.

### Conditions and criteria

1. The Council may remit rates, water rates and penalties of up to \$500 to enable Council to act fairly and reasonably in its consideration of collecting rates, water rates, penalties and rate debt.

2. Remission of one penalty will be considered where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, or other serious one-off events, as at the due date.

3. In considering the remission of the penalty, the good payment record or otherwise of the applicant may be taken into account.

4. The Council may remit small balances due to cash rounding.

5. New owners will be entitled to a remission of penalties if payment was made difficult because settlement date coincided with or was very near penalty dates.

6. A ratepayer who is willing to enter into a genuine "arrangement" to pay overdue rates within a specified timeframe, may be placed on "Penalty Suppression" with regard to future penalties that fall due within the arrangement period, and may be offered a lump sum contribution on the achievement of their side of the "arrangement" where the lump sum contribution may be any amount up to the full sum of past penalties still owing.

7. Application of this policy may be delegated to officers.

## 2.12 Remission of rates – permanent crops

### Objectives

To maintain relativity in the rates paid between horticulturists who grow "Permanent Crops" and those who grow annual crops, for General Rates and Targeted Rates calculated under Capital Rating criteria.

### Discussion

Under Capital Value rating schemes, the permanent crops are regarded as part of the Capital Value. This means that under capital rating, two identical farms, one of which grows citrus, and the other of which grows squash, could pay completely different rates, even though their utilisation of Council's infrastructure and services is the same.



## Conditions and criteria

- Horticultural blocks (on which permanent crops comprise part of the Capital Value of the property) will receive a remission of their General Rates and Targeted Rooding Rate on that portion of their Capital Value which is due to the capitalised crop value.
- All horticultural blocks, no matter where they are located in the district, will be automatically eligible for this remission.

### Note:

*Council's Valuers will provide additional valuation data on all properties with a land use classification of "Horticultural".*

*This additional data will be the Capital Value of the permanent crops, plus the Capital Value of any supporting structures for those crops. It will not include other items, such as irrigation systems, packing sheds, or the like.*

## 2.13 Remission of rates - natural heritage and cultural heritage

### Natural heritage

#### Objectives

- To acknowledge the wider community benefit of protecting natural heritage areas which are often on privately owned land, by contributing to the cost by way of a rating remission.
- To recognise the extent of voluntary protection given to natural heritage areas on private land by granting non-rateable status to land commensurate with the level of protection offered. This includes land that does not have public access.

#### Conditions and criteria

1. Council will deem natural heritage with an encumbrance for the purpose of providing for protection as non-rateable. The ratepayer will be responsible for notifying Council of any such encumbrance and providing the supporting evidence.
2. Where Council has been advised of an encumbrance on the land title such as a covenant, Council will of its own volition set the non-rateable status in place with effect from the following 1 July.
3. Remissions will not be back dated prior to 1 July of the current rating year.

### Cultural heritage

Council will grant rating remissions (except for UAGCs) for identified cultural heritage areas as follows:

- 100% rating relief (except for UAGCs) for parts of properties with protected land or buildings which are set aside, unused for any economic or residential activity, and have an intrinsic heritage or historic value, which has been acknowledged by a certified professional as satisfying cultural values.

To be considered for a cultural heritage rates remission, landowners must apply in writing and include the relevant supporting evidence, such as acknowledgement of cultural values by a certified professional. Applications will be considered on a case-by-case basis.

#### Terms:

##### Natural Heritage Area

Means Protection Management Areas and areas of significant indigenous vegetation and significant habitats of indigenous fauna within the District which are voluntarily protected in a manner ensuring the long-term protection of natural heritage values contained within them.

##### Cultural Heritage

In the context of this Policy means the historical, archaeological, traditional or other special cultural significance associated with human activity.

##### Encumbrance

Means protection by way of an item registered on the land title such as a covenant or encroachment, in the case of private land.

## 2.14 Remission or postponement of rates - General Land in Exceptional Circumstances

#### Objectives

To provide a mechanism for postponement or remission of rates where some event has occurred which makes the collection of rates impractical, impossible or unreasonable.

#### Conditions and criteria

- Where land has become unusable or uneconomic because of severe erosion, land formation changes such as slips, or any other unpredictable event; or
- Where ownership has become indeterminate or uneconomic (such as a club becoming defunct and it being inadvisable to leave the rates as a charge upon the title).

The Council Officer may apply to a delegated Committee of Council to remit all rates and penalties for a specific period. The Committee may impose conditions concerning future actions that must be taken before the specified period may be extended.

Application of this policy may be delegated to Council Officers.



## 2.15 Remission of rates - very low value properties

### Objectives

To provide rates relief on sections that have very low valuations.

### Conditions and criteria

- If the applicant is a ratepayer in any other part of the district on which a full UAGC is charged and if it can be shown that the property for which the remission is being requested is not used for any form of residential occupation (other than, for example, camping for a few weeks every year) then Council may approve a remission of the full UAGC.
- A ratepayer may apply for remission of all or part of the UAGCs on properties with a capital value of less than \$6,001.
- Nil value properties will receive 100% rates remission.
- The applicant must renew the application for remission every five years.
- The application of this policy may be delegated to officers.

## 2.16 Remission of rates – building consent refusal

### Objectives

To provide rates relief on residential and lifestyle sections that may not be built upon.

### Conditions and criteria

If a ratepayer has a property for which:

- Council has refused the issue of a building consent for every part of that property because of the possibility of flooding or land instability, or
- Council considers it likely that it would be obliged on the grounds of flooding or land instability to refuse any application for the issue of such a consent.

The ratepayer may apply for remission of the UAGCs.

- the applicant must renew the application for remission every five years.
- the application of this policy may be delegated to Council Officers.

## 2.17 Remission of rates - community, sporting and other organisations

### Objectives

To facilitate the ongoing provision of non-commercial (business), community services and recreational opportunities for the residents of Gisborne district.

The purpose of granting rates remission to an organisation is to:

- assist the organisation's survival
- make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

### Conditions and criteria

- This part of the policy will apply to rating units which are used exclusively or principally for sporting, recreation, or community purposes. The policy does not apply to rating units in which the organisations operate for private pecuniary profit, or which derive significant income from trading activities.
- The policy will also not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.
- Applications for remission must be made on the prescribed form (available from the Council offices).
- Applications received during a rating year will be applicable from the commencement of that rating year.
- Organisations making application should include the following documents in support of their application:
  - statement of objectives
  - financial accounts
  - information on activities and programmes
  - details of membership or clients.

The policy shall apply to such organisations as approved by the Council as meeting the relevant criteria.

No remission will be granted on Targeted Rates for water supply, sewage disposal or refuse collection.

The amount of the remission may be set anywhere from 1% to 100% of the General Rate, the Uniform Annual General Charge

and Targeted Rates. The criteria for determining the percentage remission will be:

- the degree to which public benefit is derived from the activities or assets of the organisation relative to other like organisations
- the application of this policy may be delegated to officers.

## 2.18 Remission of rates – excess water rates

### Objectives

To provide rates relief to ratepayers in situations where water usage is high due to a water leak or damage to the ratepayer's private internal water reticulation system of which the ratepayer was unaware.

Applications must be made in writing on Council's Application for Water Remission form.

### Conditions and criteria

Up to all of the difference between the normal consumption and the actual water consumption may be remitted. To qualify all of the following conditions must be met:

- all applications must be in writing on Council's Application for Water Remission form and signed by the owner(s) of the property.
- a report from a registered plumber must be supplied stating that the property has experienced a water loss as a result of a leak or damage to the ratepayer's private internal water reticulation system.
- the excess charges must be for an amount which is considerably in excess of the average water used in the previous three billing periods.
- proof of the repairs to the internal reticulation must be submitted for verification.
- a signed statutory declaration by the ratepayer must be provided confirming the ratepayer was unaware of the leak or damage to their private internal water reticulation system.

A staff committee comprised of the Water Asset Engineer and the Chief Financial Officer has delegated authority to jointly make the determination on whether or not to remit charges under this policy up to a level of \$20k. Any remission applied for over that amount will be referred to the Finance and Audit Committee.

Any ratepayer who contests the decision of the staff committee may request the matter be referred to the Finance and Audit Committee.

Any remission applied for under this policy may be backdated and will be granted as a "one-off" and will be granted only once in any given rating year.

## 2.19 Remission of rates – economic development

### Objectives

To promote employment and economic development within the Gisborne District by offering rates remissions to encourage existing businesses to expand and grow and new businesses to set up here.

### Application process

Applications under this policy must be made in writing to the Chief Executive for consideration by the full Council and include the following:

- a description and plan of the development
- an estimate of the costs of the development and capital investment involved
- an estimate of the likely number and type of jobs created by the development
- evidence that the jobs created will be new to the Gisborne district
- such other evidence as the Chief Executive may subsequently require in order to establish that the development meets the Conditions and Criteria.

### Conditions and criteria

This policy applies to any business, commercial or industrial developments. Residential developments will not qualify under this policy. Mixed use developments will be considered on a case by case basis. Any commercial or industrial enterprise which is considering expanding its current operation in the Gisborne District, or considering setting up a new development in the Gisborne District, may apply to the Chief Executive of the Council for assistance in accordance with this policy.

Each application under this policy will be considered on a case by case basis by the full Council. Council may elect to refer all or part of an application to a Committee for additional review and recommendation. Satisfaction of the criteria outlined in this policy does not guarantee a remission of rates. The final decision to grant a remission of rates will be at Council's sole discretion and subject to any conditions Council wishes to impose (for example, the meeting of certain milestones). Council may decide to grant discretionary remissions for a period of one to three years as follows:

- a percentage remission of UAGC
- a percentage remission of general rates on capital value. The capital value shall be reviewed by the rating valuer
- a percentage remission of water rates.

Criteria which may be used to determine the grant, amount and duration of any remission are:

- the development is of strategic importance for the future economic development of the Gisborne District
- the development will create significant lasting new employment opportunities
- the development will bring a significant amount of new capital investment to the Gisborne District and will add value to local resources
- the extent to which the development will be in competition with existing businesses. Can the applicant show the development will create little or no competition with existing businesses, or that there is unfulfilled demand in the market for their type of business?
- the viability of the development
- whether a remission would provide encouragement or impetus to proceed with the development
- whether the applicant has demonstrated a long term commitment to remain and operate in the Gisborne district
- any remissions granted will be available for the rating year in which they are applied for.

## 2.20 Rates Transition Policy

### Remission of rates – transition due to specific changes to the Revenue and Financing Policy

#### Introduction

Remissions may be offered to smooth rate peaks due to changes to the Revenue and Financing Policy for certain activities which lead to unintended and significant increases in the amount of rates assessed to a rating unit. However it is not intended to smooth rates where Council made changes to the Revenue and Financing Policy which resulted in intended increased rates impact. There will be instances where it is Council's intention to target an increase for certain activities e.g. forestry roading weighting.

#### Objectives

To provide rates relief for the unintended and significant impact on specific rates caused by specific changes to the Revenue and Financing Policy.

#### Conditions and criteria

1. The policy only applies to a rating unit where unintended and significant rates increases are caused by specific changes to the Revenue and Financing Policy.
2. The policy only applies where there is a 10% or greater increase in the total rates payable for that year for a rating unit

compared with the previous year after other remissions have been applied.

3. The relevant rate(s) subject to the specific changes will be assessed for remission individually.

4. To qualify for automatic remission each rate must have a minimum increase of \$100 and 30% of the total for that rate from the previous rating year. The amount remitted will be the amount of the increase above the threshold of 30% or \$100 (whichever is higher). The remission will be applied as a lump sum amount to the rates assessed against each rating unit.

5. No remission will be granted where the total remission for all of the relevant rates subject to the specific changes does not exceed \$25 (GST inclusive).

6. Notwithstanding the above each individual case that may not meet the criteria will, on application, be considered on its merits at the discretion of the Council.

7. Application of the Policy may be delegated to Council Officers.

8. For avoidance of doubt, applications from ratepayers for rate remission for Animal and Plant Pests and Soil Conservation rates may be considered under this policy for 2018/19 rating year.

## 2.21 Recognising partial use and/or partial occupation of Māori Freehold Land

This Remission Policy allows Council to provide for portions of Māori Freehold Land Rating Units, greater than 2 hectares, which are unoccupied and unused, to be eligible for rates remission.

#### Objectives

a. Provide rates relief to ratepayers in situations where only a portion of a Māori freehold rating unit is used and occupied and thereby:

- encourage greater occupation and use of Māori freehold rating units
- increase the chances of securing a larger percentage of rates from affected Māori freehold land than at present.

b. Recognise that continuing to assess rates on non-income producing Māori freehold land is counterproductive to both owners and Council.

c. Provide incentives for owners to develop their Māori freehold land and thereby return a higher proportion of rates assessed to Council.

This policy is to sit alongside existing Council rates remission policies relating to Māori freehold land.

#### Conditions and criteria

1. This policy applies only:

- to rating units whose beneficial ownership has been determined by the Māori Land Court by freehold order
- where the portion of unused or unoccupied land is greater than 2 hectares in area of the rating unit
- where a remission application has been made in writing using the appropriate Council application form.

2. The policy applies irrespective of whether the use or occupation of land is by the land owners or a third party.

3. Where remission is granted for an application that meets the criteria noted above, Council will direct its rating Valuer to create two apportionments of the applicable rating unit:

- Apportionment A: The portion of the rating unit that is used/occupied; and
- Apportionment B: The portion of the rating unit that is unused/unoccupied.

4. Council will determine rates to be paid by Apportionment A and Apportionment B, on the following basis:

- general rates: apportioned between Apportionment A and Apportionment B, based on the capital value of the land area
- Uniform Annual General Charge (UAGC): apportioned between Apportionment A and Apportionment B, based on land area
- targeted rates: apportioned between Apportionment A and Apportionment B, based on the basis used as the factor of liability for the targeted rate.

5. Where Apportionment A includes a dwelling, then a UAGC will be charged as per Council's definition of a Separately Used or Inhabited Part in the Funding Impact Statement i.e. the UAGC is not apportioned.

6. Council will rate both Apportionment A and Apportionment B.

7. Council will remit the general rates and the UAGC on Apportionment B for the year in which the application for remission was made. Targeted rates will not be remitted under this Policy.

8. If any area of land on Apportionment B becomes used or occupied a new application is required under this Policy.

## **Land use/occupation: includes carbon farming and apiculture activities**

- Carbon farming: Any land use in which landowners capture economic benefit from carbon sequestration.

- Apiculture: Any bee keeping activities for which economic benefit is derived to land owners from the sitting of beehives on a rating unit.

- Carbon sequestration: the natural process by which growing plants remove carbon dioxide from the atmosphere and store it in their tissues.

## **Review and monitoring**

- Qualification of remission will be reviewed every three years in accordance with the conditions and criteria of the policy.
- Remission will be applied annually to those properties that have applied and qualify under the policy, until the qualifying criteria is no longer met. The status of land will be continually monitored.

## **2.22 Recognising the development of Māori Freehold Land**

This Remission Policy allows Council to remit rates on Māori freehold land, on a sliding scale, where the rating unit is being developed or used by the owners or a third party and that land has previously been unused or unoccupied.

The sliding scale for remission of rates is 80% in year 1, 60% in year 2, 40% in year 3, 20% in year 4, and nil in year 5 and beyond.

## **Objectives**

The policy objective is to provide an incentive for land-owners or third parties to develop previously unused or unoccupied Māori freehold land to facilitate:

- financial returns for Māori freehold land owners
- the economic development of the district
- the payment of rates to Council.

This policy is to sit alongside existing Council rates remission policies relating to Māori freehold land.

## **Conditions and criteria**

This policy applies only:

- to rating units whose beneficial ownership has been determined by the Māori Land Court by freehold order;
- where the rating unit or apportionments of rating units have been unused or unoccupied for the two previous financial years; and
- where a remission application has been made in writing using the appropriate Council Application form.

The policy applies irrespective of whether the use or occupation of land is by the land owners or a third party.

Where remission is granted for an application that meets the criteria under this policy, Council will remit the rates due for that rating unit or relevant apportionment of that rating unit, as follows:

- Year 1 – 20% payable and 80% remitted
- Year 2 – 40% payable and 60% remitted
- Year 3 – 60% payable and 40% remitted
- Year 4 – 80% payable and 20% remitted
- Year 5 – 100% payable.

The remissions will apply to the General Rates and the Uniform Annual General Charge. Remissions will not be applied to targeted rates.

**Land use/occupation: includes carbon farming and apiculture activities**

- Carbon farming: Any land use in which landowners capture economic benefit from carbon sequestration.
- Apiculture: Any bee keeping activities for which economic benefit is derived to land owners from the sitting of beehives on a rating unit.
- Carbon sequestration: the natural process by which growing plants remove carbon dioxide from the atmosphere and store it in their tissues.

**Review and monitoring**

Qualification of remission will be reviewed every three years in accordance with the conditions and criteria of the policy.

Remission will be applied annually to those properties that have applied and qualify under the policy, until the qualifying criteria is no longer met.

## 2.23 Rates Postponement Policy for Māori Freehold Land

**Objectives**

The objective of this policy is to provide for policy which is practical and recognises:

- the unique circumstances of Māori freehold land
- the legislative constraints on Council's ability to efficiently recover postponed rates.

**Conditions and criteria**

This policy only applies to land rating units whose beneficial ownership has been determined by the Māori Land Court by freehold order.

The policy applies irrespective of whether the use or occupation of land is by the land owners or a third party.

This policy applies to all rates - General Rates, Uniform Annual General Charge and Targeted Rates.

**Policy**

Council's policy is that rates for Māori Freehold Land will not be postponed but instead will be dealt with under Council rate remission policies for Māori Land.

## Revenue and Financing Policy

### PART 1 - Introduction

**The Introduction, Summary of Changes and General Rating Information section does not form part of the Revenue and Financing policy. It is provided to assist readers to understand the context of the policy and the funding tools available to Council.**

#### 1.1 Introduction

The Revenue and Financing Policy sets out how Gisborne District Council (Council) funds each of its activities and explains the reasons for each. The policy provides ratepayers and customers with predictability and certainty about the sources of funding for our activities and in conjunction with the Long Term Plan (LTP) provides certainty on the level of those funds. In determining how activities are funded the Council is obliged to equitably share the cost of delivering services across different users as well as ensuring equity between current and future generations. In deciding how to fund each activity, Council seeks to achieve an appropriate balance considering the nature of the services provided and who benefits from those services and recognises that growth and diversity are beneficial to the district.

Council takes into consideration:

- the community outcomes to which an activity contributes
- the distribution of benefits between the community as a whole, identifiable parts of the community and individuals (beneficiary pays principle)
- the period during which the benefits are expected to occur (intergenerational equity principle)
- the extent to which actions, or inactions, of individuals or groups contribute to the need to undertake the activity (exacerbator pays principle)
- the costs and benefits of funding the activity distinctly from other activities.

Council then considers the overall impact of any allocation of liability for revenue needs on the District, local communities and communities of interest.

Council has undertaken a review of the Revenue and Financing Policy. Council has allowed for a combination of consistency and flexibility in its funding methodology.

The income for Council is derived from:

- grants and subsidies
- dividends
- user fees.

Rating Policy that includes:

- a capital value based general rate
- a Uniform Annual General Charge (UAGC) on each Separately Used or Inhabited Part (SUIP)
- mixed funding where realistic and appropriate
- targeted rates.

The Revenue and Financing Policy has undergone a review process through Council workshops. The Revenue and Financing Policy determines from where and whom Council is seeking to fund its operations. This Policy sets out why and how the funding sources are used.

In order to ensure funding is consistent, Council applied the following general principles when considering each activity's funding stream for the review:

- reduced complexity and ratepayer impact
- reduced administration and costs of implementation
- increased predictability in reporting
- enhanced consistency of application
- phased implementation of major changes if necessary to lessen impacts
- achieved fairness and equity
- increase in use of fees and charges
- use of beneficiaries and user pays through targeted rates where appropriate
- consideration of a public good component for the cost of infrastructure that qualifies as being for the good of the district
- allow the UAGC to be used as a lever to smooth rates when appropriate
- use of targeted rates on inner/outer zone as appropriate
- use of General Rates (on Capital Value) where appropriate.

There is an element of cross subsidisation in the way the rates are distributed across the district. This is appropriate as many goods and services are what are known as "public good".



## 1.2 Summary of Major Changes

Some of the changes to the way Council collects rates include:

Activity	2015-2025	2018-2028
Animal and Plant Pests	Differentiated targeted rate based on Land Value of which: 85% Outer Zone 15% from Inner Zone	60% General Rate 40% Targeted rate based on land value of which: 80% - Outer Zone 20% - Inner Zone
Legacy Loans (District Loans)	100% targeted rate 70% - Outer Zone (excluding rural towns), Land Area 30% - Inner Zone and rural towns: Capital Value	Be funded from the Flood Protection rating schemes with the same percentage as per current activity grouping.
<b>Unbundle Consolidated Rate - no change to Funding Streams</b>		
Building Services	Capital Value: Inner 85% Outer 15%	Capital Value: Inner 85% Outer 15%
Non Subsidised Local Roads	Capital Value: Inner 85% Outer 15%	Capital Value: Inner 85% Outer 15%
<b>Unbundle Consolidated Rate – no change to Funding Streams</b>		
Aquatic and Recreation Facilities	Capital Value – Differential Inner 1.0 Outer 0.3	Capital Value – Differential Inner 1.0 Outer 0.3
Theatres	Fees and Charges 25% 75% rates funded as Capital Value – Differential Inner 1.0 Outer 0.3	Fees and Charges 25% 75% rates funded as Capital Value – Differential Inner 1.0 Outer 0.3
<b>Unbundle Consolidated Rate - no change to Funding Streams</b>		
Subsidised Local Roads – UAGC Portion combined with targeted rates	Over 63% NZTA funding Balance rates funding - 10% UAGC - 32% Capital Value targeted on use Residential and Lifestyle 1.0 Horticultural and Pastoral 1.5 Industrial and Commercial 2.0 Forestry 5.0	NZTA funding with any balance Rates Funding – 10% UAGC - 32% Capital Value targeted on use Residential, Lifestyle and Other 1.0 Horticultural and Pastoral 1.5 Industrial and Commercial 2.0 Forestry 7.5
Flood Damage and Emergency Reinstatement	Over 63% NZTA Balance Rates Funding - 10% UAGC - 32% Capital Value targeted on use Residential, Lifestyle and Other 1.0 Horticultural and Pastoral 1.5 Industrial and Commercial 2.0 Forestry 5.0	NZTA funding with any balance Rates Funding - 10% UAGC - 32% Capital Value Targeted on use Residential, Lifestyle and Other 1.0 Horticultural and Pastoral 1.5 Industrial and Commercial 2.0 Forestry 7.5

The rates on most properties will change from year one, but the level of change (including decreases in some areas) will vary throughout the district. This is because your rates are affected by four factors:

- the rating valuation of your property. Council uses the Capital Value of your property to assess general rates and some targeted rates
- a review of the revenue and financing policies of Council – who pays what, why and when
- changes to the cost of delivering Council activities and services
- where you live and what direct services you receive - i.e. Rubbish Collection, Water Supply.

## 1.3 General Rating Information

The Local Government Act 2002 (Section 101(1)) requires that Council manage its revenues, expenses and other financial responsibilities in a prudent manner and in a way that promotes the current and future interests of the community as a whole. Council will comply with all statutory requirements and its financial management responsibilities in accordance with generally accepted accounting practice.

Council's Revenue and Financing Policy (under sections 102(4) and 103 of the Local Government Act 2002) are outlined in section 2 of this document.

The decision-making process required to adopt a Revenue and Financing Policy is set out in the Local Government Act 2002 (LGA), Sections 76 to 82.

In essence the process involves Council determining the activities that should be undertaken and the sources of funding (funding stream) that are most appropriate having regard for:

In relation to each activity to be funded (under section 101(3):

- the community outcome to which the activity primarily contributes
- the distribution of benefits between the community as a whole, any identifiable part of the community and individuals
- the period in or over which those benefits are expected to occur
- the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- the costs and benefits, including consequences for transparency and accountability of funding the activity distinctly from other activities.

The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural wellbeing of the community.

The table below illustrates the process of creating a Revenue and Financing Policy:

Activity Level	Funding Sources for Council Level each Activity	
<b>Identifying Activities</b>	Consideration of:	<b>Funding Sources for Council</b>
What services and level of services should be provided?	Community outcomes Beneficiary pays Exacerbator pays Intergenerational equity	Aggregation of funding which is available and appropriate for each activity and modification to take account of community wellbeing.

	Costs/benefits of separate funding	
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The Local Government (Rating) Act 2002 allows for each "separately used or inhabited part of a rating unit" to be charged a Uniform Annual General Charge (UAGC) and Targeted Rates (where applicable).

The definition on what constituted a "separate used or inhabited part" can be found in the funding impact statement.

## 1.4 Balancing the Funding Requirements

The LGA requirement to consider the periods in or over which benefits are expected to occur relates to allocating costs of capital expenditure fairly between the ratepayers of today and tomorrow to ensure intergenerational equity.

The usual mechanism to achieve this is borrowing so that servicing and repayment costs are spread over the period of the enjoyment of the asset. Council may also choose to run surplus and/or deficits to achieve a similar outcome.

## 1.5 The Overall Impact of the Revenue and Financing Policy

The fees, charges and other funding mechanisms used in this policy aim to be sustainable and not to adversely impact on the social, economic, environmental and cultural interests of both the current and future ratepayers. In setting fees, charges and rates Council recognises the need to consider factors of fairness and equity, including the ability to pay.

The funding mechanisms described are indicative and the funding stream percentages are set as targets for Council. These percentages may move to some extent to smooth rates.

## 1.6 Cap on Certain Rates

The Local Government (Rating) Act sets a maximum amount that can be collected from certain rates.

Rates included in the cap are the Uniform Annual General Charge (UAGC) and Targeted Rates set on a uniform basis as a fixed amount per rating unit or separately used or inhabited part. This maximum amount is 30% of the total rates revenue. There are two rates excluded from the cap. These are Fixed Rates for water supply and Fixed Rates for sewage disposal. When the cap is forecast to be exceeded Council will move one or more of the activities funded in this way to a district-wide General Rate based on Capital Value. This process will occur as part of the Long Term Plan and Annual Plan rates setting and modelling each year. The order in which activities will move out of the UAGC to the General Rate, if required, is as follows:

- Planning & Performance and Strategic Planning and Customer Engagement (funding stream 18-019)
- Civil Defence and Emergency Management (funding stream 18-038)

- Economic Development (funding stream 18-020)
- Civic and Corporate Expenses of the district (funding stream 18-049).

### 1.7 UAGC Lever

Council legitimately utilises the UAGC as a lever to reduce spikes on properties by redistributing a proportion of rates to all ratepayers. This UAGC lever is available for future valuation spikes or changes resulting from large policy reviews.

When Council decides to increase or decrease the UAGC to reduce significant spikes in rates incidence it will review the activities currently in the UAGC and undifferentiated General Rate on Capital Value and decide on the most appropriate activity to transfer. This process will occur as part of the LTP and Annual Plan rates setting and modelling each year.

### 1.8 Burden of Rates

The primary liability for rates rests with the property owner. Section 10 of the Local Government (Rating) Act (LGRA) defines a ratepayer as being the person named as a ratepayer in the rating information database (RID) and the district valuation roll (DVR). Section 11 of the LGRA provides the test in determining who should be entered into the RID.

The Section 11 test also provides clarity of leasing situations. In its simplest form, Section 11 ratifies the concept that the burden of rates lies with the owner. However that burden can be transferred to a lessee providing there is a registered lease from the owner to the lessee, which includes the formal transferring of the rates burden. Such a lease must be for a minimum period of ten years.

### 1.9 Rating Unit

A rating unit is the entity that actually attracts liability for rates. It is usually the land comprised in a Certificate of Title (CT). Two or more pieces of land may constitute one rating unit if:

- it is in common ownership
- is used jointly; and
- is contiguous.

If there is no Certificate of Title the Valuation Servicer Provider makes a ruling based on the Valuer General Rules.

### 1.10 Rating Areas

The district is divided into two areas for rating. These are referred to as the Inner Zone and Outer Zone. For some funding streams, reference is made to DRA1, DRA1A, DRA2, DRA3, DRA4 and DRA5. These areas were defined by Council in previous rating resolutions between 1991 and 2002 and are recorded on Council's district rating area (DRA) maps, these maps are available on the Council's website [www.gdc.govt.nz](http://www.gdc.govt.nz).

These rating areas are used to define the area to which a Targeted Rate applies.

**Inner Zone** includes:

- Gisborne City (DRA1) and the semi urban/buffer zone around Gisborne City including Wainui and Makaraka (DRA1A)
- Poverty Bay Flats including immediate fringe hill properties, Muriwai, Manutuke, Patutahi, Makauri, Ormond, part of Waimata, Makorori, and Tatapouri (DRA2).

**Outer Zone** includes:

- Whangara, part of Waerenga-o-Kuri, Ngatapa, Whatatutu and Te Karaka (DRA3). Rural hinterland including Tiniroto, Otoko, Matawai, Motu, Tolaga Bay (DRA4). The East Cape north of Mangatuna - Hicks Bay, Te Araroa, Tikitiki, Ruatoria, Waipiro Bay, Te Puia Springs, Tokomaru Bay (DRA5).

**Rural Towns** include the following settlements:

- Whatatutu, Te Karaka, Motu, Matawai, Tolaga Bay, Hicks Bay, Te Araroa, Tikitiki, Ruatoria, Waipiro, Te Puia Springs and Tokomaru Bay.

### 1.11 Funding Mechanisms

Council's funding policies are determined having consideration of the requirements of s101 (3) including consideration of who benefits, intergenerational equity, who contributes to the need for the activity, distinct funding and the overall impact of the method of funding.

Where Council has been able to clearly identify a direct relationship between users and the service provided by Council and it is efficient and effective to do so, Council has applied either a targeted rate or fees and charges.

Where the level of service provides a benefit to the community as a whole; is of a uniform nature; or where Council is not able to identify the direct relationship between users and the service Council uses general rates.

In a number of instances Council uses a mix of the general rate and fees and charges whilst also recognising the overall impact on the community and ability to pay.

Council's funding policy reflects that individuals, groups and communities should pay for the services they receive at the time that they are using them (intergenerational equity). This is particularly important when Council builds significant infrastructure with an expected long life. Council seeks to match the term of borrowings with the average life of assets when practical.

This enables Council to best match charges placed on the community against the period of benefits from capital expenditure.

Where possible other sources of revenue are collected including subsidies and grants.

Development contributions are collected where possible for developments which create the need for additional infrastructure or place an additional demand on our existing infrastructure.

## Operating expenditure

Council funds operating expenditure from the general rate, targeted rates, fees and charges, interest and dividends from investments, grants and subsidies and other operating revenue. Council may choose to fund operating expenditure by other sources than those listed if it becomes available over the life of the Long Term Plan.

## Capital expenditure

Council funds capital expenditure from borrowing, development and financial contributions, operating surpluses, sale of assets, subsidies, depreciation reserves and other operational or capital reserves, lump sum contributions, internal loans, grants or subsidies, general rate, targeted rate or capital rate. Council may choose to fund capital expenditure by other sources than those listed if it becomes available over the life of the Long Term Plan.

## General Rates

General Rates are regarded as a tax that funds the collective community benefit of an activity across the district as a whole. There are two types of General Rates, the General Rate on Capital Value (CV) and the Uniform Annual General Charge (UAGC).

- General Rates on CV
  - These are rates which are directly related to the value of the property and are more like a tax than a charge for services. They are charged as a “rate in the dollar” of Capital Value.
  - The General Rate is set on a uniform basis (no differentials).
  - Sometimes the General Rate might pay for those items for which costs could be considered to increase with the amount of property owned. At other times the General Rate pays for those things for which there is no identifiable user or group of users.
- General Rates - UAGC
  - This rate is a fixed charge per property or Separately Used or Inhabited Part of a property (SUIP). A UAGC is used for funding activities that all properties benefit uniformly. Examples are public toilets, civil defence and litter bins in public areas.

**NOTE:** Investment income and profits from Council’s Commercial Operations (Business Units) are treated as internal dividends to the Treasury Activity and are used to offset part of the General Rate on Capital Value.

**Targeted Rates:** Targeted Rates allocate the costs over one or more categories of property to fund one or more identified activities. Targeted Rates are used to allocate the cost of activities to an area or to the particular category of properties within the district that are perceived to receive the benefit, or are set on a district wide basis:

- Targeted Rate – Fixed: Council sets fixed Targeted Rates which are fixed rates that apply in specific areas and you pay them if you have access to the service. Ratepayers who do not have access to the service consequently do not pay. Examples are Water Rates, Refuse Collection charges and Wastewater (sewage) charges
- Targeted Rates – Variable: Variable Targeted Rates also only apply if the property is in the area to which they apply, but the rates are based on the value or size of your property. Examples are Flood Control rates (based on Capital Value) or Drainage rates (based on the area of the property)
- Targeted Rates – Differential: Sometimes a Targeted Rate, whether it is fixed or variable, needs to be adjusted according to some usage criterion, or to a particular location where the activity is used. This is called a “Differential Targeted Rate” and applies to some activities like Parks and Reserves.

**A Mixture of Several Types of Funding:** Sometimes activities are not funded by rates or property taxes at all. Examples of non-rate funded income are:

- Subsidies and Grants: An example is the subsidy Government provides through New Zealand Transport Agency (NZTA) for road maintenance
- User Fees and Charges: If the user of the service can easily be identified and if there is clear private benefit of a service, a fee can be collected directly from the user. If it is possible to efficiently impose a charge Council does so, on the basis of either recovering the full cost of the service, the marginal cost added by additional users, or at a rate that the market will pay. Examples are Building Consents, hire of books from the Library and Dog Licences
- Revenue from Interest and Dividends: Council receives interest on funds invested or investments and may receive dividends from its Council Controlled Organisations, Business Units and/or shares in other companies. These are consolidated through the Council’s Treasury section and utilised to reduce General Rates.

**Borrowings:** Council can choose to borrow money and pay it back from rates or other income over a period of time. Council uses two forms of borrowing; internal loans where an activity borrows from the Treasury section and external borrowing. The

external borrowing is used to support Council's balance sheet as a whole. This includes working capital. External borrowings are always lower than internal loans due to the utilisation of Council internal financial reserves to partly fund internal loans.

**Capital Realisation:** Money gained through sale of assets.

**Reserves:** Money set aside in holding accounts for specific purposes if, for example, the rent from community housing is more than the cost of running the community housing, a portion of the surplus is placed in a reserve account which may only be used for some project to do with community housing facilities.

**Development Contributions:** Developers are required to pay contributions towards the capital costs Council incurs in developing additional infrastructure to support the growth their developments contribute to.

### 1.12 Differentials

In past years Council has had six rating areas and has charged different rates-in-the-dollar to each area. This was based on the degree of benefit accruing from each activity to each rating area. It is now more appropriate to rate on two main zones, being Inner Zone and Outer Zones. These reflect the long term nature of Council and the wide range of activities Council provides across the whole district, the varying projects and priorities from year to year and results in a more consistent approach to rating.

In considering the distribution of costs, particularly in relation to rating on a Capital Value basis, in far fewer cases could Council argue that there was any case for retaining differential areas. Many of the rates in the Funding Policy are therefore "Undifferentiated" or sometimes differentiated in terms of "Inner Zone" and "Outer Zone" only. There are few cases where full differentials have been retained and these are generally classified as Targeted Rates. These are:

- **Road Maintenance and Construction:** Land use differentials are used for road maintenance where currently residential, lifestyle and other have a weighting of 1.0; pastoral and horticultural have a weighting of 1.5, commerce and industry have a weighting of 2.0 and forestry has a weighting of 7.5.
- **Soil Conservation:** were considered to have a different fall of expenditure between properties in the vicinity of the city and those which were rural. For those activities, two geographical zones were established; the Inner Zone which aligns with the DRA1, DRA1A and DRA2 differential rating areas, and the Outer Zone which aligns with the DRA3, DRA4, and DRA5 differential rating areas.
- **Loans:** for specific projects will be funded through separately determined Targeted Rate, charged to the beneficiaries of the loan.

The significant activities will link with the Activity Management Summaries of the 2018-2028 Long Term Plan.

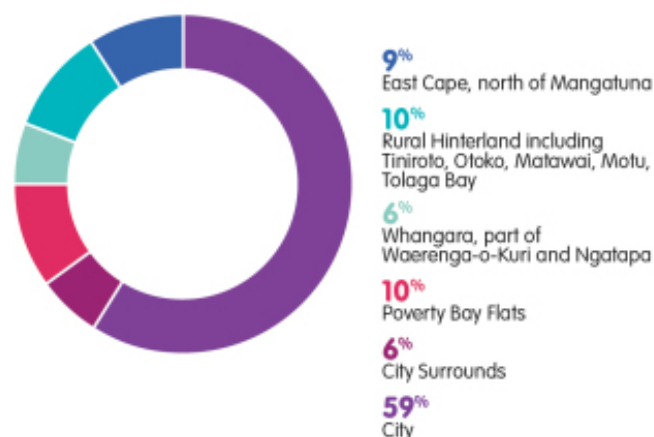
### 1.13 Summary of Revenue and Financing Policies

Council sets its long term revenue to fund its ongoing operations and asset management programmes. The funding sources used depend on the Council's analysis of the individual activities. These are outlined below. The percentage of funding from each funding source may vary slightly from year to year. For some activities a range of funding is set.

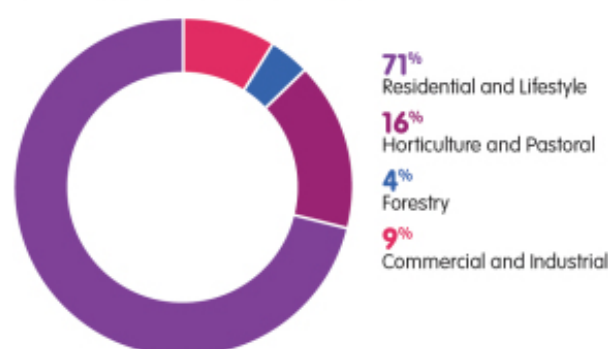
The fees and charges components are a target and, where not achieved, the shortfall will be funded proportionally by the remaining funding streams for the activity.

Where an activity or sub activity has not been specifically referenced in the policy or for new schemes/activities they will be funded in a way that is consistent with similar activities and after taking into account the considerations in Section 101(3) of the LGA.

**Total Rates by Zone 2018-2019**

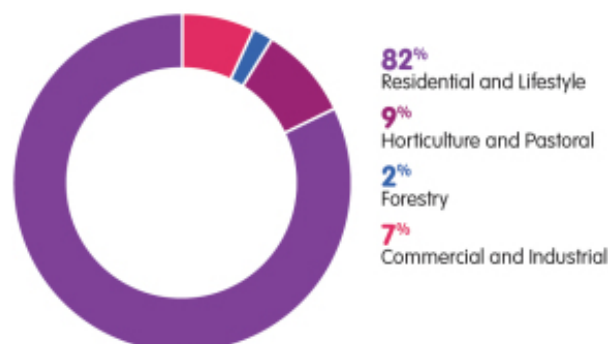


**Total rates levied by sector 2018-2019**

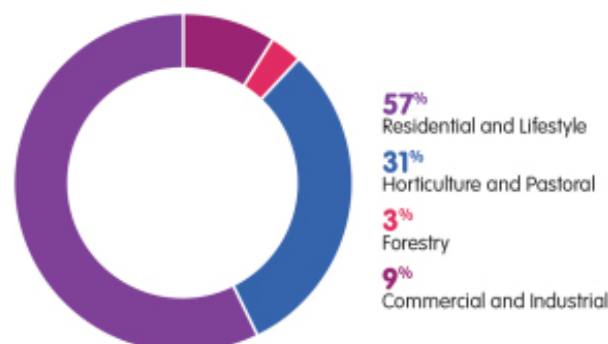




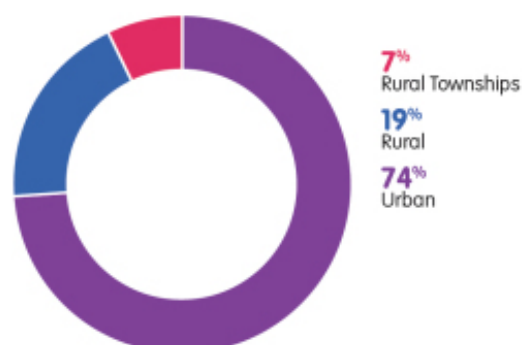
UAGC by sector 2018-2019



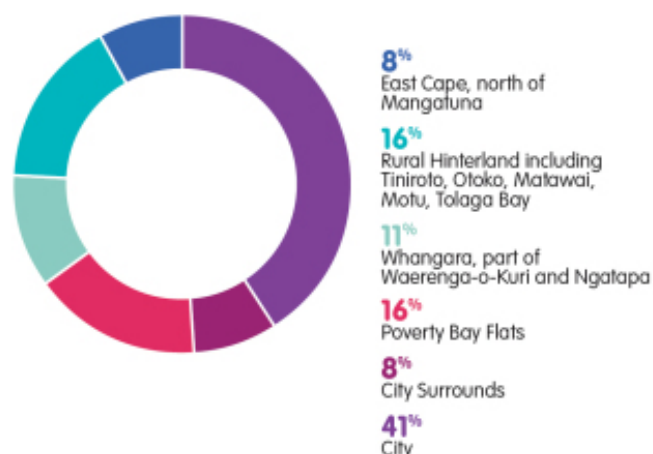
General rates by sector 2018-2019



UAGC by area 2018-2019



General Rates by Zone 2018-2019



## PART 2 - Activities

### 2.1 Commercial Operations

Commercial Operations comprise the commercial and business activities of Council. Income or reduced costs from involvement in these activities reduces Council's reliance on rates funding. The reduced cost can arise where Council utilises its own business unit rather than a third party at a lower overall cost. It is accepted that returns on some legacy assets will be less than might be achieved from alternative investments.

**Key components of this activity comprise:**

- Commercial Forestry
- Commercial Property (Small Holdings)
- Community Housing
- Council Controlled Organisations including Gisborne Holdings Ltd and Tauwhareparae Farms Ltd.

**Primary Community outcomes:** Tairāwhiti Wawata, Tairāwhiti Tangata.

**Who benefits?**

Direct benefits accrue to customers and forestry joint venture partners. Direct benefits from Forestry accrue to the city ratepayers through the protection of the water supply catchment. Direct benefits from the commercial property activity accrue to purchasers of the land for development. Direct benefits accrue to the lessees of commercial property. Ratepayers benefit from increased utilisation of Council assets.

There are indirect benefits to the district through the degree that regional capital investment enhances the local economy.

Indirect beneficiaries of commercial operations are ratepayers throughout the district who benefit through reduced rates as a result of the internal dividends paid by these activities.

The district as a whole benefits from forestry through the stabilisation of erosion prone land that supports critical infrastructure like roads and the town water supply line.



Community Housing provides basic quality housing for residents over 55 years of age who have difficulty providing it themselves. Tenants are the primary beneficiaries. The community as a whole benefits from having appropriate affordable housing available to senior residents.

Staff Housing provides accommodation for staff in remote areas where rental properties are unavailable and house purchase is not practicable. It also utilises legacy accommodation attached to Council offices, cemeteries etc. which cannot be readily disposed of.

Tenants are the primary beneficiaries. The related Council activity benefits from having appropriate housing available to staff.

**The Period of Benefit** is ongoing now and into the future - benefit to the tenants, the community and to Council.

#### **Exacerbators who create the need for this activity**

Individuals and businesses that use the Council's Community Housing, Forestry and airport create the demand for providing these facilities. Accordingly it is appropriate these are funded through user charges.

#### **Separate funding**

The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure separate funding is considered important for transparency. These returns provide an income stream to Council.

Only two areas are rates funded. Commercial property is indirectly rate funded through its internal charges and the capitalisation of Gisborne Holdings Ltd is funded through General Rates.

#### **Funding stream(s)**

Capital investments - funded from internal borrowing, related activity reserves and/or the 'Capital Development Fund' reserve.

Individual dividend policies are subject to change in response to the business environment. Overall dividends received in excess of budgeted levels are transferred to a 'dividend income equalisation' reserve.

In years where dividend income falls below budgeted levels Council may fund all or a portion of the shortfall from this reserve. Other than this, funds in the reserve may be used for any purpose approved by Council.

**COMMERCIAL FORESTRY** (funding stream FS18-003). No rate funding required.

**COMMERCIAL PROPERTY** (funding stream FS18-004). No rate funding required.

**GISBORNE AIRPORT AND MISCELLANEOUS SEMI-COMMERCIAL PROPERTIES** (funding stream FS18-005) 100% fees and charges set at commercial levels with the following exceptions:

- Gisborne Airport (leased) Runway Loan Interest, Undifferentiated General Rate on CV. This funding stream may also be used to fund any deficit in the Airport activity
- Miscellaneous semi-commercial properties, Undifferentiated General Rate on CV may also be used to fund any deficit in this aspect of the property activity.

#### **COMMUNITY HOUSING** (funding stream FS18-014)

Community Housing: 100% Fees and Charges to tenants

Rents are set at 90% (or up to full market rate if required so the activity is self-funding) of the market rate (lower quartile) for Gisborne.

The activity surplus (if any) is utilised as follows:

- Repay previous deficits (up to 100%)
- Up to 60% to the Community Housing Reserve.

Balance to support specific Council community activities (in order):

- Olympic Pool
- Library
- Theatres.

#### **Capital Expenditure**

Funded in order from:

- Depreciation Reserve (Renewals)
- Community Housing Reserve
- Internal Loans.

#### **STAFF HOUSING** (funding stream FS18-015)

100% Fees and Charges to tenants.

Rents are set at full market rate. If market rents are insufficient to maintain a property there is an additional charge to the activity using the property.

#### **Capital Expenditure**

Funded in order from:

- Depreciation Reserve (Renewals)
- Staff Housing Reserve
- Internal Loans.

#### **DIVIDENDS TO COUNCIL FROM COMMERCIAL OPERATIONS AND CCO's** (funding stream FS18-006)

Current internal dividend policies are:

- Commercial Forestry: 90% of the cash operating surplus returned to Council (less any funds required for planting/replanting harvested blocks)
- Community Housing.

Current external dividend policies are:

- Gisborne Holdings Ltd: An interim dividend paid in February each year. The final dividend will be paid in October.

## 2.2 Liveable Communities

### AQUATIC AND RECREATION FACILITY (OLYMPIC POOL)

This activity provides the opportunity for aquatic recreation, fitness, sport, play, fun, education, health, and social interaction in a safe and inclusive way and provides access to events space and affordable holiday accommodation for groups.

**Key components of this activity comprise:**

- Olympic Pool Complex
- Churchill Park facilities.

**Primary Community outcomes:**

- Tairāwhiti Tangata.

**Who benefits?**

The community benefits through learn-to-swim opportunities and the Pool's contribution to a healthy lifestyle.

Users of the facility derive private benefit.

There may be more benefit to those users living in the inner zone as they are in closer proximity to the Olympic Pool.

**The Period of Benefit** is now and into the future.

**Exacerbators who create the need for this activity**

The provision of the Pool activity occurs as a result of a number of inactions from other parties, for example public bodies such as schools do not normally allow the use of their pools to the wider public, nor is the private sector a major provider of public aquatic facilities and services to the scale and scope of the Pool.

**Separate funding:**

The scale, costs and wide spread benefit therefore suggests that separate funding is required.

### AQUATICS & RECREATION FACILITIES (funding stream FS18-007)

40% Fees and Charges. 60% Weighted Differential Targeted Rate based on Capital Value; weighted:

- Inner Zone 1.0
- Outer Zone 0.3

## PARKS AND COMMUNITY PROPERTY

This activity includes community facilities. We undertake this activity to have an open space network that provides community and recreational opportunities, as well as cultural, landscape and ecological protection and enhancement.

**Key components of this activity comprise:**

The provision and/or maintenance of public art, boat ramps and jetties, cenotaphs and memorials.

**Community Buildings:** Maintain buildings owned for civic purposes including the provision of specialist community facilities that allow the activities of Library services, Museum and Art Gallery, Theatres and Swimming Pools to take place.

**Cemeteries:** Provision of land and facilities for the burial or interment of ashes of the dead and their remembrance. Also to provide records and an enquiry service for all Council owned cemeteries.

**Conveniences:** Provision of public conveniences appropriate to the location and service required.

**Parks and Reserves:** The provision of passive and active parks and open space and associated recreational facilities. Also the provision of public access points to rivers, streams, bush and coastline.

**Primary Community outcomes:**

Tairāwhiti Tangata, Tairāwhiti Taonga.

**Who benefits?**

**Leased Properties:** Benefits flow to the whole community and to the individual groups who lease Council Land Areas to undertake their activity (e.g. sporting, recreational and other community organisations). There is a benefit gain for visitors and individuals who use and enjoy the other community facilities provided within this activity.

**Community Buildings:** Benefits flow to the whole of the community, through the provision of heritage, leisure, arts and cultural activities, that each act on to educate and enliven our communities. These buildings make the district an interesting destination for visitors or attract new residents to a district that is a great place to live, work and play.

**Cemeteries:** Individual users, particularly families of the deceased. The community as a whole in the availability of well

maintained open space and as a repository of genealogical and other human interest or heritage information.

#### **Conveniences:**

Individuals, visitors, businesses and the wider community all benefit from the provision of accessible, safe and sanitary conveniences.

#### **Parks and Reserves:**

There is a public/whole of community benefit through the provision of formal and informal recreational opportunities that enhance and support community health and well-being. There is a private/individual benefit to the community and sporting groups who use Council recreational facilities. There is a benefit gain for event organisers and sections of the business community from the commercial spend of participants associated with particular events.

**The Period of Benefit** is now and into the future.

#### **Exacerbators who create a need for this activity:**

The whole community, community groups, sports and recreational groups and visitors to the district.

#### **Separate funding:**

The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure, separate funding is considered important for transparency.

#### **LEASED PROPERTIES** (funding stream FS18-009)

100% Fees and Charges to the third party leasing the buildings.

#### **CEMETERIES** (funding stream FS18-011)

80% Fees and Charges to the users of the facilities.

20% Uniform Annual General Charge as there is equal benefit over the whole district.

#### **CONVENIENCES** (funding stream FS18-012)

1% User pays charges (the facility in Gisborne CBD)

99% Uniform Annual General Charge, as the physical ability to collect from individual users is very difficult.

#### **PARKS AND RESERVES** (funding stream FS18-013)

95% -100% Differential Targeted Rate per rating unit.

85% to Inner Zone, 15% to Outer Zone.

Up to 5% to private users through Fees and Charges where practical.

## **ARTS, CULTURE and LIBRARIES**

This activity provides facilities and services that enable the public to experience and participate in the performing and visual arts.

It also houses and supports a regional museum to provide a safe repository for the district's taonga (treasures).

#### **Key components of this activity comprise:**

- Theatres
- Museum
- Libraries

#### **Primary community outcome:**

Tairāwhiti Tangata, Tairāwhiti Taonga.

#### **Who benefits?**

**Theatres:** There is specific benefit to those who use the facility and attend activities. The business community benefits from spending by visitors attending facilities and events.

The whole community benefits from having access to facilities that enable community gatherings, and allow the public to experience performing and visual arts.

**Museum:** The whole community (including particular sector groups e.g. schools) benefit from the Museum through the provision of cultural services, information and education, exhibition and management of the museum collection.

**The Period of Benefit** is now and into the future.

#### **Exacerbators who create the need for this activity:**

**Theatres:** The need is created by the whole community – but more so in the inner zone closer to the theatres than the outer zones which are rural and have some distance to travel. Sector artistic groups and private users also create a demand for facilities.

**Museum:** The need is created by the whole community. The community creates the need by requiring a facility to store and display museum collections as well as have access to cultural services, information and education.

#### **Separate funding:**

**Theatres:** The scale of costs and spread of the benefits of the function suggest that separate funding is needed for each component.

#### **THEATRES** (funding stream FS18-016)

- Fees and Charges 25%.
- Weighted Differential Targeted rate based on Capital Value weighted: inner zone 1.0 and outer zone 0.3.

#### **MUSEUM** (funding stream FS18-017)

- 100% UAGC.

#### **ART IN PUBLIC PLACES** (AIPP) (funding stream FS18-018)

- External grant funding for capital work.
- Internal funding through the parks and community property activity for operational costs.

**Note:** Parks and Reserves is funding stream FS18- 013.

95% -100% Differential Targeted Rate per Rating Unit, 80% to Inner Zone, 20% to Outer Zone, up to 5% to private users through fees and charges where practical.

## LIBRARIES

This activity ensures that 'our community is connected' to quality Library services, facilities and resources to meet lifelong learning, literacy development, educational, intellectual, recreational, economic and cultural needs. The Library also provides spaces for the community to interact and contributes to informed citizens in the physical and digital society.

Key components of this activity comprise:

HB Williams Memorial Library: Serving Gisborne's urban and rural communities by providing space and resources including professional staff, free internet, books, non-book material, talking books, music and art works to support lifelong learning and improved literacy capacity within the District.

Community Libraries: Managed by volunteers, operate to enhance rural access to library resources (Matawai, Motu, Rere, Tokomaru Bay). Staff support and deliver literacy programmes for all communities.

Primary community outcome:

Tairāwhiti Tangata.

### Who benefits?

The whole community benefits (urban and rural) from the activity through access to materials and services which the Library provides.

The main beneficiaries of the Library are individuals through the provision of recreation and educational resources.

Non-residents also benefit through access to the Library services.

The central business district benefits indirectly from having increased traffic in the city centre.

**The Period of Benefit** is now and into the future.

### Exacerbators who create the need for this activity:

While the tertiary sector and schools have their own library facilities, neither they nor the market are able to provide services at the level and magnitude required by the whole community. Therefore the whole community creates a need for accessible and quality Library services.

### Separate funding:

The Library activity is a core service that Council provides for the benefit of the whole community which has significant costs associated with it. Separate funding is considered important for transparency.

**LIBRARIES** (funding stream FS18-008)

10% Fees & Charges.

90% UAGC.

## 2.3 Planning and Development

The Planning & Development group is responsible for a wide range of activities that assist Council to meet its LGA 2002, Resource Management Act 1991 and Reserves Management Act 1997 obligations including contributing to a civil society, the functioning of democracy, social inclusion, a sense of place and sustainable economic growth.

There is a focus on the development of strategies, policies and plans to give effect to Council's Community Outcomes. Community participation in Council decision-making is a key part of developing and implementing our policy and plans.

This activity also prepares, maintains and implements strategies, policies and plans to promote sustainable management of natural and physical resources. This requires a robust policy and regulatory framework, education and advocacy, and realistic implementation plans.

A healthy environment is an important priority for the district. Environmental priorities at a national and international level also need to be given effect in local planning documents.

### Key components of this activity comprise

- Performance
- Strategic Planning and Customer Engagement
- Economic Development
- Māori Engagement
- City Centre Management and Promotion

### Primary Community outcomes:

Contributes to all Council community outcomes.

### Who benefits?

**Performance:** The whole community benefits equally from the activity.

**Strategic Planning and Customer Engagement:** The whole community benefits from the activity.

The private plan change requests to date have had benefits that accrue to clearly-defined private interests. Proposals may be

promoted by public interest groups but are more likely to be by someone seeking specific benefits from resource use.

**Economic Development:** The business community primarily benefits from economic development of a region (e.g. increased income and people are likely to increase business wealth). Sectors within the business community benefit through targeted economic development programmes. The not-for-profit sector benefits through indirect effects of economic development such as the promotion of events in the social and sporting sector.

The whole community benefits through the spin-off impacts of economic development and through having a coordinated approach to economic development, e.g. if the district develops well then everyone benefits.

**Māori Engagement:** The community as a whole are the beneficiaries where consultation enables Māori to be better informed and to provide meaningful input into Council.

**The Period of Benefit** is now and into the future.

#### Exacerbators who create a need for this activity

**Performance:** The Council in complying with the statutory provisions of the LGA 2002 creates a need through its coercive powers of rates extraction. The whole of community creates a need through requiring transparency and accountability of funding.

**Strategic Planning and Customer Engagement:** The whole community creates a need as we support community economic, social and cultural wellbeing. We also undertake these activities to manage the use, development and protection of our natural and physical resources.

Special interest groups create a need. The private plan change - the activity would not exist without the individual or group who makes the request. The costs of assessing and administering the request are quantifiable and readily recoverable.

**Economic Development:** Economic Development is intended to focus on the Council's ability to meet its purpose over the long term through promotion of economic benefits for the local community. This heading comprises three activities, economic development for the region generally, city centre management and promotion and tourism. Economic development of the Tairāwhiti district includes increasing employment, income and investment in the district.

Activate Tairāwhiti is our economic development agency established to focus on transformational economic development initiatives for our region.

The general economic development activity supports the promotion of economic development for the Gisborne region as well as current business support. The City Centre Management and Promotion activity is aimed at enhancing and promoting the Gisborne city centre as a place for people to live, work and play.

**City Centre Management and Promotion:** The role of City Centre Management and Promotion is to promote the city centre, in a coordinated and effective manner as the primary focus on the business activity in the Tairāwhiti region; develop a strong

sense of community in the city centre; attract new businesses to the city centre, foster a sound mix of retail, service businesses, administrative centres and services and commercial and private accommodation and other businesses in the city centre to maximise customer opportunity for retail, service and accommodation providers in the city centre; contribute meaningfully to all Council plans, strategies and policies relevant to the city centre and work with Council to find mutually acceptable solutions; work closely with the Police and other interested groups to encourage a safe inner city; and to foster strong relationships with members and keep members informed of issues Council seeks member input from.

#### Separate funding

The size of the group of activities and the distinct components across the activities require separate funding streams.

#### STRATEGIC PLANNING AND CUSTOMER ENGAGEMENT: MĀORI ENGAGEMENT (funding stream FS18-019)

66% UAGC

34% General Rates

Minor fees and charges may occur, for example as a recovery of workshop costs.

Note: It is considered prudent to not be at the fullest extent of the 30% cap on certain rates, this allows for property and subdivision changes throughout the year to not impact on Council's compliance with the 30% threshold.

If the 30% cap is close to capacity this activity will move to a district wide General Rate based on Capital Value.

#### STRATEGIC PLANNING AND CUSTOMER ENGAGEMENT: PRIVATE PLAN CHANGES (funding stream FS18-037)

100% Fees and Charges to individuals who seek change.

#### ECONOMIC DEVELOPMENT AND TOURISM (funding stream FS18-020)

40% Undifferentiated General Rate on CV

10% UAGC

50% Targeted Rates based on Capital Value. (Note: Targeted Rates comprise targets to accommodation, retail, industrial and commercial sectors over the whole of the district).

**Note:** Accommodation may include bed and breakfasts and other tourist accommodation including short term summer accommodation.

#### CITY CENTRE MANAGEMENT & PROMOTION (funding stream FS18-021)

100% Targeted Rate on CV to non-residential properties located in the defined CBD area.

The defined area is available as a map both on Council's website and from Customer Services.



## BUSINESS AREA PATROLS (funding stream FS18-022)

100% Targeted Rates on CV to non-residential properties within the defined CBD area.

The defined area is available as a map both on Councils website and from Customer Services.

## 2.4 Environment Services and Protection

### PARKING SERVICES

To maintain control of traffic in respect of parking spaces within the Gisborne City as per Councils Parking Policy. Application and compliance with traffic law and parking law in respect of stationary vehicle offences.

#### Who benefits?

#### Parking Services

- Individual road users need controls to rotate car parks for customers.
- Total mobility parks need controls to ensure legitimate road users can access these parks.
- CBD business benefit by constant rotation of parks. Individual benefit for road users for ticketing offences under the Transport Regulations.
- Minor enforcement role in outer suburban shopping centres.

## PARKING SERVICES (funding stream FS18-050)

100% Parking Fees and Charges.

20% of the activity surplus transferred to a Parking Reserve. This reserve is used to fund parking facilities throughout the district. 80% used in Land Transport to reduce the subsidised roading requirement firstly in the portion.

### ENVIRONMENTAL SERVICES

To sustainably manage the district's land and water resources and to minimise and prevent animal and plant pests (using a range of regulatory and non-regulatory measures) to protect and enhance the district's natural environment (where possible).

#### Key components of this activity comprise

- Animal Pest Control.
- Plant Pest Control.
- Soil Conservation.
  - Advocacy and Education.

- Nursery and Reserve Management.

- Land Use.

- Water Conservation
  - Advocacy and Education.
  - Implementation of Rules.

#### Primary Community outcomes:

Tairāwhiti Taonga, Tairāwhiti Tangata.

#### Who benefits?

The whole community benefits from the quality of information about natural resources including for recreational use, commercial use, and avoiding hazards. Individuals especially benefit, both urban and rural landholders. Because animal pests are mobile, and move freely across property boundaries, benefits are not confined to particular properties.

Animal and Plant pests: Animal pests are largely land-based and the major beneficiaries are rural land occupiers.

Council has reviewed our Regional Pest Management Plan over the last three years, including consultation on how we rate for the function and a comprehensive cost/benefit analysis. Council adopted the new plan in October 2017.

The new plan completely changes our approach to pest management. The plan supports greater funding and work split across the region, with only production-related work a targeted rate on the rural sector. Biodiversity/amenity pests are now given a much higher priority, with a greater focus on resolving urban animal and plant pest problems.

**The Period of Benefit** is now and into the future.

#### Exacerbators who create a need for this activity

**Soil Conservation:** Pastoral hill country erosion and biodiversity loss is an issue caused by previous generations, at times mitigated and at times accentuated by Government policies. Sensitivity of land to unwise land use and land management practices is a natural feature. Individuals can make short term gains at the expense of future users of the land and downstream impacts.

**Nursery and Reserve Management:** Previous farming landholders who were users of the reserves. Previous and present holders of erosion prone lands requiring tree establishment for soil erosion control.

**Water Conservation:** The whole community – water, riverbeds and coastal areas are community resources that are highly valued. Users may be in conflict with each other. The need for this activity is created by users (consumptive or otherwise) placing pressure on water resources and the community demanding information and initiatives that will address their concerns.



### Separate funding

The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure separate funding is considered important for transparency.

#### **ANIMAL AND PLANT PEST MANAGEMENT** (funding stream FS18-023)

1% Fees and Charges.

99% derived from rates and split 60% General rate and 40% Differential Targeted Rate based on Land Value with 80% from Outer Zone (being 32% of the 40% differential targeted rate).

20% from Inner Zone (being 8% of the 40% differential targeted rate).

Fees and charges – largely contributions from the Crown for activities affecting Conservation Estate fringes.

#### **SOIL CONSERVATION – EDUCATION AND ADVOCACY** (funding stream FS18-024)

1% Fees and Charges, recovered through PIM's and LIM's.

99% Differentiated Targeted Rate based on Land Value. 50% from Outer Zone (DRA5 & Townships), 30% from Outer Zone (DRA3 & 4 & Townships), 20% from Inner Zone (Urban & Rural).

#### **Exacerbators who create a need for this activity:**

**Animal and Plant Pest Management:** The Pest Management strategy has been through public consultation, submissions and hearing process in 2017. Animal pest introductions may occur through natural spread that is impossible to prevent. Established pests were introduced by previous generations and persons unknown.

Urban areas are a source of pest plants in the rural area (e.g. Wild Ginger, Blue Morning Glory). The distinction between beneficiaries and exacerbators is in practice rather arbitrary as they tend to be one and the same.

#### **SOIL CONSERVATION - LAND USE CONTROL** (funding stream FS18-025)

1% Fees and Charges.

99% Differentiated Targeted Rate based on Land Value. 50% from Outer Zone (DRA5 and Townships).

30% from Outer Zone (DRA3 and 4 and Townships).

20% from Inner Zone (Urban and Rural).

#### **SOIL CONSERVATION - NURSERY AND RESERVE MANAGEMENT** (funding stream FS18-026)

100% Fees and Charges for the reserves.

85% Fees and Charges for the nursery.

15% Differential Targeted Rate based on Land Value for the nursery. 50% from Outer Zone (DRA5 and townships). 30% from Outer zone (DRA3 and DRA4 and townships). 20% Inner zone (urban and rural).

#### **WATER CONSERVATION** (funding stream FS18-027)

Education & Advocacy+ FS18- 028 Implementation of rules and sustainable management:

1% Fees and Charges, recovered through PIMs and LIMs.

99% Differentiated Targeted Rate based on Land Value.

30% from Outer Zone (Rural & Townships).

70% from Inner Zone (Urban & Rural).

### BUILDING SERVICES

This activity promotes the safety of people living and working in buildings. The activity also provides information on request to applicants who either intend to build on or purchase a property, and works to resolve complaints about building related issues, including stormwater on private property.

#### **Key components of this activity comprise**

- Land Information Memoranda (LIMs).
- Building Consents.
- Public Advice.
- Complaints, investigation and regulatory enforcement.

#### **Primary Community outcomes:**

Tairāwhiti Tangata.

#### **Who benefits?**

Members of the community who request LIMs, make building consent applications or seek advice about the law and regulations, or who make complaints.

**The Period of Benefit** is now and into the future.

#### **Exacerbators who create a need for this activity**

The need for the activity is contributed to by the same members of the community as above as well as those who do not comply with the law.

#### **Separate funding**

The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure, separate funding is considered important for transparency.

#### **LIMs/PIMs** (funding stream FS18-029)

100% User Fees and Charges to the applicant.

## **BUILDING SERVICES** (funding stream FS18-030)

80% Fees and charges to applicants, 20 % Differentiated Targeted Rate on Capital Value:

- 85% inner zone
- 15% outer Zone.

## **ENVIRONMENTAL HEALTH**

This activity promotes and improves human health, safety, comfort and wellbeing for all persons in the Gisborne district and protects the environment from preventable harm.

### **Key components of this activity comprise**

- Environmental Protection & Waste Management.
- Food Safety, Registered Premises, Liquor Licensing, Disease Control.
- Hazardous Substances, Pollution Response.
- Living Conditions, Construction, Water Supplies and Sewage Treatment.
- Public Places, Water Recreation and Bylaws.

### **Primary Community outcomes:**

Tairāwhiti Tangata, Tairāwhiti Taonga.

### **Who benefits?**

Environmental Protection and Waste Management: This activity comprises noise control, food and registered premises, gambling policy, liquor policy, housing, on-site wastewater (septic tanks), water supply monitoring, swimming pool monitoring, footpath occupation permits and surf lifesaving. The main beneficiaries are business owners, consent holders, occupiers and the residential community as a whole.

**The Period of Benefit** is now and into the future.

### **Exacerbators who create a need for this activity**

- Noise Control - Noise makers. Service provided to City, Makaraka and Wainui.
- Food and Registered Premises - Business owners.
- Gambling Policy - Business owners.
- Liquor Policy - Business owners. Fees and charges set by statute.
- Housing - Property owners and landlords.
- On-site Wastewater (septic tanks) - Consent holders and community as a whole.
- Water Supply Monitoring - Council. Reticulated water provided to City, Te Karaka and Whatatutu residents.

- Swimming Pool Monitoring - Business and pool owners.
- Harbourmaster Functions - Port Eastland, recreational boaties and beach users.
- Footpath Occupation and Permits - Business owners.
- Surf Lifesaving - Swimmers.

### **Separate funding**

The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure separate funding is considered important for transparency.

**GAMBLING POLICY, HOUSING, ON-SITE WASTEWATER (SEPTIC TANKS), SWIMMING POOL MONITORING, HARBOURMASTER FUNCTIONS, SURF LIFESAVING** (funding stream FS18-031)

Fees and charges where recovery can be made, with the balance by UAGC.

**NOISE CONTROL** (funding stream FS18-032)

UNIFORM Targeted Rate on DRA1, DRA1A and DRA2 residential ratepayers per SUIP.

**FOOD AND REGISTERED PREMISES** (funding stream FS18-033)

Fees & Charges.

Balance by UAGC.

**WATER SUPPLY MONITORING** (funding stream FS18-034)

100% Internal cost recovery from Water Supply Activity.

**LIQUOR POLICY, FOOTPATH OCCUPATION PERMITS** (funding stream FS18-035)

100% User fees and charges.

## **ANIMAL CONTROL**

The purpose of this activity is to minimise danger, distress and nuisance caused by stray dogs and to ensure the control of stock on the roads of the district in the interests of public safety.

### **Key components of this activity comprise**

- Dog Control.
- Stock Control.

### **Primary community outcomes:**

Tairāwhiti Tangata.

**Who benefits?**

**Dog Control:** The community benefits through reduced danger, reduced distress, reduced nuisance to the community generally, and education.

Dog owners benefit as work volume is directly proportional to the number of dog owners, although 60% of enquiries are from non-dog owners.

**Stock Control:** The community benefits through effective stock control. Private benefit occurs through permitted droving and partly through stock control.

**The Period of Benefit** is now and into the future.

**Exacerbators who creates a need for this activity**

- **Dog Control:** Dog owners (both registered and unregistered).
- **Stock Control:** Farmers and owners of livestock.

**Separate funding**

The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure, separate funding is considered important for transparency.

**DOG CONTROL** (funding stream FS18-041)

80% dog licence fees when recoveries can be made. Up to 20% Targeted Rate fixed charge to residential ratepayers per SUIP in city and rural townships.

**STOCK CONTROL** (funding stream FS18-042)

50% Fees and Charges when recoveries can be made, and an NZTA subsidy.

50% Differentiated Targeted Rate of which:

- 70% from Outer Zone - based on Land Area.
- 30% from Inner Zone - based on Capital Value and rural towns.

**RESOURCE CONSENTS**

The focus of this activity is to allocate the use of natural resources to consent holders and to protect the quality of the district's natural and physical environment, now and into the future. This requires a sound regulatory framework established and implemented under the provisions of the RMA.

**Key components of this activity comprise**

- Resource Consent Compliance Monitoring and RMA Enforcement.
- Provision of a planning information service to the public.

- Plan Administration – Land Use and Subdivision Resource consent processing.

- Plan implementation, monitoring and enforcement.

**Primary Community outcomes:**

Tairāwhiti Taonga, Tairāwhiti Tangata.

**Who benefits?**

**Resource Consent Compliance Monitoring and RMA Enforcement:** The consent holder and the community benefit. Benefits will also arise to wider community, sometimes on a localised basis, through ensuring compliance. The community benefits by preventing inappropriate development and the potential for adverse environmental effects.

**Provision of a planning information service to the public:**

The provision of this customer service is for the benefit of the particular customer who is requesting the planning assistance.

**Plan Administration - Land Use and Subdivision Resource Consent processing:**

The resource consent holders benefit by obtaining approval for the use of resources needed for their proposed activity/development which may be for economic or other reasons. The community benefit by ensuring that activities and development are appropriately located and, where necessary, measures are imposed to avoid adverse effects on the environment.

**Plan implementation, monitoring and enforcement:** The community benefit by preventing inappropriate development and the potential for adverse environmental effects.

**The Period of Benefit** is now and into the future.

**Exacerbators who create a need for this activity**

**Resource Consent Compliance Monitoring and RMA Enforcement:** The applicant and any subsequent consent holders create the need for this activity. Those in breach of district plan rules.

**Provision of a planning information service to the public:** The customer requesting the planning advice. Requests for planning advice can come from throughout the district particularly in respect of subdivision which could be for rural or residential properties.

**Plan Administration – Land Use and Subdivision Resource Consent processing:** Those who contribute to the need for this activity include those who apply for, or who have been granted, resource consents and also those who may be adversely affected by inappropriate development.

**Plan implementation, monitoring and enforcement:** Anyone who contravenes the Plan rules.

**Separate Funding**

The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the

expenditure separate funding is considered important for transparency.

## **RESOURCE CONSENTS** (funding stream FS18-043)

25% to 50% Fees and Charges.

50% to 75% Undifferentiated Targeted Rate based on Land Value.

## **2.5 Governance and Support Services**

### **GOVERNANCE**

This activity provides for the representation of the community for open, democratically accountable decision-making and actions that promote its wellbeing. It also provides for the stewardship of the assets of the corporation and implements the laws that allocate physical and natural resources and resolves the issues that arise in communities.

#### **Key components of this activity comprise**

- Representation and democratic process.
- Provision of triennially elected Council and Mayor.
- Cost of Council and Councillors.
- Servicing of Council, its committees and the governance function.
- Scholarships, awards, grants, VIP presentations. Civic functions, Naval visits, Anzac Day, Citizenship ceremonies.
- Sister Cities events.
- Membership of Local Government.
- Māori Liaison and consultation specific to Treaty and RMA issues.

#### **Primary Community outcome:**

Governance contributes to all Council community outcomes.

#### **Who benefits?**

The community as a whole benefits from this activity.

**The Period of Benefit** is now and into the future.

#### **Exacerbators who create a need for this activity**

Contributors or exacerbators create a significant demand for this activity. They are indistinguishable from (one and the same as) beneficiaries.

#### **Separate Funding**

The scale of costs and wide-spread nature of the benefits of the Governance function suggest that separate funding is needed

but the components of it are relatively minor and the benefits sufficiently well aligned not to need differential treatment.

## **GOVERNANCE** (funding stream FS18-045)

100% Rates funding. Uniform Annual General Charge (UAGC).

### **SUPPORT SERVICES**

These services are provided to support the Council in the effective and efficient running of the organisation.

#### **Key components of this activity comprise**

- Finance and Treasury Operations.
- Secretarial Services.
- Information Services.
- Communications.
- Plant and Vehicles.
- Legal Services.
- Human Resources.
- Customer Services.
- Managerial Services.

#### **Primary Community outcomes:**

Support Services support all Council community outcomes.

#### **Who benefits?**

The district as a whole benefits from the core support services provided to other Council activities. That benefit is proportional to the support services provided to Council's separate activities.

**The Period of Benefit** is now and into the future.

#### **Separate Funding**

The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure separate funding is considered important for transparency. Most of the costs of these services are recovered through internal charges.

Most activities within support services with the exception of Treasury along with civic/corporate expenses are funded through internal charges.

## **TREASURY SERVICES** (funding stream FS18-046)

The residual treasury costs are funded by 100% Undifferentiated General Rate based on Capital Value.

## **CONSOLIDATION LOAN (HOLDING COMPANY LOAN)** (funding stream FS18-047)

100% Undifferentiated General Rate based on Capital Value.

#### **CIVIC AND CORPORATE EXPENSES OF THE DISTRICT** (funding stream FS18-049)

Costs not recovered through overhead allocation are funded:

100% UAGC.

### **EMERGENCY MANAGEMENT (CDEM)**

This activity increases community awareness, understanding, preparedness and participation in CDEM, reduces the risks from hazards to the district and enhance the district's capability to manage and recover from emergencies.

It also safeguards life, property and the environment by prevention, detection, control, restriction, suppression and extinguishing of fires in forest and rural areas within the Gisborne District Council Rural Fire Authority boundaries.

#### **Key components of this activity comprise**

- Civil Defence.

#### **Primary Community outcomes:**

Tairāwhiti Tangata, Tairāwhiti Taonga.

#### **Who benefits?**

**Civil Defence:** District-wide resilience is entirely a community benefit. People/communities benefit differently across reduction and readiness but ultimately the benefit equalises across response and recovery. In the last revision of the CDEM Act property was added as a requirement for CDEM to protect.

**The Period of Benefit** is now and into the future.

#### **Exacerbators who create a need for this activity**

**Civil Defence:** Everyone living in a hazardous environment creates a need. Land developers build a 'new' need by using land that is subject to increasing risk.

#### **CIVIL DEFENCE** (funding stream FS18-038)

100% UAGC.

## **2.6 Infrastructure Services**

### **LAND TRANSPORT (TAIRĀWHITI ROADS)**

The provision of an integrated, safe, responsive and sustainable land transport system is a fundamental requirement for every district or city within New Zealand. Pursuant to the provisions of Part 20 of the Local Government Act 1974 all local roads within the district are under the control of Gisborne District Council, to:

- enforce the Gisborne District Council Traffic and Parking Bylaw 2008.
- ensure that people and goods can move safely and efficiently around the district by a variety of means.
- comply with Land Transport Amendment Act 2008 and Ministry of Transport Safer Journeys Strategy and Government Policy Statement for Land Transport.
- comply with International Accounting Standards in regard to depreciation of roading assets.

The provision of land transport services is considered to be a core function of local government and is something that the Council has historically provided to the community.

**Tairāwhiti Roads** – Is a joint venture with Council and NZTA to share costs and create efficiencies.

#### **Key Components of the Activity**

**Non-subsidised Local Roading:** To carry out minor roading works that are not subsidised by the NZ Transport Agency (NZTA).

**Passenger Transport:** To provide contracted passenger services where there is not a commercial passenger service available as and where necessary.

**Subsidised Local Roads:** Provision of local components of Land Transport network and Maintain Footpaths.

**Roading Flood Damage and Emergency Reinstatement:** To reinstate the roading network after adverse events.

#### **Who benefits?**

**Non Subsidised Local Roading:** Residential streets, suburban shopping areas and rural townships.

#### **Passenger Transport:**

- The Gisborne Regional Public Transport Plan specifies target groups of beneficiaries.
- Those less mobile members of our community, Total Mobility and Super Gold cardholders. Those users without access to motor vehicles. School students who don't comply with Ministry of Education passenger transport criteria.
- Service provision is strictly within the realms of Gisborne city. Future service provision or other areas based on users.

**Subsidised Local Roads:** The whole community benefits. Roads and Footpaths are provided as a public good. Individuals and business benefit directly from access to property and facilities.

Roads are necessary to deliver export products to markets, within Gisborne, New Zealand and world markets. Gisborne



District's economic prosperity is dependent on production from its rural catchments and the Poverty Bay Flats. Roads provide corridors for other utility providers such as power, communications, water and wastewater.

**Flood damage and Emergency Reinstatement:** The whole community benefits. Roads are provided as a public good. Individuals and business benefit directly from access to property and facilities.

**The Period of Benefit** is over the life of the land transport system.

## Primary Community Outcome:

Tairāwhiti Tangata.

## Exacerbators who create a need for this activity

### Parking Control/Enforcement

- Individual road users and CBD businesses.

### Non Subsidised Local Roothing

Community drivers are:

- More mobile aging population with increased use of mobility scooters.
- Suburban shopping areas/rural townships have concentrated pedestrian use. Maintain for safety reasons and aesthetics.
- Postal service for delivering mail.
- Community benefits - people use footpaths to access reserves and general fitness.
- Footpaths connect residents to local suburban shopping areas and reserves.

### Passenger Transport

- Super Gold Card Scheme - an increasing aging population and free travel incentive for users is driving levels of service like low floored buses.
- Citizens without ready access to a motor vehicle.

### Subsidised Local Roads

- Central government's focus and funding is directed towards infrastructure investment and this can reduce asset lives in the roading asset.
- New legislation like Vehicle Dimension and Mass Amendment 2010 – allows heavier trucks on the network.
- Tairāwhiti Regional Development – Regional Development, Forestry.

- Major forestry companies – wanting the ability to travel 24/7 on local roads especially during winter periods. Historically local authorities would close roads during the winter periods to lower costs. Unfortunately local transporters and forestry contractors need to supply export markets on a continual basis.
- Road Transport Industry – the ability to travel on the roads 24/7 to service customer needs. Forestry is more dependent on heavy vehicles use than other industries.
- Gisborne Port – delays offloading materials and long term storage issues. This is causing operational issues to heavy haulage industry. To make up for lost time operators are wanting 24/7 access to Council roads.

**Flood Damage and Emergency Reinstatement:** After a high rainfall or flood event the majority of needs are required in our rural networks. Specifically in the outer zone.

### Separate Funding

Roothing activity is a core service of Council. The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure, separate funding is considered important for transparency.

### NON-SUBSIDISED LOCAL ROADING (funding stream FS18-051)

100% differentiated Targeted Rate on Capital Value as follows:

- Inner zone 85%
- Outer zone 15%.

### PASSENGER TRANSPORT (funding stream FS18-052)

NZTA subsidy of 50% or more.

Up to 50% Targeted Rate to City Residential areas (DRA1) as a uniform amount per separately used or inhabited part of a rateable property.

**Note:** Council receives funding from the Ministry of Transport for Super Gold Card users.

### SUBSIDISED LOCAL ROADS (funding stream FS18-053)

Funding from NZTA subsidy income with the balance being rate funded as follows:

- 24% as a UAGC for access to individual properties
- 76% Differential Targeted Rate on Capital Value weighted according to land use.

Differentials are as follows:

- Residential, Lifestyle and other 1.0
- Horticultural and Pastoral 1.5



- Industrial and Commercial 2.0
- Forestry 7.5.

Under this policy Council may review the differentials at any time to ensure they continue to reflect the impacts on roading costs of each of the contributing sectors of the local economy.

#### **FLOOD DAMAGE AND EMERGENCY REINSTATEMENT** (funding stream FS18-054)

Funding through NZTA grant income with the balance being rate funded as a Differential Targeted Rates weighted according to land use:

- Residential, Lifestyle and other 1.0
- Horticulture and pastoral 1.5
- Industrial and Commercial 2.0
- Forestry 7.5

## **WATER SUPPLY**

This activity provides a continuous, sustainable, safe water supply and provides assured availability of water for fire-fighting purposes to the Gisborne city supply area and the townships of Te Karaka and Whatatutu.

#### **Key components of this activity comprise**

- Providing potable water for domestic, commercial and industrial purposes.
- Providing water to provide fire protection.
- Providing water to public service providers and community facilities such as schools, hospitals, sporting facilities and grounds etc.

#### **Primary Community Outcomes:**

Tairāwhiti Tangata, Tairāwhiti Taonga.

#### **Who benefits?**

The communities that are reticulated with a public water supply are the beneficiaries.

The entire community benefits through reducing health risks and having protection in the case of fire. In particular providing this protection to maintain access to public services such as hospitals, schools, police, ambulance etc. This is not considered sufficiently material to warrant a General Rates component in the funding.

All property owners/residents/tourists benefit from receiving water and protection from any fire risk.

**The Period of Benefit** is now and into the future.

#### **Exacerbators who create a need for this activity**

There are five identifiable groups that create the need:

- The existing wider community and also identifiable parts of the community
- Existing property owners/residents including commercial and industrial businesses within the reticulated areas
- Developers - new subdivisions and developments (growth) within the reticulated areas.
- The Fire Service - compliance with Fire Fighting (Code of Practice is mandatory)
- MOH through the Drinking Water Standards - Compliance with the Health (Drinking Water) Amendment Act is mandatory.

#### **Separate Funding**

The water activity is a core service that Council provides which has significant costs associated with it. It is also one of the five core activities that have to have separate activity management plans according to the LGA. Therefore to be transparent a separate funding stream is thought appropriate.

#### **WATER SUPPLY** (funding stream FS18-055)

1% User Fees and charges

99% Targeted Rates, to people connected to the reticulation system. (To those who have availability but are not connected a reduced charge of 50%).

Commercial users and bulk users have a combination of Targeted Rate and Volume Water Charges. Council charges a water-by-meter charge to commercial and extraordinary water users and this income is a rate under the Local Government Rating Act 2002.

A domestic allowance of 300 cubic metres per year is allowed for extraordinary rural residential water users with a metered water supply.

Water carriers are charged an access/administration fee and a volume charge.

## **WASTEWATER**

This activity comprises the collection and transportation of wastewater from its sources (factories and residences) to its point of treatment. Treatment and disposal of sewage for commercial and domestic users. The Local Government (Rating) Act 2002 Schedule 3 note 4 defines that for the purpose of water closets and urinals within a rating unit, a rating unit used primarily as a residence for one household must not be treated as having more than one water closet or urinal.

#### **Primary Community Outcome:**

Tairāwhiti Taonga.

## Who benefits?

Public health of the community, convenience of individual property owners and the users of coastal waters.

**The Period of Benefit** is now and into the future.

## Exacerbators who create a need for this activity

- The wider community.
- Those properties/residents connected.
- Small and large scale Industries and commercial businesses, restaurants and fast food outlets.
- The existing property owners/residents including commercial business and industries within the reticulated areas.
- Developers - new subdivisions and developments (growth) within the reticulated area generally create a need for increased wastewater disposal. This needs to be catered for.
- Iwi - although it is part of the RMA and LGA process iwi issues that must be resolved are important. Therefore they are specifically identified as creating the need.
- Environmental interest groups.

## Separate Funding

The wastewater activity is a core service that Council provides which has significant costs associated with it.

It is also one of the five core activities that have to have separate activity management plans according to the LGA.

Therefore a separate funding stream is appropriate.

## WASTEWATER (funding stream FS18-056)

99% Targeted Rates, to properties connected to the reticulation system, (to those who have availability but are not connected a reduced charge of 50%) by way of a fixed charge, partly per property, and partly per pan for each separately used or inhabited part (SUIP) of a property. This includes, but is not limited to, residential, commercial and industrial properties.

1% Fees and Charges - where practical, fees and charges will occur e.g. trade waste (volumetric charge), charges for the disposal of septic waste into the city sewer system, or disposal of septic waste or effluent into rural facilities.

**School Pan Charges:** School pan charges are based on staff and student numbers rather than number of connections. The Department of Education provides these numbers to Council on a regular basis.

Where a school meets the definition of an "Educational Establishment", Council's standard wastewater pan charge

(based on the number of water closets/urinals) will be calculated as 1 toilet pan for every 20 students and staff or part thereof.

## STORMWATER

This activity protects people, dwellings, private property and public areas from flooding by removing stormwater. To discharge stormwater and collect contaminants in a manner that protects the environment and public health (Excluding all land drainage beyond the city and township boundaries and river protection work).

## Key components of this activity comprise

- Stormwater and Drainage Courses – open drains
- Stormwater reticulation.

## Primary Community Outcomes:

Tairāwhiti Tangata, Tairāwhiti Taonga.

## Who benefits?

There is a mix of community public good and identifiable parts of the community benefiting. The wider community benefits from having public roads, open spaces, public services such as hospitals, schools, police, fire department etc. accessible and available through being protected from flooding. The wider community also benefits by protecting the environment from contaminants entering the waterways, including rivers and beaches.

All property owners and residents within the Gisborne city and rural township boundaries benefit from having their properties including commercial businesses, industries protected from flooding. They also benefit from the prevention of possible poor public health due to contaminated waterways in urban areas.

The Period of Benefit is now and into the future.

## Exacerbators who create a need for this activity

There are four identifiable groups that create the need:

- The existing road infrastructure, public buildings and spaces such as schools, hospitals, emergency services, parks, sporting grounds etc.
- The existing property owners including commercial business and industries within the Gisborne city and rural township boundaries
- Developers – new subdivisions and developments generally create extra stormwater runoff that needs to be catered for
- Property owners that increase runoff by increasing the size of their roof areas and/or impermeable surfaces.

## Separate Funding

Given the size of the expenditure separate funding for this activity is considered important for transparency.

### STORMWATER (funding stream FS18-057)

20% Undifferentiated General Rate on Capital Value.

68% Differential Targeted Rate per rating unit on residential properties in the defined area of benefit being primarily DRA1, Wainui, Okitu and rural townships including Patutahi and Manutuke.

12% Targeted Rate based on Capital Value on all industrial and commercial land use classifications in the defined area of benefit being primarily DRA1, Wainui and Okitu.

## FLOOD PROTECTION

The purpose of this activity is to protect people and properties (including productive land and infrastructure) from flooding and possible damage caused by coastal erosion. This excludes stormwater infrastructure within Gisborne city and township boundaries, as well as State Highway and private drains.

### Key components of this activity comprise

**Rivers Asset Management:** To provide activity management including processing consents, providing information and flood warning notice (this includes the maintenance and management of the telemetry infrastructure). It also includes advocating on behalf of flood control, erosion protection, land drainage and foredune protection to stakeholders.

**Flood Control (Waipaoa, Te Karaka, Ruatoria):** To provide flood protection to Poverty Bay Flats, Gisborne city, and Te Karaka and other catchment areas subject to review and as identified on maps available at Customer Services and on Councils website. The legacy loans including the Taruheru loan interest for flood control works, will be funded from the Flood Protection rating schemes in the same percentage as per current activity grouping.

**Land Drainage:** Provision of drainage for rural land improvements in designated areas as identified on maps available from Customer Services and on Councils website. There are two identified groups: Beneficiaries (Taruheru classes A-G, Ormond, Eastern Taruheru, Western Taruheru, Willows, Waikanae Creek, City, Waipaoa, Patutahi, Ngatatpa, Manutuke, Muriwai) pay 97.7% of the activity based on the targeted area. Contributors (Eastern Hill catchment and Western Hill catchment) pay 2.3% of the activity based on targeted area.

**Wainui Foredune Protection:** To provide coastal erosion protection to the residents of Wainui and the wider community. May+ need to review this activity and how it is funded and rated.

**River channel maintenance and infrastructure works:** To provide essential river channel maintenance and infrastructure works for identified rivers to protect land, properties and roads from erosion. The rivers with essential channel maintenance and infrastructure works include but are not limited to - Motu,

Matawai Stream, Waikura-Pehiri, Waikohu, Mangahei, Waihora, Waiomoko, Hikuwai, Waimata.

### Primary Community Outcomes:

Tairāwhiti Taonga, Tairāwhiti Tangata.

### Who benefits?

**Rivers Asset Management:** There is a mix of community public good and identifiable parts of the community benefiting.

- Wider Community
  - The wider community benefits through processing of consents, advocacy for the activity and providing them with information about flooding areas and erosion protection.
  - Flood warnings are available for the wider community.
- Identifiable parts of the community
  - Those specific people who receive flood warnings for properties and land.
  - People requesting resource consents and information.
  - Those on the Poverty Bay flats benefit more than others from the management/administration of the activity because there is a flood protection scheme on the Poverty Bay flats.

**Flood Control (Waipaoa, Te Karaka, Ruatoria):** Economic benefit to the wider community especially employment and cropping opportunity. Individual beneficiaries - protection of private property.

**Land Drainage:** The community as a whole does not receive any specific benefits. Individuals receive the entire benefit.

**Wainui Foredune Protection:** Individual residents who have properties on the Wainui shore and the wider community who utilise this stretch of beach.

**Coastal Protection Schemes:** Individual residents who have properties on the shore.

### River channel maintenance and infrastructure works

There is a mix of community, public and identifiable parts of the community benefiting.

- Wider Community - The wider community benefits through continuity of access along some roadways in identified essential channel works areas.
- Identifiable parts of the community:

- All properties and businesses including residents and owners within the area of the essential channel maintenance works benefit due to reducing any erosion issues.
- The road infrastructure within the area of the essential channel maintenance works benefit due to reducing any erosion issues.

**The Period of Benefit** is now and into the future.

**Exacerbators who create a need for this activity**

**Rivers Asset Management:**

- People, businesses, entities including roading and utility providers requiring consents, and LIMs etc.
- People requiring information for land drainage schemes, flood protection, foredune protection and river channel maintenance including any new or improvements to existing schemes.
- Everyone who requires flood warnings.

**Flood Control (Waipaoa, Te Karaka, Ruatoria):** Individuals, communities and businesses operating within the flood plain.

**Land Drainage:** Individuals, communities and businesses operating within the affected area.

**Wainui Foredune Protection:** Individual residents who have properties on the Wainui shore.

**Coastal Protection Schemes:** Individual residents who have properties on the shore. Maps of these properties and the hazard zone that they fall in are available at Customer Services and on Councils website.

**River channel maintenance and infrastructure works**

- Land and property within the essential channel maintenance areas especially those who change land use to be more impermeable.
- Roading networks, including any extensions or widening, that drain to the areas of essential channel maintenance.
- Upland catchments that drain into the rivers that have essential channel maintenance further downstream. This may include farmland, forestry, DoC land and other streams/ rivers, especially those that change land use to become more impermeable.
- Stormwater schemes that drain into the essential channel maintenance areas.
- Development within any of these essential channel maintenance areas that changes the impermeable surfaces.

**Separate Funding**

The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure separate, funding is considered important for transparency.

**RIVERS ASSET MANAGEMENT** (funding stream FS18–058)

1% Fees and Charges through private contributions where identifiable.

99% Undifferentiated General Rate on Capital Value.

**FLOOD CONTROL (TE KARAKA)** (funding stream FS18–059A)

95% Rates funded through Targeted Rate on Capital Value to direct beneficiaries within the flood scheme area.

5% Undifferentiated General Rate based on Capital Value.

**FLOOD CONTROL (WAIPAOA)**

60% rates funded by Undifferentiated General Rate based on Capital Value.

40% rates funded through Targeted Rate on Capital Value to direct beneficiaries within the flood scheme area.

**WAIAPU RIVER EROSION PROTECTION (RUATORIA)** (funding stream FS18-059B)

60% Undifferentiated General Rate based on Capital Value.

Remaining 40% split:

- 27% Targeted Rate on Capital Value on direct beneficiaries
- 6.5% Targeted Rate on Capital Value on indirect beneficiaries
- 6.5% Targeted Rate on Land Areas on contributors.

**LAND DRAINAGE** (funding stream FS18-060)

100% Targeted Rate on Land Area to properties that are beneficiaries and contributors in the identified area of benefit.

**WAINUI FOREDUNE PROTECTION 2007** (funding stream FS18- 061)

Specific Capital Works.

100% Targeted Rates based on Land Area to properties in the defined targeted rating area. A map is available at Customer Services and on Councils website.

**COASTAL PROPERTY PROTECTION SCHEMES - GENERAL MAINTENANCE AND FUTURE CAPITAL WORKS** (funding stream FS18-062)

100% targeted rates on capital or Land Value. Each properties' share of the total rate is determined by the dwelling's location within one of three geographical bands (A, B or C). Where more than one band applies a property will be placed in the highest applicable band (A-C):

- Band A at 80% of the Capital Value of the property where more than 25% of the dwelling is in the high/extreme zones
- Band B at 20% of the Capital Value of the property where more than 25% of the dwelling sits in the moderate zone
- Band C at 20% of the proportionate Land Value of the land in the hazard zones where there is no more than 25% of the dwelling in, or the dwelling is located outside of the extreme, high or moderate hazard zones.

#### **RIVER CHANNEL MAINTENANCE AND INFRASTRUCTURE WORKS** (funding stream FS18-063)

100% Undifferentiated General Rate based on Capital Value.

## **SOLID WASTE**

This activity provides for the collection, management and minimisation of solid waste across the district. The Solid Waste activity is a fundamental requirement for every district or city within New Zealand pursuant to the provisions of the Local Government Act 2002 and the Public Health Act 1956.

#### **Key components of this activity comprise**

**Cleaning of defined public places:** This includes rural townships, Gisborne city CBD and suburban shopping areas. Other areas include litter bins, street cleaning and illegal dumping.

**Domestic solid waste collections:** The weekly collection of rubbish bags and recycling containers from residential houses identified as separately used or inhabited part (SUIP) of a property. The Council currently has two kerbside contracts which include Gisborne City and Ruatoria.

**Operation of rural transfer stations:** The operation of rural transfer stations in the district. This includes cartage to Waiapu landfill or Gisborne city.

**Operation of the Waiapu landfill:** Receives solid waste from the East Coast transfer stations. It also provides an emergency waste disposal facility should the city be unable to transport its waste for disposal outside the district.

#### **Primary Community Outcomes:**

Tairāwhiti Tangata, Tairāwhiti Taonga.

#### **Who benefits?**

**Cleaning of defined public places:** The whole community benefits from a cleaner environment.

**Domestic solid waste collections:** Individual households (separately used or inhabited part of a property) who receive the service benefit. The whole community benefits with the protection of public health. There is a mix of community public good and identifiable parts of the community benefiting through reducing health risks.

**Operation of rural transfer stations:** The whole community benefits from a cleaner environment. The local townships are major beneficiaries as their solid waste makes up the major proportion of the waste going to these transfer stations.

**Operation of the Waiapu landfill:** The whole community benefits from a clean environment. The district benefits by not receiving solid waste from the East Coast and therefore not having to pay additional out of district cartage fees and landfill charges. The East Coast townships are major beneficiaries as their solid waste makes up the major proportion of the waste being landfilled. The district benefits in the event of a civil defence emergency with a consented landfill in the region if road access to State Highway 2 to Napier and/or Opotiki is cut off.

**The Period of Benefit** is now and into the future

#### **Exacerbators who create a need for this activity**

##### **Cleaning of defined public places:**

- Rural townships, suburban shopping centres and Gisborne city CBD which receive the service.
- Wider community at large by requiring a clean environment.

##### **Domestic Solid Waste collections:**

- Residential Households (SUIP) who receive the service.
- Wider community at large by wanting a clean environment.

##### **Operation of rural transfer stations:**

- Rural residents and commercial businesses that have a transfer station in their township or have reasonable access to one.
- The rural communities that have reasonable access to the transfer stations e.g. 15km radius.
- Waste occurs on a district wide basis hence disposal is provided on a district wide basis i.e. tourists.

##### **Operation of the Waiapu landfill:**

- The rural townships on the East Coast.
- The rural community in general that reside in DRA5.
- The wider community by not having to transfer solid waste from these areas to Gisborne and then out of the district.

#### **Separate Funding**

The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure separate funding is considered important for transparency.



## **CLEANING OF DEFINED PUBLIC PLACES** (funding stream FS18-064)

100% UAGC.

## **DOMESTIC SOLID WASTE COLLECTIONS** (funding stream FS18-065)

Domestic solid waste collections for residential separately used or inhabited part of properties.

100% Uniform Targeted Rate over the area served charged for each SUIP.

The recycling only collection is available to commercial properties.

100% Uniform Targeted Rate within the area served charged for each SUIP where the ratepayer has opted-in.

## **RURAL TRANSFER STATIONS** (funding stream FS18-066)

Operation of rural transfer stations.

30 % Targeted Rate on properties with a dwelling, commercial or industrial building within approximately a 15km radius of rural transfer stations/landfills as uniform charge per separately used or inhabited part.

22% User pays through transfer station/landfill user fees and charges.

48% UAGC.

## **WAIAPU LANDFILL** (funding stream FS18-067)

Operation of the Waiapu landfill.

35% Recovery through internal charges to the transfer stations that dispose of waste to the Waiapu landfill.

5% User fees and charges for commercial or other waste, delivered direct to the landfill.

60% UAGC.

## **SOLID WASTE LEGACY DEBT AND AFTER-CARE PROVISIONS** (funding stream FS18-068)

100% Undifferentiated General Rate based on Capital Value, for the term of the legacy debt loan and interest.

Adjustments (if any) to the Paokahu Landfill after-care provisions 100% Undifferentiated General Rate based on Capital Value.

## **PART 3 - General Policies and Guidance**

These policies apply when no specific provision exists within this policy, if a new component of an activity occurs, or if an activity is undertaken in a new location. The new costs will be funded in a similar and consistent way to existing activity.

No changes have been made to this section from 2015-2025 Long Term Plan. This section will be reviewed in year one of the 2018-2028 LTP commencing 1 July 2018 where the proposed changes will future proof the policies and will not have any change of incidence impact on current policy.

### **3.1 Depreciation**

The funding of depreciation provides the cash income to support Council's capital renewals programme. Depreciation is calculated separately for each class of asset. The full cost of depreciation is not always funded. This occurs where:

- Council has a reasonable expectation that the replacement asset will be partly funded by grants, subsidies or other third party income.
- Where Council has determined not to replace the asset at the end of its life.

#### **Who benefits?**

The beneficiaries of the related activity benefit through the provision of inter-generational equity. Those ratepayers using the asset contribute to its loss of service potential (wearing out).

**The Period of Benefit** is ongoing but not less than the economic life of the asset.

#### **Separate Funding**

Council assets are valued at \$1.9B (2013/14). Depreciation on this asset base is funded by the activity using the particular assets.

#### **DEPRECIATION** (funding stream FS12-069)

Depreciation is funded using the same funding mechanism as the related activity.

Funded depreciation may be used for principal repayments on internal capital loans.

Depreciation may not be funded in the following circumstances:

- For assets that Council has determined will not be replaced at the end of their lives.
- For vested assets during their first life cycle.
- For the portion of roading asset renewals expected to be funded through NZTA.
- For the portion of a community asset where the replacement is expected to be funded through external grants, subsidies or donations.
- For the portion of other assets funded in advance by capital rates or similar.

### **3.2 General Capital Expenditure**

#### **Key components of this activity comprise:**

- Renewals capital
- New capital works.



**Who benefits?**

Groups within the district benefit to a greater or lesser degree depending on the renewal item.

**The Period of Benefit** is ongoing but not less than the economic life of the asset.

**Separate Funding**

Funding is normally through the related activity. This is a general funding provision covering all Council activities.

**RENEWALS CAPITAL** (funding stream FS12-070)

- Renewals Capital
- 100% funding from (in preference order):
  - Grants and/or subsidies
  - Donations
  - Relevant depreciation reserves
  - Other operational or capital reserves
  - Internal loans
  - Lump sum contributions
  - Proceeds from asset sales
  - Loan interest payments will be treated as an operational cost
  - Principal repayments may be funded from the relevant depreciation reserve and/or treated as an operational cost.

**NEW CAPITAL WORKS** (funding stream FS12-071)

Funding may be from several diverse sources which will depend on the amount of public/private good, the degree to which the service is a core Council service versus a discretionary activity and so on. Each capital project will be considered on its merits and the source of funding may be one or more of the following:

- Directly paid for by a General or Targeted Rate
- An appropriate financial reserve
- Internal loan
- Grants or subsidies
- Donations
- Development contributions
- Financial contributions
- Lump sum contributions

- Interest and dividends from investments
- Proceeds from asset sales
- Any other source considered appropriate by Council
- Loan interest payments will be treated as an operational cost
- Principal repayments may be funded from the relevant depreciation reserve and/or treated as an operational cost.

**NEW CAPITAL WORKS - INVESTIGATION AND FEASIBILITY STUDIES** (funding stream FS18-072)

New Capital Works - Investigation and Feasibility studies where these costs cannot be capitalised.

Operational funding for feasibility studies, investigation costs and evaluating alternatives for new capital works is generally treated as a district-wide expense. Each capital project will be considered on its merits. These costs may be recovered by an Undifferentiated General Rate on Capital Value.

**3.3 Fees and Charges**

Fees and charges are used for activities where there is a private benefit to an individual, if it is possible to efficiently impose a charge. Charges are calculated on the basis of either recovering the full cost of the service, the marginal cost added by the users, or at a rate the market will pay. Some fees and charges are set by statute. Most fees and charges are set annually by Council but Council may at any time review and reset its non-rates charges.

**Who benefits?**

Individuals and businesses derive private benefits.

**The Period of Benefit** is ongoing.

**FEES AND CHARGES** (funding stream FS18-073)

Council may review fees and charges at any time.

At any time Council may introduce fees and charges for new services/activities not specifically excluded in the Long Term Plan.

Council business units will set their fees and charges from time to time in accordance with general business practice.

Council may adjust fees and charges to reflect changes in Government imposed taxes (e.g. GST).

**3.4 Credit Policy**

Credit is advanced as part of normal Council activities and it is covered by Council's formal credit policies which are reviewed and updated from time to time.

## Who benefits?

There is a private benefit in that the granting of credit will result in payment being delayed and may assist with administrative efficiency.

The provision of credit is a normal business practice for Council's business units.

**The Period of Benefit** is ongoing during the period of the credit arrangement.

## CREDIT POLICY (funding stream FS18-074)

Wherever practical Council will collect its fees and charges in advance of the goods or services being provided.

Where credit is extended it will be on normal commercial terms. Council may require a guarantee or other suitable security prior to advancing credit.

Where credit is advanced Council will require the applicant to agree that in the event of a default they will reimburse all Council collection and related costs.

## 3.5 Sale of Investments and Other Assets

Council maintains assets and investments to support its other activities and to provide a non-rates income stream to Council. Council will determine at the time of disposal the appropriate use of the proceeds. In the absence of a specific direction from Council these general principles will apply.

### Key components of this activity comprise

**Assets and Investments sold in the normal course of business:** These include plant and equipment and short term treasury investments.

**Assets held for resale:** Council holds industrial land specifically for the purpose of resale.

**Surplus assets:** From time to time Council determines particular assets or investments to be surplus to its requirements.

## INVESTMENTS AND OTHER ASSETS (funding stream FS18-075)

### General

Proceeds from asset sales may be used to fund capital works or to repay debt.

The sale of assets from one class, e.g. community property, will be utilised to purchase alternative assets within the same class.

Proceeds from asset sales will not normally be used to fund operating costs unless specified in the Long Term Plan or Annual Plan budgeting process.

### Normal day to day acquisition and disposal of assets and investments.

The gain or loss on sale for assets sold in the normal course of business become income or expense in the related activity.

**Assets held for resale:** Profits from the sale of these assets is returned to Council by way of an internal dividend to the Treasury activity. This dividend reduces debt.

**Surplus assets:** At time of disposal Council determines the most appropriate use of the sale proceeds. In the absence of a specific direction from Council the proceeds are used to reduce debt.

## PART 4 Definitions – Rates

### Educational Establishment

“educational establishment means a school:

- established as a special school under section 98(1) of the Education Act 1964; or
- defined as –
- a state school under section 2(1) of the Education Act 1989; or
- an integrated school under section 2(1) of the Private Schools Conditional Integration Act 1975; or
- a special institution under section 92(1) of the Education Act 1989; or
- an early childhood education and care centre under section 310 of the Education Act 1989, but excluding any early childhood centre operated for profit.”

### Rural Towns

Rural towns and townships as noted in the District Plan include the following settlements:

Hexton	Ormond	Waerenga-o-Kuri
Hicks Bay	Patutahi	Waihirere
Makaraka	Rangitukia	Wainui/Okitu include in DRA1 (City)
Makauri	Ruatoria	Waipiro Bay
Makorori	Te Araroa	Waituhi
Manutuke	Te Puia	Whangara
Matawai	Tikitiki	Whatatutu
Motu	Tiniroto	Muriwai
Tokomaru Bay	Onepoto Bay	Tolaga Bay

### General Rates

Rates directly related to the value of the property, charged on capital value.

### Targeted Rates

Rates which apply in certain areas or to certain ratepayers.

### Uniform Annual General Charge (UAGC)

A fixed amount charged to each separately used or inhabited part of a rating unit.

The following activities make up the UAGC:

Cemeteries	HB Williams Memorial and rural libraries	Roading
Civil Defence	Litter bins and cleaning public areas	Strategic Planning and Customer Engagement
District Civil and Corporate expenses	Managing Solid waste and transfer stations	Tairāwhiti Museum
Economic Development and Tourism	Mayor and councillor representation costs	
Environmental and Public Health protection	Public Toilets- cleaning & maintaining	

### Separately Used or Inhabited Part of a rating unit (SUIP) is defined as:

Any portion of a rating unit used for a different purpose or inhabited by any person, other than the ratepayer or member of the ratepayer's household, having a right to use or inhabit that portion by virtue of a tenancy, lease, license or other agreement.

### Interpretation Rules

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

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

c. Each residential rating unit which has, in addition to a family dwelling unit, one or more non-residential uses (i.e. home occupation units) will be charged an extra UAGC for each additional use. (See Guidance Note 3).

d. Each non-residential activity which has, in addition to its business or commercial function, co-sited residential units which are not a prerequisite part of the business or commercial function, will pay additional UAGCs for each residential unit. (See Guidance Note 4).

e. Individually tenanted flats, including retirement units, apartments and town houses (attached or not attached) or multiple dwellings on Māori freehold land are separately inhabited parts, and will each pay a separate UAGC. (See Note 5.)

f. Each title on a multiple-managed forestry holding (that is, where the forest is broken into several individual small titles) is a separately used part except when one or more titles are adjacent and under the same ownership, in which case the rules of contiguity apply.

g. Each block of land for which a separate title has been issued is liable to pay a UAGC, even if that land is vacant. NOTE: Two or more adjacent blocks of vacant land are not eligible for Remission under "Contiguity" (S.20 of LG(R)A 02) because they are not "used for the same purpose" (i.e. they are not used at all).

h. Each dwelling, flat, or additional rentable unit (attached or not attached) on a pastoral, horticultural or forestry property which is let (or capable of being let) for a substantial part of the year to persons other than immediate family members is a separately inhabited part of a property, and separate UAGCs are payable.

i. A substantial part of the year is considered to be three months or more (this total period may be fragmented, and may occur at any part of the rating year).

### Guidance Notes

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

### Commercial Properties:

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

## Residential Properties:

- The rule will apply to properties identified as "flats" on the valuation record, administered by Council's Valuer. Sleep-outs and granny flats will generally be identified as "sleep-out" on the valuation record and will not normally qualify for additional UAGCs.
- If a property is identified on the valuation record as having flats, but these in fact are used only for family members or for others for very short periods, then the additional UAGCs may be remitted on Council receiving proof of their use, including a signed declaration from the property owner (see remission policies). A property owner who actively advertises the flats for accommodation will not qualify for the remission.
- A property such as a large house which is identified as being split into, say, three internal flats at the time the valuation records were established, but which is not actually used as such, will need to apply for remission under Council's remission policy. (Note: This property should be referred to Council's Valuer for correction on the next valuation cycle).

## Residential with Non-Residential Part

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

## Non-Residential Activity with Co-sited Dwelling

- A fish and chip shop, with a flat above which can be accessed without passing through the shop, does have a separately used part, and would normally incur an additional UAGC charge.
- A dairy which has an integral dwelling attached, would not incur an additional UAGC, because the home is an integral part of the operation of the dairy.
- A boarding house containing a caretaker's apartment and several separately let rooms (with or without facilities) all within the structure of the one building, is a single (commercial) use and would not incur an additional UAGC. (The same applies to home-stays and bed and breakfast homes).
- Certain government agencies, churches, marae, and the like are automatically rate exempt (except for service

charges such as water and wastewater) but if these organisations undertake accommodation or business activities which are not related to their core function, they may be charged rates and additional UAGCs for each separately used or inhabited part of the rating unit.

## Individually Tenanted Flats

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

He Kupu Āpiti  
**Our  
Appendices**



## Gisborne District Council



### Our Role

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



### Our Governance Structure

The elected Council consists of the Mayor and 13 councillors (including the Deputy Mayor). The councillors cover five areas of the district (referred to as wards). While the councillors have been elected from their respective wards, they have an obligation and a duty to represent the interests of the district as a whole.

The Council is elected every three years and is responsible for setting the overall direction of the district and budget.

What they do:

- set the budget and overall plan through Long Term Plans and Annual Plans
- adopt policies
- approve bylaws
- monitor Council's performance
- engage with their local communities
- advocate on behalf of others
- raise issues to be addressed.



## Council Committees

Council currently has nine committees:

- Community Development and Services
- Environmental Planning and Regulations
- Finance & Audit
- Hearings
- Assets & Infrastructure
- Regional Transport
- Wastewater Management
- Future Tairāwhiti
- Civil Defence & Emergency Management.

These are reviewed after each election.

### Representation Review

The Council resolved on 17 May the final proposal to have nine councillors, plus the Mayor, elected from the electors of the district as a whole and three community boards, being the East Coast, Western Rural and Gisborne City Community Boards.

The Local Government Commission will consider all appeals and objections to the final proposal and make its determination on the Gisborne District Council's representation arrangements for the 2019 Local Body Elections. This will happen before 10 April 2019.

## Organisational Structure

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















Chief Executive, Nedine Thatcher Swann, established a new Hub structure for Council, effective May 2017. Each Hub has a cohesive community and customer focus committed to deliver the goals and aspirations of the community that we serve and share accountability and risk for achieving agreed priorities.

Senior Managers are now referred to as Directors, with the exception of the Chief Financial Officer who has a specific focus on Finance and Affordability.

The Director positions are strategic in nature and support the Chief Executive to lead the Council's focus on our long-term challenges. They have direct accountability for the activities that have the opportunity to most likely influence the needs of our communities and customers.

The leadership team are referred to as the Central Organising Roopu – or the COR. The structure is shown below.

## Schedule of Councillors

<b>GISBORNE</b>  Mayor Meng Foon P 06 867 1870 M 027 44 84 084 F 06 867 926	<b>GISBORNE</b>  Deputy Mayor Rehette Stoltz P 06 868 5382 M 021 279 79	<b>GISBORNE</b>  Cr Larry Foster P 06 868 8927 M 027 450 881	<b>TAWHITI - UAWA</b>  Cr Patricia A Seymour (Pat) Seymour OBE P 06 862 2697 M 0274 725 997 F 06 862 2703
<b>GISBORNE</b>  Cr Amber Dunn P 06 867 3131 M 021 475 470	<b>GISBORNE</b>  Cr Andy W Cranston P 06 868 1160 M 027 27 33 192	<b>GISBORNE</b>  Cr Brian I Wilson M 027 237 8080	<b>MATAKAOA - WAIAPU</b>  Cr William S Burdett (Bill) P 06 864 8966 (H) P 06 864 8341 (W) F 06 864 8967
<b>GISBORNE</b>  Cr Meredith Akuhata-Brown P 06 867 7496 M 027 200 5605	<b>GISBORNE</b>  Cr Shannon Dowsing M 021 222 2571	<b>TARUHERU - PATUTAHU</b>  Cr Malcolm MacLean M 027 332 860	<b>WAIPAOA</b>  Cr Graeme Thomson P 06 862 8737
<b>GISBORNE</b>  Cr Karen Fenn P 06 868 1442 M 0273781 846	<b>GISBORNE</b>  Cr Josh Wharehinga M 027 512 5195		

## Our leadership team - known as the Central Organising Roopu (COR)

<b>Chief Executive</b>  Nedine Thatcher Swann DDI (06) 869 2414 E Nedine.Thatcher-Swann@gdc.govt.nz	<b>Director Community Lifelines</b>  David Wilson DDI (06) 869 2356 E David.Wilson@gdc.govt.nz	<b>Director Environmental Services &amp; Protection</b>  Nick Zaman DDI (06) 869 2862 E Nick.Zaman@gdc.govt.nz
<b>Director Transformation &amp; Relationships</b>  Keita Kohere DDI (06) 869 2720 E Keita.Kohere@gdc.govt.nz	<b>Director Liveable Communities</b>  Andrew White DDI (06) 869 2721 E Andrew.White@gdc.govt.nz	<b>Director Internal Partnerships</b>  James Baty DDI 06 869 2881 E James.Baty@gdc.govt.nz

### Chief Financial Officer - Finance & Affordability



Pauline Foreman  
 DDI (06) 869 2899  
 E Pauline.Foreman@gdc.govt.nz

## Schedule of Agents

BANKERS	SOLICITORS	INSURANCE BROKERS	AUDITORS
Westpac Banking Corporation 101 Gladstone Road, Gisborne	Cooney Lees Morgan 247 Cameron Road, Tauranga	Aon New Zealand Aon House 85 Tristram Street Hamilton	Ernst & Young 21/100 Willis St Wellington (on behalf of the Auditor General)
ANZ National Bank Ltd 36 Gladstone Road, Gisborne	Simpson Grierson 195 Lambton Quay, Wellington		
	Buddle Findlay 1 Willis Street, Wellington		



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